



NEW SOLIDARITY International Press Service

Weekly Edition

P.O. Box 1972, G.P.O.
New York, New York 10001
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Vol. II No. 46

October 24, 1975

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IPS WEEKLY FINANCIAL NEWSLETTER

IPS DAILY REPORTS FROM OCTOBER 18 THROUGH OCTOBER 24

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Panic Over NYC Heralds World Break With Dollar

NEW YORK, Oct. 18 (IPS) — The now-guaranteed default of New York City this week propelled a majority of the capitalist world — including many pro-U.S. "Atlanticists" — into opposition to continued domination of the markets and trade by Rockefeller's dollar. To the West Germans, French, Japanese, and formerly pro-Rockefeller oil producing countries, whether New York City pays its noteholders has become immaterial. The mere threat of a New York default irregardless of the possibility of a Federal bail-out has permanently settled all doubts in many finance ministries and party headquarters as to whether the dollar credit sector could survive the next period without destroying the most basic aspects of economic life worldwide.

In West Germany, in the last 24 hours, the growth and openness of attacks on the dollar by financial, press and political figures is without precedent — with the country's banking community swinging almost unanimously over to the "break with the dollar" position.

In Frankfurt, West Germany's financial capital, the country's most respected bankers gathered on Thursday to denounce the \$220 billion "Eurodollar" market, the international dollar lending pool. Otmar Emminger, the central bank's vice-president, and the Deutsche Bank's Hermann Abs, the most powerful financier in West Germany, warned of the impending collapse of rollover credits on the Eurodollar market — the \$60 billion of unpayable Third World debt in particular. Finance Ministry official Darl-Otto Poehl added that he was "doubtful" about the Eurodollar market's ability to survive the coming wave of debt moratoria by Third World countries.

"A government bailout of New York City would undermine world capital markets just as effectively as a New York City default," the conservative West German daily Die Welt added yesterday. Anticipating Federal Reserve paperprinting to prop up the New York banks, the West German financial daily Handelsblatt announced Thursday in banner headlines, "Inflation Endangers U.S. Recovery."

But Social Democratic leader Hebert Wehner's release this week of a study on the role of the transfer-ruble, the stable Comecon currency unit, established the anti-dollar line-up as a

point of no return and created the parameters of further discussion. The study, which appeared in the Wehner-edited Social Democratic monthly Neue Gesellschaft under the authorship of former finance minister Alex Moeller, praises the financial successes of the socialist countries. Sources close to Moeller, say the article is a response to demands among pro-East-West trade industrialists.

For the first time, there is unanimity among European bankers that the dollar empire must crumble. (KHF)-Bank in Frankfurt predicts "a catastrophe — everything will go overboard." Sal Oppenheim, a leading merchant bank, calls the situation "a disaster for the dollar." Dresdener Bank's Kurt Riehebaecker, who told IPS that the "situation is far worse than the 1930's," was called yesterday by the U.S. Federal Reserve protesting his "pessimism." He answered the Fed with uproarious laughter, according to informed sources.

There is no choice for Europe except to take this position, and the agreement of the West German finance ministry, the country's last bastion of Atlanticism, is a fair measure of the shift that has occurred during the last three days. The New York City crisis — after which crises threaten in Britain, Italy, Denmark, Japan, Australia, dozens of municipalities, Zaire, Indonesia, Egypt, Brazil, South Korea, and a score of Third World countries — obliterated the last illusions in circulation.

Immediately, world financial markets responded to the crisis in a way which will shut down international trade within weeks if they persist. European foreign exchange markets shut down on Friday, because banks refused to extend one-day credit to each other — the situation prevailing during the height of the crisis that wracked the Eurodollar market following the Herstatt Bank failure in June 1974. The cost of foreign exchange transactions, accordingly, rose by one thousand per cent overnight. Meanwhile, banks everywhere massively sold dollars for future delivery — an elementary transaction banks use to cover themselves against bills coming in in other currencies which may rise against the dollar — dropping the value of dollars to be paid three months hence by four per cent against the cash dollar (see p. 6). This raises prohibitive costs to foreign trade, which depends on free exchange

between currencies. All the hedging devices developed to preserve trade since fixed rates between currencies disappeared in the wake of the August 1971 dollar collapse stopped working, as of yesterday.

The situation has compelled every manufacturing and trading interest in the world to look for the nearest alternative. Chicago politicians spent today canvassing support for debt moratorium proposals in the lobby outside Congressional hearings on the New York City situation today, while First National Bank of Chicago President Chauncey Schmidt spoke in London of circumventing the Eurodollar market in Mideast investment. In a speech Thursday, Schmidt called for an investment authority for the Mideast, to prevent a protectionist outbreak and declining world trade. The Chicago banker made the call on the return leg of a trip to Rumania, where he cited expansion of East - West trade as the basis for ongoing "sensitive political negotiations."

Assembled at the annual meeting of their manufacturing association, Confindustria, Italian industrialists meanwhile circulated demands for a moratorium on almost 100 billion in industrial firms' debts, now threatening to close down large sections of Italian major industry, including the chemical giant Montedison, the base of Rockefeller opponent Eugenio Cefis.

These developments set the political pre-conditions for a moratorium on the 12 billion foreign debt of Great Britain, and the 14 billion of Italian external debt, the primary reason for the strangulation of both economies. Chauncey Schmidt's speech in London outlines the basis for an institution which would unite European and Japanese industry with developing oil-producing countries, outside the medium of Eurodollar debt. A moratorium by Italian industries against a mainly state-owned banking structure would, in turn, force a moratorium on Italy's foreign debt burden, which requires 2.2 billion a year in debt service.

An even more far-reaching development is in progress now in Asia, the old Sterling Zone, Japan, and the Mideast. London Financial Times columnist G. Gordon Tether has called on the Japanese, the oil-producing countries, and developing nations to turn the Asian Development Bank into

a bona-fide international development institution. Previously, the ADB has functioned as a Japanese-run franchise of the Rockefeller-controlled World Bank in Washington, D.C. But the Tether call, reprinted in other European newspapers, comes in a special context. A major national bankruptcy is in the works now in that region, as yet unidentified; it has created a banking panic as of the end of last week, with interbank dollar rates pushed up to more than 22 per cent, three times the normal rate. This threatens a virtual shutdown of Japanese exports to this critical area, already down 20 per cent over the previous year.

A hotbed of diplomatic activity indicates that the Tether proposal was intended for immediate realization. Pro-development West German political leader Gerhard Stoltenberg is now in Japan, speaking to large business audiences on German-Japanese cooperation, particularly the shipbuilding industry, which Stoltenberg is closely allied to in Northern Germany. A French Communist Party delegation is in Japan simultaneously, following closely a visit by a British sympathizer of Stoltenberg, Energy Minister Anthony Wedgwood Benn. A Bulgarian trade delegation is now in Moscow en route to Tokyo, while Indian

government representatives are also in Moscow discussing India's next five-year plan with top Soviet officials.

New York City's insipid cliffhanger is not the cause of these developments. It was merely the last straw for a world facing economic ruin. Since the International Caucus of Labor Committees' circulation of the International Development Bank proposals in April 1975, the solution to the crisis, viz., the freezing of current debt-service attached to productive activity, and the creation of alternative credit-issuing institutions, has surfaced first among Third World nations, and now in the industrialized sector.

Rockefeller Is Instigating An International Trade War

Oct. 18 (IPS) — From U.S. Federal Reserve Chairman Arthur Burns to right-wing and Second International European and U.S. agents alike, Rockefeller's associates internationally this week raised obscene calls for trade war on a scale sufficient to send European and Japanese production back to the Middle Ages via destruction of market demands. In his October 14 speech to the International Iron and Steel Institute, George Stinson, President of the U.S. National Steel Corporation, called for national protectionism — import controls and production cuts — “basic rules . . . toward a more stable steel trade.”

New York banking sources meanwhile revealed yesterday that the Fed is firing the first real shots by pressuring U.S. banks to dump their investments in European and Japanese industry.

Every penny thus “freed” from production cuts is to be sucked into New York to prop up the dollar — for one more day. The operation depends on exploiting the worst — every-man-for-himself tendencies of capitalist mentality in an international collapse — “to hell with production, give me liquidity!”

More fundamentally, the trade-war scare is a purely defensive reaction to wholesale European moves this week to decouple from the rotting dollar. Given the overwhelming international preference for expanded production and trade over sinking with the dollar, no one in Europe or Japan is buying protectionism but Rocky's discredited agents.

Banking sources report that Fed chairman Arthur Burns is now ordering U.S. bank-holding companies to sell off their holdings in foreign companies since “these will not provide us with the

kind of profits we expected” when the U.S. rushed Europe in the early 1960s. Particularly under pressure is the First National Bank of Chicago whose President Chauncey Schmidt was recently described by the Soviet press as an example of pro-detente and East-West trade forces.

This has already torpedoed Italian and Japanese production. The financial paper *Il Sole* reports this week that prices on the Italian stock market have collapsed due to U.S. investors' dumping of stocks. Japan, after previously high growth rates, lost a full \$80 million in foreign securities investments in September alone, producing a negative balance of payments for the month.

Beggar Thy Neighbor and Thyself

National Steel's chief Stinson signifies an explicit U.S. intervention into a riot around steel trade war in the European Coal and Steel Community (ECSC) orchestrated to crescendo this week. Key agents in the war are right-wing CNEP (French Employers Association) Vice-Chairman Jacques Ferry; the Second International's Sir Montague Finneston, Chairman of the Labour government's British Steel Corporation; and European Economic Community Commissioner for Italy Altiero Spinelli, openly affiliated with the Institute for International Affairs of the CIA and Italian Communist Party.

Ferry has reopened his year-old call for national import controls, production cuts, and artificial price supports known as “declaration of manifest crisis” under founding Article 61 of the ECSC hoping to suck disparate steel-makers into insane calls for government protection. This would in fact Balkanize EEC trade, bankrupting companies right and left as markets shut. Undaunted, Spinelli with Finneston's support, has had himself com-

missioned by the EEC to produce recommendations for implementation by Oct. 22.

West German steelmakers, which the U.S. Treasury claims are the “most outspoken proponents of protectionism in Europe” as well as being heavily involved in East-West trade, are particularly targeted. As West German firms go broke under conditions of cut throat price competition, the government Kartellamt trustbusting agency is investigating Krupp, Thyssen, and other Soviet business partners for illegal high price fixing. This is again geared to make the firms clamour for “legal” government protection.

Behind this European paranoia is six months of U.S. Treasury witch-hunt investigations of European and Japanese auto exporters, on charges of “dumping” instigated by the CIA's auto union chief Woodcock. The Treasury has threatened all EEC exports with tariffs by charging that the EEC tax rebate system constitutes “price support.”

Pro-development forces, however, are not sitting still. *Handelsblatt*, newspaper of BRD industrialists, leads the attack on the mutual cannibalization of protectionism in its Friday headliner. Attacking the Rockefeller-Ford Administration for “losing control” over protectionist forces, it branded the Treasury dumping charges “a protectionist superweapon.” Dr. Dieter Spethmann, Chairman of Thyssen stressed that although BRD steel demand had fallen by 30 per cent “You haven't heard a word that international restrictions should be imposed,” according to the *Financial Times*. First National Bank of Chicago's Schmidt, in a London speech Thursday, similarly called for international cooperation to avoid “an avalanche of protectionism.”

Inventories, Layoffs Soar As Economy Dives

Oct. 22 (IPS) — Across the country, front-page headlines are telling workers that the U.S. recovery is underway. According to White House press releases, the \$1.3 billion rise in business inventories in the month of August, according to Dept. of Commerce figures, signals that the depression has ended. Nothing could be further from the truth.

The fact is that the massive rise in inventories signifies the next ratchet in the accelerated dismantling of the U.S. economy. The slight improvement in industrial production and employment which occurred between April and September, has succeeded only in filling up wholesalers' and retailers' shelves. Consumer sales have stagnated; nobody can afford to buy.

The inventory pileup, hailed as the precursor of recovery, is now the immediate cause of thousands of layoffs in the steel, electrical, and rubber industries, inaugurating the second phase of the worst depression since the Black Death of the 16th century.

Field reports received by the U.S. Labor Party Continental Operations center reveal that, since the beginning of October, a minimum of 30,888 steel workers were laid off or are scheduled for layoff shortly in the Pennsylvania-Ohio-Illinois-Michigan steel centers. Electrical layoffs monitored total at least 10,888, including 935 at Pittsburgh Westinghouse, 4,000 at Youngstown Packard Electric, 2,000-3,000 at Philadelphia Western Electric, and 2,000 at Philadelphia General Electric. Firestone Rubber just announced it will permanently shut down its 1,000-man Reading plant and consolidate it with its Akron operations, where another 100 workers were laid off. Hundreds of workers are also slated for the unemployment line from both Goodrich and Goodyear rubber plants in Akron.

This is the news the national capitalist press won't print.

A natural gas shortage contrived by Rockefeller now threatens to force even greater production cuts. North Carolina state officials report that natural gas-related layoffs in the state could reach 72,000 this winter. Armco Steel claims the gas shortage will necessitate the closing of seven of its largest plants. The manager of General Motors' Energy Department has warned that 36 per cent of the company's production is dependent on natural gas.

The blight of the auto industry is shocking disproof of the White House

claims. Due to a huge 98-day inventory overhang, the bankrupt Chrysler Corp. has declared, its entire 60,888-man operation will close down for the month of December. Chrysler recently handed over its accounts receivables to its creditors, most notably Chase Manhattan. Auto analysts give the corporation little chance of survival.

In total, the overhang for 1975-model cars is now 835,000 — 22 per cent above the level of a year ago, when inventories were considered abysmally high. Poor sales are the reason behind huge layoffs expected at the Ford Wixom plant this month, where overtime work has already been cut. The Ford Rouge Assembly plant is rumored to be on the verge of shutdown; it is likely that its labor force will be recycled to other plants.

The auto overhang stems from the collapse of sales during the June-September period, which the auto companies failed to anticipate. The only way the companies can hope to sell off these heavy inventories now is through heavy price discounting. Chrysler, which holds the largest inventories of 1975 models, will be pushed to the edge of bankruptcy, as forced discounting will only exacerbate its cash-flow crisis. Another auto analyst predicted 10 per cent production cuts for the industry as a whole during the fourth quarter. However, he admitted that his "optimistic" forecast was based on the unjustified assumption that car sales will increase.

The situation in steel is no better. The National Association of Purchasing Managers reports that, following this summer's brief surge in steel orders as a hedge against announced price increases, orders are now collapsing. The steel industry has been forced to extend to December its "gentlemen's agree-

ment" with customers, under which it has been charging the old prices or even resorting to price cuts. Steel users are still so heavily overstocked that NAPM does not expect their inventories to decline to normal levels until the end of the first quarter of 1976!

Accelerating Collapse

Heightened liquidity pressures on corporations will make the current round of production cuts even more severe than those of a year ago. The crumbling U.S. banking system, now under siege by threatened Third World debt moratoria, the New York City default, and the bankruptcy of W.T. Grants and the Real Estate Investment Trusts, is continuing to curtail drastically its loans to productive industry and commerce while stepping up pressures for debt repayment. The drying up of credit forces manufacturers to cut their production to improve short-term cash-flow. This only thrusts them deeper into the quicksand as they strangle the very productive base upon which future earnings depend.

This second round of production collapse now threatens to utterly decimate the vital machinery and machine-tool sector, the heart of the U.S. economy. The Commerce Department reports that, during August, new orders for non-electrical machinery fell \$466 million, a 6.3 per cent decline from the July level. No one is much interested in buying new equipment when existing plant and equipment is running at only 65 per cent capacity. The non-electrical machinery sector also has the worst inventory pileup, a three-month supply. U.S. banks appear to have totally written off the machinery industry, cutting their loans to this sector by nearly \$1 billion in the third quarter and another \$196 million in the first two weeks of October alone.



These auto body parts stockpiled at the Linden GM plant will never be used.

The 'PCI Strategy' Is Introduced In Japan

Oct. 18 — Within less than a year of coming to power, the government of Japanese Prime Minister Takeo Miki has reached a state of political collapse that is far more severe than the Water-gated Tanaka cabinet which it succeeded. The Japanese economy is on the verge of total collapse, shaken by a wave of bankruptcies and municipal debt crises. The confidence of even the business community in the government's ability to solve the crisis is next to nil, despite the recent moves to reflate the economy. The ruling Liberal Democratic Party (LDP) is wracked by open factional warfare with the most basic principles of post-war Japanese policy, particularly the alliance with the United States, under question. In the general populace, according to a recent poll, Miki has the support of only 23 per cent, the most rapid drop in one year of any post-war government.

The fall of the Dollar Empire, threatening to drag Japan down with it, has posed the necessity in stark terms of ending that relationship. The need to break from the dollar and establish an independent foreign policy based on expanded trade with the Communist countries and 'the Third World is now openly discussed in the councils of the zaibatsu, the giant conglomerates that rule the economy and are the main supporters of the LDP. Within the LDP itself, nationalist tendencies, previously disguised under the cover of the anti-communist alliance with the

US, are now emerging into the open.

Rockefeller's allies in Japan, led in the LDP by Prime Minister Miki and "economic Czar" Takeo Fukuda, are desperately trying to contain this discontent, mindful as well of the pent-up rage of the Japanese working class. The strategy which has emerged to deal with this situation is a Japanese version of the Italian "Historical Compromise" — that is, the entrance of the PCI into the government to implement fascist austerity.

In Japan, the strategy goes under the rubric of the "reformist-conservative alliance," referring to an alliance of the LDP (or part of it) and the Japanese Socialist Party (JSP). This includes the two smaller centrist parties, the rightwing Democratic Socialist Party

(DSP) and the Buddhist Komeito. Such an alliance, whether in the form of an actual coalition government or a de facto political alliance, is explicitly aimed at containing and isolating the Japanese Communist Party (JCP) and the anti-Miki and anti-U.S., nationalist layers of the LDP and their business supporters.

It is an unfortunate irony that the latter grouping is a more immediate threat to Rockefeller's control over Japan than the nationalist, polycentrist led JCP.

This strategy was laid out in a major speech last month by LDP Secretary-General and known fascist Yasuhiro Nakasone, speaking in Tokyo to the members of his own party faction. Nakasone, who has up until now been cautious in committing himself in LDP factional battles, clearly endorsed the Miki line of "cooperation" with the JSP. He stated: "Society as a whole is leading in the direction of the left. The LDP must strike the center of it. If we think what the main current is, it needs to be renovationist-conservative...We cannot be permitted to wind the watch backward." Nakasone, while attacking the CP as a "vanguard revolutionary party," endorsed a "two-party system" with a JSP-Komeito-DSP front as "natural for the physical constitution of Japan."

Nakasone openly expressed concern over the growth of pro-CP sentiment in the JSP and the lower ranks of the Komeito and urged the SP to clarify its policy as to a "JCP-JSP" or "JSP-Komeito-DSP" line. This concern stems from the wide factional split within the SP over this strategy, a split which has been the subject of considerable commentary in Japanese media. The split is described as between the pro-Soviet Shakaishugi Kyokai (Socialism Association) group and the rest of the party. Kyokai, while held back by its own syndicalist lack of program, is the fastest growing grouping in the party, particularly among youth and trade unionists.

The atmosphere within the SP is exemplified by a recent convention of the party chapter in Chiba Prefecture near Tokyo. The majority of the delegates were pro-Kyokai and

proceeded to attack the increasingly pro-Maoist policy of the party leadership, causing the minority to walk out and form a rump party organization in the prefecture.

These forces have been extremely active in past months. In September, a delegation of the SP led by rightwing leader Eda Saburo came to the U.S. — the first such trip in 18 years. Here they met with key figures in the government, including Schlesinger and various CIA policy makers. In October, a delegate from the NATO agent-led PCI visited Japan where he met with top party officials of both the CP and SP. The PCI no doubt encouraged the Maoists of the SP and attempted to persuade their "comrades" of the CP to capitulate to the social democrats.

The JCP, though dominated in its leadership by nationalists and polycentrists, still retains a fighting potential, as evidenced by growing support for the party in former social democratic strongholds in the trade unions. It is this fact along with the existence of a strong (300,000 member) party organization which causes the capitalists to fear the CP. The working class supports the CP because they perceive this fear, despite the programless national chauvinism of the party leadership!

The JCP is well aware of the strategy of the "reformist-conservative alliance" and has attacked it vigorously — from a purely national standpoint. This is evidence that some elements within the party are aware that their attempts to prove their "Japaneseness" is gaining them little, and seek a more internationalist policy. Last week, at the invitation of the JCP, a delegation of the French CP arrived in Japan. The open endorsement, by SP leaders like Eda of the PCI, may cause the CP to look more closely at the events in Europe. A CP-Kyokai alliance, based on an international program, can make the difference in breaking Japan out of the Rockefeller camp. It is only such an organized working-class movement that can keep those anti-Rockefeller capitalists — who are presently vacillating and tending towards their own brand of autarchic Japanese fascism — "honest."

Japan Guts Its Industry In Attempt to Save Yen

Oct. 22 (IPS) — In an attempt to support the plunging value of its currency, the Japanese government has begun depleting its reserves — selling dollars — at the rate of \$2 billion a month, according to New York banking sources. With \$6 billion — one-quarter of Japan's reserves — spent in the last three months alone, this rate will mean the total depletion of all reserves within six to eight months.

This desperate support operation, combined with an export rate which is now falling at an unusual rate of 28 per cent, means that it will soon become unprofitable for Japanese industrialists to continue production — thus ensuring a further, precipitous collapse of the yen. If this cycle continues, the Euro-dollar market, and Rockefeller's New York banking network itself, will die in the shockwaves: Rocky's Manufacturers Hanover alone has \$1.8 billion in outstanding loans to Japan — compared to \$1.2 billion in bank assets!

The situation puts before every political faction in Japan an immediate choice with only two alternatives — no more. On one hand, self-cannibalization of the Japanese economy to pay dollar debt can continue — saving Rocky's Dollar Empire for a few more weeks until Japan or some other weak link like New York City gives way. In the meantime, Japanese domestic consumption and production — heavily based on imports — will not simply erode but will crumble almost overnight to wartime levels of misery.

On the other hand, Japan can immediately establish a Japanese or Asian Development Bank along the lines of the International Caucus of Labor Committees-proposed International Development Bank through which exchanges of, especially, oil for Japanese technology can be made. These "barter-type" exchanges can then be used as a basis for generating non-inflationary credit for expanded trade between Japan and the entire range of Third World, European and Comecon nations. (See accompanying article.)

Leading Third World countries have already shown their amenability to such a proposal. Japan is now in negotiations with Iraq, an acknowledged Third World leader, for a \$1 billion oil-for-technology deal, and has been discussing several development packages with that Mideast country. India, another firmly pro-development nation, sent a telegram to Tokyo this week to discuss "expanding and strengthening economic ties" between the two countries. These "ties" are said to include several bilateral deals which would develop Indian food production,

and at least one triangular project that have Japan and India jointly participate in Mideast petrochemical production.

The expansion of these yen and barter deals is the only way to circumvent the dollar debt requirements now absorbing trade and production funds. At this time the Japanese government has taken responsibility for the debts incurred by the entire economy's income losses caused by production collapses. This includes \$30 billion in 180-day foreign loans that must be paid in dollars — money mostly to Rockefeller banks that does not go into production. The yen has steadily lost its value because the economy behind it is now no longer productive enough to sell its produce at the level necessary to pay its bill.

And so the cycle goes — complicated by the fact that Japanese exports,

which provide 35 per cent of corporate profits, have fallen as Japan's trading partners (40 per cent of them Third World nations) go bankrupt. The 28 per cent fall of annual exports over the last several months has translated, in part, into a 45 per cent drop in profits in the April through September period.

To maintain some semblance of an economy under these conditions, the Bank of Japan (Japan's central bank) has printed enough new yen to allow for an increase in bank lending by 33 per cent over this quarter. However, 60 per cent of these bank loans immediately leave the country, going for debt service. In addition, \$15 billion in government deficit bonds are also being financed by freshly printed money. The result is hyperinflated yen — more and more of which are required to buy the dollars needed for Rocky's debt service.

The Way Out for Japan

pean countries and the Comecon sector as well. This expansion would inevitably move toward debt moratoria on dollar debt, and the establishment of an International Development Bank type arrangement. It would be guaranteed to be well received not only

The impending collapse of the entire Japanese economy puts in sharp relief the future of every industrial power that allows itself to be held in hock by the Rockefeller banking interests. Over the past year, during open threats to its oil and even food supply, the Japanese have gutlessly capitulated at every turn. Now, with bankruptcy at the front door, Japan has only one alternative to sinking into Third World status and taking the rest of the dollar-based world economy with it. That alternative is the establishment of a Japanese-Middle East Trading Company which, on the basis of transfers of oil for technology, will provide the basis for saving the Japanese economy.

Turning the Tables

The special vulnerability of Japan to Rockefeller blackmail has been its extreme dependence on imports for obtaining raw materials and energy, in particular oil. Now the cost of financing these imports — debt service that runs as high as \$33 billion in the short term — combined with the catastrophic decline in exports imposed by depression devastation in the Third World and the U.S., threatens to shut down Japanese production altogether.

Ironically, this very weakness defines the solution to the Japanese bind — the oil-producing countries. Over the very same period these countries have also been subject to a massive cutback in production, bringing them way under their capacity for oil production. This cutback has been imposed both by the rise in oil prices engineered by the Rockefeller oil companies, and by the austerity forced on their customers by Rockefeller political and financial institutions. These Middle Eastern countries need to have the market for oil which the Japanese can offer — in return for the industrial goods which the Japanese are in excellent condition to provide.

As should be obvious, the mere barter of oil-for-technology would not be sufficient in itself to save the Japanese or the Arab populations from further immiseration. The key purpose of the swap arrangement would be to use the letters of trade as the basis for expanded credit and trade between Japan and other Third World countries — and eventually including other Euro-

among vocal proponents of three-way deals for development such as the Iraqis, but also by pro-development forces in Europe. One of the most prominent pro-development spokesmen in Europe, British economist Gordon Tether, has in fact already called for an Asian Development Bank on the similar principle of circumventing Rockefeller-controlled financial institutions in order to expand mutually beneficial trade between the industrialized and Third World countries.

What It Would Look Like

The first step for the Japanese business community would be to establish a trading company for deals with the Middle East, totally circumventing the Japanese Central Bank, and hence circumventing the point of Rockefeller control over the project. The stated purpose of the trading company would be the exchange of oil for technology — with nothing denominated in dollars. Unlike the dollar, the letters of trade which represent this swap agreement represent real production — and hence a healthy basis on which to “finance” further trade between Japan and the Third World. In the short-term such an arrangement would beg the question of a currency of account — although movement toward use of the Soviet ruble, the world’s most stable currency, makes it likely that the ruble would take over this function eventually.

The Next Step

Significant movement toward such an arrangement has already come about in the last few days, as Japanese industrialists have begun discussions toward major new deals with the Indians and the government of Iraq. The political import of these projected developments, which include extensive investment in fertilizer, steel, and petrochemical plants, has already forced the Japanese Ex-Im bank to back the barter deal with Iraq up to the point of \$1 billion. The political test will come if the Japanese get the nerve to extend these deals regardless of dollar backing — on the basis of the mutual needs of the economies involved.

The next immediate step required of the Japanese would be to bring in other industrialized countries into the arrangement. The most likely first candidate would be Great Britain, a section of whose industrialists have shown a consistent interest in exploiting its close relationship to former Commonwealth nations and thus establishing a similar “raw materials for technology” arrangement. Britain also shares Japan’s heavy dependence upon imports — and a very narrow margin away from the situation where its industrialists too find it unprofitable to continue production at all.

No Light Matter

While the measures outlined above are absolutely essential to save the Japanese working class from a period of poverty and chaos more desperate than any they have ever experienced, the necessity of such measures is dictated by the needs of the international economy as a whole.

Japan has been a major supplier of industry and technology to the Third World; just as the advanced industrial plant and workforce of the U.S. cannot be lost to the underdeveloped world, neither can the Japanese industry and industrial workforce. Similarly the Japanese export 20 per cent of their products to the United States. In monetary terms, the dependence of the rest of the world is just as heavy. The collapse of the yen would detonate a total collapse of the Eurodollar market and large chunks of the U.S. financial community.

The plight of the Japanese economy is a clear proof that an International Development Bank arrangement is a matter of life and death for the advanced sector as well as the Third World. The promise of taking the road for development has never been better; the Japanese are being forced by Rockefeller to be the first industrialized country to take it.

PCF's Jean Elleinstein—Agent or “Communiste de Boudoirs”?

Following the August 6, 1975 publication in Pravda of Konstantin Zarodov's "The Leninist Strategy and Tactics of Revolutionary Struggle," which re-asserts the significance of the dictatorship of the proletariat for the revolutionary process in Western Europe, bourgeois press and governmental agencies as though on cue started to howl about "renewed, dangerous Soviet designs to promote violent revolution and the establishment of Eastern-style people's republics in the democratic West."

To no one's great surprise the Anglo-American agent leaderships of the Italian and Spanish Communist parties began to echo their master's voices without delay. Principled political agreement between PCI leader Giorgio Amendola and U.S. anti-communist columnist Victor Zorza has by now become commonplace. What is distressing is that starting in late August-early September the French Communist Party (PCF) increasingly opened the pages of their paper *L'Humanité*, and their journals *France Nouvelle* and *Cahiers du Communisme* to similar denunciations of comrade Zarodov's thesis and an associated debate about the "phenomenon of Stalinism," with a certain Jean Elleinstein of the CERM (Center for Marxist Studies and Research) as the main protagonist of the anti-Stalinist fronde.

Elleinstein, age 47, "Communiste de boudoirs," and a kind of French structuralist version of Eduard Bernstein, in recent months has become the ever-more-vocal center for considerable polycentrist, liquidationist, and anti-Soviet sentiment and activities in the PCF. The boldness with which "the Italians" in the PCF are now putting forward their treasonous arguments (for a convincing example see Jean Rony, "Italy in Motion," *France Nouvelle*, September 28, 1975) was greatly aided by the break created by Elleinstein's anti-Stalinist writings. Elleinstein himself, of course, is an "Italian" par excellence and has named Amendola as the one he feels closest to among communist leaders.

While we do not, at this point, possess the pay stubs to identify Elleinstein as a paid agent of Anglo-American intelligence services, two things can be established with certainty and should be sufficient to prompt the PCF leadership to re-evaluate its mistaken and dangerous "freedom of criticism" attitude toward Elleinstein and his co-factioneers. First, Elleinstein's entire outlook as evidenced by his writings is not that of a communist, but of a "democratic socialist" of the Second International variety. His scholarly anti-Stalinism has created inside the PCF precisely the kind of "democratic" anti-Soviet ambience which social-democratic agents deployed by Anglo-American intelligence depend upon to do their dirty work and introduce disorientation into working class ranks. Second, Elleinstein's present burst of activity — when confronted recently with the obvious political

consequences of his writings he defiantly responded, "I intend to write more and more" ("J'ai l'intention d'écrire de plus en plus") — comes precisely at a time when "anti-Stalinism"

"I suppose you are trying to say that I am an agent of Anglo-American secret services. Well, I don't say that you guys are Russian agents. It is possible to have independent positions, you know."

(Elleinstein in a recent discussion with ELC members in Paris).

has become the catch-word and rallying cry of a repulsive and criminal alliance from Willy Brandt and Olof Palme to sundry Maoist and Trotskyist countergangs, deployed and funded by the CIA and NATO agencies, to prevent at all cost the elaboration and implementation of a European-wide revolutionary working class strategy.

In light of the simultaneous all-out NATO-inspired PCI-PCE attack on the unity, integrity and fighting power of the communist movement, confirming the worst of Zarodov's suspicions:

"The modern-day compromisers do not even pay lip service to the independence of the proletarian party. They would like to dissolve it into an ideologically amorphous organization into an alliance created entirely on the basis of the formula 'unity for unity's sake'."

The reproduction in the pages of leading PCF publications of Amendola's and Carrillo's anti-Soviet, polycentrist, pluralist line by Rony, Elleinstein and Co. is no minor issue and the contents of their "argument" cannot be dismissed as a relatively inconsequential petit bourgeois aberration. At the recent Copenhagen NATO conference the most reactionary Rockefeller-led U.S. imperialist circles declared open class warfare and resumption of Cold War tactics against the Soviet Union. Amendola and Carrillo, both of whom have been witting agents of the Anglo-American intelligence establishment for over thirty years, are now executing the orders of these circles to liquidate the largest Communist Party of Western Europe to realize Amendola's long-standing "partito unico" idea and then to join forces — the catch-word is convergence — with the Christian-fascist troops of "left wing" DCer Bassetti in Italy and of pro-Maoists Tindemans and Strauss European-wide. Defense of such policies is no petit bourgeois disorder but advocacy of the policies of the class enemy.

The Existentialist-Structuralist Ambiance in the PCF

Aside from the immediate political conjunctural context and significance of Elleinstein's anti-Stalinism, a closer reading of his various tracts identifies this Garaudy student as a typical representative of the existentialism-structuralism of the Levi Strauss-Crozier Althusser-Foucault variety. The Elleinstein phenomenon is thus only the latest example of a specific vulnerability to anti-working class "theories" incurred by the PCF through its continued toleration — since at least the mid 1930s — of the existentialist and the somewhat later-developed structuralist phenomenalist disease. As is otherwise best demonstrated through the case of the ultra-left Karl Korsch — who in the 1912 - 1914 period was recruited to the British foreign office-sponsored Fabian Society and whose circle of "intellectuals" inside and outside of the KPD in the 1920s and 1930s created the necessary openings for British anti-Comintern operations — anti-Marxist philosophies are (at least since Marx founded the First International socialist organization) never mere "honest" petit bourgeois disorders, but always also vunction as "police philosophies." That is, these philosophies are consciously fostered and employed by the bourgeoisie for intelligence and counterinsurgency purposes. Structuralism is no exception. Crozier and Althusser-student Foucault were sponsored by the Tavistock Institute, Fabian Society-created and Rockefeller-funded headquarters and proving ground of Anglo-American counterinsurgency operations. Thus Tavistock psychiatrists R. D. Laing, David Cooper, etc., in the early 1960s undertook several studies — such as reported in Laing's 1962 paper "Existential Philosophy and Psychoanalysis" — in which the most significant individual and social-psychological features underlying existentialism and structuralism are identified from the standpoint of clinical psychiatry.

Undoubtedly the knowledge gained from such investigations then became instrumental in subversive operations directed against the PCF (and specifically its youth and student organizations) in the middle and late 1960s. The 1966-67 Althusser affair is a case in point. At that time, a sizable group of structuralist Althusser disciples left the PCF to form a separate Maoist organization (comparable to the more important 1966 II Manifesto "left" Maoist split-off from the PCI which was actually engineered by the Amendola clique) and entire PCF sections succumbed to disorientation and disorganization from which they did not recover until after 1968, is a case in point. Much as Elleinstein's present use of structuralist devices to counterpose his "structures démocratiques" to the hated notion of the dictatorship of the proletariat, Althusser as early as 1962-63 in his *La Pensée* essays "Contradiction and Overdetermination" and "On the Materialist Dialectic" used all sorts of nauseating structuralist jargon ("complex structured whole" substituted for Marx's "concrete living whole"

etc.) to give Mao's mumbo-jumbo of "principal" and "secondary contradictions" the appearance of Marxist theory and thus prepare the ground for the positive reception of Maoist ideology by large numbers of especially younger PCF members and intellectuals. In these efforts of elevating Mao's wretched *On Contradiction* into a Marxist classic, Althusser received valuable assistance from his structuralist brethren Godelier and Charles Bettelheim.

When the PCF politbureau finally ousted Althusser for his activities, the damage had been done, and it would be more than naive to assume that British intelligence — well-equipped with Laing's psychological profiles — had simply been a curious bystander and passive admirer of Althusser's wrecking operation. Once it is understood that existentialism and structuralism directly map onto and are the expression in philosophical disguise of some of the worst features of the French ideology, they can be used deliberately and effectively for subversive purposes against anyone who gives them credence as genuine theories and methods of analysis.

While the Althusser affair is indicative of the general character and the necessary evaluation of the Elleinstein phenomenon, the historical roots of the problem go back at least to the immediate post-World War II period, when large numbers of coffee-house intellectuals whose fundamental philosophical outlook was existentialist or phenomenologist found a temporary political home in the PCF and met with minimal opposition to their position from the PCF leadership. There is a direct line which connects that 1945 -47 Paris intellectual swamp with the Althusser ambiance of the 1960s and the fascist cult of the "Sartre of the 1960s" and present structuralist pope, Althusser disciple Michel Foucault. That Foucault is not a PCF member is not what is important here. What is of immediate concern is that the methods employed by Elleinstein to viciously discredit essential concepts of Marxist theory are identical to those employed by Foucault to derive that "man is dead," crushed by overwhelming structures, capable at best to struggle for a kind of liberation allowing him to express his basic drives and desires — a bestial, fascist nightmare, which Foucault acts out in his experimental work among Left Bank lumpen strata and the inmates of prisons and mental institutions. It emerges that the right, social-democratic PCF member Elleinstein and the "anti-humanist" gauchiste lumpen apostle Foucault are adherents of structuralism for the same basic psychological reason: their deep-rooted petit bourgeois fear of collective humanity, the inability to comprehend or deal with the actual, active social process, the need to petrify the live organism, to convert it into a dead structure, and finally the attempt to manipulate and rearrange the oppressive structure to find some room ("the democratic right") to act out one's infantile desires — those are the identical psychological motives of the right winger Elleinstein and the "left" radical Foucault. In more than one respect they resemble the complementary

pair of right opportunist Bernstein and ultra-left Korsch. Are they in the service of the same British employer?

It needs to be added that toleration on the part of the PCF throughout its post-World War II history and accommodation to various forces of petit bourgeois neurotic disorders elevated to the status of philosophical method has not only laid the party open to a succession of counterinsurgent attacks, but, just as importantly, has led to an identification of the notion of communist intellectual with a parade of despicable clowns, agents and gigolos from Merleau-Ponty to the fellow travellers of the 1950s Sartre and Levi-Strauss to Garaudy to Althusser and Bettelheim and now finally Jean Elleinstein. It is a most urgent task that the motion of intellectuality, rather than signifying impotence, ridicule and betrayal, be reclaimed by the party's determined communist political leadership, grounded in Marxist theory and capable of designing and executing a revolutionary working class strategy based on a firm grasp of Marx's dialectical method.

Elleinstein on Stalinism

The outstanding feature of Elleinstein's characterization of the phenomenon of Stalinism — in the following, reference is made to a 1974 interview with Elleinstein in André Harris' and Alin de Sedouy's *Voyage à l'intérieur du Parti Communiste* (Journey into the Communist Party), Elleinstein's recent book *Histoire du Phénomène Stalinién* (History of the Stalinist Phenomenon), and the article "La démocratie et la marche à socialisme" ("Democracy and the March to Socialism") in *France Nouvelle* of September 23 — is that it contains absolutely nothing new: ample empirical proof of Rosa Luxemburg's remark in "Social Reform or Revolution?" that Bernstein's theory was the first, but simultaneously the last attempt to create a theoretical foundation for opportunism. "We say: the last, because in Bernstein's system opportunism has gone — negatively through its renunciation of scientific socialism, positively through its marshaling of every conceivable bit of theoretical confusion — to a point where there is nothing left to be done."

Elleinstein's "theories" can indeed most conveniently be characterized as a kind of Bernsteinism in structuralist guise — i.e. Bernstein made palatable to the French petit bourgeois through the good services of the structuralist masters at the Ecole Normale Supérieure and the Ecole des Hautes Etudes. No longer is the movement everything — now it is the structure of the movement, its democratic structure, the democratic way . . .

"The essential thing . . . is the patient search for necessary openings to make society progress toward socialism via a democratic way, because this way is the revolutionary way in our countries and in our time."

Again and again Elleinstein obsessively returns to the motion of "structures démocratiques" as the central theme of his "theorizing."

In the *France Nouvelle* piece much of human

history is surveyed from the standpoint of the progressive evolution of democratic structures, especially in the bourgeois period — with such unfortunate interruptions as Nazi Germany (and presumably Stalinist Russia). Elsewhere (*Voyage*, p. 274) the problems of Lenin's Bolshevik Party are diagnosed as those of "A party without democratic traditions . . . , which grew clandestinely amidst Revolution and war." Finally, "le phénomène démocratique" is pursued all the way into the realm of "Pleasure and Eroticism."

"what is true — I believe this demands deep reflection from us — is that there is a democratization of pleasure" and "today, there is a democratization of eroticism, eroticism becomes a mass phenomenon." (*Voyage*, p. 284).

Such democratic structures, whose ultimate justification is moral rather than historical or political, cannot — and here we come to the political pay-off of the concept — be expected to arise in such culturally backward countries as Russia of the turn of the century, which explains the peculiar authoritarian character of Russian socialism, is at the root of the phenomenon of Stalinism, and makes clear "why Soviet socialism ("socialism means freedom of expression") is not a socialist model for France." Nor, of course, is Lenin's concept of revolution (including his and, by implication, Zardov's concept of the revolutionary-democratic dictatorship of the proletariat) — developed as it was in Russia (wasn't it rather London, Stuttgart, Zürich, etc.?) in the period before and during World War I — a model for the revolutionary struggle in France today.

"We must take into account the specific terrain of countries which have experienced the Renaissance, the Reformation, the Age of Enlightenment, bourgeois revolution and industrial revolution all along the four centuries and more which have elapsed since the end of the Middle Ages. What profound difference with 1917 Russia in historical evolution! Mobile warfare was then followed, after the failure of revolution in Europe in 1917-21, by position warfare. Revolution under the brutal and rapid form which it had in 1871 and 1917 is an exception in the history of western countries. Socialist revolution in the West can only be a long process, long prepared by the proletariat and realized according to numerous and diverse phases based on democratic processes which do not lead to restrictions of freedom, but, on the contrary, to their expansion. The dictatorship of the proletariat can thus only refer back to the theoretical concept Marx talked about. It does not represent a short-term, or even long-term, objective. It has no, it can no longer have, an operational role."

This, actually, is no longer Bernstein speaking, but is an argument first developed explicitly by Karl August Wiltfogel, one of Bernstein's most despicable comrades in service to the British

Foreign Office. During the 1920s Wiltfogel was a member of the KPD and in 1925 he joined the Institute for Social Research ("Frankfurt School") as their specialist for studies of the Asiatic mode of production. After his emigration to the United States he became a China expert for the OSS-CIA related Institute of Pacific Relations and finally, in 1951 and by then a rabid anti-communist, he denounced a large number of his former friends and associates to the McCarran Senate Internal Security Committee. To Wiltfogel is due the characterization of Leninism as the adaptation of Marxism to "oriental despotism," and Elleinstein clearly owes a great deal to this notion. So, by the way, does Rudi Dutschke, former West Berlin anarchist SDS-leader and author of a just published book which elaborates at length the Wiltfogel thesis.

Significantly, Elleinstein's purpose in adopting Wiltfogel's slanderous characterization of Lenin and the Soviet Union becomes most obvious in his discussion of Stalin himself. Stalin, described principally as a butcher of millions of people, came to power in the Soviet Union because of "the conditions in which revolution triumphed in Russia. In my view, this is a specifically Russian phenomenon..." (Voyage, p. 275). But what Elleinstein really wants to hit is the hated concept of the dictatorship of the proletariat: "... the dictatorship of the proletariat tends to become identical with the dictatorship of the party, and rapidly, the dictatorship of the party tends to become identical with the dictatorship of one man or group of men. . . ."

The conclusion, of course, which the reader is supposed to draw is that "Stalinism" and the dictatorship of the proletariat are closely associated, and that both were appropriate or at any rate explainable in the context of Russia's history of oriental despotism. What about the actual history of the Stalin period? To suit Elleinstein's purpose of using "Stalinism" to discredit the dictatorship of the proletariat it must be presented as primarily a long series of atrocities. Consequently the *Histoire du Phénomène Stalinién* provides us with no new insight into the phenomenon referred to in the title; additional light, however, is shed on the Elleinstein phenomenon. Situating it, as was done above, in the existentialist-structuralist audience does not sufficiently reveal the full extent of its sickening mixture of indifferentism and moral imbecility.

We limit our discussion and review of the *Histoire* to two key points: the Moscow trials and Bukharin's opposition to Stalin's 1929 total collectivization and rapid industrialization policy. First, the Moscow trials: detailed evidence which will be presented in coming installments of the "Political Intelligence" series in *New Solidarity* under the title "Canaris" will demonstrate that the evidence on the basis of which in 1937 Tukhachevsky and the Red Army general staff were tried and convicted, was prepared, laundered and played into Stalin's hands by German and British intelligence agencies — i.e., that Tukhachevsky et al. were victims of a joint German-British intelligence operation. The operation was explicitly in the interest of the British Foreign Office which envisaged at the time deploying Nazi Germany as a kind of gigantic "Freikorps" against the Soviet Union

and after a Soviet defeat wrest European hegemony away from a weakened Third Reich. Much as the massive post-war "Operation Splinter Factor," the anti-Tukhachevsky operation relied upon British intelligence estimates that it would be relatively easy to play on Stalin's strong paranoid tendencies and have him get rid of individuals the British wanted to see eliminated, if only one provided him with sufficiently convincing "evidence" against them.

Now, Elleinstein claims to be a professional historian and expert on the Stalin period. Could it be that he was totally unaware at least of the relatively wide-spread hypothesis advanced by the Soviets themselves that Tukhachevsky was the victim of a German Intelligence operation? And if he was aware of this, how then can a simple, unqualified condemnation of Stalin be upheld?

Second, the case of Bukharin. There is no room here for a detailed discussion of all the ins and outs of Stalin's 1929 decisions and Bukharin's opposition. One thing, however, ought to be totally clear to every one: if in 1929 Stalin had not opted for all-out industrialization and single-mindedly pursued that policy in subsequent years, then the Soviet Union would not today exist and would rapidly have collapsed under the first onslaught of Hitler's armies as Hitler himself had expected and hoped for.

Defense of the Soviet Union, of course, is not Elleinstein's strong suit. Aside from that the defense of Bukharin has an important present factional purpose — and here the circle closes and we find Elleinstein once again in the company of his Italian co-factioneers. Defense of Bukharin, whose understanding of surplus value never advanced beyond that of a shrewd Kulak, is a sly and relatively safe way of preparing the way for the introduction of Maoist ideas, needed for the purpose of giving a "socialist" cover to fascist economic policies. The PCI's Amendola clique is openly pursuing precisely such a course. Thus the PCI's *Unità* just featured a review of some recently published Mao tracts, approvingly quoting Mao to the effect that Stalin "showed great mistrust of the peasantry. He excessively sacrificed agriculture to both light and heavy industry. In sum, he did not know how to walk on two legs." The author of the review is Giuseppe Boffa, expelled from Czechoslovakia in 1968 for spying.

Whatever Elleinstein's possible Maoist leanings, he has not revealed them openly as yet. Doing so might get him kicked out of the party — something he cannot afford: it would spoil his game of bourgeoisie-baiting in his posh, très grand bourgeois surroundings.



Communist Parties Push Faction Fight Out Into the Open

Oct. 21 (IPS) — Factional warfare between the revolutionaries and the Rockefeller agents in the leadership of the world communist movement exploded into the open this week. The French Communists and the Soviet and East German parties have opened a spirited political campaign against the Social Democrats and the Maoists, the closest allies of the agent polycentrists infiltrating the movement, together with unprecedented theoretical treatment of the political mass strike as the means of revolution in the West.

After the fascist-led Italian Communist Party (PCI) published its delegation's intervention at this month's closed European CP consultation in East Berlin, the French Communist Party (PCF) threw restrictive protocol to the winds and released Politburo member Jean Kanapa's presentation to that same gathering. Kanapa's speech makes it clear for all to see that the anti-Soviet polycentrists grouped around the PCI leaders will not be permitted to enmesh the Communist Parties in compromises that can lead only to their destruction.

At the Berlin gathering Oct. 10, Kanapa observed that "the political content of the (European CP conference) document (in preparation) shrank and became poorer." He made no secret of his disgust at this paring-down process, forced by the PCI agents and their cohorts on threat of their bolting from the proceedings. In response, Kanapa attempted what no CP leader has done at such a meeting in the post-war period — to base his recommendation on a conjunctural perspective.

"A serious analysis going far beyond the inclusion of a few ritual formulas seemed the more necessary as the European capitalist countries are experiencing today a crisis without precedent — I repeat, without precedent in its character. . . The order of the day is the necessity of profound economic and social changes opening the road to socialism." There must be a unified struggle for "a workers' Europe," said Kanapa, as an alternative to "a Europe where one part remains under the boot of the holy, reactionary and overarmed alliance, the Europe of the Giscard d'Estaings, the Schmidts, the Kissingers."

By demanding that the European CP conference take up the real issues of the class battle, by insisting that peaceful co-existence — the subject of the document — is not the status quo, Kanapa has put all parties on notice that the topic under debate is not the formal content of any document, but the concrete developing

motion toward "a workers' Europe."

The upsurge of intellectual ferment into the kind of open strategic debate exemplified by the publication of Kanapa's speech means that the left-wing Communist Parties have now found access to intellectual weaponry which, made the basis for working-class mobilization, the PCI leaders and their cohorts cannot withstand.

Theoretical Backup

Simultaneous with the release of Kanapa's speech, there has been an outpouring of topical and theoretical articles in the Communist press which take up the crucial questions of revolutionary strategy and tactics, and of ideology in politics. (Some of these articles are excerpted in translation here.) The attack on the philosophy of the Social Democracy by the East German party (SED) and the Soviet analysis of Maoism provide their communist cadre readers with a new understanding of how the heteronomic worldview of most workers and leftists in bourgeois society is manipulated against real communism.

The editorialist in the SED theoretical monthly *Einheit* wrote that above all, communists must use Marxist method against the despairing outlook fostered by the bourgeoisie — must demolish that outlook as unscientific, and counterpose the goal of a socialist society. The immediate targets of this effort are clearly identified in *Einheit* and the Soviets' *Izvestia*: Willy Brandt and the criminal Social Democratic machine he heads, and the "revisionist" agents in the communist parties, who can be identified by their Maoist intellectual garb and their affinities with the various agents expelled from the movement in the late 1960's.

Beyond this immediate perspective, the Soviet party paper *Pravda* opened up a new realm of debate over revolutionary organizing tactics by reviving Rosa Luxemburg's analysis of the political mass strike. In an Oct. 19 article on the anniversary of the October 1905 pre-revolutionary strikes in Russia, *Pravda* counterposed Luxemburg's ideas to subsequent Social Democratic policies of sabotaging the revolutionary movement.

These developments in Europe received crucial international support in the latest issue of the Soviet journal *Kommunist*, in which Uruguayan Communist leader Rodney Arismendi expounded and advanced the Latin American Communist Parties' Havana declaration of earlier this year and called for a world conference of CP's, and centralized coordination of the movement in Latin America.

Capitalist Faction Discovers Politics; Int'l Development Policy Emerges

Oct. 22 (IPS) — For the first time in post-war history, a U.S. capitalist faction has begun to use economic policy as a political weapon and is converging on a programmatic opposition to Rockefeller's bottomless depression.

*First National Bank of Chicago President Chauncey Schmidt, travelling throughout Eastern and Western Europe, has in the last week called for the development of a Mideast investment bank, to implement technology-for-raw materials transfers, and for the creation of convertible East European currencies. Two major deals between the Soviet Union and International Harvester and Allis Chalmers have just been completed, while key Chicago spokesmen are in Mexico, the Mideast and Europe consolidating more trade.

*Subverting the avowed purpose of Sen. Hubert "Whoratio" Humphrey's slave-labor hearings in Chicago yesterday, Mayor Richard Daley urged that "the U.S. must maintain investment in industrial production" as well as "protecting the social welfare of eight million people who live in New York City." Chicago banker Robert Abboud added that America's pre-eminence in the world is based on its production of agricultural and machine tools and that "any industrial economy must start with ample supplies of nuclear energy."

*Today, Sen. Adlai Stevenson (D, Ill.) broke up Senate Banking Committee hearings on bailing out New York City by charging, "I personally know that some of the foremost bankers in the country, who are opposed to a bail-out, are being intimidated by the New York banks." On Monday, Presidential press secretary Ron Nessen had set the ball rolling by noting that "in truth, a federal bail-out would only aid the banks and the bondholders."

With the questions of bankrupting the Rockefeller dollar and expanding industrial production squarely on the table, the U.S. capitalist faction has run right up against the next step — the re-establishment of an international credit system and the redefinition of the basis for credit. An aide in Rep. Cardiss Collins' (D, Chi.) office grappled with this Monday as she realized, "This isn't just New York City you know. The whole international economic system is coming down." And an aide to Sen. Charles Percy (R, Ill.) took it a step further with, "Well, a debt moratorium

would have to be followed by a new international financing mechanism or it wouldn't mean anything...and a new currency too, wouldn't it?"

The U.S. Labor Party's International Development Bank and the just-released Full Employment Act of 1975 provides the material basis for reestablishing credit — the expanded reproduction of labor power. USLP intervention into this U.S. faction with the Full Employment Act will dispel any lingering illusions that production can be restarted on the basis of austerity.

Faction Broadens

Speaking before a group of Rumanian economic officials on Oct. 14 and before a group of British trade officials and businessmen on Oct. 16, Chauncey Schmidt set the international terms for the U.S. industrialists' program. In Rumania, Schmidt noted that the major problems facing the world were the "growing illiquidity in the world's money markets, and the concomitant contraction in world trade." He then adopted a position on currency reform similar to the West German faction of Gerhard Stoltenberg, stressing the lack of convertible East European currencies as possibly the single most important impediment to East-West trade, and called for several East European convertible currencies.

In London, Schmidt proposed the creation of a Mideast investment authority to coordinate Western investment in the Mideast. Simultaneous with Schmidt's speech, delegations from Egypt, Jordan and Iraq were in Chicago, while various key Chicago industrialists and editors headed for the Mideast. Egyptian President Anwar Sadat will visit Chicago next week.

This pro-development ferment has spread beyond Chicago to the West Coast especially. The California Secretary of Transportation is currently in Saudi Arabia seeking jobs for California engineers. And the Los Angeles Times is picking up the factional slant of the Chicago papers, variously attacking Swedish Premier Olof Palme's hypocritical social democratic veneer, and reporting on recent U.S. industrialist trade deals with the Soviets, and on advances in Soviet agriculture.

This convergence on a programmatic international alternative to Rockefeller has pushed the factional situation on domestic issues to the breaking point — with New York City providing the final straw.

Sen. Stevenson's emotional disruption of the Senate Banking Committee hearings and of Rockefeller's attempt to railroad a bail-out bill for his brother David today makes public what has been simmering on Capitol Hill for days. As one liberal Senator's aide told USLP organizers Monday, "Do you know who Rockefeller met with last week? Why he met with his brother David! You know Chase Manhattan Bank is heavily involved in the New York City crisis and would take a large beating."

Stevenson's demand to hold at least one more day of hearings to hear from opponents of the bail-out was immediately picked up by Sen. Joseph Biden, a freshman from the DuPont family's state of Delaware who worried Committee chairman William Proxmire, "I don't want to be crass, but you're going to need the Biden-Stevenson vote to pass any legislation out the committee."

This open tangling with Rockefeller and his flunkies is mirrored in other ongoing battles. The "House of Rockefeller's" oil empire is being directly tackled — by name — in a series of Congressional hearings aimed variously at breaking up domestic oil companies, at halting a \$6 billion Project Independence appropriation and at the Bechtel Corp.

Rockefeller's Defense Secretary Schlesinger, who of late has been urging Europeans to consider East-West trade a military provocation, has just been dealt a severe blow at home as liberal Senators and conservative Congressmen have demanded \$76 billion of Defense Department budget cuts. Schlesinger has termed the cuts "savage." Senator McGovern is linking a 10 per cent cut in the world-wide arms budget proposal to demands that the U.S. dump Kissinger's food-is-a-weapon policy and develop a serious international food policy.

However, McGovern's position on international agricultural policy immediately outlines the next battle for the U.S. working class. McGovern proposes massive labor-intensive, family-oriented agricultural investment — completely dodging the necessity of defending the labor power of the working class.

Rockefellers Enraged as Their World Crumbles

Oct. 22 (IPS) — In twin outbursts of infantile rage at the collapse of their economic and political empire, the Rockefeller brothers and flunkies yesterday hysterically demanded that their factional capitalist opposition fall into line.

David Rockefeller, in a speech before the European Community Chamber of Commerce in New York, admitted that European factions are breaking with the U.S. over economic relations with the Soviet Union and warned that "the basic unity of the community itself" is now at stake.

Taking aim at their opposition, Vice President Nelson Rockefeller, at his Domestic Council — sponsored forum in Denver on domestic policies, frantically demanded implementation of his

\$100 billion dollar Energy Independence Agency boondoggle — a proposal which has been denounced in nearly every political quarter.

The intent of David's speech was evident even by its title, "World Trade at the Crossroads: The Importance of the Atlantic Alliance." aimed specifically at the European industrialists centered around the West German Christian Democratic Party (CDU) Gerhard Stoltenberg and the Italian industrialist Cefis, Rockefeller warned that detente has shifted East-West relations to an economic sphere which has "in turn resulted in a similar shift in European-American relations." Commercial, monetary and supply questions now overshadow old security issues and will continue to do so... Unfortunately such matters tend to be

divisive. Moreover, their potential for divisiveness within the community (Atlantic Community-ed.) is further aggravated by the current **weak state** of the global economy. The **slow pace** of the recovery...the discord between North and South...are imposing major strains on the social fabric of our industrial democracies and the basic unity of the community itself.

Leading the Domestic Council Policy Conference, Nelson pointed to the OPEC embargo and the Russian wheat deal as responsible for the deterioration of the U.S. economy, and together with the Domestic Council demanded the massive development of labor-intensive energy projects in the U.S. along with social services cutbacks at the federal level.

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IPS Weekly Financial Newsletter

International Market News

Japan, Saudi Arabia Take Steps to Move Out of Dollar Orbit

Oct. 25 (IPS) -- Japan, Saudi Arabia, and possibly Great Britain have taken important steps this week to move out of the orbit of the bankrupt dollar, insuring an early displacement of the dollar as the international reserve and trade currency. In a related development, the Bundesbank, West Germany's central bank, decided yesterday to break with the U.S. Federal Reserve Chairman Arthur Burns-inspired policy of supporting the dollar.

First, the Japanese decided to issue low-interest credits to the Soviet Union and participate in the Siberian oil development project without any U.S. participation. The question of U.S. participation had deadlocked negotiations on the project for two years. Next, Japan signed a \$1 billion oil-for-technology deal with pro-Soviet Iraq early this week. Negotiations are now in progress for a similar deal between Japan and Saudi Arabia.

Even more significantly, the Japanese made moves this week towards "triangular" trade arrangements with the developing sector. Japan and India signed a deal under which the Japanese will help India double its rice production using sophisticated Japanese water-management techniques. This process would enable India to meet most of Japan's food needs. The Japanese have also committed themselves to increasing Indian steel production. In addition, the Japanese and Indians have agreed to cooperate on joint development projects in "third countries" in the Middle East.

Such development deals carry with them the necessity of developing a stable international currency for the settlement of accounts to replace the bankrupt dollar -- a role which only the Soviet transfer ruble can possibly take on.



The Arabs and the British

After three days of intense negotiations between a high-level Saudi delegation and representatives of the British government, the two have signed a 350 million-pound trade contract. The signing of this contract has essentially saved Great Britain from receivership at the hands of the International Monetary Fund (IMF). The Fund had duly informed Britain that should the country come to it for a bailout loan, it would have attached harsh "MAC"-type budgetary control and austerity measures to all further financing to that country. At the signing of the Saudi-British trade and development deal, the Saudis pledged their determination in maintaining a strong and economically viable Europe. They also expressed concern over the growing gap between the developed and developing countries and recognized the necessity of joint Saudi-British efforts for the establishment of a "new world economic order."

According to highly reliable sources, the Saudis have also made low-interest credits available to France and West Germany and are negotiating for a \$1 billion loan to Italy. The Saudi moves are especially important in light of their key role along with Algeria in pushing for discussion of monetary questions at the recently concluded North-South Conference in Paris. The U.S. vehemently opposed discussion of any monetary questions at the meeting.

The Germans Move Away From the Dollar?

Yesterday, the Bundesbank announced that it will stop intervening in the domestic capital markets and purchasing government debt to artificially depress short-term interest rates. The previous Bundesbank policy had resulted in huge capital outflows into the higher-interest paying dollar sector. At the same time, the Bundesbank lowered its discount rate by half a percentage point to ensure that short-term interest rates do not get out of hand.

The decision to halt outright Bundesbank purchases of government bonds will result in higher domestic short-term interest rates and make it attractive for German depositors to maintain their funds in the Deutsch Mark sector. In turn, the new policy will deny desperately needed funds to the illiquid dollar sector.



More importantly, however, the decision represents a clear break on the part of West Germany from a policy of supporting the illiquid dollar at the expense of West German industry and trade.

Foreign Exchange Market Reactions

On Wednesday, Oct. 22, the day the British-Saudi negotiations concluded, Kuwaiti investors reportedly bought "unusually large" amounts of sterling, resulting in a 1.5 cent appreciation in the pound against the dollar. The same traders who had expected the pound sterling to go down to the \$2 level admitted that the pound would now rise to \$2.10 in a matter of days.

The same day, the Deutsch Mark hit a three-month high and the French Franc a two-month high against the dollar. Additionally, there were large spot sell orders for dollars from Western Europe, reversing the short-term inflow of funds into the dollar sector. Even the major New York banks started to go short on dollars in a big way.

Had it not been for the large interventions on the part of the central banks of Switzerland, Belgium, West Germany, and France, the dollar would have weakened dramatically. At this point, central bank interventions on behalf of the dollar are the only supports the dollar has. As most bankers realize, such support operations cannot be effective much longer.

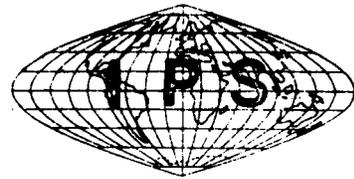
Yen Stabilizers

This week saw the firming up of the Japanese Yen as Japanese banks joined European and New York-based bankers in betting against the dollar on the forward market. Spot activity has been quiet all over the world, and especially in Tokyo, where the Bank of Japan is actively supporting the use of Yen for the settlement of Japan's international accounts. Presently, Japan settles 99 per cent of its import transactions and 90 per cent of all export transactions in dollars. In contrast, West Germany conducts 80 per cent of its trade in DMs, and Italy 50 per cent of its trade in Lira.



And in the Cuckoo's Nest

A highly placed source at the Federal Reserve Bank in Washington has disavowed recent statements by Federal Reserve Bank governor Henry Wallich in Frankfurt and investment banker Robert Roosa in Tokyo that the U.S. should support the idea of an actively managed floating rate regime in the form of a dollar, DM, and Yen zones. These statements have absolutely nothing to do with official U.S. policy, the source said. "If we agree to support any such system, it would rapidly drain our reserves and add to our debts." Support of such a scheme would quickly force the bankrupt U.S. treasury into receivership.



Domestic Market News

U.S. Economic Forecast: Washington Vs. Bank of America

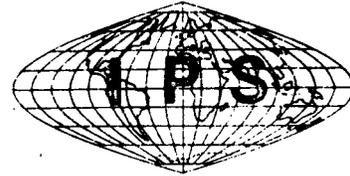
NEW YORK, Oct. 25 (IPS) -- In an interview with IPS this Friday, Walter Hoady, the chief economist of Bank of America, said of the 50 corporate executives he recently surveyed, only one took exception to his forecast that the U.S. economy will experience a short-term boom followed by a major depression. Corporate executives, Hoady explained, are expecting a hyperinflationary explosion throughout the advanced sector during the pre-1976 election period. Such a Weimar-like explosion, fueled mostly by political considerations, would be followed immediately by a major depression. Hoady indicated that 98 per cent of all corporate planners are operating on the expectation of a major depression and not on the spurious predictions peddled by the gaggle of clucking White House economists that recovery is at hand.

"The major reason I'm telling things the way they are is because I want everybody to know how bad things are," Hoady stated. "It is only in crisis situations that people really act." Briefed on the ICLC's proposal for the creation of an International Development Bank to replace the dollar-based institutions of international monetary and trade matters, Hoady responded, "Why I find that very commendable. We need people like yourselves who are preparing the way for a solution before the situation gets completely out of hand." On the question of debt moratoria: "It makes sense to me but my concern is that it will tie up liquidity, which will not be available for municipalities and governments." However he responded with interest to the proposal for new credit instruments to avoid such a freeze.

Bank Arbitrage Profits About to End

During the past month and a half the bouyancy of the US credit markets and the profit-making operations of the New York banks have been based on the easy money policy of the Federal Reserve, the collapse of production, and indirectly, the printing press operations of the Bundesbank (the W. German central bank) in support of the dollar.

To summarize briefly:



The Fed's easy money policy, combined with the huge supply of Treasury bills, had the direct effect of driving down the Fed Funds rate (inter-bank overnight money to invest in Treasury bills and run up tremendous, predictable arbitrage profits.

The banks' ability to reap arbitrage profits has now come to an end.

Last week, the Treasury bill rate dropped 30 basis points, while the Fed funds rate dropped only 9 basis points, virtually eliminating the spread between the two. The reason for the more rapid drop of the Treasury rate is directly attributable to the increasing rate of collapse of actual production and its intersection with the outbreak of major financial crisis. Savings banks, trust departments of commercial banks, and insurance companies are going heavily into Treasury securities because they represent a safe asset and investment outlet when productive investment and loan outlets collapse, become risky, and produce little return.

A spokesman at Morgan Guaranty Trust in New York confirmed this flight into safe Treasuries. Over the past three weeks, according to the Government Securities Department at Morgan, investors have been moving out of commercial paper and corporate bonds and into Treasuries. This week alone commercial and industrial loans at the New York banks dropped by \$253 million.

However, this rush into Treasuries has driven down the Treasury rate too low to represent a profitable investment for commercial banks. With the simultaneous collapse in loans to commerce and industry -- normally the most profitable side of banking activity -- it becomes clear that a geometrically increasing proportion of bank reserves and deposits are not being turned into profit-making assets. If the Fed attempts to bail out the banks through liquidity and reserve infusions, it will not solve the problem. Such an infusion will simply clog the banking system with a mass of paper reserves incapable of being turned into profitable assets.



Ramifications in the Current Crisis

The above developments are precisely why both George Ball and Peter Peterson of Lehman Brothers in New York are so opposed to letting New York City default. At a time when the last profit making outlet of the New York banks -- arbitrage -- is folding, a default on their New York City assets would just about finish off the New York banks.

In contrast, the Chicago and California banks do not seem upset that the Rockefeller-controlled New York banks may be forced to take it on the chin.

It seems clear now that the various New York City bailout proposals do not stand a chance of being passed by Congress in time to stop a default on Dec. 1. Fed Chairman Arthur Burns in testimony at the Senate Banking Committee last week predicted that a default is now inevitable. Burns' own response, according to traders at Morgan Guaranty and Irving Trust, will be a lowering of the discount rate. This proposal is in line with Burns' consistent position that whatever happens to New York City, New York banks will be bailed out.

The New York bankers, however, are not the least bit calmed by Burns' assurances. As several have indicated, as far as they are concerned, the Burns action is too little and far too late.



NEW SOLIDARITY International Press Service

Daily News and Press Summaries

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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE (IPS)
FRIDAY, OCTOBER 17, 1975
IPS PRIORITIES

USLP PRESIDENTIAL STATEMENT ON NEW YORK CITY

OCT. 17 (IPS)--THE FOLLOWING STATEMENT WAS ISSUED TODAY BY
U.S. LABOR PARTY PRESIDENTIAL CANDIDATE LYNDON H. LAROCHE, JR.:

"THIS AFTERNOON'S RESCUE OF NEW YORK CITY NOTEHOLDERS
AT THE ELEVENTH HOUR WILL NOT SIGNIFICANTLY BLUR THE REALITY
WHICH THE MERE THREAT OF DEFAULT IMPRESSED ON FINANCIAL AND
POLITICAL CIRCLES INTERNATIONALLY.

"ALL DOUBT IS NOW REMOVED AS TO WHETHER THE DOLLAR
CREDIT SYSTEM, ON WHICH MOST OF THE WORLD'S PRODUCTION AND
TRADE DEPEND, CAN AVOID A BREAKDOWN THAT WILL DWARF THE EVENTS
OF 1931 DURING THE IMMEDIATE PERIOD AHEAD. THE NEW YORK
CITY MUNICIPAL UNIONS, AGREEING TO POUR THEIR PENSION FUNDS DOWN
A DEBT SINKHOLE, HAVE ONLY LENGTHENED THE FUSE OF THE CITY'S
BANKRUPTCY. UNDER CURRENT CONDITIONS, NOT ONLY NEW YORK CITY, BUT
SEVERAL GOVERNMENTS IN THE INDUSTRIALIZED SECTOR, NOTABLY ITALY,
GREAT BRITAIN, AND DENMARK, AS WELL AS THE MAJORITY OF THIRD WORLD
COUNTRIES, WILL GO BANKRUPT DURING THE NEXT FEW WEEKS AND MONTHS.

"TODAY'S THREATENED DEFAULT OF NEW YORK CITY ALONE IMPOSED
"CRISIS OF CONFIDENCE" CONDITIONS ON INTERNATIONAL CREDIT MARKETS
WHICH WOULD HAVE BROUGHT WORLD TRADE TO A GRINDING HALT WITHIN
WEEKS, BY DESTROYING ALL CERTAINTY AS TO THE FUTURE VALUE OF THE
U.S. DOLLAR AND THE SOLVENCY OF TRADING AND BANKING INTERESTS.

"WHETHER SUCH A DEVELOPMENT HAS BEEN AVOIDED THIS WEEK IS
A SECONDARY QUESTION. THERE IS ONLY ONE WAY OUT OF THE CRISIS:
AN ORDERLY PROCESS OF DEBT MORATORIA AND THE CREATION OF NEW CREDIT-
ISSUING INSTITUTIONS TO MAINTAIN ESSENTIAL SERVICES, PRODUCTION,
AND TRADE INTERNATIONALLY.

"TODAY'S EVENTS EMPHASIZE THAT THE APPROACH EMBODIED IN THE U.S.
LABOR PARTY'S EMERGENCY BANKING ACT OF 1975 AND INTERNATIONAL
DEVELOPMENT BANK PROPOSAL IS THE ONLY ALTERNATIVE TO DISASTER.

MORE

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BRANDT "TABOO" WITH HELMUT SCHMIDT

OCT. 17 (IPS)--CONFIRMING RUMORS THAT WEST GERMANY'S SOCIAL DEMOCRATIC (SPD) CHANCELLOR HELMUT SCHMIDT, UNDER INTENSE PRESSURE TO BREAK HIS ALLIANCE WITH ROCKEFELLER, HAS DISTANCED HIMSELF FROM ROCKEFELLER ALLY WILLY BRANDT, THE SPD CHAIRMAN, AN ARTICLE IN THE DAILY DIE WELT TODAY REPORTS THAT "THE THEME OF WILLY BRANDT IS TABOO IN CHANCELLOR SCHMIDT'S OFFICE." DIE WELT ALSO REVEALS THAT BRANDT AND SCHMIDT NOW CORRESPOND SOLELY IN WRITING, TO GUARD AGAINST EITHER OF THEM DISTORTING THE OTHER'S VIEWS.

FOR THE FIRST TIME, DIE WELT ADDS, THIS YEAR SCHMIDT AND BRANDT DID NOT CONFER PRIVATELY BEFORE THE LATEST MEETING OF THE SPD PARTY PRESIDUM, OF WHICH BOTH ARE MEMBERS.

YESTERDAY'S SUEDEDEUTSCHE ZEITUNG REPORTS THAT SCHMIDT NOW SAYS HE RELIES ON FOUR PEOPLE FOR ALL OF HIS POLITICAL MOVES: HERBERT WEHNER (SPD PARLIAMENTARY FRACTION LEADER AND WEST GERMANY'S LEADING ADVOCATE OF EXPANDED PRODUCTION AND RISING LIVING STANDARDS), WOLFGANG MISCHNIK (CHAIRMAN OF THE FREE DEMOCRATIC PARTY, FDP, PARLIAMENTARY FRACTION AND ALLY OF WEHNER), HANS DIETRICH GENSCHER (FOREIGN MINISTER AND FDP CHAIRMAN), AND HIMSELF. SCHMIDT'S OMISSION OF HIS OLD MENTOR BRANDT FROM THE LIST WAS STRIKING.

IPS ANALYSIS: NYC

PERMANENT CRISIS AHEAD

NEW YORK, OCT. 17 (IPS)--THE NEAR DEFAULT BY NEW YORK CITY ON \$543 MILLION OF SHORT-TERM NOTES TODAY HAS IRREPARABLY SHAKEN CONFIDENCE IN THE ENTIRE U.S. BANKING SYSTEM. TODAY'S NEAR DEFAULT HAS HIGHLIGHTED THE HUGE PROPORTION OF ROTTEN DEBT SITTING IN BANK PORTFOLIOS, OF WHICH NEW YORK CITY SECURITIES ARE ONLY ONE COMPONENT.

DESPITE THE LAST MINUTE BAILOUT OF THE CITY AT 2:30 P.M., WHEN UFT PRESIDENT ALBERT SHANKER AGREED TO PURCHASE \$90 MILLION OF MUNICIPAL ASSISTANCE CORPORATION BONDS WITH FUNDS FROM THE TEACHERS' RETIREMENT SYSTEM, NEW POLITICAL AND FINANCIAL LEADERS WARNED THAT DEFAULT HAD BEEN AVERTED ONLY FOR THE DAY. THE MUNICIPAL BOND MARKET REACTED TO SHANKER'S ANNOUNCEMENT WITH "RESOUNDING SILENCE." ACCORDING TO A TRADER ON THE MUNICIPAL MARKET CAME TO A VIRTUAL STANDSTILL, AS TRADERS TUNED INTO THE RADIO FOR THE LATEST DEVELOPEMNTS.

TODAY'S NEW YORK CITY CASH NEEDS AND THE ENTIRE STATE RESCUE PACKAGE WHICH IS DESIGNED TO KEEP THE CITY ABOVE WATER THROUGH THE END OF NOVEMBER WERE SUDDENLY JEOPARDIZED LAST NIGHT WHEN THE TRUSTEES OF THE TEACHERS' RETIREMENT SYSTEM DECIDED AGAINST INVESTING ANYMORE OF THEIR FUNDS IN MAC BONDS. SHANKER REVERSED HIS FIRM OPPOSITION ONLY AFTER A PRIVATE MEETING WITH CAREY THIS AFTERNOON.

(MORE)

SHANKER COMMENTED THAT TODAY'S BAILOUT WAS "JUST PROLONGING THE AGONY A LITTLE BIT MORE." THE CITY FACES DEFAULT AGAIN IN EARLY DECEMBER WHEN THE PACKAGE, RUNS OUT OR ON NOV. 10 SHOULD THE PACKAGE FALL APART BEFORE THEN. IN RETURN FOR THE INVESTMENT, GOVERNOR CAREY REPORTEDLY PROMISED SHANKER THAT THIS WAS THE LAST INVESTMENT THE TEACHERS' PENSION FUNDS WOULD HAVE TO MAKE IN THE BANKRUPT CITY. BOTH HE AND CAREY DENIED THAT THEY HAD A DISCUSSION OF THE FURTHER CUTS IN EDUCATION ANNOUNCED BY BEAME ON WEDNESDAY.

IN THE MIDSIT OF THE CRISIS TODAY, BOTH PRESIDENT FORD AND TREASURY SECRETARY SIMON REITERATED THAT THE ADMINISTRATION REMAINS FIRMLY OPPOSED TO EXTENDING FEDERAL AID TO THE CITY. BUT SPOKESMAN FOR THE BANKING INTERESTS OF VICE PRESIDENT NELSON ROCKEFELLER'S FAMILY, IN NEW YORK ARE ALREADY REDOUBLING THEIR EFFORTS TO FORCE A FEDERAL BAILOUT OF THE BANKS. ROCKEFELLER SPLIT WITH THE ADMINISTRATION IN A CALL FOR FEDERAL AID TO THE CITY WHICH HE ISSUED LAST SUNDAY. TODAY'S NEAR-DEFAULT IS EXPECTED TO COMPOUND THE CONFUSION AND FACTIONAL MANEUVERING IN WASHINGTON.

THREAT OF NYC DEFAULT PARALYZES FOREIGN MONEY MARKETS

NEW YORK, OCT. 17 (IPS)--THE NEAR DEFAULT BY NEW YORK CITY ON MORE THAN \$450 MILLION IN NOTES DUE TODAY VIRTUALLY SHUT DOWN INTERNATIONAL FOREIGN EXCHANGE MARKETS. FEARING THE WILDLY HYPERINFLATIONARY EFFECTS OF EITHER A FEDERAL BAILOUT OF THE CITY OR A DEFAULT FOLLOWED BY A FEDERAL RESERVE BAILOUT OF THE U.S. BANKING SYSTEM -- EITHER OF WHICH WOULD DESTROY THE INTERNATIONAL VALUE OF THE DOLLAR -- FOREIGN EXCHANGE TRADERS THROUGHOUT THE WORLD REFUSED TO SELL WEST EUROPEAN CURRENCIES IN EXCHANGE FOR DOLLARS.

IN AN UNPRECEDENTED MOVE, FOREIGN EXCHANGE TRADERS INCREASED THE SPREAD BETWEEN THEIR BUYING AND SELLING PRICES OF EUROPEAN CURRENCIES BY 100 PER CENT, A MOVE TATAMOUNT TO A COMPLETE HALT TO TRADING. AS A RESULT, A HARDLY ANY FOREIGN EXCHANGE WAS TRADED ALL TODAY CAUSING CESSATION OF NEW INTERNATIONAL TRADE FINANCING.

BOND TRADERS AT CHICAGO BANKS FAVOR NYC DEBT MORATORIUM

CHICAGO, OCT. 17 (IPS)--LEADING BOND MARKET SOURCES HERE SAID TODAY THAT THEY LOOK FAVORABLY ON PROPOSALS FOR A DEBT MORATORIUM FOR NEW YORK CITY. A MARKET SOURCE AT CHICAGO'S LARGEST BANK, CONTINENTAL ILLINOIS, SAID IN AN INTERVIEW THAT "IF BY DEBT MORATORIUM YOU MEAN ORDERLY DEFAULT, WE ARE FOR IT." BOND TRADERS AT THE FIRST NATIONAL BANK OF CHICAGO COMMENTED THAT A DEBT MORATORIUM FOR NEW YORK IS "FINE WITH US", AND ADDED "WE DON'T HAVE ANY BIG MAC BONDS!"

(MORE)

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PORTUGUESE UNIONS REJECT AUSTERITY CALL

OCT. 17 (IPS)--IN RESPONSE TO PORTUGUESE PRIME MINISTER AZEVEDO'S MONDAY NIGHT CALL FOR NATIONWIDE AUSTERITY, THE SECRETARIAT OF INTERSINDICAL, PORTUGAL'S TWO MILLION MEMBER PRO-COMMUNIST TRADE UNION CONFEDERATION, HAS CALLED FOR FORMATION OF A GOVERNMENT "WHICH HAS THE CONFIDENCE OF THE WORKING MASSES." ALLUDING TO THE HEAVY REPRESENTATION IN AZEVEDO'S CABINET OF THE NATO ALLIED

SOCIALISTS AND POPULAR DEMOCRATS, THE STATEMENT ALSO CALLS FOR THE OUSTER OF "TRAITORS" TO DEMOCRACY IN THE CABINET, ACCORDING TO TODAY'S BALTIMORE SUN.

SWEDISH AMBASSADOR LEARNS OF PORTUGUESE WAY

OCT. 17 (IPS)--PORTUGUESE TEXTILE WORKERS HELD SWEDEN'S AMBASSADOR TO LISBON CAPTIVE FOR A 14 HOUR EDUCATIONAL ON THEIR OPPOSITION TO A THREATENED SHUTDOWN OF THEIR FACTORY, WHICH IS 50 PER CENT SWEDISH OWNED, TODAY'S WASHINGTON POST REPORTS. FOLLOWING THE EDUCATIONAL, THE AMBASSADOR SUBSEQUENTLY WENT TO THE HOSPITAL FOR X-RAYS FOR POSSIBLE BROKEN RIBS.

THE EDUCATIONAL OCCURRED WITHIN 72 HOURS OF SWEDISH PRIME MINISTER OLAF PALME'S UNPRECEDENTED PRESS ATTACKS ON THE EUROPEAN LABOR COMMITTEES, WIDELY KNOWN FOR THEIR DEFENSE OF THE PORTUGUESE WORKING CLASS.

ITALIAN NATO-LINKED JOURNAL JOINS SLANDER CAMPAIGN AGAINST ICLC

OCT. 17 (IPS)--THE OCTOBER 23 ISSUE OF THE ITALIAN NATO-LINKED WEEKLY JOURNAL, PANORAMA, HAS PUBLISHED THREE MAJOR ARTICLES, ON OF THEM AN EDITORIAL, ATTACKING THE INTERNATIONAL CAUCUS OF LABOR COMMITTEES (ICLC). THE ARTICLES, A PASTE-UP JOB WHICH ATTEMPTS TO RIDICULE AND SUCCESSFULLY BANALIZES THE ICLC'S POLITICAL AND ECONOMIC ANALYSIS, FOLLOWS CLOSELY UPON THE SLANDERS OF THE ICLC WHICH APPEARED IN THE SWEDISH DAILY AFTONBLADET EARLY THIS WEEK, AT THE INSTIGATION OF SWEDISH PREMIER OLOF PALME.

ONE ORIGINAL CLAIM BY PANORAMA IS THAT, WHILE IN ITALY THE ICLC IS PRO-SOVIET AND DEMANDS THAT THE ITALIAN COMMUNIST PARTY DISREGARD THE "NATIONAL ROAD TO SOCIALISM" FOUTED BY ITS AGENT LEADERS, IN THE U.S., THE ICLC IS ANTI-SOVIET AND CLAIMS THAT THE KGB (SOVIET STATE SECURITY) IS WORKING CLOSELY WITH THE CIA.

IL GLOBO SAYS MORATORIA IS SOLUTION TO INDEBTEDNESS; PCI DISAGREES

OCT. 17 (IPS)--SEVERAL TOP ITALIAN ECONIMISTS AND GOVERNMENTAL REPRESENTATIVES, INCLUDING MINISTER OF TREASURY COLOMBO, MET TO DISCUSS POSSIBLE SOLUTIONS TO THE PROBLEM OF CHRONIC INDEBTNESS OF ITALY'S PUBLIC AND PRIVATE ENTERPRISES, WHOSE DEBT AMOUNTS AT THE PRESENT TO APPROXIMATELY 50 TRILLION LIRE, ACCORDING TO YESTERDAY'S FINANCIAL DAILY IL GLOBO.

THE PAPER STATES THAT, GIVEN THE GRAVITY OF THE SITUATION, THE NECESSARY SOLUTION CAN NO LONGER CONSIST OF "FINANCIAL REORGANIZATION OF THE ENTERPRISES AND THE IMBALANCES BETWEEN RISK CAPITALS AND BANKING DEBT, BUT RATHER MUST PROPOSE A SORT OF REHEALING OR (DEBT) MORATORIA."

INDICATING THAT OPPOSITION TO THIS SOLUTION COMES FROM THE HIGHEST INDUSTRIAL AND POLITICAL LAYERS, IL GLOBO STATES THAT THE "SALVAGING OF ENTERPRISES DOES NOT INTEREST CONFINDUSTRIA (THE INDUSTRIALISTS' CONFEDERATION LED BY ROCKEFELLER-AGENT GIANNI AGNELLI) AND THE PCI (ITALIAN COMMUNIST PARTY) -- WHICH IN THE VOICE OF EUGENIO PEGGIO (PCI-AGENT ECONOMIST) -- HAS MORE THAN ONCE ADVISED AGAINST IT."

EUGENIO PEGGIO HIMSELF TOLD IPS YESTERDAY THAT "THE PCI IS A SERIOUS PARTY. WE MADE A COMMITMENT TO PAY BACK ALL (ITALIAN) DEBTS, AND THE PCI WANTS TO MAINTAIN THIS COMMITMENT AND THUS WILL SUPPORT NO MORATORIA AT ALL."

QUERIED ABOUT PROPOSALS ADVANCED BY MEXICAN PRESIDENT ECHEVERRIA FOR DEBT MORATORIA, THE ESTABLISHMENT OF AN INTERNATIONAL DEVELOPMENT BANK, AND EXPANDED TRADE WITH THE THIRD WORLD, SIGNOR PEGGIO STATED THAT "WE (THE PCI) WANT AN "OPEN ECONOMY" WHICH ALSO MEANS COOPERATION WITH THIRD WORLD COUNTRIES, THEREFORE IF THIRD WORLD COUNTRIES DECLARE A MORATORIA, THEY SABOTAGE THIS OPEN ECONOMY."

SALT REPORTED ON ROCKS

OCT. 17 (IPS)--PROSPECTS FOR A NEW STRATEGIC ARMS LIMITATION AGREEMENT (SALT) AND A U.S.-SOVIET SUMMIT IN WASHINGTON THIS YEAR "HAVE FALLEN TO NEAR ZERO," ACCORDING TO A REPORT BY DIPLOMATIC CORRESPONDENT HENRY L. TREWHITT WHICH APPEARS IN TODAY'S BALTIMORE SUN. THE ACCOUNT ASSERTS THAT "SOME OFFICIALS" IN THE U.S. "FEAR THE WHOLE PROCESS OF DETENTE COULD BE ENDANGERED." "DOMESTIC POLITICS" IN BOTH COUNTRIES, OFFICIALS REPORTEDLY SAID, "ARE EXPECTED TO COME INTO PLAY MORE VISIBLY" IN THE NEAR FUTURE, CALLING INTO QUESTION ESPECIALLY "THE FUTURE OF HENRY KISSINGER."

SOURCES CLOSE TO THE SECRETARY, WHO HAS COME UNDER INTENSE FIRE FROM A VARIETY OF POLITICAL FACTIONS IN THE U.S. RECENTLY,

ARE REPORTED TO BEG THAT EITHER KISSINGER OR PRESIDENT FORD "MIGHT DECIDE HE SHOULD STEP DOWN FOR THE FINAL YEAR OF THE PRESIDENT'S TERM."

THE TREWHITT ACCOUNT FOLLOWS A SIMILAR ONE APPEARING YESTERDAY IN THE NEW YORK TIMES BY CORRESPONDENT LESLIE H. GELB. BOTH ACCOUNTS TEND TO SUPPORT THE VIEWS OF POLITICAL OBSERVERS HERE THAT THE U.S.'S RAPIDLY SHIFTING DOMESTIC SITUATION HAS BECOME KEY ELEMENT IN INTERNATIONAL NEGOTIATIONS, INCLUDING THOSE BETWEEN THE UNITED STATES AND THE SOVIET UNION.



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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE
EARLY NEWS ROUND-UP 1500 HOURS EDT
OCTOBER 18, 1975

I. INTERNATIONAL

KEY ATLANTICISTS ISOLATED IN WEST GERMAN CABINET

OCT. 18 (IPS)--TWO OF ROCKEFELLER'S KEY "ATLANTICIST" AGENTS IN WEST GERMANY, DEFENSE MINISTER GEORG LEBER AND FINANCE MINISTER HANS APEL, HAVE BECOME INCREASINGLY ISOLATED IN THE CABINET OF SOCIAL DEMOCRATIC CHANCELLOR HELMUT SCHMIDT. FINANCE MINISTER APEL IS REPORTED WORRIED THAT HIS INFLUENCE IS BEING ECLIPSED BY THAT OF ECONOMICS MINISTER HANS FRIDERICHS, ACCORDING TO THE LAST ISSUE OF THE WEEKLY DER SPIEGEL. FRIDERICHS IS THE LEADING PRO-DEVELOPMENT SPOKESMAN OF THE FREE DEMOCRATIC PARTY, COALITION PARTNERS OF SCHMIDT'S SOCIAL DEMOCRATS IN THE GOVERNMENT.

MEANWHILE, YESTERDAY'S NEUES DEUTSCHLAND, THE NEWSPAPER OF THE SOCIALIST UNITY PARTY OF EAST GERMANY, REPORTED THAT OTHER ROCKEFELLER AGENTS IN WEST GERMANY ARE WORRIED THAT DEFENSE MINISTER LEBER MAY BE HEADED FOR AN EARLY EXIT FROM THE CABINET. ACCORDING TO NEUES DEUTSCHLAND, MANFRED WOENER, A PRO-ROCKEFELLER DEFENSE EXPERT FOR THE OPPOSITION CHRISTIAN DEMOCRATS, AND LIKE LEBER, AN ALLY OF U.S. DEFENSE SECRETARY JAMES SCHLESINGER, HAS WARNED THAT "ANY SPIDER WHO REPLACES LEBER WOULD JUST BE WORSE."

YESTERDAY'S DIE WELT ATTACKED LEBER, WHO HAS BEEN LEADING A PURGE OF WEST GERMAN ARMY OFFICERS WHO OPPOSE SCHLESINGER'S "LIMITED NUCLEAR WAR" DOCTRINE, FOR THE "POLITICAL PARTY INFLUENCE THE SPD HAS ON THE WEST GERMAN ARMED FORCES."

SOVIETS SEE S. YEMAN EXAMPLE FOR MIDEAST DEVELOPMENT

OCT. 18 (IPS)--IN BACK-TO-BACK LEAD INTERNATIONAL PAGE ARTICLES ON OCT. 14 AND 15, THE SOVIET COMMUNIST PARTY DAILY, PRAVDA, REPORTS THAT BY THE PRO-SOCIALIST NATIONAL FRONT OF SOUTH YEMEN HAS EMERGED AS THE HEGEMONIC FORCE IN THE NATION'S COALITION AS A RESULT OF ITS PROMULGATION OF A PROGRAM FOR DEVELOPMENT. CONTRASTING EGYPTIAN PRESIDENT SADAT'S "OPEN DOOR TO FOREIGN CAPITAL AND DECENTRALIZATION" TO THE YEMEN PROGRAM, PRAVDA SAID THAT THE NATIONAL FRONT'S PROGRAM SHOWS HOW SOCIALIST DEVELOPMENT COULD LOOK IN MIDEAST COUNTRIES: "THE DEVELOPMENT OF PLANNED STATE PRODUCTION, INDUSTRIALIZATION, COLLECTIVIZATION OF THE PEASANTRY, A STATE MONOPOLY ON FOREIGN TRADE, ROOTING OUT THE FEUDAL-CAPITALIST VESTIGES." PRAVDA EMPHASIZED THE ADVANTAGES OF SOUTH ECONOMIC COOPERATION.

(MORE)

WEST GERMANY A "POLICE STATE" SAYS PCF

OCT. 18 (IPS)--IN THE FIRST OF A SERIES OF ARTICLES IN L'HUMANITE ON THE SITUATION IN WEST GERMANY, THE FRENCH COMMUNIST MEMBER PIERRE GROUPS LIKE THE BAADER-MEINHOF GANG ARE MERELY PART OF A LARGER OPERATION TO PREPARE FOR MASSIVE REPRESSION AGAINST THE WODOCUMENTING COMMUNISTS AND LEFT-LEANING SOCIALISTS, DURAND COMMENTS, "ALL THIS IS VERY GRAVE. WORKERS IN THE PLANTS, FUCTIONARIES AND NCAN BE THE VICTI

THE SECOND ARTICLE IN THE SERIES BLASTED THE REARMAMENTS ~~BOVECEFFORWSTOGSRBAWADEFENSEPURTUSGUESELEBRVOLTDOOANCEAS~~ WELL AS EXPO

THE SERIES APPEARED AS THE PCF AND THE GERMAN COMMUNIST PARTY WERE HOLDING DEMONSTRATIONS AGAINST EFFORTS BY THE FREGERMAN GOVERNMENT EQUIPPED WITH NUCLEAR WARHEADS.

AGNELLI'S MEDIEVAL BANKING SYSTEM

OCT. 18 (IPS) -- UPON HIS RETURN FROM AN EIGHT-DAY TRADE MISSION IN THE PEOPLES REPUBLIC OF CHINA, GIANNI AGNELLI, PRESIDENT OFIAT EMPI WILL ATTEMPT TO ESTABLISH A "SWAP SYSTEM" OF TRADE BETWEEN THE CHI- NESE AND THE ITALIANS, ACCORDING TO YESTERDAY'S JOURNAL OFMERCE.

THE MAJOR OBSTACLE, HE REPORTED, IN SETTING UP TRADE RELATIONS WITH THE CHINESE IS THE PEKING GOVERNMENT'S UNWILLINGNESS TO BUY ON CREDIT. ACCORDING TO HIS PLAN, CHINA WOULD BE OFFERED CREDIT AT A LEVEL BELOW THAT OF "GOVERNMENT-TO-GOVERNMENT" OR A "SWAP SYS- TEM." ITALY WOULD EXPORT IMMEDIATELY PLANTS, HIGH-TECHNOLOGY EQUIP- MENT TO BE REPAID IN THREE, FOUR, OR FIVE YEARS WITH CHINESE RAW MATERIALS.

STOLTENBERG SEES JAPANESE BUSINESSMEN TO PROMOTE TRADE AND INVESTMENT WITH WEST GERMANY; COUNTERS ROCKY'S TRADE WAR

OCT. 18 (IPS) -- GERHARD STOLTENBERG, THE LEADER OF THE PRO-EAST/WEST TRADE FORCES IN THE WEST GERMAN CHRISTIAN DEMOCRATIC PARTY, MET IN TOKYO WITH REPRESENTATIVES OF NEARLY 100 JAPANESE FIRMS TO PROMOTE TRADE AND INVESTMENT BETWEEN JAPAN AND WEST GERMANY, ACCORDING TO THE JAPAN EXTERNAL TRADE ORGANIZATION (JETRO), WHICH ARRANGED THE MEETING. A SOURCE IN JETRO TOLD IPS THAT IT WAS SIGNIFICANT THAT STOLTENBERG'S VISIT CAME AT A TIME WHEN OTHER FORCES IN EUROPE (THOSE ALLIED WITH THE ROCKEFELLER INTERESTS - IPS) WERE

INSTIGATING PROTECTIONIST MOVES BY THE EUROPEAN COMMON MARKET AGAINST JAPAN.

(MORE)

WEST GERMAN UNION FEDERATION PLANS DEMONSTRATION
FOR PRODUCTIVE INVESTMENT

WIESBADEN, WEST GERMANY, OCT. 18 (IPS) -- THE NATIONAL TRADE UNION FEDERATION OF WEST GERMANY, THE DGB, HAS PRINTED ONE MILLION LEAFLETS CALLING ON WORKERS AND UNEMPLOYED TO ATTEND A 20,000-PERSON DEMONSTRATION IN THE RUHR CENTER OF DORTMUND, ACCORDING TO A REPORT IN THE OCT. 15 FRANKFURTER ALLOEMEINE ZEITUNG. THE LEAFLET CALLS FOR GREATER INVESTMENT IN INDUSTRY, AND SAYS THAT AUSTERITY POLICIES WILL ONLY INTENSIFY THE ECONOMIC CRISIS AT THE EXPENSE OF WORKERS AND THEIR FAMILIES. THE DEMONSTRATION, CALLED FOR EARLY NOVEMBER, WILL TAKE PLACE JUST PRIOR TO THE NATIONAL CONFERENCE OF THE SOCIAL DEMOCRATIC PARTY.

SOVIET-PAKISTANI COOPERATION EXPANDING

NEW YORK, OCT. 18 (IPS) -- THE SOVIET UNION HAS EXPRESSED ITS DESIRE TO INSTALL TRACTOR AND AGRICULTURAL EQUIPMENT MANUFACTURING PLANTS IN PAKISTAN, AND IS KEEN TO PROMOTE EXPANDED TRADE BETWEEN THE TWO COUNTRIES. S.A. AZIMOV, SOVIET AMBASSADOR TO PAKISTAN, TOLD THE PESHAWAR, PAKISTAN, CHAMBER OF COMMERCE AND INDUSTRY. THE PAKISTAN WEEKLY, DAWN, OCT. 12 REPORTS THAT HE ALSO EXPRESSED HOPE THAT THE FORTHCOMING COMPLETION OF A BRIDGE IN AFGHANISTAN WILL OPEN DIRECT LAND TRADE BETWEEN RUSSIA AND PAKISTAN.

FROM THE PAKISTANI SIDE, Z.A. HASHMI, A NOTED PAKISTANI SCIENTIST, LEFT ON OCTOBER 6 FOR THE SOVIET UNION WHERE HE WILL MEET WITH SOVIET AGRICULTURAL MINISTRY OFFICIALS REGARDING THE TRADE AND DEVELOPMENT PROPOSALS.

II. CONTINENTAL

WASHINGTON POST: KISSINGER'S OIL-FOR-GRAIN DEAL A "SERIOUS MISTAKE"

WASHINGTON, OCT. 18 (IPS) -- SECRETARY OF STATE HENRY KISSINGER'S ATTEMPTS TO FORCE A U.S.-USSR "OIL-FOR-GRAIN" DEAL ARE A "SERIOUS MISTAKE," AND IT WOULD BE BEST IF "THIS ILL-CONCEIVED EXERCISE IN LINKAGE SHOULD FALL THROUGH," ACCORDING TO THE WASHINGTON POST'S LEAD EDITORIAL YESTERDAY. "IT IS A NOTABLY BAD TIME IN WHICH TO SIGN INTERNATIONAL OIL PRICE AGREEMENTS," THE POST DECLARES, AND KISSINGER'S SCHEME "IS A DISMAYING REVERSION TO MERCANTILISM." THE EDITORIAL FURTHER ATTACKS KISSINGER'S POLICY OF USING FOOD EXPORT CONTROL AS A POLITICAL WEAPON WHICH THEY SAY IS LIKELY TO SUPPORT EUROPEAN AND JAPANESE VIEWS THAT THE U.S. IS ENGAGED IN A "DANGEROUS PRECEDENT FOR DELIBERATE DISCRIMINATION IN WORLD TRADE." ALL IN ALL, THE POST CONCLUDES, KISSINGER HAS FOSTERED A "CORROSIVE SUSPICION" IN ALL INTERNATIONAL QUARTERS AGAINST THE U.S.

KISSINGER TO BE QUERIED ON POSSIBLE WIRETAPPING PERJURY

OCT. 18 (IPS) -- LAWYERS FOR MORTON HALPERIN, A FORMER STAFF MEMBER OF THE NATIONAL SECURITY COUNCIL (NSC) -- WHO HAS CHARGED THAT THE WHITE HOUSE HAD THE FBI TAP HIS TELEPHONE BETWEEN 1969 AND 1971 -- HAVE FILED A 72-QUESTION INTERROGATORY IN FEDERAL DISTRICT COURT ASKING SECRETARY OF STATE KISSINGER TO EXPLAIN CONTRA-

(MORE)

CTIONS BETWEEN HIS TESTIMONY ON THE WIRETAPPING BEFORE THE SENATE FOREIGN RELATIONS COMMITTEE AND COURT DEPOSITIONS ON THE CASE BY OTHER FORMER NIXON ADMINISTRATION OFFICIALS, ACCORDING TO YESTERDAY'S NEW YORK TIMES. THE INTERROGATORY -- PART OF A LAWSUIT BY MR. HALPERIN AGAINST MR. KISSINGER AND THE NSC -- FOCUSES ON THE FACT THAT KISSINGER TESTIFIED THAT HE HAD NOT INITIATED, BUT ONLY APPROVED, THE WIRETAPPING OF HALPERIN, WHEREAS FORMER ATTORNEY GENERAL JOHN MITCHELL AND OTHERS HAVE TESTIFIED THAT THE WIRETAP PROGRAM WAS UNDER KISSINGER'S CONTROL.

NY TIMES FREAKS OUT OVER COMMUNIST VICTORY IN PORTO

OCT. 18 (IPS) -- IN AN EDITORIAL TITLED "APPEASEMENT IN OPORTO," YESTERDAY'S NEW YORK TIMES DENOUNCED THE MAJOR CONCESSIONS THE PORTUGUESE ARMY CHIEF, GEN. CARLOS FABIAO, WAS FORCED TO MAKE LAST TUESDAY TO THE MUTINOUS PRO-WORKING-CLASS ARTILLERY REGIMENT OF OPORTO.

FURTHER DOWN IN THE ENRAGED EDITORIAL, HOWEVER, THE TIMES ADMITS THAT "WITH THE LOYALTY OF OTHER KEY UNITS IN DOUBT, IT IS UNDERSTANDABLE THAT PREMIER AND ARMY CHIEF SHOULD EXERCISE EXTREME CAUTION IN DEALING WITH THE MUTINY." THE TIMES EDITORIAL FAILED TO COMMENT ON THE FACT THAT WITH THIS ADMISSION, IT EXPOSED ITS PORTUGUESE CORRESPONDENTS -- WHO HAVE REPORTED FOR THE PAST SIX MONTHS THAT THE MAJORITY OF THE ARMED FORCES WERE ANTI-COMMUNIST -- AS LIARS.

END OF EARLY IPS, 10/18/75.



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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE (IPS)
SATURDAY, OCTOBER 18, 1975
LATE EVENING NEWS WRAP-UP (PRIORITIES)

INTERNATIONAL

LEONE ISSUES CALL FOR ITALIAN FASCISM

OCT. 18 (IPS)--ITALIAN PRESIDENT GIOVANNI LEONE, TRADITIONALLY A FIGURE-HEAD IN ITALIAN POLITICS, DELIVERED A FAR-REACHING ADDRESS TO PARLIAMENT OCT. 15, WHICH CALLED FOR AN END TO CORRUPTION IN GOVERNMENT, A REVISION OF PARLIAMENTARY PROCEDURES, THE RE-ENACTMENT OF THE NATIONAL COUNCIL FOR THE ECONOMY AND LABOR (CNEL -- A FASCIST NATIONAL PLANNING BODY) AND FOR RESTRICTIONS ON WORKERS' RIGHT TO STRIKE.

LEONE'S CALL FOR FASCISM, SEEN AS A DESPERATE ATTEMPT TO INTERVENE IN ITALY'S CHAOTIC POLITICAL AND ECONOMIC SITUATION, WAS MET WITH WELL-ORCHESTRATED PRAISE FROM SUCH RESPECTED ITALIAN NEWS-PAPERS AS IL FIORINO, THE FINANCIAL DAILY, WHICH TERMED THE CALL "HOMAGE TO THE ENTIRE ITALIAN PRESS."

THE CALL ALSO MET WITH QUALIFIED PRAISE FROM ITALIAN COMMUNIST PARTY PARLIAMENTARY GROUP LEADER NATTA, WHO QUASHED AN EARLIER ATTACK ON THE CALL BY THE PCI PARLIAMENTARIAN, TROMBADORI, TERMING THE SPEECH A PROVOCATION FOR A GOVERNMENT CRISIS.

PCI-LED TRADE UNIONS CRITICIZED THE PROPOSED REGULATION OF STRIKES, STATING THAT THEY PREFERRED TO RESTRICT STRIKE THEMSELVES.

GISCARD/BREZHNEV TALKS CANCELLED OVER "IDEOLOGICAL DETENTE" DISAGREE OVER "IDEOLOGICAL DETENTE" DISAGREEMENT

OCT. 18 (IPS)--YESTERDAY'S LE MONDE REPORTS THAT THE SUDDEN POSTPONEMENT TWO DAYS AGO OF FRENCH PRESIDENT GISCARD D'ESTAING'S PRIVATE MEETING WITH SOVIET COMMUNIST PARTY GENERAL SECRETARY LEONID BREZHNEV, WAS A POLITICAL DECISION STEMMING FROM DISAGREEMENT OVER GISCARD'S CALL THE "NEED TO PROMOTE DETENTE IN IDEOLOGICAL COMPETITION."

(MORE)

LE MONDE SAYS THAT THE SOVIETS GREETED GISCARD'S CALL BY CALLING IT "SACRELIGIOUS." THE SOVIET PRESS HAS ALREADY REPRINTED FRENCH COMMUNIST PARTY (PCF) WARNINGS AGAINST ANY ATTEMPT BY GISCARD TO PRESSURE THE SOVIETS INTO POLICING THE COMMUNIST MOVEMENT, ESPECIALLY THE PCF.

GISCARD RESPONDED TO THE SOVIETS' REBUKE BY "CORRECTING" HIS STATEMENTS TO SAY THAT HE REALLY MEANT INTERNATIONAL IDEOLOGICAL DETENTE, NOT NATIONAL DETENTE.

HEALEY REFUSES TO CUT PUBLIC SPENDING

OCT. 18 (IPS)--REFLECTING GROWING BRITISH CONCERN OVER THE COLLAPSE OF THE BRITISH INDUSTRIAL INVESTMENT, CHANCELLOR OF THE EXCHEQUER DENIS HEALEY ANNOUNCED YESTERDAY THAT THE GOVERNMENT WOULD NOT PROPOSE CUTS IN GOVERNMENT SPENDING, ACCORDING TO THE FINANCIAL TIMES TODAY. HEALEY, SPEAKING AT A DINNER ATTENDED BY REPRESENTATIVES OF THE CITY OF LONDON, DIRECTLY OPPOSED EARLIER DEMANDS BY BANK OF ENGLAND HEAD GORDON RICHARDSON THAT THE GOVERNMENT IMPLEMENT MASSIVE CUTS IN PUBLIC SPENDING. "I DO NOT THINK IT WOULD BE DESIRABLE, AT A TIME WHEN THE ECONOMY IS WORKING BELOW CAPACITY AND UNEMPLOYMENT IS STILL RISING, TO MAKE IMMEDIATE REDUCTIONS IN PUBLIC EXPENDITURE THIS YEAR," HE SAID.

LEBANESE AND EGYPTIAN COMMUNISTS BLAST SINAI ACCORDS LEBANESE PROTOCOLS

OCT. 18 (IPS)--THE LEBANESE AND EGYPTIAN COMMUNIST PARTIES HAVE ISSUED A JOINT COMMUNIQUE BLASTING THE PARTITION OF LEBANON AS A PAIN TO "CYPRIOTIZE" THE COUNTRY AND CALLING FOR A GENEVA CONFERENCE ACCORDING TO YESTERDAY'S BERLINER ZEITUNG. THE CALL REFLECTS THE GROWING ARAB COMMUNIST OFFENSIVE IN THE MIDDLE EAST THAT BEGAN WITH THE REACTIVATION OF THE EGYPTIAN COMMUNIST PARTY IN EARLY AUGUST 1975.

THE PARTITIONING OF LEBANON WAS AGREED UPON BY THE U.S. AND EGYPT IN A SECRET PROVISION OF THE SINAI PACT.

PORTUGAL'S NORTHERN MILITARY COMMANDER TAKING REPRISALS VS. MUTINOUS UNIT

OCT. 18 (IPS)--THE ANTI-COMMUNIST COMMANDER OF PORTUGAL'S NORTHERN MILITARY REGION, GEN. ANTONIO PIRES BELOSO, IS REPORTED TO HAVE TAKEN PROVOCATIVE REPRISALS AGAINST MUTINOUS SOLDIERS WHO SUCCESSFULLY OCCUPIED AN ARTILERY BASE OVERLOOKING OPORTO LAST WEEK.

RENEGING ON AN AGREEMENT HAMMERED OUT BY ARMY CHIEF OF STAFF GEN. FABIAO TO THE COMMUNIST-SUPPORTED SOLDIERS THAT ENDED THE OCCUPATION, VELOSO HAS "ORDERED FURLONGHS FOR THE RINGLEADERS PENDING DISCHARGE FROM THE SERVICE," TODAY'S WASHINGTON POST REPORTS.

(MORE)

A SPOKESMAN FOR THE SOLDIERS COMMENTING ON VELOSO'S ACTION IS QUOTED AS SAYING, "WE CANNOT BE RESPONSIBLE FOR ANYTHING THAT MIGHT HAPPEN (FROM HERE ON OUT)."

WEST GERMANY DEFIES WORLD BANK;
GRANTS DEVELOPMENT AID TO TURKEY

OCT. 18 (IPS)—A MAJOR BREAK IN ROCKEFELLER EFFORTS TO BLOCK DEVELOPMENT AID TO BRANKRUPT UNDERDEVELOPED COUNTRIES OCCURRED YESTERDAY WHEN WEST GERMANY AGREED TO GIVE TURKEY APPROXIMATELY \$50 MILLION IN AID TO BUILD THE APSIN-ALBSTAN POWER STATION IN TURKEY. THE POWER STATION, WHICH IS AN ABSOLUTE NECESSITY FOR FURTHER DEVELOPMENT OF TURKISH INDUSTRY, HAS BEEN REFUSED FUNDING BY THE WORLD BANK, AND ITS PRESIDENT, ROCKEFELLER FLUNKY ROBERT MCNAMARA, THE SUEDEUTSCHE ZEITUNG REPORTS TODAY.

IRAN LOANS TURKEY ONE BILLION DOLLARS

OCT. 18 (IPS)—IRAN HAS LENT TURKEY AN UNPRECEDENTED \$1.2 BILLION TO IMPROVE RAILROADS, ROADS, AND INDUSTRY, ACCORDING TO REUTERS NEWS SERVICE. THE LOAN, OBSERVERS INDICATE, IS AN ATTEMPT TO OFFSET TURKEY'S GROWING TRADE RELATIONS WITH COUNTRIES OUTSIDE THE U.S. DOLLAR ORBIT, MOST NOTABLY PRO-SOVIET IRAQ.

GERMAN BANKS WARN OF "RISKS" IN EURODOLLAR MARKET

OCT. 18 (IPS)—AT A SYMPOSIUM ON THE SAFETY OF COVERING THE WEST GERMAN BUDGET DEFICIT THROUGH FOREIGN BORROWING, DR. OTMAR EMMINGER, VICE PRESIDENT OF THE DEUTSCHE BUNDESBANK, KARL OTTO POEHL, STATE SECRETARY IN THE BONN FINANCE MINISTRY, AND HERMANN ABS, CHAIRMAN OF THE SUPERVISORY BOARD OF THE DEUTSCHE BANK, GERMANY'S LARGEST BANK, ALL EXPRESSED GRAVE DOUBTS ABOUT THE STABILITY OF THE EURODOLLAR MARKET.

ARGUING THAT NEW FINANCING SHOULD BYPASS THE MARKET AND WORK THROUGH OTHER FINANCIAL INSTITUTIONS, ABS CITED THE INSECURITY AND ILLIQUIDITY RISKS WHICH EURODOLLAR INVESTMENTS IN THE CONSTRUCTION OF OIL TANKERS AND IN REAL ESTATE POSED FOR THE STABILITY OF THE \$200 BILLION EURODOLLAR MARKET. EXPRESSING HORROR AT THE LACK OF INFORMATION ON THE MARKET, AND ITS ENORMOUS GROWTH OVER THE PAST 12 YEARS, ABS BLURTED OUT "DO YOU THINK THE BANK OF AMERICA IS GOOD FOR A BILLION DOLLARS!"

THE SYMPOSIUM WAS REPORTED IN YESTERDAY'S FINANCIAL TIMES.

(MORE)

CONTINENTAL

ROCKY AGAIN CALLS FOR AID TO NYC TO BAIL-OUT BANKS

OCT. 18 (IPS)--IN THE PANICKY ATMOSPHERE CREATED BY YESTERDAY'S NEAR DEFAULT OF NEW YORK CITY THE WASHINGTON POST TODAY PUBLISHED AN EXCLUSIVE INTERVIEW WITH VICE PRESIDENT NELSON ROCKEFELLER IN WHICH HE DEMANDED THAT THE DEMOCRATIC CONGRESS TAKE ACTION TO PREVENT A "CATASTROPHIC" DEFAULT IN THE FUTURE IN OPPOSITION TO ADMINISTRATION POLICY.

"I DON'T CARE IF ITS A LOAN OF GUARANTEE, ROCKEFELLER TOLD POST COLUMNIST HOBART ROWAN, "BUT IF CONGRESS WANTS TO SHOW LEADERSHIP, IT HAS A GRAND OPPORTUNITY TO SHOW ITS MUSCLE AND MOBILIZE THE DEMOCRATIC STRENGTH TO SUPPORT A DEMOCRATIC MAYOR AND A DEMOCRATIC GOVERNOR."

"CONGRESS IS ALWAYS SAYING THAT THE PRESIDENT IS USURPING THE CONGRESS' POWER, " ROCKEFELLER STATED, " WELL HE HASN'T ... HERE'S THEIR CHANCE TO DO SOMETHING."

ROCKEFELLER SPECIFICALLY DISTANCED HIMSELF FROM TREASURY SECRETARY WILLIAM SIMON'S ANALYSIS THAT THE EFFECTS OF A DEFAULT WOULD BE TOLERABLE AND TEMPORARY. ROCKEFELLER SAID, "NOBODY CAN TELL HOW FAR THE CRISIS CAN GO OR WHAT FORM IT WILL TAKE."

THE PRINCIPAL BENEFICIARY OF SUCH "AID" WOULD BE THE NEW YORK BANKING SYSTEM, CONTROLLED BY NELSON'S BROTHER DAVID.

ROWAN NOTED THAT ROCKEFELLER HAD NOT BEEN INVITED TO AN EMERGENCY WHITE HOUSE MEETING OF SENIOR FINANCIAL ADVISORS DURING YESTERDAY'S POTENTIAL DEFAULT CRISIS.

DALEY CALLS FOR MAINTENANCE OF NYC SERVICES

OCT. 18 (IPS)--CHICAGO MAYOR DALEY TODAY CALLED FOR FEDERAL AID TO NEW YORK CITY SO THAT THE CITY CAN MAINTAIN ITS ESSENTIAL CITY SERVICES, ACCORDING TO THE CHICAGO SUN TIMES. DALEY'S CALL FOR AID TO THE CITY CONTRASTS SIGNIFICANTLY WITH DEMANDS BY ROCKEFELLER FORCES THAT FEDERAL AID BE MADE CONTINGENT ON MASSIVE NEW BUDGET CUTS BY THE CITY.

DALEY HAS ALSO REVEALED THAT HE HAS A "SECRET PLAN" FOR NEW YORK CITY WHICH HE HAS COMMUNICATED TO NEW YORK MAYOR BEAME. DALEY WOULD NOT ELABORATE.

EVANS AND NOVAK SEE "IMMENSE"
POLITICAL DANGER IN STORE FOR ROCKY

OCT. 18 (IPS)--"THAT A VICE PRESIDENT SHOULD MUSTER THE POLITICAL BRAVADO TO CHALLENGE HIS PRESIDENT SO FRONTALLY REVEALS MUCH ABOUT THE PRESENT STATE OF FORD'S ADMINISTRATION, AND PARTICULARLY THE RANCID IN-FIGHTING BETWEEN ROCKEFELLER AND RUMSFELD," EVANS AND NOVAK DECLARE IN THEIR OCT. 16 SYNDICATED COLUMN ENTITLED "ROCKY'S DANGEROUS GAME."

(MORE)

ACCORDING TO THESE SAME PUNDITS, ROCKEFELLER IS PLAYING WITH DYNAMITE IN HIS CALCULATED BREAK WITH FORD OVER FEDERAL AID TO HIS BROTHER'S NEW YORK BANKS "IF THE PRESIDENT CONTINUES IN ALLIANCE WITH SIMON AND RUMSFELD." EVANS AND NOVAK CONCLUDE THAT FOR ROCKEFELLER "THE POLITICAL WAGER IS IMMENSE" THAT FORD WILL CONTINUE TO WANT HIM AS A RUNNING-MATE SINCE HE IS NOW OVERDRAWN ON "HIS POLITICAL CREDIT IN THE BANK OF JERRY FORD" DESPITE THE FACT THAT ROCKEFELLER INTIMATES SCOFF AT ANY PROSPECT OF FORD DUMPING HIM.

ORGANIZING AND INTELLIGENCE

PSI LEADER BLASTS TRILATERAL COMMISSION
ITALIAN REARMAMENT POLICY

ROME, ITALY, OCT. 18 (IPS)—GIACOMO MANCINI, FORMER SECRETARY GENERAL OF THE ITALIAN SOCIALIST PARTY (PSI), DENOUNCED THE REARMAMENT POLICY PROPOSED BY THE ITALIAN MINISTER FOR RESEARCH AND TECHNOLOGY, PEDINI, AND BY AN UNDERSECRETARY OF THE SAME MINISTRY, GUADALUPI'S SU, A MEMBER OF THE HIS SOCIALIST PARTY. IN AN INTERVIEW YESTERDAY, MANCINI SAID. "I HAVE LISTENED TO PEDINI'S AND GUADALUPI'S SUGGESTIONS, BUT THEY WILL NOT RESOLVE THE ECONOMIC CRISIS. I AM COMPLETELY OPPOSED TO IT."

ASKED TO COMMENT ON THE SIGNIFICANCE OF LAST SATURDAY'S MEETING OF THE TRILATERAL COMMISSION AT THE AGNELLI FOUNDATION IN TURIN, MANCINI SAID THAT THE MEETING WAS RELATED TO THE TURIN MEETING OF THE PIEDMONT ECONOMIC REGIONAL CONFERENCE LAST WEEKEND, "WHOSE RESULT WAS CLEAR: IT IS A DECISION FOR THE COMPLETE DESTRUCTION OF PRODUCTION, PARTICULARLY IN THE SOUTH," SAID MANCINI.

THE PROPOSED ITALIAN REARMAMENT POLICY HAS BEEN DEVELOPED PRIMARILY BY ROCKEFELLER-AGENT GIANNI AGNELLI, CHAIRMAN OF FIAT WITH THE IMPLICIT SUPPORT OF THE AGENT-LED ITALIAN COMMUNIST PARTY.

MORATORIUM "THE ONLY SOLUTION" SAYS MILAN MAYOR

ROME, ITALY, OCT. 18 (IPS)—ALDO ANIASI, THE SOCIALIST MAYOR OF MILAN, TOLD IPS TODAY THAT THE ONLY SOLUTION TO THE CITY'S BUDGET CRISIS IS A DEBT MORATORIUM. "IT IS THE ONLY SOLUTION," HE STATED. ANIASI WENT ON TO SPECIFY THAT "IT IS THE ONLY WAY, NOT ONLY FOR MILAN BUT FOR ALL CITIES."

ANIASI INVITED IPS TO "COME TO THE NEXT MILAN (CITY COUNCIL) MEETING AND LOOK...."

THE MAYOR'S UNFINISHED STATEMENT MAY INDICATE THAT HE SOON INTENDS TO FORMALLY CALL FOR A DEBT MORATORIUM FOR THE NEAR-BANKRUPT MILAN. ANIASI RECENTLY TOLD THE CITY COUNCIL THAT MILAN IS IN A "STATE OF EMERGENCY."

(MORE)

WAYNE EVANS BRIEFS MICHIGAN LEGISLATURE ON LABOR HOLOCAUST

DETROIT, OCT. 18 (IPS)--WAYNE EVANS, U.S. LABOR PARTY CANDIDATE FOR VICE PRESIDENT OF THE UNITED STATES TESTIFIED ON BESTIAL WORKING CONDITIONS AND DRUG TRAFFICKING IN MIDWESTERN FACTORIES BEFORE A JOINT SESSION OF THE MICHIGAN HOUSE AND SENATE LABOR COMMITTEES YESTERDAY. THE HEARINGS WERE HELD TO CONSIDER PROPOSED LEGISLATION TO EXPAND WORKINGMAN'S COMPENSATION BENEFITS.

TESTIFYING FOR 25 MINUTES, EVANS COUNTERPOSED THE LABOR BILL OF RIGHTS, A PLANK IN THE USLP PRESIDENTIAL PLATFORM CALLING FOR DECENT LIVING CONDITIONS, AND TO PREVENT THE DESTRUCTION OF THE WORKING CLASS CURRENTLY GOING ON AT SUCH MAJOR INDUSTRIAL PLANTS AS FORD ROUGE, WIXOM, DODGE MAIN, AND DOZENS OF OTHER NAZIFIED AUTO PLANTS. HE CALLED UPON THE JOINT COMMITTEE TO INITIATE A MAJOR INVESTIGATION OF PRESENT PLANT CONDITIONS.

AUTO COMPANY AND BUSINESS WITNESSES DENOUNCED WORKINGMAN'S COMPENSATION AND THREATENED TO NEVER BUILD NEW FACILITIES IN THE STATE IF BENEFITS FOR WERE INCREASED.

BENTON ADDRESSES SF DEMOCRATIC CENTRAL COMMITTEE

SAN FRANCISCO, OCT. 18 (IPS)--U.S. LABOR PARTY MAYORAL CANDIDATE NICK BENTON ADDRESSED THE SAN FRANCISCO COUNTY DEMOCRATIC CENTRAL COMMITTEE FOR 15 MINUTES LAST NIGHT, AND DOMINATED THE MEETING, HELD TO ENDORSE A CANDIDATE FOR THE NOVEMBER MAYORAL PRIMARY ELECTION, WITH A PRESENTATION BLASTING EFFORTS TO IMPOSE AUSTERITY ON THE WORKING CLASS. BENTON CALLED ON THE COMMITTEE TO ENDORSE THE DEBT MORATORIUM, FUSION POWER, AND THE 10-DAY DRUG DETOXIFICATION PROGRAM PROPOSED BY THE USLP.

FOLLOWING THE PRESENTATION, BENTON ANSWERED EXTENDED QUESTIONS FROM COMMITTEE MEMBERS, AND SOLD SEVERAL USLP PRESIDENTIAL PLATFORMS THAT HE HAD BROUGHT WITH HIM.

OTHER CANDIDATES WERE ALLOWED ONLY FIVE MINUTES TO ADDRESS THE COMMITTEE; NONETHELESS, COMMITTEE MEMBERS SAID THAT THEY COULD NOT ENDORSE BENTON BECAUSE THE COMMITTEE "COULD ONLY ENDORSE A DEMOCRAT."

MEANWHILE, BENTON ANNOUNCED IN A SPECIAL BROADCAST ON THE SANFRANCISCO CBS AFFILIATE, THAT HIS CAMPAIGN HAS TARGETTED THE 28 PER CENT OF THE VOTERS WHO ARE SHOWN AS "UNDECIDED" IN POLLS TO GIVE HIM A VICTORY MARGIN. THE OTHER VOTES ARE DIVIDED AMONG EIGHT CANDIDATES. THE CBS BROADCAST BREAKS A PRESS BLACKOUT ON THE BENTON CAMPAIGN. BENTON ALSO HAS A SCHEDULED TELEVISION DEBATE WITH ANOTHER CANDIDATE, JUDGE ERTOLA, ON OCTOBER 28.

IPS/7

GAULLIST VOTERS TURN BACKS ON PRO-ROCKEFELLER MINISTER

OCT. 18 (IPS)--INCUMBENT DEPUTY PIERRE ABELIN, THE PRO-ROCKEFELLER MINISTER OF COOPERATION IN THE GOVERNMENT OF PRESIDENT GISCARD FACES A RUN-OFF ELECTION TO RETAIN HIS SEAT IN FRANCE'S PARLIAMENT TOMMORROW, AFTER HE FAILED TO RECEIVE AN ABSOLUTE MAJORITY IN THE FIRST ROUND ELECTION OCT. 12. ABELIN RECEIVED ONLY 49.5 PER CENT OF THE VOTE THIS YEAR, AFTER HE WON 60 PER CENT IN THE 1973 ELECTION.

ABELIN'S STARTLING LOSS OF SUPPORT IS ATTRIBUTED TO GAULLIST VOTERS' REFUSAL TO SUPPORT HIM, DESPITE HIS BACKING FROM GAULLIST PRIME MINISTER CHIRAC. ACCORDING TO IPS ANALYSIS, THE GAULLIST VOTE SPLIT FOUR WAYS. OVER 50 PER CENT ABSTAINED, 20 PER CENT VOTED FOR ABELIN, 15 PER CENT VOTED FOR THE SOCIALIST CANDIDATE EDITH CRESSON, AND 13 PER CENT VOTED FOR DISSIDENT GAULLIST CANDIDATE ROUSSEL.

UNLESS LARGE NUMBERS OF GAULLISTS WHO ABSTAINED IN THE OCT. 12 ELECTION DECIDE TO TURN OUT FOR ABELIN TOMORROW, OBSERVERS GIVE HIS NON-OPPONENT CRESSON WHO HAS THE SUPPORT OF THE COMMUNISTS, A GOOD CHANCE TO UNSEAT ABELIN TOMORROW.

END OF IPS LATE PRIORITIES 10-18-75



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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE
OCTOBER 19, 1975 2200 EDT
IPS COMBINED PRIORITIES

DEBT MORATORIUM CREEPS INTO DISCUSSION AT SENATE BANKING COMMITTEE

OCT. 19 (IPS) — TODAY'S VOLUMINOUS PRESS COVERAGE OF THE SENATE BANKING COMMITTEE HEARINGS ON THE NEW YORK CITY FISCAL CRISIS IN WASHINGTON YESTERDAY OMITTED ONE ESSENTIAL FEATURE: THE UNDERCURRENT OF TALK ABOUT DEBT MORATORIUM IN AND AROUND THE HEARINGS.

SENATOR WILLIAM PROXMIRE (D-WISC) CHAIRMAN OF THE COMMITTEE, EXPLICITLY QUERIED NEW YORK MAYOR ABE BEAME: "WHY NOT FOLLOW THE ROUTE OF DEBT MORATORIUM OR RESCHEDULING OF THE PRINCIPAL?"

NEW YORK CITY WOULD NOT FIND ITS WAY INTO THE CAPITAL MARKETS FOR MANY YEARS..., BEAME REPLIED. "MY OPINION IS BEING STATED TO US FROM THE FINANCIAL COMMUNITY," HE ADDED.

THE JOINT STATEMENT ISSUED BY DAVID ROCKEFELLER, WALTER WRISTON AND ELLMORE PATTERSON, CHAIRMEN OF CHASE MANHATTAN, FIRST NATIONAL CITY BANK AND MORGAN GUARANTY TRUST IMPLICITLY ADDRESSED ITSELF TO THE QUESTION OF DEBT MORATORIUM. "IT IS IMPORTANT TO REALIZE THAT IF DEFAULT OCCURRED—FOLLOWED BY A SUSPENSION OF DEBT SER-PAYMENTS—IT WOULD BE HIGHLY IMPROBABLE THAT THE ORDINARY BUSINESS OF THE CITY COULD PROCEED AT ALL NORMALLY."

SEN. EDWARD BROOKE (R-MASS), HOWEVER, TOOK EXCEPTION WITH THIS POINT: "THE FIGURES I HAVE GOTTEN FROM THE STAFF OF THE BANKING COMMITTEE INDICATE THAT IF NEW YORK WERE TO BE FREED OF DEBT SERVICE IT WOULD HAVE MORE THAN ENOUGH TO MEET ITS COSTS." THESE FIGURES WILL BE RECORDED IN THE CONGRESSSIONAL RECORD.

UAW PUSHES METHADONE THROUGH MEDICAL PLAN

DETROIT, OCT. 19 (IPS) — THE UNITED AUTOMOBILE WORKERS UNION (UAW) HAS VOWED TO KILL LEGISLATION NOW PENDING BEFORE THE WAYNE COUNTY (DETROIT) COMMISSION WHICH WOULD OUTLAW MAINTENANCE OF DRUG ADDICTS ON METHADONE.

PAT KILLEEN OF THE UAW SOCIAL SECURITY DIVISION AT THE UNION'S INTERNATIONAL HEADQUARTERS HERE SAID YESTERDAY, SINCE OCT. 1, THE UAW-BLUE CROSS MEDICAL INSURANCE PLAN HAS BEGUN PAYING FORD AND CHRYSLER EMPLOYEES FOR METHADONE MAINTENANCE. GENERAL MOTORS WILL SOON FOLLOW WITH A SIMILAR PROGRAM, KILLEEN SAID.

(MORE)

THE UAW HAS ALSO DEPLOYED ALL ITS POLITICAL MUSCLE TO STOP U.S. LABOR PARTY-BACKED PROPOSALS MADE BY WAYNE COUNTY COMMISSIONER KILLEEN (NOT RELATED TO THE UAW'S PAT KILLEEN) TO ESTABLISH A CLEARING HOUSE TO INVESTIGATE IN-PLANT DRUG TRAFFIC ALONG WITH OUTLAWING METHADONE TREATMENT. COMMISSIONER ROBINSON, WHO IS MARRIED TO THE UAW LOCAL PRESIDENT AT THE FORD WIXOM PLANT, AND OTHER COMMISSIONERS WITH TIES TO THE UAW, HAVE RETRACTED THEIR PREVIOUS ENTHUSIASTIC SUPPORT FOR THE PROPOSALS.

COMMISSIONER KILLEEN REPORTS THAT HE HAS RECEIVED INTENSE PRESSURE FROM UAW SUBSTANCE ABUSE OFFICIAL MILLIE JEFFERIES TO KILL THE PROPOSALS.

ADDITIONALLY, THE UAW INVITED THE MICHIGAN STATE LEGISLATURE'S SUBSTANCE ABUSE COUNCIL, A MAJORITY OF WHOSE MEMBERS OPPOSE METHADONE, TO HOLD A MEETING LAST WEEKEND AT BLACK LAKES, THE UAW'S NOTORIOUS BRAINWASHING RESORT.

RIGHT-WING SPD LEADER NOW SEES THE LIGHT
ON DISARMAMENT AND THE US SITUATION

WEST BERLIN, OCT. 19 (IPS) — KURT MATTICK, A RIGHT-WING LEADER OF THE WEST GERMAN SOCIAL DEMOCRATIC PARTY (SPD), TOTALLY REVERSED HIS OPPOSITION TO DISARMAMENT AND DETENTE AT THE SPD'S WEST BERLIN CONFERENCE YESTERDAY. "DETENTE MUST GO ON, THE SOVIET UNION WANTS PEACE AND WE MUST ACT ON DISARMAMENT," MATTICK TOLD IPS. MATTICK WHO IS BEING FORCED TO MOVE LEFTWARD BY THE ANTI-ATLANTICIST FORCES IN THE SPD CENTERED AROUND PARLIAMENTARY FRACTION LEADER HERBERT WEHNER, ALSO TOLD IPS THAT HE IS FULLY COGNIZANT OF THE DEVELOPING ANTI-ROCKEFELLER FACTIONAL SITUATION IN THE UNITED STATES.

PORTUGUESE PRESIDENT COSTA GOMES
TALKS WITH EX-PREMIER GONCALVES

OCT. 19 (IPS) — PRESIDENT COSTA GOMES OF PORTUGAL TODAY CALLED IN EX-PREMIER VASCO DOS SANTOS GONCALVES TO HIS PRESIDENTIAL PALACE AT BELEM, ACCORDING TO TODAY'S UNITA, ITALIAN COMMUNIST PARTY PAPER. THE PAPER NOTES THAT GONCALVES' RETURN TO THE POLITICAL SCENE WILL NO DOUBT PLEASE THE ULTRA-LEFT WHO HAVE MADE GONCALVES THEIR CHAMPION. GONCALVES, WHO PRESIDING OVER THE FIFTH PROVISIONAL GOVERNMENT, WAS SUPPORTED BY THE PORTUGUESE COMMUNIST PARTY, WAS FORCED OUT OF OFFICE BY RIGHT-WING NATO OPERATIVES IN THE ARMED FORCES.

UNITA BEMOANS
THE POSSIBLE POSTPONEMENT OF REARMAMENT FUNDING

OCT. 19 (IPS) — DISCUSSING THE CURRENT PLAN FOR REARMAMENT IN THE AIRCRAFT INDUSTRY, UNITA, DAILY OF THE ITALIAN COMMUNIST PARTY (PCI) TODAY WARNED THAT HIS PLAN MAY BE NOW UNFORTUNATELY SHUNTED ASIDE. CHRISTIAN DEMOCRATIC MINISTER OF DEFENSE, FORLANI ADDRESSING THE SENATE DEFENSE COMMITTEE STRESSED THE NEED FOR A "PROMOTIONAL LAW" WHICH WOULD INDICATE THE POSTPONEMENT OF THE FUNDING FOR THE ROCKEFELLER REARMAMENT.

(MORE)

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REFERRING TO PCI LEADER GIOVANNI BERLINGUERI'S THURSDAY SPEECH REITERATING THAT REARMAMENT IS THE SOLUTION TO THE ECONOMIC CRISIS, UNITED STATES, "ONE CANNOT DISREGARD...THE PRESENT ECONOMIC CRISIS AND THE CHOICES OF CIVIL DEVELOPMENT THAT IT IMPOSES."

HEW NIXED CHICAGO DETOX

CHICAGO, OCT. 18 (IPS) — CHICAGO MAYOR DALEY SUBMITTED A PROPOSAL TO THE U.S. DEPARTMENT OF HEALTH, EDUCATION AND WELFARE (HEW) IN 1972 TO CONVERT THE OLD TUBERCULOSIS SANATORIUM INTO A 15 DAY DETOX FACILITY WITH 5,000 BEDS ACCORDING TO A HIGH OFFICIAL IN THE CITY'S DRUG ENFORCEMENT AGENCY. HEW REPORTEDLY REJECTED FUNDING FOR THE PLAN ON THE GROUNDS THAT IT DID NOT INCLUDE USE OF METHADONE.

BALTO SUN: FORD IS A PUPPET OF HOUSE OF ROCKEFELLER

OCT. 19 (IPS) -- PRESIDENT FORD IS A PUPPET OF THE "HOUSE OF ROCKEFELLER," BALTIMORE SUN EDITORIALIST ERNEST FURGURSON WRITES TODAY.

UNLIKE FORD'S IDOL, THE LATE HARRY S. TRUMAN, FURGURSON WRITES, THE PRESIDENT IS A CREATURE OF WALL STREET AND BIG BUSINESS. "HE IS MARRIED TO THE SYMBOL OF BANKING, BIG BUSINESS, NEW YORK, OIL— OF NEARLY EVERY HOBGOBLIN ON THE (MIDWESTERN) POPULIST'S ENEMIES LIST. THAT IS THE HOUSE OF ROCKEFELLER. AND TO FURTHER CONFUSE THINGS, THIS PARTICULAR ROCKEFELLER HAS DARED CROSS THE PRESIDENT ABOUT HELPING NEW YORK CITY...THE SODOM AND GOMMORROH OF THE EAST."

FURGURSON CONCLUDES THAT FORD IS IN "DEEP TROUBLE FOR 1976 — EVEN IF HE TRIES TO CLARIFY MATTERS BY THROWING HIS VICE PRESIDENT OVER THE SIDE BEFORE THE VOTING."

L'EUROPEO BLASTS AGNELLI'S ROLE IN "MULTINATIONAL GOVERNMENT"

OCT. 19 (IPS) — FOR THE SECOND WEEK IN A ROW THE PRESTIGIOUS ITALIAN WEEKLY L'EUROPEO HAS BLASTED THE INTERNATIONAL CONSPIRACY OF THE ROCKEFELLER-CONTROLLED MULTINATIONALS AND PINPOINTS GIANNI AGNELLI AS ONE OF THE KEY OPERATORS IN THEIR SCHEMES.

"AGNELLI, L'ESPRESSO WRITES, IS PART OF THE APPARATUS OF THE MULTINATIONAL GOVERNMENT AND HAS BECOME THE MULTINATIONAL'S AMBASSADOR." L'EUROPEO IDENTIFIES THE LEADERS OF THIS OPERATION AS THE NOTORIOUS BILDERBERG GROUP, WHOSE POWERS TODAY "HAVE BEEN TRANSFERRED TO THE TRILATERAL COMMISSION, FUNDED IN 1973 BY DAVID ROCKEFELLER...ITS MEMBERS ARE THE SAME AS THOSE OF THE BILDERBERG (GROUP)."

THE TRILATERAL COMMISSION HAD LAST WEEK HELD A SUPER-SECRET MEETING AT THE AGNELLI FOUNDATION HEADQUARTERS IN TURIN. DAVID ROCKEFELLER WAS AMONG THE ATTENDEES AT A MEETING DESCRIBED IN THE ECONOMIC PRESS AS AN "ECONOMIC YALTA."

(MORE)

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L'EUROPEO STRESSES THAT ON HIS RECENT VISIT TO CHINA, AGNELLI ACTED AS A REPRESENTATIVE OF INTERNATIONAL FINANCE. THIS WAS NECESSITATED, THE MAGAZINE REPORTS, SINCE THE CHINESE REFUSE "GOVERNMENT TO GOVERNMENT" GUARANTEES FOR THEIR BARTER DEALS.

IN ANOTHER ARTICLE PUBLISHED IN THE SAME ISSUE, L'EUROPEO REVEALED THAT AGNELLI IS CONSPIRING WITH FORMER BANK OF ITALY PRESIDENT GUIDO CARLI AMONG OTHERS TO TAKE OVER THE COMPANY THAT PUBLISHES L'ESPRESSO.

BUFFALO ELECTION COMMISSIONERS REINTERPRETS LAW THROWS USLP OFF BALLOT

BUFFALO, N.Y., OCT. 19 (IPS) — ERIE COUNTY BOARD OF ELECTIONS COMMISSIONER EDWARD MAHONEY "REINTERPRETED" ELECTION LAW HERE IN ORDER TO INVALIDATE US LABOR PARTY PETITIONS FOR THE UPCOMING CITY AND COUNTY ELECTIONS. MAHONEY'S RULING REMOVES FOUR LABOR PARTY CANDIDATES FROM THE NOVEMBER BALLOT. THE RETROACTIVE INVALIDATION OF PETITION SIGNATURES IS "UNPRECEDENTED," ACCORDING TO THE LOCAL VICE-CHAIRMAN OF THE CONSERVATIVE PARTY.

MAHONEY, A DEMOCRATIC PARTY APPOINTEE, TOLD LABOR PARTY REPRESENTATIVES OCT. 17 THAT UNDER HIS "INTERPRETATION" ALL PETITION SIGNATURES COLLECTED FROM PERSONS WHO VOTED IN THE PARTY PRIMARY ELECTION WERE INVALID—EVEN IF THE SIGNATURES WERE GATHERED BEFORE THE PRIMARY LAST MONTH. THE NORMAL READING OF THE LAW IS THAT PETITION SIGNATURES GATHERED BEFORE THE PRIMARY VOTE ARE VALID.

THE LABOR PARTY LEGAL STAFF IS CONSULTING WITH ATTORNEYS NOW ON THE LEGAL STANDING OF MAHONEY'S MOVE AND AN EFFECTIVE COUNTERPUNCH.

LABOR PARTY CAMPAIGN WORKERS COLLECTED TWICE THE REQUIRED AMOUNT OF SIGNATURES FOR CANDIDATES STUART FOLADARE AND RICHARD DANESHA (CITY COUNCILMEN AT LARGE), JOSEPH FISCH (CONTROLLER), AND ROGER MOORE (ERIE COUNTY EXECUTIVE). MAHONEY SAID THAT UNDER HIS INTERPRETATION, APPROXIMATELY 65 PER CENT OF THE LABOR PARTY SIGNATURES WERE INVALID.

SOURCES TOLD THE LABOR PARTY THAT MAHONEY RUNS THE DEMOCRATIC PARTY PATRONAGE SYSTEM FOR SOUTH BUFFALO, AND THAT HE HAS TIES TO BUFFALO'S CORRUPT POLICE DEPARTMENT AND JUDICIARY. HIS NUMBER TWO POSITION IN THE DEMOCRATIC PARTY IS LARGELY BASED ON HIS ABILITY TO FIX VOTES, ONE SOURCE SAID.

END OF IPS LATE EVENING PRIORITIES OCTOBER 19, 1975



NEW SOLIDARITY International Press Service

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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE (IPS)
SUNDAY, OCTOBER 19, 1975
NON-PRIORITY ITEMS

I. INTERNATIONAL NEWS

PSI LEADER HITS "CONVERGENCE" TENDENCIES

OCT. 19 (IPS) — SPEAKING BEFORE THE CENTRAL COMMITTEE OF THE ITALIAN SOCIALIST PARTY (PSI) TWO DAYS AGO FORMER PARTY SECRETARY GIACOMO MANCINI ATTACKED THE "CONVERGENCE" TENDENCIES IN THE WORKING CLASS MOVEMENT THAT ARE LEADING TOWARDS DANGEROUS COLLABORATION WITH CAPITALISTS.

MANCINI DEVELOPED THE IDEA THAT SUCH TACTICS MAY SEEM TO BUY TIME, BUT IN THE END ONLY MAKE BLOODY CONFRONTATIONS WITH WORKERS AND CAPITALISTS MORE CERTAIN. WHAT IS NEEDED, THE RESPECTED PARTY LEADER STATED ACCORDING TO THE PSI NEWSPAPER AVANTI, IS PARTY UNITY BASED ON A PROGRAM TO FIGHT THE CRISIS. "THE REAL QUESTION," MANCINI TOLD THE CENTRAL COMMITTEE, "IS THE MEZZOGIORNO (ITALY'S IMPOVERISHED SOUTH), THE THEME OF POLITICAL ECONOMY AND OUR PROPOSAL FOR CONFRONTING THE CRISIS."

IN AN INTERVIEW WITH IPS, MANCINI STRESSED THAT SUCH A PROGRAM COULD ONLY BE REALIZED THROUGH CLOSER RELATIONS WITH THE SOVIET UNION.

INFORMED POLITICAL OBSERVERS INDICATED THAT MANCINI'S STAND REPRESENTS A DIRECT POLITICAL ATTACK ON THE POLICIES OF THE ITALIAN COMMUNIST PARTY (PCI) WHICH HAS BEEN OPENLY COLLABORATING WITH ROCKEFELLER ALLIED INDUSTRIALIST GIANNI AGNELLI TO GAIN WORKING CLASS ACCEPTANCE FOR FASCIST AUSTERITY PROPOSALS.

RIGHTWING PORTUGUESE PAPER WARNS OF COMMUNIST TAKEOVER IN PORTUGAL AND ANGOLA

OCT. 19 (IPS) — THE LATEST ISSUE OF O JORNAL, A RIGHTWING PORTUGUESE WEEKLY LINKED TO THE POPULAR DEMOCRATIC PARTY (PPD), REPORTS THAT SENIOR MILITARY AUTHORITIES ARE FEARFUL OF "A COUP BY RADICAL LEFTISTS WITHIN THE NEXT THREE WEEKS TO BRING THE PRO-COMMUNIST GEN. GONCALVES BACK TO POWER."

THE NEWSPAPER ADDS THAT THIS ALLEGED COMMUNIST-LED OPERATION WOULD BE AIMED AT INSTALLING A LEFTWING REGIME IN LISBON SO THAT POWER COULD BE HANDED OVER TO THE PRO-SOVIET MPLA LIBERATION MOVEMENT IN ANGOLA, WHICH IS SLATED FOR INDEPENDENCE ON NOV. 11.

OCT. 19 (IPS) — PORTUGUESE ARMY CHIEF OF STAFF GEN. CARLOS FABIAO IS SET TO VISIT WEST GERMANY TO MEET WITH NATO AGENT AND WEST GERMAN DEFENSE MINISTER GEORG LEBER AND OTHER UNNAMED OFFICIALS, TODAY'S EAST GERMAN RADIO REPORTS.

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LEBER RECENTLY RETURNED FROM A SUDDEN VISIT TO PORTUGAL WHICH SEVERAL OBSERVERS DESCRIBED AS A FACT-FINDING TOUR TO ASSESS THE STRENGTH OF NATO OPERATIVES AND ALLIES WITHIN THAT COUNTRY. GEN. FABIAO, ONE OF THE FIGURES INSTRUMENTAL IN BRINGING DOWN THE PRO-COMMUNIST GOVERNMENT OF GEN. VASCO GONCALVES, WAS AMONG THE RIGHT-WING OFFICIALS WHO HAD MEETINGS WITH THE WEST GERMAN DEFENSE MINISTER.

CHICAGO BANKER CALLS FOR MIDEAST DEVELOPMENT

OCT. 18 (IPS) -- SPEAKING AT THE TRADE POLICY CENTRE IN LONDON, CHAUNCEY SCHMIDT, PRESIDENT OF THE FIRST NATIONAL BANK OF CHICAGO, CALLED FOR A "RICH NATION'S CLUB" TO PROMOTE DEVELOPMENT IN THE MIDDLE EAST. TODAY'S LONDON DAILY TELEGRAPH REPORTS THAT SCHMIDT SPECIFIED HIS PROPOSAL BY CALLING FOR "THE CREATION OF A MIDDLE EASTERN DEVELOPMENT AUTHORITY TO PROMOTE WESTERN AND JAPANESE PARTICIPATION IN LONG-RANGE INDUSTRIAL AND SOCIAL PROJECTS IN THE OIL STATES . . . "

SOVIETS CITE CHICAGO BANKER ON E-W TRADE

OCT. 17 (IPS) -- THE CURRENT ISSUE OF THE SOVIET WEEKLY LITERARY GAZETTE QUOTES FIRST NATIONAL BANK OF CHICAGO HEAD CHAUNCEY SCHMIDT, SAYING THAT EXPANDED EAST-WEST TRADE IS THE CORE OF DETENTE.

"SINCE THE IDEOLOGICAL POSITIONS OF BOTH SIDES REMAIN UNCHANGED, THE SUCCESS OR FAILURE OF DETENTE IS DETERMINED ABOVE ALL BY THE ECONOMIC AND FINANCIAL CATEGORIES," SAID SCHMIDT, " . . . WE MUST NOT MISS THIS OPPORTUNITY."

LEBANESE SOCIALIST CALLS FOR SYRIA-IRAQ RECONCILIATION

OCT. 19 (IPS) -- LEBANESE SOCIALIST LEADER KEMAL JUMBLATT HAS LAUNCHED EFFORTS TO RECONCILE THE PRO-SOVIET ARAB BAAATH SOCIALIST PARTY (ABSP) OF IRAQ AND THE AGENT-RIDDLED SYRIAN BRANCH OF THE ORGANIZATION, ACCORDING TO THE OCT. 17 FINANCIAL TIMES.

JUMBLATT BROUGHT TOGETHER REPRESENTATIVES OF THE TWO PARTY FACTIONS ON WEDNESDAY IN BEIRUT, WHO ARE EXPECTED TO HOLD TWO MORE MEETINGS IN DAMASCUS AND BAGHDAD.

MICHEL AFLAQ, FOUNDER OF THE ABSP AND SECRETARY-GENERAL OF ITS BAGHDAD-BASED PAN-ARAB COMMAND, WAS ALSO INVOLVED IN THE TALKS. THE IMPENDING RAPPROACHMENT IS CLEARLY AIMED AT UNDERCUTTING ONE OF THE AREA'S KEY, ROCKEFELLER AGENTS, SYRIAN PRESIDENT HAFEZ ASSAD, WHO, THE FINANCIAL TIMES WRITES, "MAY NOW BECOME MORE INCLINED FOR COOPERATION WITH IRAQ."

(MORE)

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SWEDISH PRESS LAGERS AT PALM BREAKOUT

MALMO, SWEDEN OCT. 19 (IPS) -- THE OCT. 17 SYDSVENSKA DAGBLADET, A PROMINENT CONSERVATIVE-LIBERAL DAILY, LAMPOONED THE HYSTERICAL SLANDER OF THE EUROPEAN LABOR COMMITTEES (ELC) ORDERED BY SWEDISH PRIME MINISTER OLOF PALME AND CONDUCTED LAST WEEK BY THE AFTONBLADET.

RIDICULING THE AFTONBLADET'S CHARGE THAT THE ELC IS CIA-FUNDED, THE SYDSVENSKA DAGBLADET REPORTER COMMENTS, "I DO NOT EXCLUDE THAT THE KGB, WHICH PRESENTLY IS SAID TO HAVE BAD FINANCES ACCORDING TO AFTONBLADET, HAS BORROWED SOME FROM THE CIA, WHICH IN TURN IS SUCH A BAD CREDIT RISK BECAUSE ALL THE CRITICISM IN THE USA THAT IN FACT IT IS THE VICE PRESIDENT, NELSON ROCKEFELLER, WHO COUGHED THE MONEY UP. . . .

"I THINK AFTONBLADET STARTED A JOURNALISTICALLY INNOVATIVE PRACTICE BY STARTING A COUNTER-FIRE AGAINST SUSPICIONS ABOUT SOCIAL DEMOCRAT-CIA COOPERATION BY ACCUSING AN ODD ORGANIZATION NAMED ELC FOR RUNNING ESPIONAGE AGAINST THE SD. THAT'S REALLY PROPAGANDA, AND NOT JOURNALISM," THE REPORTER CONCLUDES.

II. CONTINENTAL NEWS

FORD "PRESSURED" INTO SUPPORT FOR OIL PRICE HIKES

OCT. 19 (IPS) -- A DECEMBER 1974 MEMO PREPARED BY THE OFFICE OF MANAGEMENT AND BUDGET WHICH ADVISED PRESIDENT FORD OF DISASTROUS ECONOMIC EFFECTS WHICH WOULD RESULT FROM THE ADMINISTRATION'S PROPOSALS FOR OIL PRICE INCREASES, WAS SUPPRESSED BY ENERGY CZAR FRANK ZARB, ACCORDING TO SYNDICATED COLUMNISTS EVANS AND NOVAK. THE SUPPRESSED MEMO WARNED THE PRESIDENT TO IGNORE DEMANDS FOR A \$2-A-BARREL OIL TARIFF FROM "INSTANT EXPERTS AND PRESS PUNDITS" SINCE "THERE IS STRONG REASON TO BELIEVE THEY WOULD SUBJECT OUR ALREADY WEAK ECONOMY TO FURTHER INFLATION AND UNEMPLOYMENT NEXT YEAR." IN THEIR OCT. 17 COLUMN EVANS AND NOVAK ALSO CHARGE THAT SECRETARY OF STATE HENRY KISSINGER'S PUSH FOR "AN UNATTAINABLE REDUCED OIL CONSUMPTION OF ONE MILLION BARRELS A DAY BY THE END OF 1976" ALSO CONTRADICTED ADVICE OF GOVERNMENT OIL EXPERTS, AND "HEIGHTENED PRESSURE FOR INSTANT PRESIDENTIAL ACTION" ON ENERGY.

THE OIL PRICE HIKE PROGRAM WAS SOUGHT BY ROCKEFELLER-LINKED INTERESTS WHICH ARE FACING HEAVY LOSSES ON ENERGY DEVELOPMENT PROJECTS.

III. ORGANIZING AND INTELLIGENCE REPORT

CLEVELAND MAYORAL CANDIDATE OPPOSES METHADONE, SUPPORTS DETOXIFICATION

CLEVELAND OCT. 18 (IPS) -- CLEVELAND MAYORAL CANDIDATE ARNOLD PINCKNEY SAID YESTERDAY THAT HE IS "TOTALLY OPPOSED" TO METHA-

(MORE)

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DONE, THAT HE FAVORS DETOXIFICATION OF DRUG ADDICTS, AND THAT HE IS WILLING TO SIT DOWN WITH A "PANEL OF EXPERTS" BEFORE FULLY ENDORSING THE U.S. LABOR PARTY 10-DAY DETOXIFICATION PROGRAM.

PINCKNEY, WHO SIGNIFICANTLY OUT-POLLED INCUMBENT PRO-DRUG MAYOR PERK IN THE CLEVELAND PRIMARY, MADE HIS REMARKS AT A MODEL CITIES CANDIDATES NIGHT IN RESPONSE TO A QUESTION BY U.S. LABOR PARTY CANDIDATE TONY CURRY.

LEADING SCIENTIST SUPPORTS FUSION CAMPAIGN

OCT. 18 (IPS) -- LLOYD MOTZ, PROFESSOR OF ASTRONOMY AT COLUMBIA UNIVERSITY AND ONE OF THE UNITED STATES' FOREMOST SCIENTISTS, TODAY ISSUED A STATEMENT ASKING POLITICIANS AND TRADE UNIONISTS TO SIGN A PETITION DRAFTED BY THE U.S. LABOR PARTY WHICH CALLS FOR A CONGRESSIONAL INVESTIGATION OF FUSION RESEARCH SABOTAGE. MOTZ'S STATEMENT READS:

"ANY POLICY THAT COULD STYMIE THE DEVELOPMENT OF FUSION BY CUTTING BACK ON RESEARCH GOES AGAINST THE REAL INTERESTS OF THE COUNTRY AND IS DELETERIOUS TO THE WELL-BEING OF WORKERS. I INTEND TO LOOK INTO THIS SITUATION, AND URGE ELECTED POLITICAL AND UNION OFFICIALS TO INFORM THEMSELVES ON THE REQUIRED UPGRADING OF FUSION RESEARCH AS PROPOSED BY THE U.S. LABOR PARTY, AND TO ENDORSE THE CALL FOR A CONGRESSIONAL INVESTIGATION."

END OF IPS NON-PRIORITIES FOR OCT. 12.

NEW SOLIDARITY INTERNATIONAL PRESS SERVICE (IPS)

PRESS RELEASE NO. 501

U.S. LABOR PARTY PROPOSES EMERGENCY EMPLOYMENT ACT
TO SOLVE ECONOMIC CRISIS

OCT. 20 (IPS)—THE U.S. LABOR PARTY TODAY SUBMITTED TO CONGRESS A DRAFT "EMERGENCY EMPLOYMENT ACT OF 1975." THE PROPOSED BILL, AUTHORED BY LYNDON H. LAROUCHE, JR., THE USLP'S 1976 PRESIDENTIAL CANDIDATE WOULD DECLARE A "GRAVE NATIONAL ECONOMIC EMERGENCY," AND ADOPT "APPROPRIATE AND ACCEPTABLE ALTERNATIVE MEANS TO FULL ECONOMIC RECOVERY" WHICH ARE IMMEDIATELY ACCESSIBLE.

THE DRAFT EMERGENCY EMPLOYMENT ACT CONDEMNS CURRENT ATTEMPTS TO SALVAGE BILLIONS OF DOLLARS OF BAD DEBTS THROUGH NAZI-MODELLED AUSTERITY MEASURES - A POLICY WHICH NECESSARILY DEMANDS THE IMPLEMENTATION OF THE NAZI'S MASS SLAVE LABOR POLICIES ON THE U.S. AND OTHER POPULATIONS, AND CALLS ON THE CONGRESS TO JOIN WITH LEADING FORCES WITHIN THE DEVELOPING SECTOR, THE EUROPEAN COMMON MARKET, AND THE COMECON SECTOR IN ESTABLISHING A "NEW WORLD ECONOMIC ORDER." THE CUTTING AWAY OF EXISTING BANKRUPT FINANCIAL STRUCTURES AND THE CREATION OF NEW NATIONAL AND INTERNATIONAL CREDIT INSTITUTIONS UNDER SUCH AN ARRANGEMENT, THE ACT STATES, WILL CREATE A WORLD MARKET FOR U.S. INDUSTRIAL AND AGRICULTURAL EXPORTS "SUFFICIENT TO REQUIRE FULL EMPLOYMENT OF THE NATION'S LABOR FORCE," PLUS "SUBSTANTIAL RENEWAL AND AUGMENTATION OF THE PRODUCTIVE CAPACITIES."

UNDER THE HEADING "EMERGENCY SHORT-TERM MEASURES," THE ACT WOULD REPLACE EXISTING, BANKRUPT FINANCIAL INSTITUTIONS WITH NEW INSTITUTIONS OF NATIONAL AND INTERNATIONAL CREDIT, WHILE MAINTAINING THE INCOMES OF THOSE DEPENDENT ON SUCH BANKRUPT PENSION FUNDS, INSURANCE COMPANIES, ETC. THE ACT WOULD ALSO CREATE AN EMERGENCY SOCIAL SECURITY AGENCY IN THE DEPARTMENT OF LABOR, WHICH WOULD GUARANTEE AND EXPAND ESSENTIAL SOCIAL SERVICES FOR THE POPULATION, INCLUDING ALL FORMS OF WELFARE. THE AGENCY WOULD BE CHARGED TO PROMOTE THE ASSIMILATION OF HARD-CORE UNEMPLOYED INTO REGULAR FULL-TIME SKILLED AND SEMI-SKILLED EMPLOYMENT.

UNDER THE HEADING "EMERGENCY PRICES CONTROL," THE ACT PROPOSES DIRECT PRICE CONTROLS FOR THE DURATION OF THE EMERGENCY. THE CONTROLS ARE TO BE USED TO SQUEEZE OUT "OF EXISTING PRICE-STRUCTURES THOSE MARGINS WHICH ARE ATTRIBUTABLE TO BURDENS OF THE CATEGORIES OF INDEBTEDNESS BEING CUT AWAY FROM THE CURRENT OPERATIONS OF THE NATIONAL ECONOMY." THE ACT WOULD ALSO REPEAL THE "EMPLOYMENT ACT OF 1946," CITING THE FAILURES OF THE LATTER'S INSTITUTIONS SUCH AS THE COUNCIL OF ECONOMIC ADVISORS.

"PROJECT INDEPENDENCE," CHARACTERIZED BY THE ACT AS A "WASTEFUL PORKBARREL," WOULD BE IMMEDIATELY TERMINATED. IMMEDIATE TO LONG-TERM NATIONAL ENERGY POLICY "SHALL BE FOCUSED ON THE DEVELOPMENT OF CONTROLLED THERMONUCLEAR REACTIONS TECHNOLOGY, IN FULL COOPERATION

(MORE)

WITH OTHER NATIONS."

AS THE NATION'S "LABOR FORCE POLICY," THE ACT ESTABLISHES THE PRINCIPLE OF PROVIDING "THE IMPROVED OPPORTUNITIES AND CONDITIONS OF EMPLOYMENT, LEISURE, AND ESSENTIAL SOCIAL SERVICES" WHICH LEAD TO RISING STANDARDS OF LIVING AND "SUBSTANTIAL ADVANCES IN THE COGNITIVE POWERS OF THE POPULATION." SUCH EMPLOYER PRACTICES AS FORCED DRUG MAINTAINENCE PROGRAMS, BEHAVIOR MODIFICATION PROGRAMS, AND HARASSMENT OF EMPLOYEES BECAUSE OF POLITICAL OR TRADE UNION PARTICIPATION, WILL BE MADE FELONIES.

IN ITS FINAL SECTION, TITLED "EMERGENCY EMPLOYMENT MEASURES," THE ACT WOULD "AUTHORIZE SUCH SPECIAL PROJECTS OF CONSTRUCTION IN DEVELOPMENT OF URBAN AREAS, IN RAIL TRANSPORT AND MASS TRANSIT WHICH BOTH COUNTERACT CYCLICAL UNEMPLOYMENT AND BENEFIT THE DEVELOPMENT OF THE NATION AND ITS LABOR FORCE." "MAKE-WORK" TYPE PROJECTS ARE SPECIFICALLY PROHIBITED UNDER THE ACT.

END OF PRESS RELEASE NO. 501

NEW SOLIDARITY INTERNATIONAL PRESS SERVICE (IPS)

PRESS RELEASE NO. 502

USLP TO TESTIFY BEFORE
ELECTION COMMISSION TODAY

OCT. 21 (IPS)--U.S. LABOR PARTY SPOKESMAN ARTHUR LEADERMAN WILL OUTLINE THE PARTY'S OBJECTIONS TO THE CAMPAIGN FINANCING REQUIREMENTS OF THE FEDERAL ELECTION COMMISSION (FEC) AT HEARINGS TODAY AT 3:30 P.M.

LEADERMAN'S TESTIMONY CALLS FOR AN IMMEDIATE INVESTIGATION OF OPERATIONS COORDINATED BY U.S. INTELLIGENCE AGENCIES TO DESTROY THE ELECTORAL PROCESS IN THE UNITED STATES. LEADERMAN WILL CITE RECENT INSTANCES OF VOTE FRAUD DIRECTED AT THE USLP IN BOSTON, SEATTLE, WASHINGTON, AND GREENSBORO, N.C. INCLUDING THE USE OF FBI-SPAWNED COUNTERGANGS AGAINST THE USLP CAMPAIGNS.

WITHOUT SUCH AN INVESTIGATION, THE USLP TESTIMONY STATES, THE SPECIFIC REVISIONS OF FEDERAL LAW BECOME IRRELEVANT.

LEADERMAN WILL TESTIFY IN PARTICULAR THAT THE FEC FINANCING REQUIREMENTS FOR THE DISCLOSURE OF THE NAMES OF INDIVIDUALS WHO CONTRIBUTE MORE THAN \$10.00 OPENS POTENTIAL USLP CONTRIBUTORS TO THE KIND OF HARASSMENT AND INTIMIDATION BY FEDERAL AGENCIES PRESENTLY DIRECTED AT THE LABOR PARTY. THE TESTIMONY ASSERTS THAT THIS VEHICLE IS A CONVENIENT APPARATUS TO CHILL FIRST AMENDMENT RIGHTS OF ASSOCIATION AND TO FORM A "BLACK-LIST" OF POTENTIAL CONTRIBUTORS TO THIRD PARTIES, ESPECIALLY THE USLP.

ADDITIONAL USLP TESTIMONY TO THE COMMISSION WILL OUTLINE THE HISTORY OF THE FEDERAL ELECTION CAMPAIGN ACT AND THE ROLE OF COMMON CAUSE AND ITS CHAIRMAN, JOHN GARDNER, IN INSTITUTING THIS LEGISLATION AS PART OF THE "INVISIBLE GOVERNMENT" THAT RUNS THE U.S.

END OF PRESS RELEASE NO. 502



NEW SOLIDARITY International Press Service

Daily News and Press Summaries

P.O. Box 1972, G.P.O.
New York, New York 10001
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MONDAY, OCTOBER 20, 1975
LATE EVENING NEWS WRAP-UP (PRIORITIES)

I. INTERNATIONAL

OECD REPORT PREDICTS NO RECOVERY FOR EUROPE NEXT YEAR

OCTOBER 20 (IPS)--A DOCUMENT PREPARED BY A COMMITTEE OF THE ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT (OECD) -- THE ECONOMIC COORDINATION BODY OF THE ADVANCED SECTOR CAPITALIST COUNTRIES) FOR NEXT MONTH'S SUMMIT MEETING OF KEY CAPITALIST NATIONS IN PARIS, PREDICTS "HARD TIMES" FOR WESTERN EUROPE WITH NO ECONOMIC RECOVERY UNTIL THE LAST QUARTER OF 1976. THE REPORT ALSO PREDICTS THAT UNEMPLOYMENT WILL RISE WELL ABOVE THE 5 MILLION MARK FOR THE COMMON MARKET AS A WHOLE.

COMPLETELY IGNORING THE NEW YORK CITY BUDGET CRISIS AND THE RECENT SHARP DRAIN OF JAPAN'S FOREIGN EXCHANGE RESERVES, THE REPORT PREDICTS A SLIGHT ECONOMIC UPTURN IN THE U.S. AND JAPAN.

OBSERVERS SAY THAT THE REPORT WILL CREATE POLITICAL DIFFICULTIES FOR SEVERAL GOVERNMENTS WHICH HAVE BEEN PREDICTING A RAPID ECONOMIC "UPSWING."

CUNHAL: END PURGES OF LEFTISTS NOW

OCT. 20, (IPS)--SPEAKING BEFORE A MASS MEETING NEAR LISBON THIS WEEKEND, PORTUGUESE COMMUNIST PARTY (PCP) LEADER ALVARO CUNHAL DEMANDED THAT THE CURRENT PURGES OF LEFTISTS FROM POLITICAL ORGANS AND THE MILITARY BE HALTED IMMEDIATELY.

"IF WE WANT TO STOP THE OUTBREAK OF A WAVE OF ASSASSINATIONS AND PROVOCATIONS," THE PCP LEADER WARNED, "IT IS NECESSARY TO STOP THE PURGES OF LEFTISTS AND TO EXPEL THE RIGHT WINGERS FROM THE ORGANS OF POWER."

"IT IS ALSO TIME TO STOP THE CAMPAIGN OF COUP D' ETAT RUMORS," TASS, THE OFFICIAL SOVIET NEWS AGENCY, QUOTES CUNHAL AS SAYING. HE BLAMED THE COALITION OF THE CIA-FUNDED PORTUGUESE SOCIALIST PARTY (PSP) AND THE RIGHT-WING POPULAR DEMOCRATIC PARTY (PPD) IN THE GOVERNMENT AS "AGGRAVATING THE PRESENT CRISIS." BOTH THE PPD AND PSP HAVE BEEN CIRCULATING RUMORS ABOUT A POSSIBLE COMMUNIST COUP IN AN EFFORT TO PROVOKE ATTACKS ON THE PCP.

CUNHAL DEFENDED THE ACTION OF THE SOLDIERS MOVEMENT (SUV), SAYING THAT IT WAS PURSUING NOBLE ENDS. LAST WEEK THE SUV HAD LED DEMONSTRATIONS AND RELATED ACTIONS THAT BLOCKED ATTEMPTED PURGES OF LEFTISTS FROM MILITARY UNITS.

(MORE)

"THE COUNTRY CONTINUES IN A PROFOUND POLITICAL-MILITARY CRISIS," CUNHAL STATED. THE PCP LEADER PROPOSED THAT NEGOTIATIONS TAKE PLACE BETWEEN VARIOUS FACTIONS OF THE ARMED FORCES MOVEMENT, THE BODY WHICH CONTROLS GOVERNMENT, VIABLE ELEMENTS OF THE PSP, IASS REPORTS.

GOMES ORDERS CRACKDOWN ON WEAPONS

OCT. 20 (IPS)--PORTUGUESE PRESIDENT COSTA GOMES YESTERDAY DEMANDED THAT ALL CIVILIANS TURN IN WEAPONS "ILLEGALLY OBTAINED FROM ARMY SOURCES."

CIVILIANS WHO FAIL TO COMPLY WITH THE ORDER YESTERDAY'S NEW YORK TIMES REPORTS, AND ARE ARRESTED WITH WEAPONS WILL FACE A \$40,000 FINE AND PRISON SENTENCES FROM 8 TO 10 YEARS. IN ADDITION, GOMES HAS REPORTEDLY ORDERED THE MILITARY TO SHOOT AT PEOPLE COMMITTING ACTS OF VIOLENCE.

IT IS UNLIKELY THAT ANYONE WILL COMPLY WITH THE ORDER THE TIMES LAMENTS, SINCE THE POPULATION HAS SHOWN ANTI-PATHY FOR THE RIGHT WING CABINET OF PRIME MINISTER AZEVEDO. INFORMED POLITICAL OBSERVERS INDICATE THAT GOMES WILL ALSO HAVE DIFFICULTY IN GETTING THE MILITARY TO ENFORCE THIS CRACKDOWN.

CLASS-FOR-ITSELF ORGANIZING CONTINUES IN PORTUGAL:
WORKERS BRING FERTILIZERS TO PEASANTS

OCT. 20 (IPS)--WORKERS AND PEASANTS IN THE SOUTHERN CITY OF SETUBAL IN PORTUGAL'S WHEAT BELT HAVE TAKEN OVER THE MUNICIPAL GOVERNMENT OF THAT CITY, AND BEGUN DISTRIBUTING FERTILIZERS FROM FACTORIES TO THE PEASANTS.

ACCORDING TO TODAY'S FRANKFURTER RUNDSCHAU, THE RIGHT-WING SIXTH PROVISIONAL GOVERNMENT IS SABOTAGING AGRARIAN REFORM BY ISSUING ONLY \$1.6 MILLION OF \$200 MILLION AVAILABLE FOR EMERGENCY AGRICULTURAL CREDITS TO FARMERS.

EAST GERMANS BLAST WILLY BRANDT, SOCIAL DEM IDEOLOGY

OCT. 20 (IPS)--THE LATEST ISSUE OF THE EAST GERMAN COMMUNIST PARTY (SED) THEORETICAL JOURNAL EINHEIT CARRIES TWO EDITORIALS ATTACKING THE PHILOSOPHY AND POLICIES OF THE SOCIAL DEMOCRACY.

THE FIRST PINPOINTS THE COUNTERINSURGENT ROLE EXISTENTIALIST PHILOSOPHERS LIKE CARL F. VON WEIZAECKER, WHO WRITES THAT "PESSIMISM IS UNCHANGEABLE, NORMAL, GIVEN." "WITHOUT OPTIMISM ABOUT BEING ABLE TO CHANGE AND RULE THE WORLD ON A SCIENTIFIC BASIS," EINHEIT REPLIES, "COMMUNISTS WOULD BE DISARMED." TO PHILOSOPHER ARTHUR SCHOPENHAUER'S "BOURGEOIS SONG OF SUFFERING ABOUT THE SENSELESSNESS AND MONADLIKENESS OF HUMAN EXISTENCE," EINHEIT JUXTAPOSES THE WORDS OF THE COMMUNIST MANIFESTO: "PROLETARIANS OF THE WORLD UNITE! YOU HAVE NOTHING TO LOSE BUT YOUR CHAINS!"

THE SECOND EDITORIAL BLASTS THE WEST GERMAN SOCIAL DEMOCRATIC PARTY (SPD) AND ESPECIALLY ITS CHAIRMAN, WILLY BRANDT, WHO ARE "CRYING FOR THE FREEDOM OF THE EXPLOITERS AND THEIR SECRET AGENTS, OF FASCIST COMMANDO MURDERERS AND BOOK BURNERS. IT STARTED WITH THE 'ANIMALISTIC' MURDER OF LUXEMBURG AND LIEBKNECHT, IN THE NAME OF

(MORE)

"PURE" DEMOCRACY, UNDER THE BANNER OF ANTICOMMUNISM, THE ROAD TO FASCISM WAS PREPARED - THE CONCENTRATION CAMPS, THE BESTIALITY AND GAS CHAMBERS."

THE ANTICOMMUNISTS WHO HOWL FOR "FREEDOM" IN PORTUGAL ARE JUST USING THE WORD TO COVER "THEIR BROADLY STAGED CONSPIRACY, JOINING WITH THE DARK PLANS OF IMPERIALISM AND THE WORK OF THE CIA, INCLUDING FASCIST MURDERS, TO IMPLEMENT ONE BIG PLAN TO CRUSH THE REVOLUTION."

AND ON TOP OF IT ALL IS WILLY BRANDT," EINHEIT CHARGES, "WILLY BRANDT IS IGNORING THE LESSON OF GERMAN HISTORY WHEN TODAY HE PUTS HIMSELF AT THE HEAD OF INTERNATIONAL SOCIAL DEMOCRATIC INTERFERENCE AND SPLITTING EFFORTS AGAINST THE UNITED FRONT OF COMMUNISTS AND SOCIALISTS IN PORTUGAL..."

IZVESTIA EXPOSES USE OF MAOISM TO SPLIT CP MOVEMENT

OCT. 20 (IPS)—IN AN ARTICLE ENTITLED "MAOISM UNMASKED," THE SOVIET GOVERNMENT NEWSPAPER IZVESTIA OF OCT. 16 CHARGED THAT BOURGEOIS INTERESTS HAVE INSINUATED MAOIST IDEOLOGY INTO THE RANKS OF THE COMMUNIST GOVERNMENT.

"IT IS NOW A RARE ANTICOMMUNIST STATEMENT..." SAYS AUTHOR KYUZADZHIAN, "THAT WOULD OMIT SOME REFERENCE TO MAOISM...ENEMIES OF LENINISM BORROW FROM MAOISM THESES ON ALL THE PROBLEM WHICH HAVE BEEN AT THE CENTER OF POLEMICS BETWEEN MARXISTS AND OPPORTUNISTS OF VARIOUS LEANINGS FOR MANY YEARS. THESE THESES ARE ACTIVELY ADOPTED BY THE 'SOVIETOLOGISTS' WHO SEE MAOISM AS A NEW SOURCE OF STRENGTH FOR THEIR ATTACKS ON SCIENTIFIC COMMUNISM, AS WELL...AFTER ALL MAOISM IS THE MODEL OF A SIMPLIFICATION OF SOCIO-ECONOMIC PROCESSES, OF THE PHENOMENA OF INTELLECTUAL LIFE, OF PRIMITIVIZING AND MAKING CRUDE THE ENTIRE PICTURE OF THE CHANGES TAKING PLACE IN THE WORLD."

KYUZADZHIAN QUOTES A 1971 SPEECH BY SOVIET PARTY HEAD LEONID BREZHNEV: "IT IS PRECISELY THE NATIONALIST TENDENCIES AND ESPECIALLY THOSE WHICH TAKE THE FORM OF ANTI-SOVIETISM ON WHOM BOURGEOIS IDEOLOGUES AND BOURGEOIS PROPAGANDA RELY. THEY ENCOURAGE OPPORTUNIST ELEMENTS IN THE COMMUNIST PARTIES INTO A SORT OF IDEOLOGICAL DEAL. 'PROVE THAT YOU ARE ANTI-SOVIET, THEY SAY TO THEM, AND WE WILL BE PREPARED TO PROCLAIM THAT YOU ARE THE TRUE MARXISTS AND HAVE FULLY INDEPENDENT POSITIONS.' THE COURSE OF EVENTS SHOWS, IN FACT, THAT SUCH PEOPLE TAKE THE PATH OF STRUGGLE AGAINST THE CPS IN THEIR OWN COUNTRIES AS WELL. EXAMPLES OF THIS ARE THE RENEGADES LIKE GARAUDY IN FRANCE, FISCHER IN AUSTRIA, PEIKOFF IN VENEZUELA, AND THOSE IN THE 'MANIFESTO' GROUPING IN ITALY."

KYUZADZHIAN ALSO DESCRIBES THE PARTICULAR ATTRACTION OF MAOISM FOR ALIENATED WESTERN YOUTH...NAIVE, IGNORANT ELEMENTS, VIEWING MAOISM AS A GENERAL PANACEA, TAKE THEIR APOLOGIES FOR ALL OF PEKING'S DOINGS TO LAUGHABLE EXTREMES. THEY EVEN TRY TO IMAGINE THAT FORCIBLY SENDING PEOPLE OFF INTO THE COUNTRYSIDE FOR PHYSICAL LABOR IS SOMEHOW THE REALIZATION OF THE MARXIST POSITION ON LIQUIDATING THE DIFFERENCES BETWEEN MENTAL AND PHYSICAL LABOR..."

(MORE)

**MPLA TELLS AFRICAN GROUP IN UN,
"WE WILL CONTROL ALL ANGOLA BY NOV. 11"**

UNITED NATIONS, N.Y., OCT. 20 (IPS)—"BY NOV. 11, THE POPULAR MOVEMENT FOR THE LIBERATION OF ANGOLA (MPLA) WILL HAVE CONTROL OVER THE WHOLE OF THE TERRITORY OF ANGOLA," AN MPLA DELEGATION TOLD A CLOSED-DOOR MEETING WITH THE AFRICAN GROUP IN THE UNITED NATIONS LAST WEEK, ACCORDING TO THE PORTUGUESE DAILY O SEculo OCT. 18. THE PRO-SOCIALIST MPLA NOW CONTROLS MOST OF ANGOLA, DESPITE THE OPPOSITION OF GROUPS BACKED BY THE CIA AND MAOIST CHINA. ANGOLA IS SCHEDULED TO BECOME INDEPENDENT FROM PORTUGAL ON NOV. 11.

MEANWHILE, HOLDEN ROBERTO, HEAD OF THE CIA-AIDED NATIONAL FRONT (FNLA), TOLD THE ORGANIZATION OF AFRICAN UNITY (OAU) CONCILIATION COMMISSION NOW TRAVELLING IN ANGOLA THAT HIS TROOPS WOULD BE IN LUANDA, ANGOLA'S CAPITAL, WHICH IS NOW HELD BY THE MPLA, BY TUESDAY, OCT. 21, ACCORDING TO THE FRANKFURTER ALLEGEMEINE ZEITUNG TODAY. FEW INFORMED POLITICAL OBSERVERS TAKE ROBERTO'S MILITARY PRONOUNCEMENTS VERY SERIOUSLY.

II. CONTINENTAL NEWS

WASHINGTON STAR AIRS USLP VOTE FRAUD CHARGE AGAINST ROCKY

OCT. 20 (IPS)—U.S. LABOR PARTY OFFICIALS "SAY (VICE PRESIDENT NELSON) ROCKEFELLER USED FEDERAL OFFICIALS AND BOSTON POLICE TO INTIMIDATE VOTERS AND FALSIFY VOTE TOTALS" IN LAST MONTHS BOSTON MAYORAL PRI-

MARY, REPORTED YESTERDAY'S WASHINGTON STAR IN ITS "POLITICAL NOTE-BOOK" FEATURE. "THE LABOR PARTY NOMINEE, ROBERT GIBBONS, RECEIVED ONLY 1.1 PER CENT OF THE VOTE, BUT PARTY OFFICIALS INSIST THEY HAVE VOTER AFFIDAVITS GIVING HIM A HIGHER TOTAL," THE ARTICLE SAYS.

THE STAR QUOTES THE LABOR PARTY AS SAYING THAT "WORKERS VIEWED THE VOTE IN THIS CITY (AS) A FOCAL POINT IN THE INTERNATIONAL BATTLE FOR DEBT MORATORIA...THE DESPERATE ROCKEFELLER WOULD ATTEMPT VOTE FRAUD TO DEMORALIZE THE INTERNATIONAL WORKING CLASS MOVEMENT."

BOTH CONSERVATIVE REPUBLICANS AND THE LABOR PARTY, THE ARTICLE ADDS, SHARE A "DISTASTE FOR VICE PRESIDENT NELSON A. ROCKEFELLER."

SAFIRE ON KISSINGER: "I THINK HE'S DYING"

OCT. 20 (IPS)—COLUMNIST WILLIAM SAFIRE REPORTS THAT FORMER PRESIDENT RICHARD NIXON HAS SENT A MESSAGE TO PRESIDENT FORD WARNING FORD OF "THE DANGER OF (SECRETARY OF STATE HENRY) KISSINGER'S HUBRIS, AND THE NEED TO CUT HIM DOWN TO MERE SUPERSTAR SIZE." SAFIRE ALSO SAYS THAT KISSINGER FACES SEVERE LEGAL DIFFICULTIES STEMMING FROM A LAWSUIT FILED BY FORMER NATIONAL SECURITY COUNCIL OFFICIAL MORTON HALPERIN OVER ILLEGAL WIRETAPPING OF HALPERIN'S PHONE BY KISSINGER.

"CURIOUSLY, THAT WIRETAPPING LAWSUIT IS A FINANCIAL INCENTIVE FOR DR. KISSINGER TO CLING TO HIS GOVERNMENT JOB," SAFIRE REPORTS: "THE LEGAL COSTS RUN WELL INTO SIX FIGURES YEARLY, WHICH THE SECRETARY PREFERS TO HAVE THE TAXPAYERS PICK UP."

(MORE)

TODAY, CHICAGO MAYOR RICHARD DALEY STATED THAT, "THE U.S. MUST MAINTAIN INVESTMENT IN INDUSTRIAL PRODUCTION." DALEY BLASTED "THE WITHDRAWAL OF FEDERAL FUNDS AND CRITICIZED CALLS FOR AUSTERITY FOR NEW YORK CITY, STATING, "WE NEED TO PROTECT THE SOCIAL WELFARE OF THE EIGHT MILLION PEOPLE WHO LIVE THERE."

EXPOSING THE NATION'S POLARIZATION OVER THE ISSUE OF AUSTERITY, SEN. CHARLES PERCY (R-ILL.), WHO STATED IN HIS OWN TESTIMONY THAT, "WE MUST COME OUT OF THIS MEETING WITH A CONSENSUS THAT WE DON'T BAIL OUT NEW YORK," ATTACKED DALEY'S DEFENSE OF CITY SERVICES IN A SERIES OF QUESTIONS, ASKING DALEY WHY JOBS COULD NOT BE CREATED IN PRIVATE INDUSTRY. DALEY REPLIED SHARPLY: "PLANTS ACROSS THE COUNTRY ARE CLOSING - WHO ARE YOU TRYING TO KID? WE NEED CAPITAL INVESTMENT AT THE SAME TIME WE ARE PROVIDING JOBS IN THE PUBLIC SECTOR."

A U.S. LABOR PARTY DELEGATION HEADED BY THE PARTY'S CANDIDATE FOR GOVERNOR OF ILLINOIS, ED WAFFLE, TOOK THE FLOOR TO INTRODUCE THE USLP'S JUST RELEASED "EMERGENCY EMPLOYMENT ACT OF 1975," WHICH CALLS FOR EXPANSION OF CAPITAL INVESTMENT AND PERSONAL CONSUMPTION AT THE EXPENSE OF WORTHLESS BANK DEBT. THE USLP SPOKESMEN, DENIED SPEAKING RIGHTS BY JEC CHAIRMAN HUBERT HUMPHREY - WHO HAD HOPED TO TURN THE HEARINGS INTO A SHOW OF SUPPORT FOR THE ROCKEFELLER-BACKED HUMPHREY-HAWKINS SLAVE LABOR BILL, ALSO INDICATED HUMPHREY AS A NUREMBERG CRIMINAL. THE AGITATED HUMPHREY ORDERED THE PARTY'S SPOKESMEN EJECTED.

ROBERT ABBOND, DEPUTY CHAIRMAN OF THE FIRST NATIONAL BANK OF CHICAGO, TOLD THE COMMITTEE GROUPS THAT AMERICA'S PRE-EMINENCE IN THE WORLD WAS BASED ON ITS PRODUCTION OF AGRICULTURAL AND INDUSTRIAL MACHINE TOOLS, AND TRACED BRITAIN'S DECLINE TO ITS INDUSTRIAL DECAY. ABBOND ALSO INSISTED THAT "ANY INDUSTRIAL ECONOMY MUST START WITH AMPLE SUPPLIES OF NUCLEAR ENERGY."

OBSERVERS REGARD THE OUTCOME OF THE HEARINGS AS A CLEAR SIGNAL THAT AN ANTI-ROCKEFELLER, ANTI-AUSTERITY FACTION IS FORMING IN THE UNITED STATES, AND SEE THIS AS A MAJOR BLOW TO ROCKEFELLER HOPES FOR IMPOSITION OF NAZI SLAVE LABOR AND FEDERAL BAILOUT OF HIS TOTTERING BANKING AND OIL EMPIRE.

O'NEIL SUBMITS BILL BANNING VOTE FRAUD TO BOSTON COUNCIL

BOSTON, OCT. 20 (IPS)--BOSTON CITY COUNCILMAN ALBERT O'NEIL TODAY SUBMITTED LEGISLATION TO PREVENT VOTE FRAUD TO THE BOSTON CITY COUNCIL. THE COUNCIL IS EXPECTED TO REFER THE BILL, WHICH WAS DRAFTED BY THE U.S. LABOR PARTY TO A COMMITTEE FOR HEARINGS.

THE LEGISLATION CALLS FOR THE CREATION TO INSPECT VOTING MACHINES, INVESTIGATE FRAUD ATTEMPTS, AND BROADEN THE CRITERIA FOR EVIDENCE OF VOTE FRAUD. THE LEGISLATION WOULD ALSO REFORM THE BOARD OF ELECTIONS TO INCLUDE MINOR PARTY REPRESENTATION ON THE BOARD.

O'NEIL'S ACTION FOLLOWS LAST MONTH'S MAYORAL PRIMARY IN WHICH LABOR PARTY CANDIDATE ROBERT GIBBONS WAS DEFRAUDED OUT OF A SPOT ON THE NOVEMBER BALLOT.

THE BOSTON CITY COUNCIL IS THE FIRST MUNICIPAL BODY IN WHICH THE LEGISLATION HAVE BEEN FORMALLY INTRODUCED. NO DATE HAS BEEN SET FOR HEARINGS.

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COMMENTING ON "ONE OF FATE'S EXQUISITE IRONIES - THE BUGGER BUGGED" - WHERE KISSINGER'S DINNER CONVERSATION WAS RECENTLY RECORDED BY A MICROPHONE THAT THE SECRETARY THOUGHT WAS DEAD, SAFIRE NOTES THAT "FOREIGN NATIONALS ARE NOT ACCUSTOMED TO HEARING AMERICAN SECRETARIES OF STATE RUNNING DOWN PAST PRESIDENTS OR COMMENTING ON THE RELATIVE SEXINESS OF PREVIOUS FIRST LADIES."

SAFIRE CONCLUDES: "AND WHOM THE GODS WOULD DESTROY, THEY FIRST MAKE CARELESS."

EFCB MEMBERS GO FOR GOTBAUM'S PLAN
TO ACCELERATE THE ATTRITION RATE OF THE WORKFORCE

OCT. 20 (IPS)--AS RUMORS CIRCULATED THAT NEW YORK CITY'S EMERGENCY FINANCIAL CONTROL BOARD HAD AGREED THAT THE CITY MUST ELIMINATE 45,000 TO 50,000 JOBS OVER THE NEXT THREE YEARS TO BALANCE ITS BUDGET, MEMBERS OF THE CAREY-APPOINTED BOARD, WHICH HAS VIRTUALLY TAKEN OVER THE FISCAL POWERS OF THE ELECTED CITY GOVERNMENT, WERE REPORTED TO HAVE RESPONDED FAVORABLY TO THE ALTERNATE PLAN TO TRIM THE BUDGET PRESENTED LAST NIGHT BY MUNICIPAL EMPLOYEES' UNION LEADER VICTOR GOTBAUM. GOTBAUM'S PLAN, PREPARED OVER THE WEEKEND BY JACK BIGEL, A PENSION CONSULTANT WHO HAS ALSO BEEN ADVISING SANITATIONMEN'S LEADER DELURY AND TEAMSTERS LEADER BARRY FEINSTEIN, PROPOSES TO CUT THE REQUIRED AMOUNT BY ENCOURAGING EMPLOYEE RETIREMENTS. THE OTHER KEY ELEMENTS OF THE PLAN ARE IMPROVED WORKER PRODUCTIVITY AND GREATER PARTICIPATION OF THE MUNICIPAL UNIONS IN BUDGET-CUTTING DECISIONS.

EFCB MEMBER FELIX "THE FIXER" ROHAYTN BACKED GOTBAUM'S PLAN ON THE GROUNDS THAT MASS LAYOFFS WOULD RESULT IN THE COLLAPSE OF CITY SERVICES THE WIDESPREAD DISCONTENT AMONG WORKERS, ACCORDING TO THIS AFTERNOON'S NEW YORK POST. HOWEVER, AS THE PRESENT ABYSMAL LEVEL OF CITY SERVICES INDICATES, THERE IS NO WAY THAT SERVICES COULD ACTUALLY BE MAINTAINED BY A FURTHER REDUCED AND SPED-UP WORKFORCE.

OVER 40 DEAD IN MEXICO CITY SUBWAY WRECK;
SUSPECT SABOTAGE

MEXICO CITY, OCT. 20 (IPS)--OVER 40 PEOPLE WERE KILLED THIS MORNING IN THE FIRST MAJOR ACCIDENT IN THE HISTORY OF THE MEXICO CITY SUBWAY SYSTEM, WHEN A TRAIN STOPPED AT AN ABOVE-GROUND STATION WAS HIT BY ANOTHER SPEEDING TRAIN. NEWS OF THE ACCIDENT CREATED NEAR PANIC HERE.

THE LIKELIHOOD OF SABOTAGE IS STRONG SINCE THE MODEL FRENCH-BUILT MEXICO CITY SUBWAY IS EQUIPPED WITH A THOROUGHLY TESTED FAIL SAFE SYSTEM.

ALTHOUGH THE MAYOR OF MEXICO CITY DENIED THE POSSIBILITY OF SABOTAGE, IN A RADIO INTERVIEW THIS AFTERNOON, HE ASSURED THAT "NOTHING WILL REMAIN HIDDEN."

III. ORGANIZING AND INTELLIGENCE REPORT

DALEY AND BANKERS AGREE ON INDUSTRIAL DEVELOPMENT;
DEBATE AUSTERITY AT JOINT ECONOMIC COMMITTEE HEARINGS
IN CHICAGO

CHICAGO, OCT. 20 (IPS)--SPEAKING AT CONGRESSIONAL JOINT ECONOMIC COMMITTEE (JEC) HEARINGS ON UNEMPLOYMENT AND INFLATION, IN CHICAGO

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**NYC BANKS STOP DEBT ROLLOVERS FOR JAPAN,
FORCE CENTRAL BANK TO EXPEND 30% OF DOLLAR ASSETS**

OCT. 20 (IPS)--OFFICERS OF LEADING NEW YORK BANKS TOLD IPS TODAY THAT FOR ALL PRACTICAL PURPOSES THEY HAVE STOPPED ROLLING OVER JAPANESE DEBT PAYMENTS. THE ADMISSION EXPLAINS THE REASON FOR THE \$6 BILLION LOSS IN BANK OF JAPAN DOLLAR RESERVES OVER THE PAST THREE MONTHS - REPORTED IN THIS MORNING'S JOURNAL OF COMMERCE: THE BANK OF JAPAN HAD TO SUPPLY THE DOLLARS FOR JAPANESE CORPORATIONS TO REPAY THEIR DOLLAR DEBT. "THE JAPANESE HAVE SUCH A TREMENDOUS APPETITE FOR MONEY" ONE SAID, "AND WE'VE ALREADY GONE AS FAR AS WE CAN...THE NEW YORK BANKS CANNOT LEND ANYMORE TO THEM." THE \$6 BILLION LOSS IN DOLLAR RESERVES AMOUNTS TO 30% OF COMBINED \$13 BILLION OFFICIAL BOJ RESERVES AND \$8-9 BILLION ESTIMATED "HIDDEN" RESERVES BEFORE THE REDUCTION.

BARE DRUG AND GUNRUNNING AT U.S. STEEL PENNA. PLANT

TRENTON, N.J. OCT. 20 (IPS)--STEELWORKERS AT THE FAIRLESS HILLS UNITED STATES STEELWORKS IN LEVITTOWN, PA. HAVE INFORMED THE U.S. LABOR PARTY THAT THE PLANT'S BLAST FURNACE SECTION IS A MAJOR COLLECTION POINT FOR ILLEGAL FIREARMS AND DRUGS. TERRY LOWERS, AN OFFICIAL OF THE UNITED STEELWORKERS OF AMERICA (USWA) IS REPORTED TO BE THE COORDINATOR OF THE OPERATION.

AL LUPINI, THE LOCAL USWA PRESIDENT HAS DENIED THE WORKERS' CHARGES, STATING THAT THERE ARE "NO PROBLEMS" AT THE PLANT. ELLIOT GREENSPAN, THE U.S. LABOR PARTY CANDIDATE FOR A NEW JERSEY LEGISLATIVE DISTRICT WHERE MANY OF THE EASTERN PENNSYLVANIA PLANT'S EMPLOYEES REISDE, HAS DEMANDED AN INVESTIGATION BY THE BUCKS COUNTY DISTRICT ATTORNEY.

THE WORKERS HAVE IMPLICATED THE LAW ENFORCEMENT ASSISTANCE ADMINISTRATION AND THE FBI IN THE REPORTED OPERATION: AN LEAA "ORGANIZED CRIME STRIKE FORCE," THEY SAY, TAKES WEAPONS CONFISCATED BY LAW ENFORCEMENT OFFICIALS TO THE METHADONE AND HEROIN ADDICTS WORKING IN THE FAIRLESS BLAST FURNACE, SUPPOSEDLY TO BE MELTED DOWN. EXPERTS IN GUN DISPOSAL, HOWEVER, INDICATE THAT SUCH WEAPONS ARE NORMALLY CRUSHED AND NOT MELTED.

MANY OF THE BLAST FURNACE WORKERS HAVE RECEIVED "MENTAL ILLNESS" TREATMENTS IN "ATTACK THERAPY" SESSIONS AT EAGLEVILLE STATE HOSPITAL. WORKERS SENT TO THE EASTERN PENNSYLVANIA FACILITY FOR "ALCOHOL RECOVERY" OR DRUG DETOXIFICATION ARE STRIPPED NAKED, DRESSED IN BABY DIAPERS, AND MADE TO SIT IN OVER-SIZED PLAYPENS IN THE HOSPITAL'S EXTENSIVE BEHAVIOR MODIFICATION-BRAINWASHING PROGRAM.

END OF LATE EVENING IPS FOR OCT. 20, 1975



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New York, New York 10001
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EARLY EVENING EDITION
TUESDAY, OCTOBER 21, 1975

I. INTERNATIONAL NEWS

KANAPA WARNS THAT EAST BERLIN CONFERENCE IS NOT OVER

OCT. 20 (IPS) — IN HIS ADDRESS TO THE RECENT EAST BERLIN MEETING OF EUROPEAN COMMUNIST PARTIES, FRENCH COMMUNIST PARTY (PCF) POLITBURO MEMBER JEAN KANAPA SHARPLY CRITICIZED THE FINAL CONFERENCE DOCUMENT, WARNING THAT "THE CONFERENCE IS NOT REDUCED TO THE EXISTENCE OF THIS DOCUMENT."

CRITICIZING THE LACK OF POLITICAL CONTENT OF THE ACCORD, KANAPA OBJECTED THAT THE CRUCIAL ISSUES OF "U.S. CAPITAL'S HOLD OVER THE ECONOMY OF WEST EUROPEAN COUNTRIES, MONOPOLISTIC INTEGRATION WITH THE FRAMEWORK OF THE EEC (COMMON MARKET), AND RELATIONS WITH THE THIRD WORLD" EITHER VANISHED COMPLETELY FROM THE TEXT OR "ARE TREATED IN A SUPERFICIAL WAY." KANAPA'S WARNING IS DIRECTED SPECIFICALLY AT THE AGENT-LED ITALIAN COMMUNISTS WHO DIRECTED NATO-ORDERED OPERATIONS TO EMASCULATE THE CONFERENCE.

THE TEXT OF KANAPA'S SPEECH WAS REPORTED IN THE FRENCH COMMUNIST WEEKLY MAGAZINE FRANCE NOUVELLE THIS WEEK.

PCP LEADER CUNHAL CONDEMNS COUP RUMORS AND CALLS FOR REVOLUTIONARY CONSCIENCE AND NEGOTIATIONS

OCT. 20 (IPS) — ALVARO CUNHAL, LEADER OF THE PORTUGUESE COMMUNIST PARTY (PCP), TOLD A MASS MEETING NEAR LISBON TWO DAYS AGO, THAT "THE COUNTRY CONTINUES IN A PROFOUND POLITICAL-MILITARY CRISIS. IF WE WANT TO STOP THE OUTBREAK OF A WAVE OF ASSASSINATIONS AND PROVOCATIONS IT IS NECESSARY TO STOP THE PURGES OF LEFTISTS AND TO EXPEL THE RIGHT-WINGERS FROM THE ORGANS OF POWER. IT IS ALSO TIME TO STOP THE CAMPAIGN OF COUP D'ETAT RUMORS . . . WHICH COME FROM THE COUNTER-REVOLUTIONARY RIGHT," ACCORDING TO TASS, THE NEWS AGENCY OF THE SOVIET UNION TODAY. CUNHAL BLAMED THE CIA-LINKED PORTUGUESE SOCIALIST PARTY (PSP) AND POPULAR DEMOCRATIC PARTY IN THE GOVERNMENT FOR "AGGRAVATING AND DEEPENING THE PRESENT CRISIS."

CUNHAL EMPHATICALLY DEFENDED THE UNITED SOLDIERS WILL WIN (SUW) MOVEMENT AND PROPOSED THAT NEGOTIATIONS TAKE PLACE AMONG

(MORE)

EARLY IPS/10.21/2

VARIOUS FACTIONS OF THE ARMED FORCES MOVEMENT, THE PCP AND THE PSP, CONTINUED TASS.

IRAQIS PROPOSE REGIONAL MIDEAST DEVELOPMENT PLAN

OCT. 21 (IPS) -- THE IRAQI GOVERNMENT HAS PROPOSED TO THE ARAB LEAGUE A PLAN TO "COORDINATE AND DEVELOP ARAB RESOURCES FOR ARAB LANDS."

THE ARAB LEAGUE HAS AGREED TO STUDY THE PROPOSAL IN PREPARATION MEETING NEXT MONTH. SUCH A PROPOSAL LAYS THE GROUNDWORK FOR BLOC TO BLOC NEGOTIATIONS BETWEEN THE EEC AND THE ARAB COUNTRIES, YESTERDAY'S NEW YORK TIMES REPORTS.

BALTIMORE SUN NAMES NATO AS GUN RUNNER TO LEBANON

OCT. 21 (IPS) -- THE LEBANESE RIGHT-WING FALANGISTS "ARE EQUIPPED WITH NEW AMERICAN AND NATO WEAPONS AND VEHICLES," REPORTS MICHAEL PARKS FROM BEIRUT IN YESTERDAY'S BALTIMORE SUN. HE ALSO NAMES U.S. LEBANESE AMBASSADOR G. MCMURTRIE GODLEY "WHO USED TO RUN THE SECRET AMERICAN WAR OPERATIONS IN LAOS AND CONGO" AS THE AGENT RESPONSIBLE FOR ARRANGING ARMS SHIPMENTS TO THE FALANGE, DESPITE DENIALS BY THE U.S. EMBASSY.

KISSINGER, CHINESE AGREE: RUSSIA IS MAIN COMMON PROBLEM

OCT. 21 (IPS) -- U.S. SECRETARY OF STATE HENRY KISSINGER AND CHINESE FOREIGN MINISTER CHIAO KUAN-HUA AGREED IN PEKING YESTERDAY THAT THE MAIN PURPOSE OF KISSINGER'S CURRENT FOUR-DAY VISIT IS THE ALLEGED DANGER OF SOVIET EXPANSIONISM. CHIAO ARGUED THAT A "TIT-FOR-TAT STRUGGLE" AGAINST SOVIET "HEGEMONISM" WAS NECESSARY AND CHIDED THE U.S. FOR "MISTAKING HOPES OR WISHES FOR REALITY" AND ACTING IN SUCH A WAY AS TO "ABET THE AMBITIONS OF (SOVIET) EXPANSIONISM." KISSINGER REPLIED THAT "THE UNITED STATES WILL RESIST (SOVIET) HEGEMONY AS WE HAVE ALREADY STATED IN THE SHANGHAI COMMUNIQUE."

KISSINGER ASSURED THE CHINESE THAT THE UNITED STATES WOULD COME TO THE DEFENSE OF ANY THIRD COUNTRIES THREATENED BY THE SOVIET UNION, AND SAID THAT "THERE IS NO RELATIONSHIP TO WHICH THE UNITED STATES ASSIGNS GREATER SIGNIFICANCE THAN ITS TIES WITH THE PEOPLES REPUBLIC OF CHINA."

NEW YORK TIMES COLUMNIST C.L. SULZBERGER PREDICTED YESTERDAY THAT "BOTH PARTIES (WILL) AGREE ON THE NEED TO UNDERSTAND EACH OTHER ON THE RULES OF COOPERATION WITH RESPECT TO MOSCOW . . . THAT'S WHAT THE PRESENT TALKS AND JOURNEYS ARE ABOUT."

(MORE)

SOVIETS PROFILE U.S. FACTIONAL SITUATION

OCT. 20 (IPS) — SOVIET OBSERVERS OF UNITED STATES POLITICAL FACTIONAL DEVELOPMENTS WRITE THAT "THE OLD DIVISIONS OF POLITICIANS INTO LIBERALS AND CONSERVATIVES DOES NOT ALWAYS HELP TO UNDERSTAND THE ESSENCE OF THINGS," IN A SERIES OF INTERVIEWS WITH AMERICAN POLITICIANS NOW APPEARING IN PRAVDA, THE SOVIET PARTY DAILY. RATHER THE VIEWS OF INDIVIDUAL LEGISLATORS, THEY SAY, ARE DETERMINED BY THEIR ELECTORAL BASES AND THEIR BUSINESS CONNECTIONS.

THE FIRST INSTALLMENT OF THE INTERVIEW SERIES, PUBLISHED IN PRAVDA ON OCT. 17, QUESTIONS SEVERAL POLITICIANS WHO ARE ASSOCIATED WITH NASCENT ANTI-ROCKEFELLER FACTIONS IN THE U.S., PARTICULARLY THOSE REPRESENTING THE VIEWS OF CHICAGO INDUSTRIALISTS, ON THEIR VIEWS ON DETENTE, THE SCHLESINGER DOCTRINE, AND EAST-WEST TRADE.

SEN. EDWARD KENNEDY (D-MASS.), WHO IS TREATED BY PRAVDA AS A POSSIBLE PRESIDENTIAL CANDIDATE, TOLD THE SOVIET PAPER THAT HE REJECTS THE PROVOCATIVE ANTI-DETENTE STATEMENTS OF U.S. SECRETARY OF DEFENSE JAMES SCHLESINGER, AND CALLS FOR FURTHER U.S.-SOVIET COOPERATION. SEN. ADLAI STEVENSON (D-ILL.), WHO HAS PREVIOUSLY SPONSORED CREDIT LEGISLATION WHICH DISCRIMINATED AGAINST THE SOVIET UNION, NOW SAYS THAT HE "REGRETS" HAVING DONE SO. "WE DID NOT EXPECT THAT THE SOVIET UNION WOULD REACT SO DECISIVELY TO AN ATTEMPT TO INTERFERE IN ITS DOMESTIC AFFAIRS," HE SAID, ADDING THAT "FOR US IT IS NECESSARY TO HAVE CONTACTS, MEETINGS, EXCHANGE OF OPINION, TO REDUCE MUTUAL SUSPICION AND REMOVE DISTRUST."

PRAVDA ALSO INTERVIEWED SENATORS ALAN CRANSTON (D-CAL.) AND CHARLES PERCY (R-ILL.).

WEST GERMAN MILITARY EXPERT RIPS FLEXIBLE RESPONSE DOCTRINE

OCT. 20 (IPS) — ADELBERT WEINSTEIN, ONE OF WEST GERMANY'S FOREMOST MILITARY CORRESPONDENTS, AND A FORMER MAJOR IN THE GERMAN GENERAL STAFF DURING WORLD WAR II, BLASTED U.S. DEFENSE SECRETARY JAMES SCHLESINGER'S STRATEGY OF FLEXIBLE — I.E., "LIMITED NUCLEAR" — RESPONSE IN THE OCT. 18 FRANKFURTER ALLGEMEINE ZEITUNG AS "NEITHER A STRATEGY, NOR A FLEXIBLE SYSTEM OF THOUGHT . . . AND NOT WORTHY OF CREDIBILITY." WEINSTEIN CHARGED THAT WEST GERMANY LOST ALL INDEPENDENCE IN MILITARY MATTERS TO THE UNITED STATES, AND HAS NOW FINALLY KNUCKLED UNDER TO THE FLEXIBLE RESPONSE DOCTRINE, WHICH HE CALLS "A STRATEGY OF SUICIDE."

WEINSTEIN CONCLUDES WITH THE DEMAND THAT WEST GERMAN TROOPS BE LED BY GENERALS "WHO HAVE LEARNED FROM SCHLIEFFEN'S DEBACLE." COUNT VON SCHLIEFFEN OF THE IMPERIAL GERMAN GENERAL STAFF DEvised A STATISTICALLY PERFECT BATTLE PLAN FOR WORLD WAR I ACCORDING TO WHICH GERMAN TROOPS SHOULD HAVE BEEN IN PARIS A MONTH AFTER

(MORE)

EARLY IPS/10.21/4

THE WAR BEGAN.

MANY WEST GERMAN OFFICERS OPPOSE SCHLESINGER'S "LIMITED" NUCLEAR WAR DOCTRINE ON THE GROUNDS THAT WEST GERMANY WOULD BE IMMEDIATELY REDUCED TO RADIOACTIVE RUBBLE UNDER THE PLAN.

CHASE STEPS IN AFTER KISSINGER FAILS
TO GET BAILOUT FOR ZAIRE FROM CONGRESS

OCT. 21 (IPS) — CHASE MANHATTAN LTD., THE LONDON AFFILIATE OF CHASE MANHATTAN BANK, IS ORGANIZING A SYNDICATE TO LOAN \$227 MILLION TO ZAIRE NEXT MONTH, ACCORDING TO YESTERDAY'S WALL STREET JOURNAL. LAST WEEK, A BEHIND-THE-SCENES ATTEMPT TO GET \$60 MILLION IN EMERGENCY AID FROM CONGRESS MET STRONG OPPOSITION.

ZAIRE, THE MAIN BASE OF CIA OPERATIONS AGAINST ANGOLA, HAS DEFAULTED ON \$8 MILLION IN INTEREST PAYMENTS SINCE THE END OF JUNE AND IS EXPECTED TO AT LEAST DOUBLE ITS ARREARS BY THE END OF THE YEAR.

II. CONTINENTAL NEWS

ADMINISTRATION RETREATS
ON KISSINGER'S OIL-FOR-GRAIN SCHEME

WASHINGTON, OCT. 21 (IPS) — THE WHITE HOUSE ANNOUNCED YESTERDAY THAT PRESIDENT FORD HAD LIFTED THE TWO MONTH MORATORIUM ON FURTHER U.S. GRAIN SALES TO THE SOVIET UNION THIS YEAR AND HAD REACHED A FIVE YEAR AGREEMENT ON GRAIN PURCHASES WITH THE SOVIETS. THE GRAIN AGREEMENT, EFFECTIVE NEXT OCT. 1, IS FOR SOVIET PURCHASES OF SIX TO EIGHT MILLION TONS PER YEAR AT WORLD MARKET PRICES, ACCORDING TO TODAY'S NEW YORK TIMES. THE ADMINISTRATION WAS APPARENTLY FORCED TO RETREAT FROM SECRETARY OF STATE HENRY KISSINGER'S INSISTENCE ON LINKING FUTURE SOVIET PURCHASES OF U.S. GRAIN TO A LONG-TERM SOVIET COMMITMENT TO SELL OIL AT BELOW WORLD MARKET PRICES TO THE UNITED STATES.

THE SECRETARY'S POLICY HAD RECEIVED SHARP CRITICISM IN THE PRESS AND AMONG CONGRESSIONAL DEMOCRATS AS WELL AS MIDWEST REPUBLICANS IN RECENT WEEKS.

THE SOVIETS APPEAR TO HAVE HELD ALL BARGAINING CARDS IN THE TALKS. U.S. GOVERNMENT AND TRADE SOURCES SAY THAT SOVIET PURCHASES OF NON-U.S. GRAIN SINCE LAST AUGUST, WHEN THE STATE DEPARTMENT EMBARGOED AMERICAN GRAIN SALES TO THE SOVIET UNION, MAY TOTAL 5 TO 8 MILLION TONS, ACCORDING TO TODAY'S WASHINGTON POST.

ACCORDING TO THE POST YESTERDAY, "A HIGH-LEVEL AGRICULTURE DEPARTMENT OFFICIAL SAID SOVIET TRADERS HAVE BECOME SO CONFIDENT THAT THEY HAVE TOLD AMERICAN EXPORTERS THAT THEY PLAN NO MAJOR PURCHASES FROM THE UNITED STATES IN THE NEAR FUTURE, AND

(MORE)

EARLY IPS/10.21/5

ARE IN NO HURRY FOR THE ADMINISTRATION'S EMBARGO TO END."

BIPARTISAN BLOC IN SENATE FIGHTS TO CUT DEFENSE BUDGET

WASHINGTON, OCT. 21 (IPS) -- A BIPARTISAN GROUP OF SENATORS HAVE CUT NEARLY \$1 BILLION FROM A \$9.2 BILLION DEFENSE APPROPRIATIONS BILL ALREADY PASSED BY THE HOUSE, DEFYING CLAIMS BY DEFENSE SECRETARY SCHLESINGER THAT THE ACTION WOULD IMPAIR NATIONAL SECURITY. DEMOCRATIC SENATORS CRANSTON (CAL.), KENNEDY (MASS.), PROXMIRE (WISC.), AND EAGLETON (MO.), TOGETHER WITH REPUBLICAN SENATORS MATHIAS (MD.), SCHWEIKER (PA.), AND HATFIELD (OREG.), HAVE INSISTED ON THE CUT BECAUSE THE HOUSE APPROPRIATION EXCEEDS CONGRESSIONAL BUDGETARY LIMITS.

THE SENATORS ARE GENERALLY ON RECORD AS OPPONENTS OF SCHLESINGER'S NUCLEAR COUNTER-FORCE POLICIES. THE APPROPRIATIONS BILL WILL BE CONSIDERED THIS WEEK BY THE SENATE APPROPRIATIONS COMMITTEE, WHOSE CHAIRMAN, JAMES MCCLELLAN (D-ARK.), HAS VOWED TO RESTORE THE CUT.

PARENTS DEMAND END TO FORCED ADDICTION OF CHILDREN TO AMPHETAMINES

OCT. 21 (IPS) -- THE PARENTS OF 17 CHILDREN IN TAFT, CALIFORNIA HAVE FILED A SUIT AGAINST THE LOCAL SCHOOL DISTRICT, CHARGING THAT THEIR CHILDREN ARE BEING FORCED TO TAKE THE DRUG RITALIN IN ORDER TO ATTEND SCHOOL. ACCORDING TO AN OP-ED PIECE BY PETER SCHRAG IN THE OCT. 19 NEW YORK TIMES, THIS IS THE FIRST SUCH SUIT AGAINST WHAT HAS BECOME A WIDESPREAD PRACTICE AFFECTING BETWEEN 500,000 AND ONE MILLION CHILDREN.

THE SUIT STATES THAT THE SIDE EFFECTS OF TAKING RITALIN AND OTHER AMPHETAMINES INCLUDE PSYCHOTIC EPISODES, HALLUCINATIONS, WEIGHT LOSS, HEADACHES, NOSEBLEEDING, STOMACH ACHES, INSOMNIA, NIGHTMARES, CRYING JAGS, AND SOMETIMES A PERMANENT STUNTING OF GROWTH.

AS WITH THE DRUG PROGRAMS FORCED UPON INDUSTRIAL WORKERS, THE YOUTHFUL VICTIMS OF RITALIN ARE TOLD THAT THE DRUG WILL SOLVE A PROBLEM: THEIR INABILITY TO LEARN. HYPERACTIVITY, "MINIMAL BRAIN DYSFUNCTION," OR OTHER VAGUE "SYNDROMES" ARE CITED AS THE CAUSE OF THE LEARNING DISABILITY, CAUSING DESPERATE PARENTS AND TEACHERS TO AGREE TO A PROGRAM OF DRUGGING TO MAKE THE VICTIM DOCILE.

END OF EARLY IPS FOR OCT. 21.



NEW SOLIDARITY International Press Service

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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE
OCTOBER 21, 1975 2130 HOURS EDT
LATE EVENING EDITION

I. INTERNATIONAL

MAJOR WEST GERMAN INTERNATIONAL TRADE POLICY STATEMENT EXPECTED

WIESBADEN, BRD, OCT. 21 (IPS) -- WEST GERMAN ECONOMICS MINISTER HANS FRIEDRICHS WILL MAKE A MAJOR POLICY STATEMENT ON INTERNATIONAL TRADE RELATIONS THIS FRIDAY BEFORE THE PARLIAMENTARY SUB COMMITTEE ON FOREIGN TRADE, ACCORDING TO A SOURCE INSIDE THE ECONOMICS MINISTRY. THE SOURCE EXPRESSED CONSIDERABLE DOUBT ABOUT THE RECENT PROGNOSSES OF AN ECONOMIC UPSWING IN THE UNITED STATES, AND WARNED ABOUT THE "EXTREMELY DANGEROUS INFLATIONARY EFFECTS" OF THE BUNDES-BANK'S CONTINUOUS SUPPORT OF THE DOLLAR ON THE INTERNATIONAL CURRENCY MARKETS.

STRAUSS SELLS WEAPONS TO FNLA AND MOBUTU, TELLS CSU ANGOLA IS STRATEGIC PRIORITY FOR BRD AND NATO

OCT. 21 (IPS) -- FRANZ JOSEPH STRAUSS, LEADER OF WEST GERMANY'S RIGHT-WING, IS SELLING WEAPONS TO THE CIA-BACKED NATIONAL FRONT (FNLA) IN ANGOLA AND PRESIDENT MOBUTU OF ZAIRE THROUGH INTERMEDIARIES IN SWITZERLAND AND THE UNITED KINGDOM, ACCORDING TO A RELIABLE SOURCE CLOSE TO THE FOREIGN AFFAIRS MINISTRY OF WEST GERMANY. WHEN CONTACTED BY IPS, A HIGH OFFICIAL OF THE CSU ASKED THAT THE INFORMATION NOT BE PUBLISHED.

OVER THE WEEKEND, THE SOURCE SAID, STRAUSS TOLD A CSU MEETING ON MILITARY ISSUES THAT ANGOLA IS A STRATEGIC PRIORITY FOR WEST GERMANY AND NATO, AND THAT HE IS CONSIDERING THE EXTENSION OF NATO BELOW THE TROPIC OF CANCER. A MAJOR OFFENSIVE BY THE FNLA AND THE NATIONAL UNION (UNITA) TO STOP THE PRO-SOCIALIST POPULAR MOVEMENT (MPLA) IN ANGOLA IS UNDERWAY, AND IS EXPECTED TO BECOME HEAVIER IN THE RUN-UP TO NOVEMBER 11, THE DAY ANGOLA IS SCHEDULED TO BE DECLARED INDEPENDENT.

PORTUGUESE PAPER BLASTS GOMES' WEAPONS ORDER

OCT. 21 (IPS) -- THE LEFTIST PORTUGUESE DAILY O SEculo YESTERDAY BLASTED PRESIDENT COSTA GOMES' ORDER THAT CIVILIANS TO TURN OVER THEIR WEAPONS TO THE GOVERNMENT AS "DIRECTED AGAINST THE PEOPLE." THE WEAPONS "ARE USEFUL TO FIGHT AGAINST THE REACTIONARIES." THE COMMUNIST PARTY-INFLUENCED PAPER SAID, COMPARING THE DECREE TO A SIMILAR DECREE ISSUED IN CHILE TO DISARM THE PEOPLE, AND REPRESS WORKERS AND PROGRESSIVES "IN ORDER TO OPEN THE ROAD TO FASCISM."

(MORE)

10.21 LATE IPS/2

LEFT PRESS DECLARES THAT CURRENT WEEK WILL DECIDE
FUTURE OF REVOLUTION

OCT. 21 (IPS) — LISBON'S TWO LEFT-WING MORNING DAILIES, DIARIO DE NOTICIAS AND O SEculo, YESTERDAY PRINTED FRONT PAGE EDITORIALS PREDICTING THAT EVENTS THIS WEEK WILL DECIDE THE FUTURE OF THE REVOLUTION IN PORTUGAL. ON FRIDAY, OCT. 24, PRESIDENT GOMES' DEADLINE FOR CIVILIANS TO "VOLUNTARILY" TURN IN THEIR WEAPONS FALLS DUE. THE SAME DAY, THE INVESTIGATION INTO THE SEIZURE OF THE ARTILLERY BASE AT OPORTO (RASP) BY REVOLUTIONARY TROOPS OPPOSED TO THE REGION'S RIGHT-WING COMMANDER, WILL BE CONCLUDED. THE PRO-PORTUGUESE COMMUNIST PARTY (PCP)-BACKED "UNITED SOLDIERS WILL WIN" MOVEMENT PLANS A PRESS CONFERENCE ON THE RASP BASE THAT DAY.

ALSO OCT. 24, THE EDITORIALS SAID, WORKERS AND TENANTS COMMISSIONS WILL HOLD A PCP-SPONSORED RALLY IN LISBON CALLING FOR THE "ADVANCE POPULAR POWER." THE NATO-BACKED SIXTH PROVISIONAL GOVERNMENT PLANS TO RELEASE ITS EMERGENCY ECONOMIC PLAN, WHICH WILL FOCUS ON AUSTERITY MEASURES SOMETIME THIS WEEK, O SEculo SAID.

PRAVDA OPENS DEBATE ON LUXEMBURG'S "MASS STRIKE"

OCT. 21 (IPS) — AN ARTICLE ON THE 1905 RUSSIAN REVOLUTION IN PRAVDA OCT. 29 BREAKS THROUGH THE OLD COMINTERN STEREOTYPE OF THE "VIRUS OF LUXEMBURGISM," AND PRESENTS THE DEVELOPMENT OF THE "POLITICAL MASS STRIKE" CONCEPT OF ROSA LUXEMBURG AND LENIN AS THE OPENING OF "A NEW ERA IN THE DEVELOPMENT OF THE WORKERS' MOVEMENT." "IN THE COURSE OF THE STRIKE, THE ROLE OF THE WORKING CLASS AS THE POLITICAL LEADER OF THE MASSES WAS STRENGTHENED," WRITES AUTHOR N. CHEREPENIN. "ITS CONSCIOUSNESS, ITS ORGANIZATION AND ITS UNITY GREW. THIS WAS A PERIOD OF FLOWERING OF THE REVOLUTIONARY CREATIVITY OF THE PEOPLE, THE TIME OF THE CREATION OF THE SOVIETS, THE TRADE UNIONS, PEASANT COMMITTEES AND OTHER MASS ORGANIZATIONS OF WORKERS, WHICH PLAYED A PROMINENT ROLE IN THE VICTORY OF THE BOURGEOIS-DEMOCRATIC AND SOCIALIST REVOLUTIONS OF 1917."

CHEREPENIN APPROPRIATELY CITES LUXEMBURG TO DEMONSTRATE THE INTERNATIONAL SIGNIFICANCE OF THE MASS STRIKE PROCESS. "THE STRIKE MOVEMENT IN RUSSIA, THE METHOD OF THE MASS POLITICAL STRIKE, RAISED THE LEVEL OF THE CLASS STRUGGLE OF THE INTERNATIONAL PROLETARIAT. R. LUXEMBURG, FOR EXAMPLE, OBSERVED THAT THE REVOLUTION OF 1905-07 LED FOR THE FIRST TIME IN HISTORY OF THE CLASS STRUGGLE, TO THE GREAT REALIZATION OF THE IDEAS OF THE MASS...STRIKE."

CHEREPENIN PROCEEDS TO DESCRIBE THE RELEVANCE OF THE MASS STRIKE CONCEPT FOR THE PRESENT PERIOD. "THE MASS POLITICAL STRIKE, DESPITE THE DISPLEASURE OF OPPORTUNIST LEADERS OF THE WESTERN SOCIAL DEMOCRACY, HAS BEEN ONE OF THE TESTED MEANS OF STRUGGLE OF THE WORKING CLASS....THUS, THE GENERAL STRIKE IN FRANCE IN MAY-JUNE 1968 INCLUDED 10 MILLION PEOPLE. THE 20 MILLION STRONG STRIKE IN ITALY OF JANUARY 1973 AND THE GENERAL STRIKE OF ENGLISH MINERS IN FEBRUARY 1974 CAUSED A TREMENDOUS RESONANCE. IN THE MAIN CITADELS OF IMPERIALISM ALONE, IN 1973-74, ABOUT 100 MILLION PEOPLE WERE ON STRIKE. IN THIS THE ECONOMIC STRUGGLE OFTEN TOOK ON POLITICAL SIGNIFICANCE, THAT IS, IT WAS TURNED AGAINST THE WHOLE SYSTEM OF STATE-MONOPOLY

CAPITALISM...."

(MORE)

10.21 LATE IPS/3

**SYRIA'S LEBANON TACTICS WILL BACKFIRE, EGYPTIAN EDITOR
—WARNS**

OCT. 21 (IPS) — IN A THINLY VEILED REFERENCE TO THE ASSAD REGIME IN SYRIA, MUSTAPHA AMIN, EDITOR OF THE RIGHT-WING EGYPTIAN DAILY AKHBAR EL-YARM WARNS TODAY THAT "ANY ARAB THAT SEIZES THE OPPORTUNITY OF LEBANON'S DIFFICULTY IN ORDER TO IMPOSE ITS HEGEMONY ON THE COUNTRY" IS "PLAYING WITH FIRES WHICH WILL DESTROY THEM."

NOT ONLY DOES SUCH INTERFERENCE RISK A CATASTROPHIC WAR WITH ISRAEL, AMIN INSISTS, BUT IT ALSO RISKS THE DANGER OF SOCIAL REVOLUTION THROUGHOUT THE ARAB SECTOR.

"IF THE SYRIAN BAATH PARTY IS THE ONLY GROUP TO LOSE IN THIS DANGEROUS GAME," AMIN WRITES, "IT IS FREE TO THROW ITSELF FROM THE WINDOW, BUT TO GAMBLE WITH THE WHOLE ARAB NATION IN EXCHANGE FOR SOME LITTLE GAINS FOR THE PARTY" OR BECAUSE OF INTENSE PRESSURE FROM PRO-IRAQI INTERESTS — "THIS IS A THING THAT ARISES ASTONISHMENT."

"TO PLAY WITH SYRIA IS TO PLAY WITH EGYPT AND WITH THE ENTIRE ARAB NATION," AMIN CHIDES.

LEADER OF 1955 ARGENTINE COUP ACCUSED OF NEW CONSPIRACY

OCT. 21 (IPS) — AN ARGENTINE OFFICIAL HAS ACCUSED ADMIRAL ISSAC ROJAS, THE ARCHITECT OF THE 1955 COUP AGAINST THEN-PRESIDENT JUAN PERON, OF CONSPIRING TO OVERTHROW THE PRESENT PERONIST GOVERNMENT. CARLOS MENEM, THE GOVERNOR OF THE NORTHWEST PROVINCE OF LA RIOJA, DECLARED THAT THE CONSPIRACY "IS BEING HATCHED BY ULTRARIGHT MILITARY MEN, DUMPED FROM POWER BY THE (PEOPLE'S) VOTE, IN ALLIANCE WITH CONSERVATIVE PRIESTS...ROJAS IS COORDINATING IT ALL..."

ACCORDING TO AN INTERVIEW WITH THE MEXICAN DAILY, EXCELSIOR, ROJAS

DENIED THE CHARGE, CLAIMING INSTEAD THAT "THOSE WHO CONSPIRE AGAINST THE INSTITUTIONS ARE THOSE WITHIN THE GOVERNMENT, WHO FROM THERE SUBMERGE THE NATION IN UNCERTAINTY VERY CLOSE TO CHAOS..." SIGNIFICANTLY, SPEECHES BY KEY MILITARY SPOKESMEN OVER THE LAST TWO WEEKS HAVE PERSISTENTLY STRESSED THE ARMY'S PRIMARY ROLE AS "CUSTODIANS OF NATIONAL ORDER."

SOVIET PHYSICIST CALLS FUSION POWER "NUMBER ONE PROBLEM"

OCT. 21 (IPS) — SOVIET NUCLEAR PHYSICIST P. KAPITSA TERMED THE DEVELOPMENT OF THERMONUCLEAR FUSION POWER "PROBLEM NUMBER ONE OF PHYSICS," IN AN ARTICLE IN THE SOVIET TRADE UNION DAILY OF TRUD OCT. 19. THERE ARE TWO TYPES OF NUCLEAR ENERGY, HE SAID, FISSION AND FUSION. THE SECOND, HAS THE "BEST PROSPECTS," AND ONCE IT IS SUCCESSFULLY DEVELOPED, "ALL THE DIFFICULTIES THAT ARISE FROM THE USE OF URANIUM (IN FISSION-ED.) WILL DISAPPEAR."

II. CONTINENTAL

NESSEN HITS BANKS

OCT. 21 (IPS) — PRESIDENTIAL PRESS SECRETARY RON NESSSEN YESTERDAY CHARGED THAT "IN TRUTH, FEDERAL MONEY (TO NEW YORK CITY) WOULD ONLY DAIL OUT THE BONDHOLDERS AND THE BANKS," ACCORDING TO THE WASHINGTON STAR. ONE SUCH BANK AIDED WOULD BE CHASE MANHATTAN BANK — RUN BY

(MORE)

10.21 LATE IPS/4

THE VICE PRESIDENT'S BROTHER, DAVID ROCKEFELLER.

KISSINGER: "THE COCK OF THE WHITE HOUSE WALK"

OCT. 21 (IPS)—CONDEMNING SECRETARY OF STATE HENRY KISSINGER'S "LOCKER ROOM COMMENTS" MADE, AND PUBLICLY BROADCASTED AT A RECENT OTTAWA DINNER, CHICAGO TRIBUNE COLUMNIST BOB WEIDRICH, WHO LINKS KISSINGER EXPLICITLY TO NELSON ROCKEFELLER, SAID THAT KISSINGER'S "CHEAP SHOTS" FURNISHED "THE LADIES PRESENT WITH ENOUGH FODDER FOR THEIR OWN BACK YARDS FOR A MONTH." WEIDRICH ADVISED KISSINGER TO KEEP "HIS MOUTH SHUT."

HEARST SUBJECT TO MURDER CHARGES?

OCT. 21 (IPS)—THE NEW YORK POST REPORTS TODAY THAT GOVERNMENT INTERROGATORS WERE ALLEGEDLY TOLD BY PATRICIA HEARST THAT SHE HAD DRIVEN THE GET-AWAY CAR DURING THE CROCKER NATIONAL BANK ROBBERY COMMITTED BY THE SYMBIONESE LIBERATION ARMY (SLA). IF PROVEN, THE ADMISSION WOULD SUBJECT MS. HEARST TO PROSECUTION FOR MURDER, BECAUSE A BYSTANDER WAS KILLED IN THE HOLD-UP.

OBSERVERS SAW THE "LEAK" AS A CONTINUATION OF THE GOVERNMENT'S CAMPAIGN TO BUILD UP A CASE AGAINST MS. HEARST TO COVER UP THE FACT THAT INTELLIGENCE AGENCIES ORCHESTRATED THE WHOLE SLA AFFAIR.

III. ORGANIZING AND INTELLIGENCE

BRANDT TRIAL POSTPONED UNTIL NOV. 2

WIESBADEN, W. GERMANY, OCT. 21 (IPS) -- LAWYERS FOR THE EUROPEAN LABOR COMMITTEES (ELC), PUBLISHERS OF THE GERMAN LANGUAGE WEEKLY NEUE SOLIDARITAT, WERE GRANTED A TWO-WEEK POSTPONEMENT OF THE SO-CALLED "BRANDT TRIAL." THE TRIAL WAS SET FOR NOV. 2.

SOCIAL DEMOCRATIC PARTY (SPD) CHAIRMAN WILLY BRANDT HAD BROUGHT A MULTI-MILLION DOLLAR LIBEL AGAINST TWO EDITORS OF NEUE SOLIDARITAT AFTER THE ELC PAPER HAD PUBLISHED LAST SPRING, DETAILED INFORMATION CONCERNING THE SPD CHAIRMAN'S CAREER AS AN AMERICAN AGENT. LAWYERS FOR BRANDT DID NOT CHALLENGE THE MOTION FOR POSTPONEMENT.

BRANDT IS REPORTED TO BE NOT "VERY EAGER" TO HAVE HIS AGENCY BROUGHT INTO A PUBLIC COURTROOM -- ESPECIALLY AFTER DISCLOSURES OF BRANDT'S 30-YEAR CAREER AS AN AGENT APPEARED IN MAJOR U.S. PAPERS. THE WEST GERMAN AND EUROPEAN PRESS HAS ALREADY EXPRESSED MUCH INTEREST IN THE PROCEEDINGS.

SENATE BANKING COMMITTEE CONSIDERS RESOLUTION ON DEBT MORATORIUM

WASHINGTON, D.C., OCT. 21 (IPS)—THE SENATE BANKING, HOUSE AND URBAN AFFAIRS CTIE. IS CONSIDERING DEBT MORATORIUM AS ONE OPTION FOR ITS RESOLUTION ON THE NEW YORK CITY FISCAL CRISIS, A COMMITTEE SOURCE SAID TODAY. SENATOR PROXMIERE WILL PRESENT THE RESOLUTION ON THE SENATE FLOOR EITHER LATE TOMORROW OR THURSDAY.

(MORE)

10.21 LATE IPS/5

INFORMED SOURCES INDICATE THAT THE COMMITTEE IS LOOKING MORE SERIOUSLY AT A PROPOSAL FOR A DE FACTO DEBT MORATORIUM—ALLOW A DEFAULT AND THEN PUMP IN AN EMERGENCY TRANSFUSION OF SEVERAL BILLIONS. IF SOME MEMBERS OF THE COMMITTEE WHO OPPOSE A BAILOUT OF BANKS HAVE THEIR WAY, THAT MONEY WOULD GO FOR THE MAINTENANCE OF ESSENTIAL SERVICES AND NOT TO THE PAYMENT OF DEBT TO ROCKEFELLER-ALLIED NEW YORK BANKS.

SEN. ABOUREZK TO INVESTIGATE BECHTEL, LEHMAN BROS.

WASHINGTON, D.C., OCT. 21 (IPS)—SEN. JAMES ABOUREZK (D-SO) OF THE INTERIOR AND INSULAR AFFAIRS COMMITTEE PLANS TO HOLD HEARINGS TO INVESTIGATE HOW THE ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION (ERDA) HAS SUCCEMDED TO PRESSURE BROUGHT BY CERTAIN BUSINESS INTERESTS TO PRODUCE RECOMMENDATIONS FAVORABLE TO THEIR INTERESTS. YESTERDAY, ABOUREZK RELEASED INFORMATION INDICATING THAT THE NEW YORK INVESTMENT FIRM OF LEHMAN BROTHERS AND THE NOTORIOUS ROCKEFELLER-ALLIED BECHTEL CORPORATION PRESSURED ERDA INTO ISSUING AN OFFICIAL FEASIBILITY STUDY PREPARED BY BECHTEL IN PLACE OF ONE PREPARED BY ITS OWN STAFF. THE BECHTEL STUDY CONCLUDED THAT IT WOULD BE FEASIBLE TO BUILD SYNTHETIC OIL PIPELINES FROM WYOMING TO ARKANSAS, A PROJECT WHICH BECHTEL PLANS TO CONSTRUCT WITH FINANCING FROM LEHMAN BROS. THE SCHEME WOULD OBVIOUSLY BENEFIT FROM NELSON ROCKEFELLER'S PROPOSED \$800 BILLION ENERGY INDEPENDENCE AUTHORITY. IF COMPETENTLY PURSUED, ABOUREZK'S INVESTIGATION WOULD HAVE TO FOCUS ON THE EXTENSIVE SABOTAGE OF FUSION POWER RESEARCH AND DEVELOPMENT FOR WHICH ROCKEFELLER AND ERDA ARE PRIMARILY RESPONSIBLE. KNOWLEDGEABLE CONGRESSIONAL SOURCES TOLD IPS TODAY THAT ABOUREZK IS GOING AFTER THE "WALL STREET PEOPLE." IF ERDA'S SABOTAGE OF FUSION RESEARCH IS A POTENT POLITICAL WEAPON, A SOURCE SAID, ABOUREZK WILL USE IT.

FORD DENIES THAT HE HAS CHANGED HIS MIND ABOUT NEW YORK CITY

WASHINGTON, D.C., OCT. 21 (IPS)—PRESIDENT FORD THIS AFTERNOON REITERATED HIS OPPOSITION TO ANY FORM OF FEDERAL AID TO NEW YORK CITY.

THIS MORNING, THE NEW YORK TIMES HAD QUOTED A "HIGH ADMINISTRATION SOURCE" AS INDICATING THAT THE PRESIDENT HAD A CHANGE OF HEART ABOUT AIDING THE CITY. WHITE HOUSE PRESS SECRETARY JOHN CARLSON SAID THIS AFTERNOON THAT THE PRESIDENT HAD NO IDEA WHO THIS SOURCE WAS.

SOURCES IN WASHINGTON INDICATE THAT THE SOURCE OF THE "PLANTED" TIMES LEAK WAS LIKELY VICE PRESIDENT ROCKEFELLER. THE VICE PRESIDENT HAS RECENTLY STRONGLY ADVOCATED FEDERAL AID TO INSURE THAT THE CITY PAYS ITS DEBT TO HIS BROTHER DAVID'S NEW YORK BANKS. THE NEW YORK TIMES HAS BACKED ROCKEFELLER'S PROPOSALS EDITORIALY.

ELECTED NYC CITY COUNCIL HAS NO POWER IN FISCAL MATTERS

NEW YORK, OCT. 21 (IPS)—A SPOKESMAN FOR THE NEW YORK CITY COUNCIL, THE LEGISLATIVE BODY OF THE ELECTED GOVERNMENT OF THIS CITY, SAID TODAY THAT THE COUNCIL HAS ABSOLUTELY NO POWER IN FISCAL MATTERS ANYMORE. ALL SUCH POWERS HAVE BEEN CEDED TO THE BANKERS' "RECEIVERSHIP," THE EMERGENCY FINANCIAL CONTROL BOARD. "A FEW COUN-

10:21 LATE IPS /6

CILMEN MAKE COMMENTS ABOUT (THE CRISIS) BUT THEY CAN'T DO ANYTHING ABOUT IT. IT'S GOT ABSOLUTELY NOTHING TO DO WITH THEM ANYMORE," THE SPOKESMAN FOR THE COUNCIL TOLD IPS. "ALL FISCAL DECISIONS ARE UP TO THE MAC, THE MAYOR'S BUDGET COMMITTEE, WITH FINAL DECISIONS UP TO THE EFCB. THESE GUYS (THE COUNCIL) HAVE TO ABIDE BY WHAT THEY ARE TOLD."

THE CITY COUNCIL WAS NOT CONSULTED IN LAST WEEK'S NEAR-DEFAULT CRISIS. THE SPOKESMAN REVEALED THAT THE CITY COUNCIL LAST MET OCT. 9 AND WILL MEET AGAIN LATER THIS MONTH. NONE OF THE AGENDA ITEMS AT THE OCT. 9 MEETING DEALT WITH THE CITY'S FISCAL CRISIS.

SHRIVER FAVORS AN INTERNATIONAL DEVELOPMENT BANK

NEW YORK< OCT> *1 (IPS)—SPEAKING BEFORE A CROWD OF SEVERAL HUNDRED YESTERDAY, DEMOCRATIC PRESIDENTIAL CANDIDATE SARGENT SHRIVER POINTED TO EXPANDED TRADE AS "THE REAL WAY OUT OF THE DEPRESSION." IN RESPONSE TO AN IPS REPORTER, SHRIVER ALSO DECLARED THAT "I FAVOR AN INTERNATIONAL DEVELOPMENT BANK TO INCREASE TRADE."

NAVIGATING THROUGH THE AUDIENCE'S QUESTIONS ON THE ECONOMY, SHRIVER CALLED FOR MORE JOBS. ASKED IF HE MEANT THAT INCREASED PRODUCTION OF CONSUMER GOODS WAS THE WAY OUT OF THE DEPRESSION, SHRIVER SAID NO, NAMING EXPANDED EAST-WEST TRADE AS "THE REAL SOLUTION." DECLARING AT ONE POINT, "I'M NO FRIEND OF NELSON OR DAVID ROCKEFELLER," SHRIVER LATER EXCLAIMED, "LOOK AROUND YOU... THERE'S A BANK ON EVERY CORNER... THEY ARE NOT INTERESTED IN PRODUCTION, THEY'RE INTERESTED IN GETTING THE HIGHEST INTEREST ON THEIR MONEY...."

SHRIVER DECLARED THAT HE WAS NOT IN FAVOR OF DEBT MORATORIUM FOR THE THIRD WORLD, BUT HE BLAMED THE CIA FOR ALL THE PROBLEMS IN THE THIRD WORLD, AND CALLED FOR REPLACING THE CIA WITH A PEACE CORPS.

USLP SPOKESMAN ASKS ELECTION COMMISSION TO INVESTIGATE THE FBI

WASHINGTON, D.C., OCT. 21 (IPS)—U.S. LABOR PARTY SPOKESMAN ARTHUR LEDERMAN ATTACKED A FEDERAL ELECTION COMMISSION (FEC) PROPOSAL TO REQUIRE POLITICAL PARTIES TO DISCLOSE THE NAMES OF CONTRIBUTORS OF \$10 OR MORE TO THE FEDERAL GOVERNMENT IN TESTIMONY BEFORE THE COMMISSION THIS AFTERNOON. LEDERMAN ARGUED THAT UNLESS THE FEC EXPANDED ITS ENFORCEMENT POWERS TO CURBING THE USE OF THE FBI, CIA AND LEAA AGAINST PRESIDENTIAL CANDIDATES, DISCLOSURE REQUIREMENTS WOULD BECOME A MOOT PROCESS.

"REQUIREMENTS FOR RECORDING THE NAMES OF CONTRIBUTORS WITH THE FEC VIOLATE THE FIRST AMENDMENT, AND IN THE CASE OF MY PARTY, OPEN CONTRIBUTORS TO THE SAME TYPE OF FEDERAL HARASSMENT AS THAT CURRENTLY DEPLOYED AGAINST THE USLP," LEDERMAN SAID.

10.21 LATE IPS /7

IN RESPONSE TO QUESTIONS FROM ONE COMMISSIONER, FORMER MICHIGAN CONGRESSMAN NEAL STABLER, LEDERMAN DETAILED THE ELECTION ABUSES BY THE FBI WHEN FBI AGENT VERNON HIGGINS INFILTRATED THE USLP AND RAN AS A USLP CANDIDATE IN MICHIGAN ELECTIONS. LEDERMAN URGED THE FEC TO DEVELOP A COUNTER-INTELLIGENCE CAPABILITY WHICH WOULD ENABLE IT TO PROTECT THIRD PARTIES SUCH AS THE USLP FROM HARASSMENT BY THE FBI AND OTHER INTELLIGENCE AGENCIES. OTHER AMENDMENTS PRESENTED BY THE USLP ASKED THAT ALL THIRD PARTIES BE EXEMPTED FROM DISCLOSURE REQUIREMENTS, AND THAT THE FEC PROPOSE LEGISLATION AGAINST VOTE FRAUD.

OBSERVERS NOTE THAT THE USLP'S CALL FOR STRENGTHENED ELECTIONS LAW ENFORCEMENT POWERS FOR THE FEC, WHICH WAS CREATED BY ROCKEFELLER INTERESTS FOR THE PURPOSE OF HARASSING MINOR PARTIES, IN FACT POSES EMBARRASSING DIFFICULTIES FOR ROCKEFELLER. SEVERAL PROVISIONS OF THE ELECTION ACT WHICH MOST EXPERTS REGARD AS UNCONSTITUTIONAL ARE FACING STIFF LEGAL CHALLENGE, AND THE ROCKEFELLER-ALLIED JUSTICE DEPARTMENT HAS ATTEMPTED TO SIDETRACK THE CHALLENGE BY ARGUING THAT ENFORCEMENT OF THE ACT SHOULD BELONG TO IT, NOT THE FEC.

COMMISSIONER STABLER ASKED FOR DETAILED EVIDENCE ON VOTE AND ELECTION FRAUD AGAINST THE USLP IN BOSTON AND CHARLOTTE, NORTH CAROLINA.

END OF LATE IPS FOR 10.21.75.



NEW SOLIDARITY International Press Service

Daily News and Press Summaries

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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE (IPS)
EARLY NEWS ROUND-UP
WEDNESDAY, OCTOBER 22, 1975

I. WORLD PRESS ROUND-UP

PORTUGUESE GOVERNMENT REORGANIZES MILITARY

OCT. 22 (IPS)—FACED WITH THE RAPID EROSION OF ITS AUTHORITY OVER COMMUNIST-BACKED WORKERS, PEASANTS AND SOLDIERS, PORTUGAL'S NATO-ALLIED SIXTH PROVISIONAL GOVERNMENT HAS ANNOUNCED FURTHER CHANGES IN THE NATION'S MILITARY STRUCTURE. THE CHANGES FOLLOW A SUDDEN TRIP TO WEST GERMANY BY ARMY CHIEF OF STAFF CARLOS FABIAO WHERE HE MET WITH WEST GERMAN DEFENSE MINISTER GEORG LEBER.

ACCORDING TO O SEculo OF OCT. 18, PORTUGUESE AND NATO AIR BASES WILL BE FUSED IN ORDER TO DECREASE THE NUMBER OF AIR BASES AND SAVE MONEY.

THE GOVERNMENT HAS MOVED TO BOLSTER THE FALTERING RECRUITMENT DRIVE FOR ITS AMI SHOCK TROOP BATTALION—A FORMATION WHICH NATO HOPES CAN BREAK UP PRO-COMMUNIST MILITARY UNITS—BY DISSOLVING ONE OF ITS LAST LOYAL UNITS, THE AMADORA COMMANDOS, INTO THE AMI, ACCORDING TO THE LISBON WEEKLY EXPRESSO.

FINALLY, THE GOVERNMENT HAS ATTEMPTED TO ESTABLISH A NAVY EQUIVALENT TO THE AMI, TO BE CALLED FOR, WHICH WILL BE HEADED BY ADMIRAL VITOR CRESPO, AN ASSOCIATE OF NATO AGENT FOREIGN MINISTER MELO ANTUNES.

LEBANESE FOREIGN MINISTER WARNS: LEBANON EVENTS COULD CATALYZE REVOLUTION THROUGHOUT ARAB SECTOR

OCT. 22 (IPS)—PHILLIPPE TAKLA, LEBANON'S FOREIGN MINISTER, WARNED THIS WEEK IN AN INTERVIEW WITH THE RIGHT-WING EGYPTIAN DAILY AKHBAR EL-YAWM THAT "IF THE CRISIS IN LEBANON EXPLODES, THIS EXPLOSION WILL OPEN VERY DANGEROUS DOORS ON THE ENTIRE ARAB WORLD AND THE AREA WILL ENTER INTO A TORNADO OF ADVENTURES WHICH NOBODY KNOWS THE END TO."

OBVIOUSLY FEARFUL OF THE SPILLOVER EFFECTS OF SUCCESSFUL LEFTIST MASS ORGANIZING IN LEBANON ON THE AGENT REGIMES OF EGYPT AND SYRIA, AKHBAR EL-YAWM INTERVIEWER MIRYAM ROBIN ASKED TAKLA, "DO YOU MEAN THAT THINGS HAVE NOT YET EXPLODED IN LEBANON?"

MAGISTRATES, PCF CONDEMN PONIA'S POLICE STATE

OCT. 22 (IPS)—REPRESENTATIVES OF THE FRENCH COMMUNIST PARTY (PCF) -ALLIED TRADE UNION CONFEDERATION, THE CGT, AND LEADERS OF THE

(MORE)

MAGISTRATES UNION MET LAST WEEK AND ISSUED A COMMUNIQUE CONDEMNING THE REPRESSIVE POLICE STATE MEASURES EMPLOYED BY THE GOVERNMENT OF PRESIDENT GISCARD D'ESTAING AND HIS INTERIOR MINISTER PRINCE MICHEL PONIATOWSKI AGAINST THE WORKING CLASS.

"THE GOVERNMENT HIDES THE SOCIAL CAUSES OF VIOLENCE AND DISORDERS," STATES THE COMMUNIQUE WHICH IS PRINTED IN TODAY'S L'HUMANITE, THE PCF'S NEWSPAPER. "THE GOVERNMENT STRIVES TO REJECT ITS OWN RESPONSIBILITY FOR IT (THE VIOLENCE AND DISORDERS) BY ATTEMPTING TO BLAME IT ON FATE AND HUMAN INSTINCTS...AN AMALGAM IS MADE OF ALL POLITICAL AND TRADE UNION ACTION. PUBLIC OPINION IS THUS PREPARED FOR MEASURES THAT DESTROY INDIVIDUAL LIBERTIES AND SECURITY."

FRENCH CGT, GERMAN DFU LEADERS CALL FOR PROGRAMMATIC RECONVERSION OF ARMS INDUSTRY

FRANKFURT, BRD, OCT. 22 (IPS)—SPEAKING AT A FORUM SPONSORED BY THE COMMUNIST-ALLIED WEST GERMAN PEACE UNION (DFU), JEAN SCHAEFER, EXECUTIVE COMMITTEE MEMBER OF THE COMMUNIST-ALLIED FRENCH TRADE UNION CONFEDERATION, THE CGT, CALLED FOR THE TRANSFORMATION OF THE ARMAMENTS INDUSTRY INTO USEFUL PRODUCTION.

SCHAEFER SAID THAT IN FRANCE, PROGRAMMATIC DISCUSSION OF THIS RECONVERSION WAS JUST IN THE BEGINNING PHASE, WITH THE CGT LEADING MANY STUDY GROUPS ON THE SUBJECT. "WE GO OVER RELATIVELY SMALL PROBLEMS OF GROUPS OF WORKERS AND THEN TRY TO GIVE THEM A SENSE OF THE INTERNATIONAL PROCESS OF PRODUCTION," THE CGT LEADER STATED. SCHAEFER SAID THAT COMMITTEES HAVE ALREADY BEEN FORMED IN SOME PLACES WHERE WORKERS FROM THE CGT AND MEMBERS OF THE FRENCH GAULLIST PARTY, THE UDR, WORK TOGETHER AROUND THE PROGRAMMATIC QUESTIONS INVOLVED IN RECONVERSION.

LORENZ KNORR, MEMBER OF THE NATIONAL EXECUTIVE OF THE DFU, TOLD THE AUDIENCE OF THE STUDY CONDUCTED THAT TOTALLY CALCULATED WHAT HAD TO BE DONE TO TRANSFORM THE GERMAN KRAUS-MAFEI PLANT FROM LEOPARD TANK PRODUCTION TO THE PRODUCTION OF CHEAP MASS TRANSIT SYSTEMS. THIS COULD BE ACCOMPLISHED QUICKLY, KNORR DEMONSTRATED.

THE DFU LEADER THEN DESCRIBED PROBLEMS WITH RECONVERSION IN OTHER INDUSTRIES, PARTICULARLY PETRO-CHEMICALS. THESE PROBLEMS HAVE TO BE SOLVED, HE STATED, BECAUSE GERMAN INDUSTRIAL CAPACITY IS NEEDED TO TRANSFORM THE SUB-SAHARA AND AMAZON REGIONS INTO FLOURISHING AGRICULTURAL AREAS.

KNORR ATTACKED THE PRESENT POLICIES OF THE RULING SOCIAL DEMOCRATIC PARTY (SPD) TOWARDS THE THIRD WORLD, COMMENTING "THERE ARE SOME CHRISTIAN DEMOCRATS (THE CONSERVATIVE OPPOSITION PARTY) WHO ARE MORE PROGRESSIVE IN THIS RESPECT THAN THE SPD. CHRISTIAN DEMOCRATIC PARTY LEADER GERHARD STOLTENBERG HAS GIVEN SOLID BACKING TO PROPOSALS FOR THE DEVELOPMENT OF THE THIRD WORLD AND TO EXPANDED EAST-WEST TRADE."

(MORE)

FACTIONS IN BRITISH GOVERNMENT REPORTED MANEUVERING

OCT. 22 (IPS)—THE BRITISH LABOUR GOVERNMENT MAY FIND ITSELF "HIGHLY UNPOPULAR WITH THE OLD ANTI-COMMON-MARKET FORCES IN THE LABOUR PARTY" IF THE GOVERNMENT HAS TO BACK DOWN FROM ITS DEMANDS FOR A SEPARATE SEAT AT THE DECEMBER NEGOTIATIONS BETWEEN PRODUCING AND CONSUMING COUNTRIES, THE LONDON OBSERVER SAID OCT. 19.

"BRITAIN'S ABRUPT INSISTENCE ON A SEPARATE PLACE AT THE WORLD ENERGY CONFERENCE MAY LOOK LIKE A GRAND REASSERTION OF JOHN BULL'S VIRILITY IN THE REST OF EUROPE," THE OBSERVER SAID, BUT "SOME OF FOREIGN MINISTER CALLAGHAN'S COLLEAGUES THINK THAT HIS POSITION HAS A LOT TO DO WITH HIS WISH TO CUT THE GROUND FROM UNDER THE FEET OF TONY BENN AND THE OTHER NATIONALISTS IN THE LABOUR PARTY."

CALLAGHAN'S OPPONENTS AMONG PRO-DEVELOPMENT INDUSTRIALISTS HAVE MAINTAINED HE WANTS THE SEPARATE SEAT IN ORDER TO BETTER SABOTAGE THIRD WORLD DEMANDS FOR A NEW WORLD ECONOMIC ORDER.

BRITISH LEFTIST DENOUNCES MILITARY EXERCISES

OCT. 22 (IPS)—THE RECENT GENERAL MOBILIZATION OF THE BRITISH ARMY "CAUSED THE BEWILDERMENT OF THE PUBLIC, SINCE THERE WAS NO DANGER TO BRITISH SECURITY ANYWHERE," ACCORDING TO LEFT-WING MEMBER OF PARLIAMENT FRANK ALLAUN IN AN OCT. 19 PRAVDA INTERVIEW.

THE EXERCISE, CALLED "INSIDE RAID," WAS "NO HELP FOR THE ACHIEVEMENT OF DETENTE," ALLAUN SAID.

BRITISH TRADE DELEGATION IN USSR

OCT. 22 (IPS)—"THE OPPORTUNITIES ARE RIGHT THERE IN RUSSIA. IT'S NOW UP TO COMPANIES TO DO THEIR SUMS RIGHT AND COME BACK WITH FIRM PROPOSALS," THE DIRECTOR OF THE NORTH ENGLAND DEVELOPMENT COUNCIL TOLD THE LONDON OBSERVER OCT. 19. A COUNCIL DELEGATION IS CURRENTLY VISITING THE USSR.

"WITH 1.8 BILLION IN EXPORT CREDITS ARRANGED LAST FEB. BY MR. WILSON STILL LARGELY UNTOUCHED, THE POTENTIAL FOR LONG-TERM EXPANSION IS REAL," THE OBSERVER SAID.

UNEMPLOYMENT IN NORTHERN ENGLAND IS UNUSUALLY HIGH DUE TO THE DEPRESSION IN THE SUPPORT INDUSTRIES FOR NORTH SEA OIL.

II. ORGANIZING AND INTELLIGENCE REPORT

ORGANIZING VIOLATES MOTOR VEHICLE CODE, SAYS STATE ATTORNEY

OCT. 22 (IPS)—IN A CASE INVOLVING SIGNIFICANT CONSTITUTIONAL ISSUES, THE NEW JERSEY STATE ATTORNEY GENERAL'S OFFICE MOVED IN ELIZABETH MUNICIPAL COURT TODAY TO HAVE THE LOCAL PROSECUTOR REPLACED BY A STATE ATTORNEY IN THE PROSECUTION OF THREE U.S. LA-

(MORE)

BOR PARTY ORGANIZERS CHARGED WITH "IMPEDING TRAFFIC" WHILE ORGANIZING.

"AS GROUNDS FOR THE SUDDEN MOVE, N.J. STATE ATTORNEYS ARGUED THAT THE U.S. LABOR PARTY'S LYNN SPEED, FRED HENDERSON, AND CONGRESSIONAL CANDIDATE JANET COHEN ARE FACING CHARGES WHICH ARE COVERED UNDER THE NEW JERSEY STATE MOTOR VEHICLE CODE (MVC). MVC SECTION 39:4-60 PROHIBITS IMPEDING OR INTERFERING IN ROADWAYS, AND HAS BEEN A MAJOR LEGAL PRETEXT FOR FBI/POLICE HARASSMENT AND INTERFERENCE AIMED AT IMPEDING LABOR PARTY STATEWIDE ORGANIZING.

UNDER NORMAL CIRCUMSTANCES, THE COURT WOULD BE FORCED TO FIND THE MVC SECTION UNCONSTITUTIONAL WHEN APPLIED TO POLITICAL PARTIES, AND ACQUIT THE THREE USLP DEFENDANTS, SETTING A STATEWIDE PRECEDENT AGAINST POLICE HARASSMENT; HENCE THE ACTION BY THE STATE ATTORNEY GENERAL'S OFFICE YESTERDAY TO PUT THE CASE UNDER ITS JURISDICTION.

IN A CLOSELY RELATED DEVELOPMENT, TRENTON, NJ. LABOR PARTY ORGANIZER ROBERT BOWEN WAS ACQUITTED YESTERDAY OF CHARGES OF "OBSTRUCTING AND IMPEDING TRAFFIC" WHILE ORGANIZING IN THAT CITY. BOWEN'S WAS ONLY THE FIRST OF FOUR SUCH LABOR PARTY CASES COMING TO TRIAL IN TRENTON.

III. IPS ANALYSIS

FRENCH ELECTION REVEALS DEFECTIONS BY ANTI-ATLANTICISTS FROM GAULLISTS

OCT. 22 (IPS)—FRENCH MINISTER OF COOPERATION AND RENOWNED ATLANTICIST PIERRE ABELIN FINALLY SQUEAKED THROUGH IN THE RUN-OFF OF THE SPECIAL LEGISLATIVE ELECTION HELD IN CHATELLERAULT OCT. 19. OFFICIAL TALLIES GAVE HIM 52.6 PER CENT OF THE VOTES, AS OPPOSED TO 47.4 PER CENT FOR HIS OPPONENT, "UNION OF THE LEFT" CANDIDATE AND SOCIALIST PARTY MEMBER EDITH CRESSON.

IPS HAS ESTABLISHED THAT ABELIN'S POOR PERFORMANCE—HE LOST 13 PER CENT OF HIS 1973 SCORE—WAS DUE TO MASSIVE DEFECTIONS FROM THE RANKS OF THE GAULLIST (UDR) PARTY, DESPITE UNEQUIVOCAL SUPPORT FOR ABELIN BY GAULLIST PRIME MINISTER CHIRAC. A CLOSE READING OF THE EVOLUTION OF THE UDR ELECTORATE IN THE CHATELLERAULT DISTRICT OVER THE PAST THREE YEARS REVEALS THAT ALMOST HALF THE GAULLIST VOTERS DO NOT AT THIS POINT ACCEPT PRESIDENT GISCARD D'ESTAING'S AUSTERITY AND PRO-NATO MILITARY POLICIES.

THE PARIS EVENING DAILY FRANCE-SOIR CLAIMED OCT. 20 THAT THE CHARGES REGISTERED IN THE CHATELLERAULT ELECTION ALSO APPLY TO THE REST OF THE COUNTRY, BUT IN A MORE RADICAL WAY. SHOULD GENERAL LEGISLATIVE ELECTIONS TAKE PLACE TODAY, FRANCE-SOIR SAID, THE ALLIED COMMUNIST (PCF) AND SOCIALIST PARTIES WOULD GAIN A MAJORITY IN THE NATIONAL ASSEMBLY, AND THE SP WOULD REPLACE THE UDR AS THE MAIN PARLIAMENTARY GROUP.

(MORE)

ALREADY, VARIOUS PRO-GISCARD JOURNALISTS ARE FLOATING THE IDEA THAT THE "REFORMIST" PRESIDENT WOULD FEEL MOST AT HOME IN THE MIDST OF A COALITION COMPRISED OF THE INDEPENDENT REPUBLICANS (IR)—GISCARD'S PARTY—THE PRO-ROCKEFELLER REFORMATEURS, AND THE SOCIALISTS. YESTERDAY, A NEWSMAN ON THE STATE-CONTROLLED RADIO OPENLY ADVOCATED THAT THE IR AND REFORMATEURS LEAVE THE UDR BEHIND, JOIN UP WITH THE SP, AND BUILD IN FRANCE A LARGE REFORMIST ALLIANCE. "THE HOUR OF SOCIAL-DEMOCRACY MAY HAVE COME," HE STRESSED.

THE COMMUNIST PARTY OF FRANCE IS STUDYING THESE MANEUVERS VERY CLOSELY. IN HIS L'HUMANITE EDITORIAL TODAY, PCF POLITBURO MEMBER ROLAND LEROY WRITES THAT THE CHATELLERAULT ELECTION SHOWS CONTINUED COMMUNIST GAINS AMONG WORKER STRATA, AND ADDS THAT THE PCF'S EMPHASIS ON THE NECESSITY TO REINFORCE ITSELF WITHIN THE "UNION OF THE LEFT" IS MORE NECESSARY THAN EVER. "WE MUST STRUGGLE FOR A UNION WHOSE OBJECTIVE IS NOT TO SERVE AS A STEPPING STONE FOR ONE OF ITS COMPONENTS BUT FOR A UNION WHOSE GOAL IS TO STRUGGLE AND WIN TOGETHER," LEROY SAYS.

END EARLY IPS FOR WEDNESDAY, OCTOBER 22, 1975.



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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE (IPS)
WEDNESDAY, OCTOBER 22, 1975
LATE EVENING NEWS ROUND-UP

WILLY BRANDT PERSONAL SECRETARY ATTENDED THE LIVORNO STRATEGY SESSION BETWEEN BERLINGUER AND CARRILLO

OCT. 22 (IPS)—RELIABLE JOURNALIST SOURCES TOLD THE IPS TODAY THAT WEST GERMAN SOCIAL DEMOCRATIC PARTY CHAIRMAN WILLY BRANDT'S "PERSONAL SECRETARY" SAT IN ON THE STRATEGY SESSION BETWEEN ITALIAN COMMUNIST PARTY (PCI) GENERAL SECRETARY ENRICO BERLINGUER AND SANTIAGO CARRILLO HEAD OF THE ANTI-SOVIET SPANISH COMMUNIST PARTY (PCE) AT THE CITY OF LIVORNO (LEGHORN) ITALY IN JUNE. THE MEETING RESULTED IN THE NOTORIOUS COMMUNIQUE CARRILLO AND BERLINGUER KNOWN AS THE "LIVORNO STATEMENT" WHICH CALLED FOR PLURALIST DEMOCRACIES THROUGHOUT EUROPE.

WILLY BRANDT'S PERSONAL SECRETARY IS PRESENTLY ASSUMED TO BE HORST EMKE. HE SPOKE IN STUTTGART, WEST GERMANY YESTERDAY, AND SAID "THE ITALIAN COMMUNIST PARTY IS ONE OF THE MOST IMPORTANT FACTORS FOR LEADING ITALY OUT OF ITS PRESENT CHAOS... CARRILLO IN SPAIN IS ONE OF THE MOST COMMITTEED COMMUNIST PARTY MEMBERS IN EUROPE, COMMITTED TO DEMOCRATIC SOCIALISM."

EMKE TOOK PAINS TO NOTE THAT "THE FRENCH COMMUNIST PARTY IS COMPLETELY DIFFERENT FROM THE ITALIAN COMMUNIST PARTY."

JAPAN, IRAQ NEGOTIATING A MULTI-BILLION DEVELOPMENT PACKAGE

OCT. 22 (IPS)—THE JAPANESE GOVERNMENT HAS MADE AVAILABLE \$1 BILLION IN LOANS TO IRAQ TO PURCHASE TECHNOLOGY FROM JAPANESE COMPANIES.

THIS PRIOR COMMITMENT BY THE JAPANESE GOVERNMENT WHICH HAS NOT BEEN MADE TO ANY OTHER COUNTRY IS PART OF A MULTI-BILLION DOLLAR DEVELOPMENT PACKAGE BEING NEGOTIATED BETWEEN IRAQ AND JAPANESE COMPANIES, AN OFFICIAL OF THE JAPAN EXPORT-IMPORT BANK TOLD IPS TODAY. THE EX-IM BANK OFFICIAL POINTED OUT THAT IRAQ IS THE ONLY MEMBER OF THE OIL PRODUCERS CARTEL, OPEC, WHICH HAS GIVEN JAPAN A LONG-TERM AGREEMENT GUARANTEEING SUPPLIES OF OIL.

(MORE)

WHEN ASKED WHETHER JAPAN -- IN VIEW OF ITS RAPID DEPLETION DOLLAR RESERVES -- WOULD AGREE TO DIRECT BARTER ARRANGEMENTS WITH OPEC COUNTRIES ON AN OIL-FOR-TECHNOLOGY BASIS OUTSIDE OF THE DOLLAR TRADE MECHANISM, THE OFFICIAL SAID IT WAS NOT CURRENT POLICY.

OBSERVERS, HOWEVER, POINTED OUT THAT THE UNIQUE PRIOR COMMITMENT TO IRAQ, AS WELL AS THE FACT THAT PART OF THE \$1 BILLION FINANCING WOULD BE IN YEN, INDICATED THAT JAPAN WOULD, IN FACT, BE FORCED TO MEET ITS DOLLAR SHORTAGE PROBLEM THROUGH BARTER-TYPE ARRANGEMENTS.

SENATOR STEVENSON EXPOSES NEW YORK BANKS IN INTIMIDATION EFFORT TO FORCE PASSAGE OF BAILOUT LEGISLATION

OCT. 22 (IPS)--IN AN IMPASSIONED SPEECH AT TODAY'S SENATE BANKING COMMITTEE HEARINGS ON AID TO NEW YORK CITY, ADLAI STEVENSON (D-ILL.) CHARGED THAT "INTIMIDATION OF SOME OF THE FOREMOST BANKERS IN THE U.S. IS GOING ON FROM REPRESENTATIVES OF THE NEW YORK BANKS."

FOLLOWING THE ADJOURNMENT OF THE COMMITTEE HEARINGS, SEN. STEVENSON TOLD IPS THAT INTERNATIONAL SOURCES HAD CONVINCED HIM A FEDERAL BAILOUT WOULD CAUSE A QUICK COLLAPSE OF THE U.S. ECONOMY.

STEVENSON, WHO'S FAMILY HAS LONG REPRESENTED CHICAGO'S INDUSTRIAL INTERESTS, TOLD THE BANKING COMMITTEE THAT HE HAD SPOKEN PERSONALLY TO THE HEAD OF ONE OF THE LARGEST U.S. BANKS WHO, ALTHOUGH SUBJECTED TO THIS INTIMIDATION, WAS WILLING TO TELL ALL IN TESTIMONY. STEVENSON LATER IDENTIFIED THIS BANKER AS MR. STULTZ CHAIRMAN OF THE BOARD OF THE AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO.

STEVENSON'S DRAMATIC MOVES, REFLECTIVE OF THE GROWING ANTI-ROCKEFELLER POLITICIZATION WITHIN CONGRESS, CONVERGES WITH UNPRECEDENTED EUROPEAN AND THIRD WORLD MOTION TO DUMP THE DOLLAR OPTING INSTEAD FOR A NEW PRO-DEVELOPMENT MONETARY SYSTEM. WELL AWARE THAT A FEDERAL BAILOUT IS SIMPLY A ROLL OVER OF DOLLAR DEBT FOR DAVID ROCKEFELLER'S BANKS, STEVENSON, SUPPORTED BY SEN. BIDEN (D-DEL), DEMANDED A CONTINUATION OF HEARINGS BECAUSE "EVERY WITNESS WHO HAS EXPRESSED SUPPORT FOR THE LOAN GUARANTEE HAS BEEN INTERESTED PARTY." SEN. STEVENSON HAS PREPARED A LONG LIST OF INDIVIDUALS WITH "OPPOSING VIEWS" WHO ARE INTERESTED IN TESTIFYING.

SEN. STEVENSON'S LEADING ROLE IN THE REVOLT AGAINST ROCKEFELLER NOW OCCURRING IN CONGRESS WAS CAPTURED IN A NEW YORK POST ARTICLE WHICH APPEARED EARLIER IN THE DAY. WITH THE SENATE BANKING COMMITTEE'S PROCEDURAL VOTE TO DISCUSS A FEDERAL LOAN GUARANTEES BARELY SQUEAKING THROUGH (7-6 AFFIRMATIVE VOTE), STEVENSON'S VOTE ON THE LEGISLATION ITSELF IS CONSIDERED DECISIVE. SENATE STAFF MEMBERS WERE SURPRISED, THE POST REPORTS, OF STEVENSON'S FORCEFUL ARGUMENTS YESTERDAY THAT THE COMMITTEE WAS RUSHING TO A HASTY JUDGMENT. "THERE IS AN OBLIGATION HERE BUT WHO IS IT TO?" STEVENSON ASKED. "THE BANKERS? THE INVESTORS?"

(MORE)

SEN. BIDEN FURTHER CAPTURED THE GROWING CONGRESSIONAL POLARIZATION OVER THE NEW YORK BAILOUT CALLING CONGRESS A "DOMESTIC VIETNAM."

JAPANESE PRESS COVERS STOLTENBERG WITH PRAISE

OCT. 22 (IPS)—WEST GERMAN CHRISTIAN DEMOCRATIC UNION LEADER, GERHARD STOLTENBERG, HAS WARNED THE JAPANESE TO "RESIST THE TEMPTATION TO TURN PROTECTIONIST" AND CALLED FOR "WORLDWIDE TALKS" WHICH "ARE NEEDED TO PROMOTE INTERNATIONAL COOPERATION IN FINANCIAL MONETARY, TRADE AND OTHER AREAS."

IN AN INTERVIEW PUBLISHED OCT. 13 IN THE MAJOR JAPANESE DAILY, ASHAI, STOLTENBERG STATED THAT A HIGH PRODUCTIVE GROWTH RATE IS POSSIBLE IN THE NEAR FUTURE. HE TERMED THE UPCOMING PARIS NORTH-SOUTH TALKS BETWEEN CONSUMERS AND PRODUCING NATIONS AND THE "GROUP OF SIX" MONETARY MEETING OF "EXTREME IMPORTANCE."

STOLTENBERG THEN WARNED JAPANESE BUSINESS AND POLITICAL LEADERS THAT A DEMOCRACY CANNOT HOLD DOWN WAGE CONSUMPTION WITHOUT PLACING ITSELF IN JEOPARDY. THE JAPANESE GOVERNMENT, UNDER ORDERS FROM THEIR CREDITORS IN NEW YORK'S ROCKEFELLER-CONTROLLED BANKS HAS RECENTLY EMBARKED UPON A MASSIVE AUSTERITY PROGRAM.

THE ASHAI WHICH GAVE THE INTERVIEW A BANNER HEADLINE: "BONN OPPOSITION LEADER CALLS FOR INTERNATIONAL COOPERATION," CALLED STOLTENBERG ONE OF THE "MOST POPULAR POLITICIANS IN GERMANY" AND THE MINISTER OF ECONOMICS IN THE WEST GERMAN SHADOW CABINET." STOLTENBERG, WHO RETURNED TO WEST GERMANY YESTERDAY AFTER NEARLY THREE WEEKS OF MEETINGS IN JAPAN, HAS NOT YET OFFICIALLY RECEIVED THE APPOINTMENT BY HIS PARTY.

WEST BERLIN CP DENOUNCES SOCIAL DEM "DARLINGS OF IMPERIALISM"

OCT. 22 (IPS)—IN AN ARTICLE ON THE SOCIAL DEMOCRACY'S SO-CALLED "THIRD WAY" BETWEEN CAPITALISM AND SOCIALISM YESTERDAY, THE WEST BERLIN COMMUNIST PARTY PAPER DIE WAHRHEIT BLASTED EDUARD BERNSTEIN AND KARL KAUTSKY, THE FOUNDERS OF THE REFORMIST CURRENT OF THE GERMAN SOCIAL DEMOCRACY (SPD), CALLING THEM "THE DARLINGS OF IMPERIALISM."

THE IDEA OF "A THIRD WAY," THE ARTICLE CHARGED, IS A "CONSCIOUS PROGRAM TO MAINTAIN THE POWER OF IMPERIALISM AGAINST THE FURTHER ADVANCE OF MARXISM." "MONOPOLY CAPITAL," DIE WAHRHEIT ADDS, "WILL BE ABLE TO BEAR THE SOCIAL DEMOCRATIC VERSION OF "CO-PARTICIPATION" WITHOUT GETTING EXCITED."

(MORE)

WARNING OF RIGHT WING ANGOLA TAKE OVER BY TWO AFRICAN GROUPS

OCT. 22 (IPS)—LETTERS SENT TO LISBON BY THE PORTUGUESE FRIENDSHIP COMMITTEES OF MOZAMBIQUE AND GUINEA BISSEAU WARN OF TAKEOVER OF ANGOLA BY RIGHT WING FORCES OPERATING ON ORDERS FROM THE NATO-CONTROLLED PORTUGUESE GOVERNMENT.

ACCORDING TO THE LETTERS, THE SOCIAL DEMOCRATIC SIXTH PROVISIONAL GOVERNMENT WILL SEND CRACK RIGHT WING COMMANDO UNITS TO ANGOLA ON NOVEMBER 11, THE DATE SET FOR ANGOLAN INDEPENDENCE. THESE UNITS WILL BREAK THE HOLD OF THE HEGEMONIC POLITICAL FORCE IN THE COUNTRY, THE PRO-SOVIET POPULAR MOVEMENT, THE MPLA, AND PROCEED TO INSTALL THE U.S. STATE DEPARTMENT-CHINESE BACKED NATIONAL FRONT, THE FNLA, AS THE "LEGITIMATE" ANGOLAN GOVERNMENT.

ONCE THE MPLA IS SMASHED, THE COMMANDO UNITS WOULD RETURN TO PORTUGAL, THE LETTERS REPORT, TAKING WITH THEM THOUSANDS OF ANGOLAN REFUGEES. THESE REFUGEES WOULD THEN BE RECRUITED INTO THE FASCIST SHOCK TROOPS THAT GOVERNMENT IS NOW TRYING TO CREATE FOR DEPLOYMENT AGAINST THE PORTUGUESE COMMUNIST PARTY.

THE LETTERS WERE PUBLISHED IN THE OCT. 20 LISBON DAILY, O SEculo.

SIMON AND BUTZ STICK TOGETHER AGAINST ROCKEFELLER POLICY

OCT. 22 (IPS)—UNDER QUESTIONING FROM SENATORS CASE (D-NJ), SYMINGTON, (D-MO), AND JAVITTS (R-NY) AT SENATE FOREIGN RELATIONS COMMITTEE TODAY, SECRETARY OF THE TREASURY WILLIAM SIMON AND SECRETARY OF AGRICULTURE EARL BUTZ TOOK A COMMON STAND AGAINST THE STATE DEPARTMENT'S AND NATIONAL SECURITY COUNCIL'S (NSC) CONDUCT OF THE "OIL FOR GRAIN" NEGOTIATIONS AGAINST THE SOVIET UNION.

SECRETARY OF COMMERCE RODGERS MORTON LED OFF THE TESTIMONY BY THE FEUDING ADMINISTRATION OFFICIALS ADMITTING TO SEN. JAVITTS THAT HE WAS LETTING SECRETARY OF STATE HENRY KISSINGER TAKE OVER THE IMPLEMENTATION OF THE COMMODITY AGREEMENTS OUTLINED AT THE RECENT SPECIAL SESSION OF THE UNITED NATIONS. SIMON HOWEVER STATED THAT HE WAS IN CLOSE AGREEMENT WITH BUTZ, WHO HAD ATTACKED THE USE OF FOOD AS A POLITICAL WEAPON AND THE OIL-FOR-GRAIN NEGOTIATIONS. THE SOVIETS, HOWEVER, FOILED KISSINGER'S BLACKMAIL EFFORT. SIMON DESCRIBED HIS RELATIONSHIP TO BUTZ AS BEING "CLOSER THAT THE WALLPAPER IS TO THE WALL. AS A VANISHING BREED, WE FREE MARKET FREAKS HAVE TO STICK TOGETHER."

BOTH SIMON AND BUTZ HAVE OPPOSED POSITIONS ON MONETARY AND TRADE MATTERS ADVOCATED BY ASSOCIATES AND EMPLOYEES OF VICE-PRESIDENT NELSON ROCKEFELLER.

(MORE)

TRIBUNE BREAKS PPESS BLACKOUT CHICAGO BANKERS
CALL FOR PRODUCTION

OCT. 22 (IPS)—YESTERDAY'S CHICAGO TRIBUNE BROKE THE NATIONAL PRESS BLACKOUT ON THE CALLS FOR EXPANDED INDUSTRIAL PRODUCTION BY CHICAGO MAYOR DALEY AND CHICAGO BANKER ABOUD AT MONDAY'S JOINT ECONOMIC COMMITTEE HEARINGS IN CHICAGO. THE TRIBUNE REPORTS THAT ABOUD DECLARED THAT THERE IS NO MORE IMPORTANT PRIORITY FOR THE FEDERAL GOVERNMENT THAN TO PROMOTE ECONOMIC GROWTH WITHOUT INFLATION BY STIMULATING INVESTMENT IN NEW PLANTS AND EQUIPMENT. ABOUD SCORED THE INCREASING FEDERAL DEBT WHICH WAS "CROWDING" INDUSTRIAL CAPITALIST OUT OF THE CAPITAL MARKETS.

WELL PLACED CHICAGO INDUSTRIALISTS HAVE REVEALED THAT THE CHICAGO TRIBUNE, FIRST NATIONAL BANK OF CHICAGO AND INTERNATIONAL HARVESTER HAVE RECENTLY CONSOLIDATED A WORKING CONSOLIDATION WITH EACH OTHER.

GERMAN EMPLOYERS WONT PAY CHRISTMAS BONUSES

OCT. 22 (IPS)—THE WEST GERMAN FEDERAL EMPLOYERS' ASSOCIATION ANNOUNCED YESTERDAY THAT MANY COMPANIES WILL BE UNABLE TO PAY FULL CHRISTMAS BONUSES THIS YEAR, ACCORDING TO TODAY'S GERMAN DAILY THE SUEDEUTSCHE ZEITUNG. FULL CHRISTMAS BONUSES IN WEST GERMANY ARE TRADITIONALLY ONE MONTH'S PAY.

ASSAD COVERS HIS ASS, MAKES CONCESSIONS

OCT. 22 (IPS)—SYRIA HAS REOPENED ITS AIRSPACE TO IRAQ IN AN ATTEMPT "TO CUT HIS LOSSES" IN ITS ONGOING DISPUTE WITH THE IRAQI GOVERNMENT, A U.S. STATE DEPARTMENT OFFICIAL REVEALED TO IPS TODAY.

SYRIAN PRESIDENT HAFEZ ASSAD IS UNDER INTENSE PRESSURE FOR COOPERATING WITH KISSINGER'S MIDEAST DIPLOMACY. RUMORS HAVE BEEN CIRCULATING LATELY THAT THE U.S. BACKED ASSAD MAY BE OUSTED BY A COUP.

END OF LATE IPS 10-22-75



NEW SOLIDARITY International Press Service

Daily News and Press Summaries

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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE (IPS)
EARLY NEWS ROUND-UP 1200 HOURS EDT
THURSDAY, OCTOBER 23, 1975

I. INTERNATIONAL

PORTUGUESE COMMUNISTS ORGANIZING IN BACKWARD FARM AREAS

OCT. 23 (IPS)--IN PORTALEGRE, A BACKWARD AND ISOLATED AREA IN CENTRAL PORTUGAL, THE PORTUGUESE COMMUNIST PARTY (PCP) HAS HELD A MEETING WITH FARMERS AND FARMWORKERS, TO PLAN THE RE-INVESTMENT OF AGRO-SURPLUS TO IMPROVE THE LIVING CONDITIONS OF THE WORKERS. THE PARTICIPANTS OF THE MEETING SPECIFICALLY DEMANDED THAT THE GOVERNMENT IMMEDIATELY RELEASE FARM CREDITS TO EXPAND SOCIAL SERVICES AND MAKE SUCH REINVESTMENT POSSIBLE. THEY ALSO DEMANDED THAT TECHNICIANS BE BROUGHT INTO THE AREA. INVESTMENT WILL BE USED FOR MACHINERY, IMPROVED SEEDS AND FERTILIZER, AND FOR IRRIGATION PROJECTS. ONE WORKER STATED: "AGRARIAN REFORM WILL NOT BE STALLED, EVEN IF SOME OF US MUST LOSE OUR LIVES," REPORTS THE LISBON DAILY DIARIO DE NOTICIAS OCT. 20.

PCOE SAYS CARILLO MEANS DEMOCRATIC FACE FOR FASCISM

OCT. 22 (IPS)--THE LATEST ISSUE OF THE ENRIQUE LISTER-LED SPANISH WORKERS COMMUNIST PARTY'S NEWSPAPER MUNDO OBRERO ACCUSES SPANISH COMMUNIST PARTY LEADER SANTIAGO CARRILLO'S DEMOCRATIC JUNTA OF "CAPITALIZING ON EXECUTED TERRORISTS' BLOOD." THE JUNTA'S ALTERNATIVE, SAYS MUNDO OBRERO, "MEANS TO GIVE A 'DEMOCRATIC FACE' TO THE CONTINUATION OF THE REACTION.

IN ITS FIGHT AGAINST CLASS 'RECONCILIATION,' THE PCOE CALLS UPON "ALL TRUE ANTI-FRANCO FORCES" TO "THOROUGHLY LIQUIDATE FRANCO'S REGIME," THE ARTICLE SAID. THE PCOE EMPHASIZED THE FIGHT AGAINST ALL KINDS OF "BOURGEOIS PSEUDO-ALTERNATIVES" IN ORDER "TO DISARM FASCIST COUNTERREVOLUTION" DURING THE PROCESS OF CREATING A 'WORKERS REPUBLIC WITH OPEN DOORS TO SOCIALISM.'

SPINOLA ARRIVAL IN MADRID?

OCT. 22 (IPS)--THIS WEEK'S PORTUGUESE SOCIAL DEMOCRATIC NEWSPAPER, ESPRESSO, REPORTS THE POSSIBLE ARRIVAL IN MADRID OF THE FASCIST GENERAL ANTONIO DE SPINOLA THIS FRIDAY. A SPINOLA SPOKESMAN SUBSEQUENTLY DENIED THE ESPRESSO REPORT HOWEVER. SPINOLA IS A CLOSE PROTEGE OF THE ROCKEFELLER FAMILY'S SUPRANATIONAL FRONT, THE BILDERBURG GROUP, AND CURRENTLY RESIDES IN BRAZIL.

DIE WELT TRIES TO SAVE LEBER

OCT. 22 (IPS)--THE WEST GERMAN RIGHT WING DAILY DIE WELT TODAY BLAMED THE SCANDAL OF A MYSTERIOUS UNDERCOVER VISIT TO SOUTH AFRICA BY A LEADING WEST GERMAN AIR FORCE GENERAL RALL ON A "COMMUNIST" TAKEOVER OF THE AFRICAN NATIONAL CONGRESS, WHICH ALLEGEDLY BEGAN A CAMPAIGN AGAINST SOUTH AFRICA AND WEST GERMANY AS SOON AS NON-COMMUNISTS WERE "PURGED." THE SCANDAL, WHICH HAS ALREADY FORCED THE RESIGNATION OF WEST GERMAN AIR FORCE GENERAL RALL, MAY ALSO LEAD TO THE FORCED RESIGNATION OF WEST GERMAN DEFENCE MINISTER -- AND ROCKEFELLER AGENT -- GEORG LEBER.

DIE WELT OUTLINES THE AFRICAN NATIONAL CONGRESS'S TIES TO EAST GERMANY, AND CLAIMS THAT THE ANC IS NOW EXCLUDING "PROPO- NENTS OF PURE AFRICAN NATIONALISM." THIS WAS THE REASON FOR RALL'S VISIT, SAYS DIE WELT. LAST WEEK, DIE WELT STATED OPENLY THAT "IF LEBER RESIGNS, THEN IT IS AN ATTACK ON THE ATLANTIC ALLIANCE."

SCHMIDT-WALLACE MEETING BLOCKED BY SCHMIDT'S OWN PARTY

WIESBADEN, BRD, OCT. 23 (IPS) -- A MEETING BETWEEN WEST GERMAN SOCIAL DEMOCRATIC CHANCELLOR HELMUT SCHMIDT AND ROCKEFELLER PLENIPOTENTIARY GEORGE WALLACE WAS ONLY PREVENTED BY PRESSURE FROM "SCHMIDT'S OWN PARTY," ACCORDING TO WASHINGTON POST BONN CORRESPONDENT MICHAEL GETLER.

WHILE THE REPORT ONLY REFERRED TO GENERAL UNREST IN THE SOCIAL DEMOCRATIC PARTY (SPD) OVER SCHMIDT'S RIGHT WING POLICIES, THE HAMBURG DAILY DIE WELT CONTINUES ITS INTIMATIONS THAT SCHMIDT IS PRESENTLY HEAVILY UNDER THE INFLUENCE OF SPD VICE- CHAIRMAN HERBERT WEHNER. DIE WELT MAKES SPECIAL MENTION OF THE FACT THAT SCHMIDT WILL SIT RIGHT BESIDE WEHNER AT TODAY'S PARLIAMENTARY FRACTION MEETING. THE CHANCELLOR IN AN UNPRECEDENTED MOVE, RE- FUSED TO MEET WITH SPD CHAIRMAN NILLY BRANDT BEFOREHAND.

DREGGER CALLS FOR GERMAN GOVERNMENT TO RESIGN

OCT. 23 (IPS) -- "IF THE WEST GERMAN GOVERNMENT DOES NOT KNOW HOW TO CARRY OUT AUSTERITY MEASURES, IT SHOULD RESIGN," STATED ALFRED DREGGER, CHAIRMAN OF THE HESSEN STATE BRANCH OF THE CHRISTIAN DEMOCRATIC UNION AND A POLITICAL ALLY OF RIGHT-WING NATO POLITICIAN FRANZ JOSEF STRAUSS OF THE CHRISTIAN SOCIAL UNION (CSU).

THE CALL BY DREGGER, MADE AT A MASS CSU RALLY IN MUNICH, WAS REPORTED IN THE SUEDEDEUTSCHE ZEITUNG YESTERDAY, AND REPRESENTS THE FIRST TIME THE SOCIAL DEMOCRATIC-FREE DEMOCRATIC GOVERNMENT HAS BEEN CHALLENGED TO RESIGN DURING WEST GERMANY'S CURRENT ECONOMIC AND POLITICAL CRISIS.

(MORE)

LEYLAND SENDS HOME 600 WORKERS FOR LOW PRODUCTION

OCT. 23 (IPS) -- BRITISH LEYLAND, THE LARGEST PRIVATE EMPLOYER IN BRITAIN, SENT HOME 600 AUTOWORKERS FOR ONE WEEK ON OCT. 21 BECAUSE OF THEIR "ABYSMALLY LOW PRODUCTION," REPORTS THE LONDON TIMES. LEYLAND MANAGEMENT, WHICH IS NEGOTIATING A "RATIONALIZATION" PROGRAM WITH THE UNIONS TO FIRE 22,000 WORKERS NATIONWIDE, IS OPENLY THREATENING LOW PRODUCERS WITH UNEMPLOYMENT. WORKERS AT THE PLANTS ASSERT THAT LOWER PRODUCTIVITY FIGURES ARE THE RESULT OF ASSEMBLY-LINE BREAK-DOWNS AND COMPONENT SHORTAGES DUE TO NON-REPLACEMENT OF OBSOLETE EQUIPMENT.

OPPENHEIMER FORESEES SOUTH AFRICAN TERRORISM AND ITS BENEFITS

OCT. 23 (IPS) -- TERRORISM MAY VERY WELL CROP UP IN SOUTH AFRICA, ACCORDING TO THE AUGUST ISSUE OF MANAGEMENT, A MAGAZINE CONTROLLED BY ROCKEFELLER'S CHIEF ALLY IN SOUTH AFRICA, HARRY F. OPPENHEIMER. "EVERY SITUATION THROWS UP ITS OWN OPPORTUNITIES (HOWEVER)... IN NORTHERN IRELAND, DISTURBANCES HAVE PRODUCED A WAR PSYCHOLOGY... PRODUCTIVITY TENDS TO GO UP AND STRIKES, STOPPAGES AND DISPUTES DECLINE. THE RISING PRODUCTIVITY OF NORTHERN IRELAND WORKERS HAS BECOME A MAIN SELLING POINT." THE SENIOR MEMBER OF THE MAGAZINE'S EDITORIAL ADVISORY BOARD, DR. SIMON BIESHEUVEL, IS A PROTEGE OF THE NOTORIOUS BRAINWASHER DR. JOHN RAWLINGS REES, AND OBSERVERS NOTE, A MAN CAPABLE OF ARRANGING FOR "TERRORISM."

TETHER WARNS THAT INTERNATIONAL MONETARY CRISIS JUST BEGINNING

OCT. 23 (IPS) -- C. GORDON TETHER, COLUMNIST FOR THE LONDON FINANCIAL TIMES, WARNS IN HIS COLUMN TODAY THAT THE ANNOUNCEMENT OF BALANCE OF PAYMENT SURPLUSES IN SOME RICH COUNTRIES LIKE THE U.S. AND CANADA "MEANS THAT THE WHOLE OF THE INTERNATIONAL BURDEN ARISING FROM THE OIL COUNTRIES' SURPLUS IS BEING BORNE BY MEDIUM AND LIGHT-WEIGHT AFFLUENT STATES AND THE THIRD WORLD -- A SITUATION THAT OBVIOUSLY CANNOT ENDURE FOR MORE THAN A FEW MONTHS." WHILE IT HAS BEEN THOUGHT THAT THE RECENT ECONOMIC CALM PORTENDS A RETURN TO STABILITY, TETHER WARNS THAT "A CLOSER LOOK MIGHT APPEAR TO INDICATE THAT IT HASN'T EVEN STARTED."

II. PRESS SUMMARY: CONTINENTAL NEWS

FRANKHAUSER CHARGES LEVI PLANS MORE "HEARST CASES"

OCT. 23 (IPS) -- IN A PRESS STATEMENT TO CBS AFFILIATE, RADIO KCBS IN SAN FRANCISCO OCT. 21, FORMER FEDERAL AGENT ROY FRANKHAUSER EXPOSED THE MEANING OF ATTORNEY GENERAL EDWARD LEVI'S STATED INTENTION TO PUT THE JUSTICE DEPARTMENT'S "HOUSE IN ORDER."

(MORE)

"THIS MEANS MORE BRAINWASHING AND MANIPULATION OF THE TYPE WE'VE SEEN IN THE PATTY HEARST CASE," FRANKHAUSER SAID.

FRANKHAUSER CHARGED THAT THE METHODS BEING USED AGAINST HEARST ARE TYPICAL JUSTICE DEPARTMENT ILLEGAL FRAME-UP TECHNIQUES. HER CONVERSATIONS WITH VISITING "FRIENDS" IN JAIL HAVE BEEN TAPED TO ACCUMULATE EVIDENCE THAT CAN BE USED AGAINST HER. SHE IS BEING KEPT IN A CONTROLLED "AVERSIVE ENVIRONMENT," IN A "BUGGED" CELL OPPOSITE THE CELL OF HER SLA CONTROLLER EMILY HARRIS. MISS HEARST HAS ALSO BEEN ISOLATED FROM HER PARENTS, WHOSE ANXIETIES ARE BEING MANIPULATED TO RAILROAD THE CASE AND SUPPRESS TESTIMONY ON THE GOVERNMENT'S SLA BRAINWASHING AND TERROR OPERATION.

BALTIMORE SUN ENDORSES EXPANDED USE OF HALLUCINOGENS;
FOLLOWS DOMESTIC COUNCIL THRUST FOR DECRIMINALIZATION

OCT. 23 (IPS) — FOLLOWING THE RECENTLY-RELEASED DOMESTIC COUNCIL RECOMMENDATIONS FOR "DECRIMINALIZATION" OF SO-CALLED "SOFT DRUGS," THE OCT. 21 BALTIMORE SUN ISSUED AN EDITORIAL ENDORSEMENT OF "SCIENTIFIC" RESEARCH" AND USE OF LSD-DRUGS IN TREATING ALCOHOLISM, OTHER DRUG ADDICTION, AND PSYCHOLOGICAL DISORDERS. THE DOMESTIC COUNCIL RECOMMENDATIONS HAVE BEEN ACCOMPANIED BY "REVIVED INTEREST" IN HALLUCINOGENS IN THE PRESS MORE GENERALLY AMOUNTING TO A CAMPAIGN TO PROMOTE THEIR USE.

HONDURANS DENOUNCE SALVADORIAN BORDER TENSION

OCT. 23 (IPS) — THE INFORMATION MINISTER OF HONDURAS, LT. COL. EFRAIN GONZALEZ, HAS ACCUSED THE SALVADORIAN GOVERNMENT OF DEPLOYING TROOPS TO ITS BORDER AND EVACUATING CITIZENS LAST THURSDAY NIGHT, TO INCREASE THE TENSION ALREADY EXISTING BETWEEN THE TWO COUNTRIES. ACCORDING TO THE DIARIO LAS AMERICAS YESTERDAY, GONZALEZ ATTRIBUTED THE MOVES OF THE SALVADORIANS TO "INTERNAL PROBLEMS," NOTABLY, EXPANDED COMMUNIST ORGANIZING AND DIVISION WITHIN ITS MILITARY. HONDURAN PRO-PEASANT LAND REFORMS AND A PRO-DEVELOPMENT POLICY AGGRAVATED SUCH SALVADORIAN "PROBLEMS."

III. USLP/IPS INTELLIGENCE AND ORGANIZING REPORT

OCT. 23 (IPS) — JUST BACK FROM THE SOVIET UNION, TEXAS WATER COMMISSIONER HARRY BURLEIGH HAS PRAISED THE SOVIET UNION FOR CARRYING K

OCT. 23 (IPS) — JUST BACK FROM THE SOVIET UNION, TEXAS WATER COMMISSIONER HARRY BURLEIGHT HAS PRAISED THE SOVIET UNION FOR CARRYING OUT A POWERFUL CAMPAIGN TO DEVELOP THEIR AGRICULTURE AND BLASTED THE ROCKEFELLER ADMINISTRATION FOR FAILURE TO DO SO. LARGE-SCALE RIVER DIVERSION OF THE OB AND YENISEY RIVERS FROM THE ARCTIC SOUTH TO THE KAZAKHISTAN GRAIN BELT WILL MAKE SOVIET GRAIN PRODUCTION IMPERVIOUS TO THE CONTINUAL THREAT OF ANNUAL DROUGHT, BURLEIGH TOLD IPS. ACCORDING TO BURLEIGH, "THE CENTRALIZED GOVERNMENT IS ABLE TO DECIDE ON A LARGE-SCALE PROJECT, AND GET IT STARTED THE NEXT DAY. HERE, EVEN SMALL PROJECTS HAVE TO GO THROUGH STATE AND FEDERAL GOVERNMENT CHANNELS, BEFORE THERE IS EVEN AGREEMENT TO BEGIN A STUDY."

(MORE)

EQUALLY IMPRESSIVE TO BURLEIGH: "SOVIET SCHOOLS ARE TURNING OUT A LARGE NUMBER (OF EDUCATED ENGINEERS) EVERY YEAR." BURLEIGH POINTS OUT THAT THE TEXAS WATER IMPORT PLAN WAS VETOED IN 1972 BECAUSE OF ITS MERE \$9 BILLION COST. EVEN SMALLER IRRIGATION PROJECTS COULD NOT BE COUNTED ON, BECAUSE THE FEDERAL GOVERNMENT REFUSES TO MAKE A STABLE COMMITMENT TO FOOD PRODUCTION FOR EXPORTS, HE CLAIMED.

**BUFFALO ELECTION COMMISSION CHAIRMAN CONTINUES
EFFORT TO DUMP USLP FROM BALLOT**

BUFFALO, OCT. 23 (IPS) -- EDWARD MAHONEY, CHAIRMAN OF THE BUFFALO BOARD OF ELECTIONS TODAY EMPLOYED A BIZARRE INTERPRETATION OF NEW YORK STATE ELECTION LAW IN RULING THAT APPROXIMATELY 2000 OF 2900 NOMINATING SIGNATURES FOR FOUR U.S. LABOR PARTY CANDIDATES HERE WERE INVALID. IF MAHONEY'S RULING, HIS THIRD ATTEMPT TO MANUFACTURE GROUNDS TO EXCLUDE THE USLP FROM THE BALLOT, IS UPHELD BY THE COURTS, THE FOUR, COUNTY EXECUTIVE CANDIDATE ROGER MOORE, CITY CONTROLLER CANDIDATE JOSEPH FISCH, AND COUNCIL-MAN-AT-LARGE CANDIDATE STUART FOLADARE AND RICHARD DENESHA WILL NOT APPEAR ON THE NOVEMBER BALLOT.

MAHONEY, ISSUING A RULING WHICH HE HIMSELF ADMITTED WAS WITHOUT PRECEDENT, HELD THAT BECAUSE THE 2000 SIGNERS HAD SUBSEQUENTLY CAST BALLOTS IN PRIMARY ELECTIONS LAST MONTH -- TECHNICALLY CASTING TWO VOTES -- THEIR NOMINATING SIGNATURES WERE INVALID.

BUT FLABBERGASTED ELECTION LAWYERS HERE SAY THAT, ACCORDING TO STATE CASE LAW, MAHONEY HAS ACTUALLY PROVIDED GROUNDS TO INVALIDATE THE RESULTS OF SEVERAL PRIMARY ACES; THE LAW, THEY SAY, IS CLEAR THAT IF A PERSON INDICATES TWO PREFERENCES FOR THE SAME RACE, THE FIRST ONE COUNTS. IN THE USLP CASE, ALL OF THE 2000 CONTESTED SIGNATURES WERE OBTAINED BEFORE THE PRIMARY. USLP ATTORNEYS WILL GO INTO COURT NEXT WEEK TO SEEK A TEMPORARY RESTRAINING ORDER PLACING THE USLP CANDIDATES ON THE BALLOT, PENDING A FINAL COURT REVIEW, WHICH, THEY SAY, MUST FAVOR THE LABOR PARTY PROVIDED THE COURTS UPHOLD THE LAW.

MEANWHILE, DEMOCRAT MAHONEY HAS GIVEN INCUMBENT COUNTY EXECUTIVE ED REAGAN, A REPUBLICAN, LEAA AGENT, AND LOCAL ROCKEFELLER MACHINE LEADER, A SECOND BALLOT LINE, AS THE CANDIDATE OF THE ERSATZ "WORKING PERSONS PARTY." SOURCES IN THE LOCAL CONSERVATIVE PARTY HAVE TOLD THE USLP THAT REAGAN, WHO ALSO INTRODUCED METHADONE ADDICTION TO THE BUFFALO AREA, WILL GET THE SUPPORT OF MAHONEY'S DEMOCRATIC MACHINE THROUGH HIS ERSATZ SECOND PARTY.

END OF EARLY IPS, 10/23/75.



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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE
LATE EVENING NEWS OCTOBER 23, 1975

I. INTERNATIONAL NEWS

JAPAN MOVES TOWARD PRO-DEVELOPMENT STANCE FEARS U.S. MILITARY THREAT

OCT. 23 (IPS) — THE JAPANESE HAVE MOVED TO BREAK A TWO-YEAR DEADLOCK ON NEGOTIATIONS ON SIBERIAN OIL DEVELOPMENT BY ESTENDING THE SOVIET UNION THREE LOANS AT CONCESSIONAL INTEREST RATES WITH 18-YEAR REPAYMENT TERMS, ACCORDING TO IL FIORINO. SIGNIFICANTLY THERE IS NO U.S. PARTICIPATION IN THE PROJECT, ACCORDING TO THE REPORTS, SOMETHING WHICH IN PREVIOUS NEGOTIATIONS HAD BEEN A MATTER OF STANDING JAPANESE POLICY.

JAPAN IS IN THE MIDST OF A DESASTATING ILLIQUIDITY CRISIS WHOSE SOLUTIONS REQUIRE JUST SUCH A BREAK WITH THE U.S. DOLLAR AND THE INITIATION OF DEVELOPMENT EFFORTS ALONG THE LINES OF THE SIBERIAN PROJECT. THE NEWS OF THE BREAKTHROUGH FOLLOWS BY DAYS THE ANNOUNCEMENT OF A JAPANESE COMMITMENT TO EXPORT MACHINERY TO INDIA.

JAPANESE BANKING SOURCES IN WEST GERMANY REACHED FOR COMMENT ON THE POSSIBILITY OF AN OFFICIAL BREAK WITH THE DOLLAR CONFIDED THEIR FEARS "THERE WOULD BE A MILITARY THREAT FROM THE UNITED STATES."

SAUDI ARABIA BAILS OUT BRITAIN

OCT. 23 (IPS) — THE SAUDI ARABIAN CONSULATE IN NEW YORK HAS CONFIRMED THAT SAUDI ARABIA HAS ISSUED A \$1.04 BILLION LOAN TO GREAT BRITAIN.

THE NEWS OF THE LOAN SENT THE POUND UP 1.5 CENTS ON THE FOREIGN EXCHANGE MARKETS AS KUWAITI INVESTORS STARTED BUYING THE CURRENCY IN "UNUSUALLY HIGH" AMOUNTS YESTERDAY. FOREIGN EXCHANGE TRADERS NOW PREDICT THAT THE POUND WILL SOON REACH THE \$2.10 LEVEL FROM ITS PRESENT LEVEL OF \$2.07.

THE SAUDI ARABIAN "GIFT" HAS SAVED BRITAIN FROM HAVING TO GO TO THE INTERNATIONAL MONETARY FUND (IMF) FOR A NEW LOAN WHICH WOULD HAVE HAD HARSH AUSTERITY CONDITIONS ATTACHED TO IT.

MONEY MARKET SPECIALISTS IN NEW YORK WERE OF THE VIEW THAT THIS NEW LOAN REPRESENTED A DECIDED BRITISH-SAUDI MOVE AWAY FROM THE DOLLAR AND TOWARDS COOPERATION ON TRIANGULAR DEVELOPMENT.

(MORE)

PAKISTAN, FRANCE SIGN NUCLEAR PLANT DEAL

OCT. 23 (IPS) — FOLLOWING THEIR MEETING IN PARIS TWO DAYS AGO PAKISTANI PRIME MINISTER ZULFIKAR ALI BHUTTO AND FRENCH PREMIER JACQUES CHIRAC ANNOUNCED THAT FRANCE WOULD PARTICIPATE IN THE ECONOMIC DEVELOPMENT OF PAKISTAN IN A TRIANGULAR ARRANGEMENT WITH ARAB NATIONS. SPECIFIC ARRANGEMENTS ARE STILL TO BE WORKED OUT.

AT THE SAME TIME, THE OCT. 21 LE MONDE HAS CONFIRMED REPORTS THAT FRANCE WILL FINANCE A PAKISTANI MIRAGE AIRCRAFT ASSEMBLY PLANT AND A LOAN TO PAKISTAN OF 100 MILLION FRANCS FOR THE PURCHASE OF A NUCLEAR POWER PLANT.

PAKISTANI OFFICIALS ARE REPORTEDLY UNEASY ABOUT FRENCH CREDIT CONDITIONS, GIVEN THEIR COUNTRY'S MASSIVE FINANCIAL DIFFICULTIES.

INDIA-JAPAN TALKS

CALL FOR TRIPARTITE ECONOMIC RELATIONS WITH MIDEAST

OCT. 23 (IPS) — THE JAPANESE DELEGATION ATTENDING HIGH LEVEL TALKS BETWEEN JAPAN AND INDIA IN TOKYO ON A WIDE RANGE OF DEVELOPMENT EXCHANGES BETWEEN THE TWO COUNTRIES, HAS CALLED FOR A "PARTNERSHIP OF THIRD COUNTRIES ESPECIALLY IN THE MIDEAST" ON ANY INDO-JAPANESE AGREEMENTS.

ACCORDING TO YESTERDAY'S FINANCIAL TIMES, JAPAN HAS EXPRESSED INTEREST IN HELPING INDIA EXPAND ITS RICE PRODUCTION BECAUSE JAPAN IS SAID TO BELIEVE THAT RICE PRODUCTION ON A WORLD SCALE COULD BE DOUBLED WITH PROPER WATER MANAGEMENT, SEED DEVELOPMENT AND FERTILIZER PRODUCTION. TWENTY FOUR PROJECTS WERE PROPOSED BY INDIA AND 15 BY JAPAN, ENCOMPASSING EXPANDED PROGRAMS FOR WATER MANAGEMENT AND JOINT PARTICIPATION IN PETROCHEMICAL PLANTS IN "THIRD COUNTRIES." THE JAPANESE GOVERNMENT HAS JUST ISSUED 1 BILLION IN CREDIT TO IRAQ FOR THE PURCHASE OF TECHNOLOGY FROM JAPANESE COMPANIES.

THE FINANCIAL TIMES REPORTS INDICATE THAT THE JAPANESE DELEGATION WAS COMPOSED OF SENIOR ECONOMISTS AND CAREER DIPLOMATS AND THE TALKS WERE "FRANK, FRIENDLY AND FORTHRIGHT."

EYPTIAN PAPER FREAKS OUT
AT SOVIET OFFENSIVE IN MIDDLE EAST

OCT. 23 (IPS) — IN AN EDITORIAL IN THE EYPTIAN DAILY AL AHRAM OF OCT. 17, RIGHT-WING EDITORIALIST INSAN ABDEL KUDDUS STATED THAT THE FORCES OF EYPT'S PRO-KISSINGER PRESIDENT, ANWAR SADAT ARE BECOMING MORE AND MORE FEARFUL OF THE POSSIBILITY THAT SYRIAN PRESIDENT HAFEZ ASSAD WILL BE OVERTHROWN BY A COMMUNIST-DIRECTEED WORKING CLASS AND MILITARY UPSURGE. KUDDUS CITED THE RECENT ARTICLE BY SOVIET COMMENTATOR KONSTANTIN ZARADOV IN PRAVDA, WHICH CALLED FOR COMMUNIST PARTIES THROUGHOUT THE WORLD TO FOLLOW A "REVOLUTIONARY POLICY" AND CRITICIZED THE "MODERATE LINE" OF MANY WESTERN CP'S, AS EVIDENCE THAT THE SOVIETS ARE ON THE OFFENSIVE.

(MORE)

KUDDUS ALSO CITED AN ARTICLE IN THE SOVIET PUBLICATION INTERNATIONAL AFFAIRS, WHICH URGED THE ITALIAN AND THE FRENCH COMMUNIST PARTIES TO TAKE ADVANTAGE OF THE ECONOMIC CRISIS IN THE WEST, AND NOTED THE RELEVANCE OF THE SOVIET CALLS TO THE WEAKENED STATE OF THE CIA-BACKED SYRIAN REGIME.

PCP RALIES FORCES TONIGHT IN LISBON

OCT. 23 (IPS) — THE PORTUGUESE COMMUNIST PARTY (PCP) TOGETHER WITH OVER 300 WORKERS COMMISSIONS AND OTHER LEFT GROUPS, WILL HOLD A UNITED MASS DEMONSTRATION FOR "POPULAR POWER" IN LISBON THIS EVENING, COMBINED SOURCES REPORT. THE DEMONSTRATION COMES AFTER WEEKS OF "POPULAR ASSEMBLY" ORGANIZING BY THE PCP THROUGHOUT THE GREATER LISBON AREA.

THE PCP IS DEMANDING THAT THE RIGHTWING POPULAR DEMOCRATIC PARTY (PPD) BE KICKED OUT OF THE GOVERNMENT AND THAT REVOLUTIONARY MILITARY REPRESENTATIVES BE PLACED ON THE PRESENTLY RIGHTIST-DOMINATED "REVOLUTIONARY COUNCIL," OF THE ARMED FORCES MOVEMENT. IN THE FACE OF THIS ACTION, "SENIOR MILITARY AND GOVERNMENT OFFICIALS" ARE CLAIMING THAT THE DEMONSTRATION "COULD BE THE SPINGBOARD FOR AN ATTEMPT TO OVERTHROW THE GOVERNMENT" ACCORDING TO TODAY'S NEW YORK TIMES.

PORTUGUESE RIGHT-WING PARTY LEADERS CONFER WITH HAIG IN BRUSSELS

OCT. 23 (IPS) — REPRESENTATIVES OF PORTUGAL'S RIGHT-WING POLITICAL PARTIES ARRIVED AT NATO HEADQUARTERS IN BRUSSELS TODAY FOR AN EMERGENCY MEETING WITH NATO SUPREME ALLIED COMMANDER GEN. ALEXANDER HAIG. ACCORDING TO THE EAST GERMAN NEWSPAPER, NEUES DEUTSCHLAND, INCLUDED IN THE DELEGATION WERE LEADERS OF THE CIA-FUNDED PORTUGUESE SOCIALIST PARTY (PSP) AND THE RIGHT-WING POPULAR DEMOCRATIC (PPD) AND CENTER PARTIES.

TWO WEEKS AGO, WEST GERMAN DEFENSE MINISTER AND NATO AGENT GEORG LEBER HAD BEEN DISPATCHED TO PORTUGAL FOR WHAT INFORMED POLITICAL OBSERVERS DESCRIBED AS EVALUATION OF THE STRENGTH OF NATO AGENTS AND ALLIED FORCES IN THE COUNTRY. THE CHIEF OF STAFF OF THE PORTUGUESE ARMY, GEN. CARLOS FABIAO, IS REPORTED TO BE PREPARING TO MEET WITH LEBER SOMETIME NEXT WEEK.

MEANWHILE, THE EUROPEAN PRESS REPORTS THAT NATO WILL HOLD LARGE-SCALE NAVAL AND AIR MANEUVERS IN THE NORTH AND EAST ATLANTIC FROM NOV. 10-20. PRECEDING THE MANEUVERS IN THE RIGHT-WING PORTUGUESE PRESS AND NOW IN THE AMERICAN PRESS BY RUMORS OF A LEFT-WING COUP ATTEMPT IN PORTUGAL ON OR AROUND NOV. 11 — THE DATE SET FOR ANGOLAN INDEPENDENCE FROM PORTUGAL.

MARCHAIS SAYS NO TO SOARES' "SOCIALIST" STRATEGY

OCT. 23 (IPS) — FRENCH COMMUNIST PARTY (PCF) GENERAL SECRETARY GEORGES MARCHAIS INFORMED MARIO SOARES, LEADER OF THE CIA-FUNDED PORTUGUESE SOCIALIST PARTY (PSP), THAT THE PCF REJECTS SOARES'

PROPOSAL TO CONVENE A MEETING OF COMMUNIST AND SOCIALIST PARTIES FROM FOUR SOUTHERN EUROPEAN COUNTRIES—FRANCE, SPAIN, PORTUGAL AND ITALY, WITH THE GOAL OF DEVELOPING A COMMON SOCIALIST STRATEGY FOR THE WHOLE OF EUROPE.

"FIRST," MARCHAIS OBJECTS, "I DO NOT SEE VERY WELL HOW WE CAN COORDINATE THE STRATEGY OF OUR TWO PARTIES IN THE STRUGGLE FOR SOCIALISM WHEN YOU COLLABORATE WITH THE PPD, A PARTY WHICH RESOLUTELY OPPOSES SOCIALISM...WHICH SOCIALISM CAN YOU HOPE TO BUILD WITH THE RIGHT?" "BESIDES," HE ADDS, IN A BARB AIMED AT THE AGENT-LED COMMUNIST PARTIES OF ITALY AND SPAIN, "YOU CANNOT IGNORE THAT THE NATIONAL SITUATION OF THE THREE OTHER COUNTRIES IS VERY DIFFERENT... UNION OF THE LEFT AND COMMON PROGRAM TO OPEN THE ROAD TO SOCIALISM IN RELATION TO THE DEVELOPMENT OF MASS STRUGGLES IN FRANCE, POLICY OF THE "HISTORICAL COMPROMISE" IN ITALY, ANTI-FRANQUIST ALLIANCE STRETCHING TO MONARCHIST SECTORS IN SPAIN. IN SUCH CONDITIONS, TO PROPOSE AS YOU DO THAT WE COORDINATE OUR STRATEGIES FOR SOCIALISM IS, TO SAY THE LEAST, TO LACK IN REALISM."

IN CONCLUSION, MARCHAIS STATES THAT "WE ARE READY TO PARTICIPATE IN A MEETING ...BUT ON A MORE REALISTIC AGENDA:

- ACTIVE SOLIDARITY WITH THE PORTUGUESE PEOPLE FACED WITH REACTION;
- SOLIDARITY WITH THE SPANISH PEOPLE;
- STRUGGLE FOR THE INTERESTS OF THE WORKERS AGAINST THE MULTINATIONAL FIRMS."

MARCHAIS ALSO SAID THAT THE PCF SEES NO REASON TO EXCLUDE COMMUNIST AND SOCIALIST PARTIES FROM OTHER EUROPEAN COUNTRIES WHICH SHARE THESE AIMS FROM THE MEETING. MARCHAIS' REPLY WAS PRINTED IN TODAY'S L'HUMANITE, THE PCF DAILY.

FAZ: VICTORY FOR CUNHAL
WOULD BE DEFEAT FOR BERLINGUER

OCT. 23 (IPS)—"A GREAT DEAL NOW DEPENDS ON LISBON," STATES THE EDITORIAL IN TODAY'S ISSUE OF THE WEST GERMAN DAILY FRANKFURTER ALLGEMEINE ZEITUNG. "IF THE NEW REVOLUTIONARY LINE HAS SUCCESS THERE IT WOULD BECOME STILL MORE DIFFICULT FOR OTHER COMMUNIST PARTY LEADERS IN THE WEST TO REJECT IT FOR THEMSELVES. SHOULD IT BE WRECKED IN PORTUGAL, ON THE OTHER HAND, BERLINGUER (HEAD OF THE ITALIAN COMMUNIST PARTY), ABOVE ALL, WILL PERSIST HARDER THAN EVER IN HIS POLICY OF ALLIANCE" WITH CAPITALISM.

II. CONTINENTAL NEWS

STEVENSON SAYS BAILOUT WOULD LEAD TO ECONOMIC COLLAPSE

OCT. 23 (IPS)—SENATOR ADLAI STEVENSON TOLD REPORTERS YESTERDAY THAT HIS INTERNATIONAL CONTACTS HAVE TOLD HIM THAT A FEDERAL LOAN GUARENTEE TO NEW YORK CITY WOULD BE PERCEIVED AS UNMITIGATED FISCAL IRRESPONSIBILITY AND WOULD ITSELF LEAD TO A COLLAPSE OF THE ENTIRE ECONOMY. ACCORDING TO CBS NEWS, STEVENSON ALSO STATED THAT NEW YORK CITY SHOULD GO THROUGH A PROCESS OF DEFAULT AND SUBSEQUENT REORGANIZATION WHICH WOULD INCLUDE LOWERED INTEREST RATES TO THE CITY.

**NELSON ROCKEFELLER
PUSHES AUSTERITY-MINDED DEMOCRATIC GOVERNORS**

OCT. 23 (IPS)—VICE PRESIDENT NELSON ROCKEFELLER PRESENTED HIS SLATE OF AUSTERITY-MINDED DEMOCRATIC GOVERNORS, WHO HE SAID HAD THE "COURAGE" TO PUSH BUDGET-CUTTING "FISCAL RESPONSIBILITY", DURING AN INTERVIEW LAST NIGHT WITH PUBLIC BROADCASTING TELEVISION CORRESPONDENTS. ROCKEFELLER CITED AS MODEL FIGURES FOR HIS FASCIST AUSTERITY DRIVE, GOVERNORS MIKE DUKAKIS OF MASSACHUSETTS; DAN WALKER OF ILLINOIS; GERRY BROWN OF CALIFORNIA; AND HUGH CAREY OF NEW YORK.

THESE PRO-AUSTERITY GOVERNORS AND ADMITTED ROCKEFELLER AGENTS HAVE LED THE CHARGE IN RECENT WEEKS AGAINST WORKING CLASS STANDARDS OF LIVING, SPECIFICALLY EDUCATION FOR WORKERS' CHILDREN. GOVERNOR BROWN HAS MOVED TO ELIMINATE THE LAST TWO YEARS OF HIGH SCHOOL EDUCATION IN CALIFORNIA, AND GOVERNOR WALKER HAS MOVED TO DESTROY EDUCATION IN ILLINOIS THROUGH VICIOUS BUDGET CUTS, BACKED UP BY ROCKEFELLER'S DEPARTMENT OF HEALTH, EDUCATION AND WELFARE.

**STATE DEPARTMENT OFFICIAL
CRITICIZES ARMS POLICY TOWARDS LATIN AMERICA**

OCT. 24 (IPS)—IPSAN STATE DEPARTMENT OFFICIAL IN LATIN AMERICAN AFFAIRS ATTACKED PRESENT U.S. POLICY TOWARDS LATIN AMERICA FOR ITS FOCUS ON ARMS SALES AND MILITARY ASSISTANCE, AND FAILURE TO DEAL WITH THE MORE CRUCIAL AREAS OF ECONOMIC AND COMMERCIAL RELATIONS.

"HOW WE CAN CONTINUE TO JUSTIFY GIVING MILLIONS IN MILITARY WEAPONRY WHEN THESE OTHER NEEDS CRY OUT FOR ATTENTION...THE UN-IDENTIFIED OFFICIAL STATED IN AN ARTICLE IN OCT. 18 SATURDAY REVIEW HE WARNED THAT UNLESS US POLICY IS CHANGED TOWARD LATIN AMERICA, "THE SMOLDERING ANOMOSITIES WILL TURN OPEN, ANGRY AND UGLY."

THE OFFICAL CALLS FOR A FOREIGN POLICY WHICH TAKES INTO ACCOUNT THE FACT THAT A FULL 40% OF ALL LATION AMERICA'S IMPORTS COMES FROM THE UNITED STATES.

THE RAND CORPORATION, WHICH IS WIDELY KNOWN TO PLAY A KEY ROLE IN DETERMINING U.S. STATE DEPARTMENT POLICY, HAS RECENTLY RELEASED A STUDY CALLING FOR INCREASED ARMS SALES TO LATIN AMERICA. INFORMED OBSERVERS INDICATE THAT SUCH A POLICY WILL CREATE POTENTIAL WARS THROUGHOUT THE CONTINENT.

III. ORGANIZING AND INTELLIGENCE

**DALEY BLASTS SCHOOL CUTS
LEADS MARCH ON STATE CAPITAL TODAY**

CHICAGO, OCT. 23 (IPS)—CHICAGO MAYOR RICHARD DALEY TODAY BLASTED REPORT BY WILLIAM SINGER, COST CUTTING HATCHET MAN DEPLOYED BY ROCKEFELLER AGENT AND ILLINOIS GOVERNOR DAN WALKER, WHICH CLAIMS THAT THERE IS \$330 MILLION IN SUPPOSED "WASTE" IN THE CHICAGO SCHOOL BUDGET, AS "THE TYPE OF THING HERMAN GOEBBELS DID IN GERMANY."

(MORE)

DALEY WAS SPEAKING TO A RALLY OF 3,000 PROTESTING THE CUTS.

SINGER'S REPORT, ISSUED ON THE EVE OF A VOTE BY THE STATE LEGISLATURE ON WHETHER TO SUSTAIN WALKER'S VETO OF \$80 MILLION IN STATE AID TO SCORED CHICAGO'S SCHOOL SYSTEM FOR THE AMOUNT SPENT ON FOOD SERVICES, TRANSPORTATION AND SECURITY, AND ATTACKED THE TEACHERS AND CIVIL SERVICE WORKERS SALARIES AS "HIGHER" THAN THOSE OF OTHER CITIES.

DALEY IS LEADING A DELEGATION OF 45 CHICAGO ALDERMEN TO THE STATE CAPITAL SPRINGFIELD, TO LOBBY TO HAVE THE VETO OVERRIDDEN. DALEY SAID HE INTENDS TO "SAVE FREE EDUCATION FOR OUR CHILDREN IN CHICAGO AND SPRINGFIELD, TOO."

SHRIVER AIDE LAUDS COLLAPSE OF ROCKEFELLER EMPIRE;
DECISION ON DEBT MORATORIUM DUE

CHICAGO, OCT. 23 (IPS)--THE CHIEF CAMPAIGN ORGANIZER IN CHICAGO FOR DEMOCRATIC PRESIDENTIAL HOPEFUL R. SARGENT SHRIVER COMMENTING ON DAVID ROCKEFELLER'S SPEECH AT THE COMMON MARKET (EEC) CHAMBER OF COMMERCE TWO DAYS AGO IN NEW YORK. SAID YESTERDAY "DAVID ROCKEFELLER IS STANDING IN ABSOLUTE HORROR OVER THE COLLAPSE OF HIS EMPIRE."

THE AIDE FURTHER REVEALED THAT "THE ISSUE OF A DEBT MORATORIUM IS BEING DECIDED RIGHT NOW" IN THE SHRIVER-KENNEDY CAMP. SHRIVER WILL ADDRESS A FUNDRAISING DINNER IN CHICAGO OVER THE WEEKEND.

POLITICS AND GRAMMAR

PHILADELPHIA, OCT. 23 (IPS)--THE U.S. LABOR PARTY CANDIDATE FOR MAYOR OF PHILADELPHIA BLASTED A LEADING INDEPENDENT MAYORAL CANDIDATE, CHARLES BOWSER, AS A POLITICAL PIMP AT A CANDIDATES' NIGHT FORUM YESTERDAY, COUNTERPOSING THE REAL POLITICS OF THE DEBT MORATORIUM AND THE INTERNATIONAL DEVELOPMENT BANK. RESPONDING FROM THE FLOOR, BOWSER, WHOSE CAMPAIGN IS SPONSORED BY ONE OF PHILADELPHIA'S TOP ROCKEFELLER ALLIED BANKERS, JOHN BUNTING, INDIGNANTLY ACCUSED DON TAYLOR OF USING AN OBSCENE WORD ("PIMP"), AN THREATENED "IF YOU DON'T STOP CALLING ME A PIMP, I'LL PUNCH YOU IN THE MOUTH..." BOWSER AS SILENCED BY THE AUDIENCE, WHICH TOLD HIM THAT "PIMP" WAS AN "OFTEN USEFUL NOUN."

THE PHILADELPHIA INQUIRER, WHICH ONLY ONE WEEK AGO LAID OUT A STRATEGY FOR A POTENTIAL BOWSER VICTORY, YESTERDAY CONCEDED THAT BOWSER NO LONGER STANDS A CHANCE IN THE UPCOMING ELECTIONS. BOWSER'S CAMPAIGN WAS INTENDED BY BUNTING TO BE A COUNTERINSURGENCY EFFORT TO BREAK THE HOLD OF THE CITY'S LOCAL DEMOCRATIC MACHINE.

(MORE)

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OFFICIALS VISIT TORONTO NALP
IN POSSIBLE KIDNAP ATTEMPT

TORONTO, ONT. OCT. 23 (IPS)—THE TORONTO OFFICES OF THE NORTH AMERICAN LABOR PARTY (NALP) WERE VISITED AT 7:00 PM, OCT 20 BY TWO OFFICIALS CLAIMING TO BE MEMBERS OF THE ROYAL CANADIAN MOUNTED POLICE (RCMP). THE OFFICIALS SAID THEY HAD A WARRANT FOR THE ARREST OF CAROLYN PARVIN, A MEMBER OF THE NALP, ALTHOUGH THEY HAD NO WARRANT AND REFUSED TO SHOW POSITIVE IDENTIFICATION. WHEN TOLD TO LEAVE THE PREMISES BY NALP MEMBERS, THE TWO OFFICIALS DROVE AWAY IN A CAR WITH LICENCE NUMBER #JPA 457.

THE NALP HAS ISSUED A CALL FOR THE IMMEDIATE IDENTIFICATION OF THE TWO OFFICIALS, RCMP OFFICERS, FOLLOWING ESTABLISHED PROCEDURES, RARELY REFUSE TO SHOW IDENTIFICATION. A RECENT INCREASE OF THE HARASSMENT OF THE NALP IN CANADA INCLUDING THREATS BY A MAGIST GROUP CALLED THE CPC-ML, SURVEILLANCE BY LOCAL POLICE AND THE DISRUPTION OF NALP DISCUSSIONS WITH CANADIAN UNION OF PUBLIC EMPLOYEES OFFICIALS ON THE WAGE AND PRICE CONTROLS PACKAGE JUST ANNOUNCED BY PRIME MINISTER TRUDEAU, THAT THIS IS NOT A ISOLATED INCIDENT. NALP OFFICIALS ARE CONCERN POLICE OFFICIALS POSING AS THE RCMP INTENDED TO KIDNAP PARVIN. THEY NOTE THEIR SPECIAL CONCERN THAT THE PEEL, ONTARIO REGIONAL POLICE MAY HAVE BEEN INVOLVED IN THE INCIDENT. RECENT DISCLOSURES IN CANADA DEPICT AGENCY AS INTIMATEDLY TIED TO THE AMERICAN CIA.

END OF IPS 10.23.75



NEW SOLIDARITY International Press Service

Daily News and Press Summaries

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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE
OCTOBER 24, 1975 1500 EDT
EARLY EVENING EDITION

INTERNATIONAL

MPLA MOBILIZES TO HALT SOUTH AFRICAN INVASION OF ANGOLA

OCT. 24 (IPS) — THE POPULAR MOVEMENT FOR THE LIBERATION OF ANGOLA (MPLA) TODAY ISSUED AN EMERGENCY CALL FOR A MILITARY MOBILIZATION OF ALL MEN BETWEEN THE AGES OF 18 AND 35 TO COMBAT AN INVASION OF SOUTHERN ANGOLA BY SOUTH AFRICA. ACCORDING TO LUANDA RADIO, WHICH BROADCAST A COMMUNIQUE FROM THE PRO-SOCIALIST MPLA, A COLUMN OF BETWEEN 800 AND 1000 SOUTH AFRICAN TROOPS CROSSED THE BORDER YESTERDAY AND IS ADVANCING ON THE ANGOLAN CITY OF SA DA BANDEIRA. THE SOUTH AFRICAN COLUMN IS REPORTEDLY UNDER THE COMMAND OF DANIEL CHIPENDA, AN AGENT FOR SOUTH AFRICA AND THE CIA-CONTROLLED REGIME OF MOBUTU SESE SEKO IN ZAIRE. CHIPENDA WAS EXPELLED FROM THE MPLA LAST YEAR, AND HAS SINCE LINKED UP WITH THE ARMY OF THE NATIONAL FRONT (FNLA), A CIA-CREATED HORDE OF ZOMBIES AND CANNIBALS.

THE SOUTH AFRICAN-FNLA COLUMN HAS REPORTEDLY REACHED A POINT 130 MILES INTO ANGOLA, ONLY 20 MILES SOUTH OF SA DA BANDEIRA, ACCORDING TO THE MPLA COMMUNIQUE.

THE THREAT TO ANGOLAN INDEPENDENCE FROM PORTUGAL—SCHEDULED FOR NOV. 11—COMES AMID RUMORS THAT THE NATO-CONTROLLED PORTUGUESE GOVERNMENT OF PREMIER AZEVEDO IS MANEUVERING TO POSTPONE INDEPENDENCE RATHER THAN HAND POWER TO THE MPLA, WHICH CONTROLS THE ANGOLAN CAPITAL OF LUANDA AND MOST OF ANGOLA'S COUNTRYSIDE.

NUMEROUS AFRICAN, NON-ALIGNED, SOCIALIST AND SCANDINAVIAN GOVERNMENTS HAVE INFORMED MPLA THAT THEY ARE PREPARED TO RECOGNIZE A MPLA DECLARATION OF INDEPENDENCE, ACCORDING TO AN EXCLUSIVE ITEM IN AFRIQUE-ASIE OF OCT. 20. MPLA HAS ALREADY ANNOUNCED THAT IT WILL DECLARE INDEPENDENCE ON NOV. 11, WHATEVER THE PORTUGUESE GOVERNMENT WILL DO.

ISRAELI EXPERTISE AID NATIONAL FRONT FOR THE LIBERATION OF ANGOLA

OCT. 24 (IPS) — NEW ISRAELI OFFICERS HAVE JUST JOINED THE FNLA OF HOLDEN ROBERTO AT THE COMMAND LEVEL, ACCORDING TO AN INTERCEPTED REPORT BEING SENT FROM KINSHASA, ZAIRE BY A WESTERN EUROPEAN CONSULATE TO ITS HOME GOVERNMENT. IT IS REPORTED IN AFRIQUE-ASIE OF

(MORE)

IPS/10.24/2

OCT. 20. "ISRAELI OFFICERS ARE COLLABORATING WITH EXPERTS AND INSTRUCTORS FROM SOUTH AFRICA, THE U.S. AND THE PORTUGUESE FASCISTS... AND THE CHINESE," THE MAGAZINE REPORTS.

MARCHAIS ADDRESSES 30,000: SAYS GOVERNMENT WANTS "POLICE STATE"

OCT. 24 (IPS) — FRENCH COMMUNIST PARTY GENERAL SECRETARY GEORGES MARCHAIS ADDRESSED A CROWD OF 30,000 WORKERS OUTSIDE OF PARIS YESTERDAY AND RESOLUTELY EXPOSED THE "LIBERAL" FRENCH GOVERNMENT'S ATTEMPTS AT "CONDITIONING" THE POPULATION INTO ACCEPTING A "POLICE STATE." MARCHAIS THEN STRONGLY ATTACKED SOCIALIST PARTY LEADER MITTERAND FOR "CREDITING (FRENCH PRESIDENT) GISCARD WITH A GREAT LIBERAL WILL." THE SPEECH WAS REPORTED IN TODAY'S L'HUMANITE, THE PCF DAILY.

FRENCH GOVERNMENT WANTS WAGE CONTROLS

OCT. 23 (IPS) — TODAY'S PARIS NEWSPAPER LE MONDE REPORTS FRENCH MINISTER OF FINANCE JEAN-PIERRE FOURCADE, IN HIS PRESENTATION OF THE 1976 NATIONAL BUDGET IN PARLIAMENT YESTERDAY, STRESSED "THE DOUBLE DANGER OF EXCESSIVE WAGE-INCREASES," WHICH HE PRESENTED AS THE MAIN CAUSE OF UNEMPLOYMENT AND INFLATION. FOURCADE PREVIOUSLY STATED THAT THE PRESENT CRISIS HAS "INTERNATIONAL CAUSES," CENTERED ON THE "GREED" OF OPEC COUNTRIES. THE FINANCE MINISTER'S CHANGE IN LINE IS WIDELY INTERPRETED AS MEANING THAT THE FRENCH GOVERNMENT NOW WANTS TO IMPOSE WAGE CONTROLS, "VOLUNTARY RESTRAINT" MEASURES OR THE KIND OF "SOCIAL CONTRACT" SIMILAR TO THE ONE WHICH HAS PLACED A CEILING ON ALL WAGE INCREASES FOR THE BRITISH WORKING CLASS.

WEST BERLIN COMMUNIST PAPER HITS RAND CORPORATION'S "CONVERGENCE"

OCT. 23 (IPS) — THE WEST BERLIN COMMUNIST PARTY NEWSPAPER DIE WAHRHEIT (THE TRUTH) YESTERDAY CARRIED AN ATTACK ON THE RAND CORPORATION'S "MODELS FOR THE FUTURE," ESPECIALLY THE NOTORIOUS "THEORY OF CONVERGENCE" BETWEEN SOCIALISM AND CAPITALISM.

CONVERGENCE IS RIDICULOUS, WROTE DIE WAHRHEIT, ABOVE ALL BECAUSE OF THE NATURE OF THE SOCIALIST COUNTRIES' ECONOMIES WITH THEIR COMMITMENT TO THE DEVELOPMENT OF LABOR POWER THROUGH TECHNOLOGICAL ADVANCE. IN THE WEST, WROTE DIE WAHRHEIT, TECHNOLOGY OFTEN SERVES THE GOALS OF IMPERIALIST POLICY-MAKERS, WHO "PAY AND ARMY OF INFORMATION PROVIDERS FROM THE BIG THINKTANKS DOWN TO THE LITTLE EDITORIAL ROOMS" IN THEIR ATTEMPT TO CONTROL SOCIETY.

PCF ATTACKS SCHMIDT AS MODERN DAY "BISMARCK OR HITLER"

OCT. 24 (IPS) — THE FRENCH COMMUNIST PARTY PAPER L'HUMANITE BLASTED THE WEST GERMAN SOCIAL DEMOCRATIC PARTY (SPD) CHANCELLOR SCHMIDT FOR "CARRYING OUT THE MOST DETESTABLE OF TRADITIONS: THAT OF BISMARCK AND HITLER." THE PCF ATTACK TAKES PLACE AS A DEBATE ON THE OUTLAWING OF THE WEST GERMAN COMMUNIST PARTY, THE DKP, IS BEING HELD IN THE BUNDESTAG.

(MORE)

OPEN PARTY SPLIT SHOWS AGENTS WEAKNESS IN SPD

OCT. 23 (IPS) — THE SELF-STYLED LEFT WING OF THE WEST GERMAN SOCIAL DEMOCRATIC PARTY (SPD), HEADED BY PRO-ROCKEFELLER COUNTERINSURGENTS HAS BEEN THROWN ON THE DEFENSIVE AS THE NOV. 9 OPENINGS OF THE PARTY'S NATIONAL CONFERENCE APPROACHES. THE DAILY DIE WELT REPORTS THAT TWO SPOKESMEN OF THE FACTION HAVE APPEALED TO SPD CHANCELLOR HELMUT SCHMIDT TO SAVE SEVERAL OF THEIR MEMBERS FROM BEING VOTED OUT OF THE PARTY'S NATIONAL EXECUTIVE AT THE CONFERENCE. AMONG THOSE WHOSE PARTY POST IS JEOPARDIZED IS HORST EHKE, FORMER PERSONAL SECRETARY OF CURRENT SPD CHAIRMAN AND LEADER OF THE AGENT FACTION, WILLY BRANDT. LOCAL SPD MEMBERS REVEAL THAT THE RECENT ELECTION OF DELEGATES TO THE PARTY CONVENTION IN SOUTH HESSEN, CONSIDERED A MAJOR BASE OF THE BRANDT FORCES, PRODUCED A VERY POOR SHOWING FOR BRANDT'S SUPPORTERS.

THE WEAKNESS OF THE "LEFTISTS" WAS HEIGHTENED YESTERDAY WHEN SPD PARLIAMENTARY CAUCUS LEADER HERBERT WEHNER, WHO HAS LED A SUBSTANTIAL PORTION OF THE SPD INTO OPPOSITION TO ROCKEFELLER AND BRANDT RALLIED SUPPORT FOR HIS LEADERSHIP BY CALLING A VOTE OF CONFIDENCE IN THE CAUCUS AFTER CERTAIN MEMBERS OF PARLIAMENT HAD SPREAD RUMORS IN THE WEST GERMAN MEDIA ABOUT WEHNER'S ALLEGED "WEAKNESS AND ISLATION." OF OVER 200 FACTION MEMBERS, TWELVE WALKED OUT AND THE REST GAVE WEHNER OVERWHELMING SUPPORT.

HAIG FEARS U.S. "FRIENDS" IN EUROPE NO LONGER RELIABLE

OCT. 23 (IPS) — U.S. GENERAL ALEXANDER HAIG, NATO SUPREME COMMANDER EXPRESSED HIS PROFOUND DISMAY AT HOW MUCH THE "STRATEGIC ENVIRONMENT" HAD CHANGED IN THE PAST DECADE AT AN OCT. 20 PILGRIM SOCIETY DINNER IN LONDON.

IN EUROPE, BOTH "FRIENDS AND ENEMIES" ALIKE WERE BACK ON THEIR FEET, HE SAID. ASIDE FROM THE ESCALATING SOVIET THREAT, EVEN FORMER "FRIENDS" WERE NO LONGER INTENT ON FOLLOWING THE AMERICAN MODEL. "COOPERATION AND PARTNERSHIP, YES; UNITED STATES DOMINATION, NO," HAIG'S REMARKS WERE PARAPHRASED IN THE LONDON TIMES YESTERDAY.

CONTINENTAL

KISSINGER UNDER THIN COVER SAYS CHINESE ATTACK DETENTE TO HELP ANTI-SOVIET FORCES IN U.S.

OCT. 24 (IPS) — CHINESE ATTACKS ON U.S.-SOVIET DETENTE MADE DURING SECRETARY OF STATE HENRY KISSINGER'S JUST CONCLUDED VISIT TO PEKING WERE AIMED AT ENCOURAGING FORCES IN THE U.S. OPPOSED TO DETENTE, A SENIOR STATE DEPARTMENT OFFICIAL TOLD NEWSMEN TODAY ON KISSINGER'S PLANE.

THE "SENIOR OFFICIAL" ADDED THAT BASED ON THE CHINESE BELIEF THAT THE RESOLVE OF THE U.S. GOVERNMENT TO RESIST SOVIET EXPANSIONISM IS SERIOUSLY WEAKENED, THEY WISH TO BOLSTER ANTI-SOVIET FORCES IN THE U.S. CONGRESS.

(MORE)

IPS/10.24/4

SEVERAL INFORMED ANTI-SOVIET FORCES HAVE REVEALED THAT "SENIOR STATE DEPARTMENT OFFICIAL" IS THE TITLE PREFERRED BY KISSINGER WHEN HE GIVES REPORTERS STORIES FOR NON-ATTRIBUTION. MAJOR AMERICAN NEWSPAPERS PUBLISHED "SENIOR OFFICIAL" KISSINGER'S STATEMENTS WITHOUT ANY COMMENT.

TRIBUNE HITS FBI, JUSTICE DEPARTMENT

OCT. 24 (IPS) -- SYNDICATED COLUMNIST ANDREW GREELEY, WRITING IN THE CHICAGO TRIBUNE YESTERDAY, HAS CHARGED THE JUSTICE DEPARTMENT AND FBI WITH TAKING UNDUE CREDIT FOR THE RECAPTURE OF PATRICIA HEARST, AND SUBJECTING HER TO A "LEGAL ORDEAL." "THEY HAVE CAPTURED THE YOUNG WOMAN WHO IS CLEARLY AN EMOTIONAL AND HUMAN WRECK--A WRECK BECAUSE OF THEIR INCOMPETENCE," GREELEY CHARGES, ADDING THAT FBI DIRECTOR CLARENCE KELLEY'S "INSENSITIVITY AND CRUELTY" ONLY RIVALS THAT OF THE LATE FORMER FBI HEAD, J. EDGAR HOOVER. "AS FOR MR. KELLEY," GREELEY CONCLUDES, "THE LAST TIME I DARED TO CRITICIZED HIM, HE SENT TWO AGENTS TO VISIT WITH THE EDITOR OF UNIVERSAL PRESS SYNDICATE--A CLEAR ATTEMPT TO INTIMIDATE ME. SAVE THEIR TIME AND THE TAXPAYER'S MONEY CLARENCE, I DON'T SCARE THAT EASILY."

GREENSBORO FRAUD HEARINGS

OCT. 24 (IPS) -- "WITH THESE COMPUTERS, THERE IS ABSOLUTELY NO WAY TO TELL IF FRAUD TOOK PLACE," DECLARED A VOTING MACHINE MECHANIC AT A GREENSBORO, N.C. BOARD OF ELECTIONS INQUIRY INTO U.S. LABOR PARTY CHARGES OF VOTE FRAUD. THE BOARD CALLED AN UNPRECEDENTED 27 WITNESSES TO DEFEND ITSELF; LABOR PARTY MAYORAL CANDIDATE MARION PORTER, DEFRAUDED OF HER VOTE IN NOV., CROSS-EXAMINED EVERY ONE OF THEM.

A REPRESENTATIVE OF THE SHOUP VOTING MACHINE COMPANY STATED THAT A "MASSIVE CONSPIRACY" WOULD HAVE TO EXIST TO PERPETRATE FRAUD. "IN THAT LIGHT," PORTER ASKED HIM, "WOULD YOU NOT CONSIDER VOTING MACHINE IRREGULARITIES IN SIX PRECINCTS IN GREENSBORO SUGGESTIVE OF SUCH A CONSPIRACY?"

"NOT NECESSARILY..." STATED THE SHOUP SPOKESMAN.

THE STATE ELECTION SUPERVISOR WAS "BESIDE HIMSELF" DURING THE HEARINGS, AN INFORMED SOURCE TOLD IPS YESTERDAY. ALTHOUGH NOT PRESENT PERSONALLY HE WAS "ON THE PHONE ALL DAY" AND IS BELIEVED TO HAVE PERSONALLY DIRECTED THE TESTIMONY OF STATE ELECTON OFFICIALS IN GREENSBORO.

END OF EARLY IPS FOR FRIDAY, OCTOBER 24, 1975.



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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE
LATE NEWS REPORT
FRIDAY, OCT. 24 1975
2000 HOURS EDT

WORLD PRESS SUMMARY

I. INTERNATIONAL NEWS

FLASH!

FNLA SHELLS LUANDA WHILE SOUTH AFRICAN INVASION FORCE JOINS
FLNA - UNITA IN SOUTHERN CITY

OCT. 24 — THE CIA-RUN NATIONAL FRONT (FNLA) HAS PUSHED CLOSE TO LUANDA AND HAS BEEN SHELLING THE CITY SINCE THIS MORNING, ACCORDING TO A HIGH DIPLOMATIC SOURCE IN PARIS WHO WAS IN CONTINUOUS TELEPHONE CONTACT TODAY WITH THE ANGOLAN CAPITAL.

THE SOUTHERN ANGOLAN CITY OF SA DA BANDEIRA HAS FALLEN TO THE FNLA-UNITA CANNIBAL GANGS AIDED BY THE SOUTH AFRICAN INVASION FORCE, ACCORDING TO THE BBC WORLD NEWS AT 6 P.M. TONIGHT.

THE POPULAR MOVEMENT (MPLA) YESTERDAY CALLED UP ALL MEN BETWEEN THE AGES OF EIGHTEEN AND THIRTY-FIVE TO EXPEL THE INVADERS, AND LUANDA IS DEFENDED BY A CITIZENS' MILITIA COMPOSED OF NEARLY THE ENTIRE POPULATION.

FLASH!

TEN THOUSAND PORTUGUESE TO FIGHT FOR ANGOLAN REVOLUTION, DEMAND
END TO SIXTH GOVERNMENT AND REVOLUTIONARY SUPPORT FROM LISBON

OCT. 24 (IPS) — THE PCP-LINKED PORTUGUESE SUPPORT COMMITTEE FOR THE ANGOLAN PEOPLE'S STRUGGLE TOLD AN ENTHUSIASTIC MEETING OF TEN THOUSAND PORTUGUESE ANGOLANS IN THE ANGOLAN CAPITAL OF LUANDA: "IT IS NECESSARY FOR THE PRESIDENT OF PORTUGAL TO KNOW THAT THE PORTUGUESE IN ANGOLA ARE READY TO STAY AND IF NECESSARY DIE FOR THE ANGOLAN REVOLUTION," ACCORDING TO DIARIO DE NOTICIAS YESTERDAY. THE MEETING APPLAUDED HEAVILY WHEN THE SPEAKER DECLARED, "WE WISH THE SIXTH GOVERNMENT IN LISBON ILL HEALTH AND A SPEEDY DEMISE," AND PASSED BY ACCLAMATION A VOTE OF NO CONFIDENCE IN THE LISBON GOVERNMENT.

THE FOLLOWING DEMANDS ON LISBON WERE APPROVED AFTER EXTEN-

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SIVE DISCUSSION ACCORDING T DIARIO:

1. NO RECOGNITION OF FNLA AND UNITA, TWO CIA-BACKED CANNIBAL GANGS.
2. THE HAND-OVER OF POWER TO THE MPLA ON NOV. 11.
3. AN EXPLANATION FOR FOREIGN MINISTER ANTUNES' STATEMENTS TO THE UNITED NATIONS GENERAL ASSEMBLY.
4. A BREAK-OFF OF ALL RELATIONS WITH THE GOVERNMENTS OF SOUTH AFRICA AND ZAIRE IMMEDIATELY.
5. A RE-STRUCTURING OF GOVERNMENTAL FOREIGN TRADE SERVICES IMMEDIATELY IN ORDER TO INCREASE TRADE WITH ANGOLA.
6. IMMEDIATE DEVELOPMENT OF A PLAN FOR TECHNICAL ASSISTANCE TO ANGOLA FOR URGENT NATIONAL RECONSTRUCTION.
7. A NATIONAL INVESTIGATION TO PIN RESPONSIBILITY FOR THE PRESENCE OF PORTUGUESE SOLDIERS AS MERCENARIES WITH FNLA AND UNITA.

OTTO WOLFF VON AMERONGEN ADVOCATES THREE-WAY TRADE

OCT. 24 (IPS) — OTTO WOLFF VON AMERONGEN, ONE OF THE LEADING WEST GERMAN BUSINESSMEN ENGAGED IN TRADE WITH THE EAST BLOC, AND THE DIRECTOR OF THE GERMAN CONFERENCE OF INDUSTRY AND COMMERCE TOLD THE ANNUAL MEETING OF THE GERMAN-FINNISH ASSOCIATION IN HELSINKI THAT "THE CSCE RESOLUTIONS SHOULD SERVE AS POLITICAL AND ECONOMIC GUIDELINES FOR FUTURE RELATIONS AMONG THE SIGNATORY NATIONS...FINLAND OFFERS FREE TRADE AGREEMENTS...WITH THE COMECON STATES. FINNISH INDUSTRY, MOREOVER ENJOYS CONSIDERABLE KNOW-HOW. BOTH FACTORS...ARE CONDITIONS FOR SO-CALLED JOINT VENTURES IN THIRD WORLD COUNTRIES. COOPERATION, UNDER THE LEADERSHIP OF FINNISH OR GERMAN FIRMS, SEEMS POSSIBLE IN THIRD COUNTRIES OF THE WEST AND THE EAST IN THE SAME WAY."

SCHMIDT BLASTS "INVESTMENT CONTROL" NON-ISSUE

OCT. 24 (IPS) — ACCORDING TO PRO-EAST-WEST TRADE FIGURES IN THE WEST GERMAN SOCIAL DEMOCRATIC PARTY, WEST GERMAN CHANCELLOR HELMUT SCHMIDT TOLD SOCIAL DEMOCRATIC AND FREE DEMOCRATIC CABINET MINISTERS YESTERDAY TO EITHER "PUT UP OR SHUT UP" ABOUT THE MANUFACTURED ISSUE OF "INVESTMENT CONTROL" INSIDE THE RULING SOCIAL DEMOCRATIC-FREE DEMOCRATIC PARTY COALITION GOVERNMENT. THE INVESTMENT CONTROL FRAUD HAS BEEN USED BY AGENTS LIKE WILLY BRANDT OF THE SO-CALLED SOCIAL DEMOCRATIC LEFT TO CREATE AN ISSUE OVER WHICH A SPLIT MIGHT BE MANUFACTURED WITH COLLABORATING AGENTS IN THE FREE DEMOCRATS, WRECKING THE PRESENT COALITION GOVERNMENT.

AMONG SOCIAL DEMOCRATS, THE CLIQUE AROUND BRANDT, PARTY CHAIRMAN, HAS BEEN RECENTLY DOWNGRADED AS A PARTY GROUP BY PRO-DEVELOPMENT FORCES CENTERED AROUND PARLIAMENTARY LEADER HERBERT WEHNER. INDICATIONS OF A SIMILAR PROCESS INSIDE THE FREE DEMOCRATIC PARTY ARE THE ATTENDANCE AT YESTERDAY'S CABINET SESSION OF TWO STATE FINANCE MINISTRY SECRETARIES ALONG WITH FINANCE MINISTER FRIDERICH. ALL THREE OFFICIALS ARE PRO-DEVELOPMENT FREE DEMOCRATS WHO OFFSET THE PRESENCE OF ROCKEFELLER AGENT AND

(MORE)

IPS LATE 10.24 P. 3

FDP PARTY CHAIRMAN HANS DIETRICH GENSCHER, ONE OF THOSE WHO ARE TRYING TO CREATE A COALITION SPLIT AROUND INVESTMENT CONTROL.

ALTHOUGH THERE WERE NO PRESS REPORTS ABOUT THE MEETING, IT IS HIGHLY UNUSUAL FOR A MEETING BY CHANCELLOR SCHMIDT, FOREIGN MINISTER GENSCHER, FINANCE MINISTER FRIDERICHS PLUS HIS TWO STATE SECRETARIES, AND ECONOMICS MINISTER APEL TO PASS WITHOUT PRESS COVERAGE.

PCI: CONVERGENCE IN FASCISM

OCT. 24 (IPS) — "I DID NOT COME HERE TO ASK FOR MONEY," DECLARED ITALIAN COMMUNIST PARTY (PCI) BUREAUCRAT GUIDO FANTI IN BRUSSELS, OCT. 20. FANTI, PRESIDENT OF THE EMILIA-ROMAGNA REGIONAL PCI WAS IN BRUSSELS TO SPEAK WITH MEMBERS OF THE EUROPEAN-NATO PARLIAMENT. "I CAME BECAUSE THE EUROPE OF THE PEOPLES MUST BE THE EUROPE OF THE REGIONS...WE HAVE TO PUSH CONVERGENCE OF EUROPE IN THE INTERESTS OF THE LARGEST MASSES."

WITHIN ITALY, THE PCI AND THE SOCIALISTS ARE "CONVERGING" AROUND SLAVE-LABOR AND CORPORATIST "REGIONALIZATION" PROGRAMS. "EUROPE OF THE PEOPLES" IS THE SLOGAN USED BY CIA AGENTS IN THE PCI WHEN REFERRING TO THE PLAN FOR FRAGMENTING THE PEOPLE OF EUROPE INTO CORPORATIST REGIONAL STRUCTURES ALONG ETHNIC AND CULTURAL LINES BASED ON THE MODEL OF CIA-BACKED "BASQUE SEPARATISTS" IN SPAIN.

PCI ENCOURAGES AND PRAISES NAPLES "VOLUNTEER" LABOR

OCT. 24 (IPS) — THE RECENTLY ELECTED PCI MAYOR OF NAPLES, VALENZI, PRAISED TWO DAYS AGO THE VOLUNTEER ACTIVITY OF A GROUP OF NEIGHBORHOOD RESIDENTS WHO TOOK CARE TO CLEAN AND PLANT FLOWERS IN ONE OF THE EPIDEMIC-INFESTED NEIGHBORHOODS OF THE CITY OF MILAN. THE ACTIVISTS, REPORTED UNITA YESTERDAY, WERE EX-SHANTY DWELLERS WHO WERE DESCRIBED BY THE PCI MAYOR AS BEING "LIKE (ALL OTHER) NEAPOLITANS WHO ARE NOT LAZY, AS SOME WANT US TO BELIEVE, BUT WHO KNOW HOW TO WORK--IF THEY CAN--AND WHO WANT DIGNITY AND CIVILITY." A SWEDISH JOURNALIST PRESENT DURING THE CEREMONY COMMENTED THAT EVEN FOR HIM, WHO IS SO USED TO THE FASCIST "SWEDISH MODEL", THIS "GRATUITOUS LABOR (USED) TO BEAUTIFY AND CIVILIZE THE SURROUNDING IN WHICH ONE LIVES, IS TOTALLY NEW FOR ME."

MAYOR VALENZI ALSO STATED THAT THIS KIND OF "CIVILIZATION FROM THE BOTTOM" (I.E. THE POPULATION) IS WHAT WILL HELP SOLVE THE POLITICAL AS WELL AS THE REAL PROBLEMS OF THE CITY. BENITO MUSSOLINI WAS THE LAST PERSON IN ITALY KNOWN TO HAVE CELEBRATED SUCH "SELF-HELP."

IZVESTIA: TURKISH PARTIES PUSH DEVELOPMENT

OCT. 24 (IPS) — TURKEY'S TWO MAIN BOURGEOIS PARTIES ARE "POLARIZED," BUT NOT AROUND THEIR RESPECTIVE PROGRAMS FOR COOPERATION WITH THE SOVIET UNION, ACCORDING TO A FEATURE ARTICLE IN THE OCT.

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225184UE OFOIZWESVIA4 THE SOVIET DAILY. THE TURKISH JUSTICE PARTY, LED BY PRIME MINISTER DEMIREL, "CAMPAIGNED AROUND AGRICULTURAL DEVELOPMENT AND INDUSTRIALIZATION OF THE COUNTRY, WHICH IS DECISIVELY LINKED TO SOVIET-TURKISH COOPERATION, SINCE TURKEY HAS ONLY HAD DISAPPOINTMENTS WITH THE EUROPEAN ECONOMIC COMMUNITY (EEC) AND THE UNITED STATES." PRIME MINISTER DEMIREL RECENTLY NOTED THAT PROGRESS IN ECONOMIC AND TRADE RELATIONS WITH THE SOVIETS HAS BEEN "AN IMPORTANT CONTRIBUTION IN THE GOVERNMENT EFFORTS TO DEVELOP THE ECONOMY," QUOTES IZVESTIA.

THE PEOPLE'S REPUBLICAN PARTY, LED BY RULENT ECEVIT, HAS DEMANDED THE SIGNING OF A NON-AGRESSION PACT WITH THE SOVIET UNION, AND COME OUT WITH ANTI-U.S. SLOGANS DURING THE ELECTION CAMPAIGN. THE MOST IMPORTANT ISSUE OF THE TURKISH ELECTIONS WAS FOREIGN POLICY, ACCORDING TO IZVESTIA, WITH THE JUSTICE PARTY ORGAN, "ZAFER" AND THE PEOPLE'S REPUBLICAN PARTY PAPER, "BARISH" SAYING THAT "THE UNITED STATES WOULD ONLY CONSIDER ITS OWN ADVANTAGE." H SOCIALIST PARTY LEADER ENDORSES MAOIST "SUPERPOWERS" VIEW

PARIS, OCT. 24 (IPS) — CHARLES HERNU, A MEMBER OF THE FRENCH SOCIALIST PARTY'S EXECUTIVE COMMITTEE STATED IN THE OCT. 1 ISSUE OF THE QUOTIDIEN DE PARIS THAT THERE IS NOW A "FIRST WORLD" CONSISTING OF THE U.S. AND THE USSR "SUPERPOWERS" WHICH IS CONSTANTLY HARASSING THE REST OF EUROPE, AUSTRALIA, CANADA, JAPAN AND NEW ZEALAND. THE OCT. 23 ISSUE OF THE FRENCH COMMUNIST PARTY'S DAILY L'HUMANITE COMMENTS BY ASKING ITS READERS WHETHER HERNU IS NOW "CONVERTED TO MAOISM."

EGYPTIAN EDITOR, IN U.S., ORGANIZES ANTI-ROCKEFELLER CAPITALISTS

OCT. 24 (IPS) — MUHAMMAD HASSANEIN HEYKAL, FORMER EDITOR OF AL AHRAM, EGYPT'S LEADING NEWSPAPER, AND A LONG-TIME COLLABORATOR OF THE CIA, DECLARED TODAY THAT SECRETARY OF STATE KISSINGER'S MID-EAST DIPLOMACY HAD "DIVIDED THE ARAB WORLD, WHICH IS A HORRIBLE THING," AND HAD THUS "MADE THE SOVIET UNION MORE MISCHIEVOUS," ACCORDING TO THE NEW YORK TIMES.

HEYKAL, WHO IS IN THE U.S. ON A "PRIVATE VISIT," HAS VISITED CHICAGO—CENTER OF THE GROWING OPPOSITION TO ROCKEFELLER—AND IS NOW IN WASHINGTON, WHERE HE "WAS SEEING MANY IMPORTANT PEOPLE." HEYKAL'S PRESENCE IN THE U.S. AT A TIME OF INCREASINGLY SHARP ATTACKS BY ROCKEFELLER'S OPPOSITION AGAINST FAMILY BANKING AND OIL INTERESTS MAY INDICATE THAT THE EGYPTIAN IS ACTING AS A MEDIATOR BETWEEN THE ANTI-ROCKEFELLER FORCES IN THE U.S. AND CERTAIN ARAB FACTIONS.

HEYKAL RETAILED A POLITICAL LINE EXACTLY PARALLEL TO THAT OF GEORGE BALL, A WALL STREET INVESTMENT BANKER AND A LEADER OF THE CRITICISM OF KISSINGER'S MIDDLE EAST POLICY. HE CITED THE CONDITIONS PREVAILING AFTER THE OCTOBER 1973 WAR AS CONDUCIVE TO A PEACE SETTLEMENT, AND THEN CRITICIZED THE "STEP-BY-STEP" DIPLOMACY ADVOCATED BY KISSINGER AND EGYPTIAN PRESIDENT SADAT AS BEING RES-

(MORE)

POSSIBLE FOR "DESTROYING THE CHANCES."

NEW YORK TIMES EXPECTS SYRIAN POLICING ROLE IN LEBANON

OCT. 24 (IPS) — NOTING THAT THE CURRENT CRISIS IN LEBANON IS "WORSE THAN 1958"—WHEN U.S. MARINES LANDED IN BEIRUT—TODAY'S NEW YORK TIMES REMARKS THAT "IN 1958, THE U.S. PLAYED THE ROLE OF POLICEMAN. THE MOST LIKELY CANDIDATE FOR THE ROLE THIS TIME REMAINS SYRIA."

THE GROUNDWORK FOR SYRIAN INTERVENTION HAS ALREADY BEEN LAID, NEW YORK TIMES REPORTER JAMES MARKHAM CLAIMS, AS ZUHAIR MOHSIN, THE HEAD OF THE SYRIAN-CONTROLLED AS SAIOA GUERRILLA GROUP, "HAS BECOME THE UNOFFICIAL POLICEMAN FOR MUCH OF BEIRUT AND TRIPOLI."

AS BACKGROUND FOR THE SYRIAN ROLE IN THE SERVICE OF U.S. IMPERIALIST INTERESTS, MARKHAM REVEALS LONG-STANDING TIES BETWEEN SYRIAN PRESIDENT AND CIA AGENT HAFEZ ASSAD AND LEBANESE PRESIDENT SULIEMAN FRANJIEH, THE LATTER CLOSELY TIED TO THE FASCIST PHALANGE. "ODDLY," MARKHAM REPORTS, "PERSONAL TIES BETWEEN MR. FRANJIEH...AND PRESIDENT ASSAD...HAVE EASED THE SYRIAN MEDIATION MISSION. IN 1958, MR. FRANJIEH...SOUGHT REFUGE IN SYRIA. MR. ASSAD, HEAD OF MILITARY INTELLIGENCE AT THE TIME, GRANTED THE CHRISTIAN POLITICIAN ASYLUM."

II. CONTINENTAL NEWS

REPORTER EXPOSES KISSINGER ARMTWISTING

OCT. 24 (IPS) — CAPITOL HILL REPORTER THOMAS ROSS HAS EXPOSED SECRETARY OF STATE HENRY KISSINGER'S CONGRESSIONAL ARMTWISTING OPERATIONS. WRITING IN YESTERDAY'S CHICAGO SUN-TIMES, ROSS BASED HIMSELF ON AN INTERVIEW WITH HOUSE SELECT COMMITTEE ON INTELLIGENCE HEAD OTIS PIKE, TO REPORT THAT "CONGRESS IS VERY WEAK BECAUSE... HONEST MEN WHO STATE THEIR VIEWS ARE PUNISHED," WHILE THOSE WHO "GO ALONG" OR ALLOW THEMSELVES TO BE GAGGED BY KISSINGER ARE PROMOTED.

KISSINGER'S TERROR OPERATION EXTENDS TO THE STATE DEPARTMENT, WHERE ROSS REPORTS (FROM THE INTERVIEW) "STATE OFFICIALS ARE IN FEAR OF BEING CRUCIFIED FOR THEIR ACTIONS."

ROCKY BEGINS TO SHIFT ON N.Y. BAILOUT

OCT. 24 (IPS) — FOLLOWING THE OVERWHELMING CONSENSUS AGAINST A FEDERAL BAILOUT OF NEW YORK CITY BANKS WHICH EMERGED CLEARLY AT YESTERDAY'S HEARINGS OF THE HOUSE AND SENATE BANKING COMMITTEE, VICE PRESIDENT NELSON ROCKEFELLER HAS SOFTENED HIS FORMERLY ADAMANT DEMAND THAT THE FEDERAL GOVERNMENT PREVENT A NEW YORK CITY DEFAULT. ACCORDING TO AN AP WIRE STORY CARRIED IN TODAY'S NEW YORK POST, ROCKEFELLER YESTERDAY SAID HE WAS DEFINITELY AGAINST A FEDERAL BAILOUT. REITERATING HIS OFT-STATED OPINION THAT HIS DIFFERENCES WITH PRESIDENT FORD ON THE NEW YORK ISSUE WERE "MIN-

(MORE)

IMAL," ROCKY THEN ADDED THAT HE WOULD FAVOR SOME SORT OF TEMPORARY HELP TO THE CITY.

ROCKY CONCEDES MOVE TO DUMP HIM

OCT. 24 (IPS) — VICE PRESIDENT NELSON ROCKEFELLER CONCEDED TWO NIGHTS AGO: "THERE ARE INDICATIONS"—THAT PRESIDENT FORD MAY DUMP HIM FROM THE 1976 REPUBLICAN PRESIDENTIAL TICKET. IN AN HOUR-LONG INTERVIEW TELEVISED BY THE PUBLIC BROADCASTING SYSTEM, ROCKY DEFENSIVELY MAINTAINED THAT HE HAD "NO WORRIES AND NO CONCERNS" ABOUT HIS POLITICAL FUTURE. HE CLAIMED TO HAVE RECEIVED MANY OFFERS TO JOIN THE DEMOCRATIC PARTY, INCLUDING AN INVITATION BY SENATOR HUBERT HUMPHREY TO BE HIS VICE-PRESIDENTIAL RUNNING MATE IN THE 1968 ELECTION.

WQXR, THE NEW YORK TIMES' RADIO STATION, REPORTED THAT ROCKEFELLER PUBLICLY INSISTED THAT FORD MUST ACTIVELY CAMPAIGN FOR A FEDERAL BAIL-OUT OF NEW YORK CITY. FORD HAS BEEN CONSISTENTLY OPPOSED TO SUCH FEDERAL AID.

DALEY NARROWLY FAILS TO OVERRIDE STATE EDUCATION VETO IN FIRST TRY

CHICAGO, OCT. 24 (IPS) — CHICAGO MAYOR RICHARD DALEY AND HIS MOBILIZED FORCE OF 3,000 LOBBYISTS IN SPRINGFIELD YESTERDAY FAILED TO OVERRIDE ILLINOIS GOVERNOR DAN WALKER'S VETO OF \$81 MILLION IN STATE AID TO CHICAGO SCHOOLS BY A NARROW MARGIN OF 3 VOTES. DALEY AND HIS SUPPORTERS VOWED TO RETURN ON NOV. 3, WHEN DALEY FORCES IN THE STATE LEGISLATURE WILL AGAIN PUT WALKER'S VETO UP FOR A VOTE.

TESTIFYING IN PERSON IN SPRINGFIELD YESTERDAY, DALEY STRESSED THAT MONEY FOR SCHOOLS WAS AVAILABLE, STATING "THERE ARE TWELVE MILLION UNEMPLOYED—WHAT WE MUST DO TO RAISE REVENUE IS OPEN THE FACTORIES AND PUT PEOPLE BACK TO WORK."

TODAY THE CHICAGO SUN-TIMES PORTRAYED DALEY'S EFFORTS YESTERDAY AS THE FIRST SKIRMISH IN A LONG WAR AGAINST WALKER'S AUSTERITY, AND TERMED DALEY'S MOBILIZATION UNPRECEDENTED IN THE STATE'S HISTORY. VICE-PRESIDENT NELSON ROCKEFELLER ENDORSED GOV. WALKER IN A TELEVISED INTERVIEW EARLIER THIS WEEK AS ONE OF FOUR DEMOCRATIC GOVERNORS WHOSE POLICIES HE COMPLETELY AGREED WITH.

NEW JERSEY STATE INSURANCE COMMISSIONER CALLS FOR "LAWS AGAINST MENTICIDE"

OCT. 24 (IPS) — NEW JERSEY STATE COMMISSIONER OF INSURANCE, MR. SHEERAN DECLARED TODAY THAT "WE MUST HAVE NEW LAWS THAT WILL PREVENT THE THEFTS OF MINDS THROUGH FEAR OR BRAINWASHING...THE ORDEAL (THAT MY DAUGHTERS WENT THROUGH) IS MENTICIDE." THE CALL APPEARED IN AN ARTICLE ENTITLED "SHEERAN CALLS FOR LAWS AGAINST BRAINWASHING" IN TODAY'S MORNING STAR LEADER NEWSPAPER. "AN INCREASING DANGER POSED BY KING-CONING ENTITIES SHOULD BE FOUGHT WITH NEW LEGISLATION TO BROADEN THE PROTECTION OF INDIVIDUAL RIGHTS."

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REFERRING TO THE REV. SUN MYUNG MOON AND UNIFICATION CHURCH, A MASSIVELY FUNDED CIA AND INTELLIGENCE-COMMUNITY-RUN BRAINWASHING AND RECRUITING OPERATION, SHEERAN TARGETED "FANATICAL FOREIGN CHURCH LEADERS AND SELF-STYLED TERRORISTS (WHO) ARE USING FEAR AND PEER-PRESSURE TO FORCE YOUNG PEOPLE INTO VIRTUAL SLAVERY, IN WHICH CHILDREN ARE ALIENATED FROM THEIR PARENTS." - SHEERAN'S STATEMENTS AS QUOTED, DID NOT FINGER NELSON ROCKEFELLER OR THE U.S. INTEL-LIGENCE COMMUNITY FOR RESPONSIBILITY, HOWEVER.

III. USLP ORGANIZING REPORT

FORMER SEN. SAM ERVIN UPHOLDS USLP RIGHT TO FAIR ELECTIONS:
VS. FBI HORNETS OPERATION

LORAIN OCT. 24 (IPS) — AT A SPEECH HERE LAST NIGHT, FORMER NORTH CAROLINA SENATOR OF WATERGATE FAME, SAM ERVIN, ASKED BY U.S. LABOR PARTY REPRESENTATIVES TO COMMENT ON THE FBI/CREEP SABOTAGE OF USLP ELECTIONS IN CHARLOTTE THROUGH THE "RED HORNETS", STATED THAT "I DON'T AGREE WITH A LOT THE LABOR PARTY SAYS, BUT THEY CERTAINLY HAVE THE RIGHT" TO FAIR ELECTIONS. ERVIN HAS GAINED A REPUTATION AS AN EXPERT ON CONSTITUTIONAL RIGHTS.

INTELLIGENCE COMMUNITY DISRUPTING U.S LABOR PARTY CAMPAIGNS

OCT. 24 (IPS) — INTELLIGENCE AGENCIES OPERATING IN CANADA AND THE U.S. HAVE INTERVENED DIRECTLY OVER THE LAST FEW DAYS TO DISRUPT CAMPAIGN ORGANIZING OF THE U.S. AND NORTH AMERICAN LABOR PARTIES. ROYAL CANADIAN MOUNTED POLICE YESTERDAY VISITED THE HOME OF NORTH AMERICAN LABOR PARTY MEMBER RICK SAUNDERS IN TORONTO TO ANNOUNCE THAT THEY "KNOW (NALP-ER) CAROLINE PARVIN IS WORKING IL-LEGALLY AND WE CAN PICK HER UP ANYTIME WE WANT." YESTERDAY ALSO, THE SYRACUSE LABOR PARTY RECEIVED A LETTER CONTAINING PICTURES OF LABOR PARTY CAMPAIGN WORKERS GATHERING SIGNATURES DURING THE 1974 PETITION PERIOD. AMONG VARIOUS THREATS AND WARNINGS THE LETTER SAID "THESE ARE JUST A FEW OF THOUSANDS OF FLICKS THAT TRACE YOUR EVERYDAY MOVES... (THESE PICTURES ARE) TAKEN BY, OF ALL PEOPLE, THE OFFICE OF NAVAL INTELLIGENCE FOR THE DEPARTMENT OF JUSTICE."

THE U.S. LABOR PARTY IS PREPARING THIS HARASSMENT FOR FURTHER TESTIMONY BEFORE CONGRESSIONAL HEARINGS OF THE FEDERAL ELECTION COMMISSION.

END OF LATE IPS FOR FRIDAY, OCT. 24, 1975