



# NEW SOLIDARITY International Press Service

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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE (IPS)  
COMBINED NEWS ROUND-UP  
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## I. PRIORITIES

### WALL ST. BANKERS RETREAT: GRANT LOAN GUARANTEE TO ITALY WITHOUT "STRONG GOVERNMENT"

NEW YORK, FEB. 17 (IPS)--INTERNATIONAL BANKING SOURCES REVEALED TODAY THAT THE DECISION TO PROVIDE ITALY WITH 1 BILLION DOLLARS IN LOAN GUARANTEES WAS NOT PREDICATED ON THE FORMATION OF "A STRONG GOVERNMENT." THESE SAME SOURCES HAD PREVIOUSLY PLACED SUCH A STIPULATION ON ALL FUTURE CREDIT ARRANGEMENTS FOR ITALY.

"THE LACK OF A STRONG GOVERNMENT IS NOT REALLY A PROBLEM," A SPOKESMAN FOR THE ITALIAN DESK OF A MAJOR NEW YORK BANK SAID TODAY. "ITALY HAS BEEN RULED FOR THE PAST 30 YEARS NOT BY A STRONG GOVERNMENT BUT BY THE ACQUIESCENCE OF THE LABOR UNIONS AND OTHER POLITICAL PARTIES."

"NOW IF YOU NOTICE THE NEW PLAN THAT THE GOVERNMENT IS COMING OUT WITH NOW," THE SOURCE CONTINUED, REFERRING TO A NEW VERSION OF THE GOVERNMENT AUSTERITY PROGRAM BEING ATTRIBUTED TO THE DE MARTINO WING OF THE ITALIAN SOCIALIST PARTY (PSI), "IT CONTAINS A NUMBER OF 'POPULIST APPEAL' PROPOSALS. IT IS CLEARLY TELLING THE UNIONS, 'NOW LOOK, WE'VE DONE OUR SHARE, NOW YOU DO YOURS.'"

THE PLAN, WHICH IS DIFFERENT FROM THE STRAIGHT AUSTERITY PROGRAM OF PREMIER MORO'S ECONOMIC ADVISOR ANDREATTA, REPORTEDLY CALLS FOR TAXES ON RICH, TAXES ON CORPORATE PROFITS, CAPITAL CONTROLS AND IMPORT RESTRICTIONS.

AT THIS POINT, THE PRECISE CONDITIONS PLACED ON THE 1 BILLION DOLLAR EEC LOAN GUARANTEE HAVE NOT BEEN MADE PUBLIC, NOR HAVE THE CONDITIONS ON EEC BAIL-OUT LOANS TO IRELAND (300 MILLION DOLLARS) AND THE WEST GERMAN CENTRAL BANK, THE BUNDESBANK'S, LOAN TO DENMARK (\$200 MILLION) OF YESTERDAY. SOURCES REPORT THAT CASH WILL BE MADE AVAILABLE TO ITALY UNDER GUARANTEE, NOTING THAT A EUROPEAN BANKING CONSORTIUM IS NOW BEING PUT TOGETHER TO HANDLE IT.

### ITALY TO INCREASE PRICE OF DOMESTIC OIL; MULTIS EXPECTED TO LIFT EMBARGO

FEB. 17 (IPS)--TODAY'S AVANTI, THE ORGAN OF THE ITALIAN SOCIALIST PARTY, REPORTS THAT THE ITALIAN ENERGY MINISTRY OF DONNAT-CATTIN IS NOW CONSIDERING A 5-10 PER CENT INCREASE IN THE PRICE OF DO-

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MESTIC OIL TO COMPENSATE THE OIL MULTINATIONALS FOR THE COLLAPSE OF THE ITALIAN CURRENCY, THE LIRA. AVANTI NOTES THAT ITALY WILL NOT PAY MORE FOR OIL WHILE THE INTERNATIONAL PRICE IS FALLING.

IT IS NOW EXPECTED THAT THE EMBARGO ON SHIPMENTS OF OIL TO ITALY BY THE OIL MULTINATIONALS WILL SOON BE LIFTED IF IT HAS NOT BEEN DONE ALREADY.

IRAN IMPLEMENTS SECOND OIL PRICE REDUCTION IN A WEEK

NEW YORK, FEB. 17 (IPS)—FOLLOWING AN UNPRECEDENTED DECISION TO REDUCE ITS OIL PRICE BY .09 DOLLARS, THE IRANIAN GOVERNMENT ANNOUNCED A FURTHER REDUCTION OF .22 DOLLARS PER BARREL TODAY, ACCORDING TO AN IRANIAN DIPLOMAT HERE. TODAY'S WALL STREET JOURNAL MEANWHILE REPORTS THAT WESTERN OIL COMPANIES HAD SEEN THAT THE FIRST REDUCTION WAS INSUFFICIENT INCENTIVE TO INCREASE IRAN'S REVENUES, WHICH HAVE DROPPED 3 BILLION DOLLARS IN THE LAST YEAR. THE JOURNAL ADDS THAT KUWAIT IS EXPECTED TO ANSWER THE IRANIAN REDUCTION WITH ANOTHER CUT IN THE PRICE OF ITS OIL.

STATE DEPARTMENT: OIL PRICES WILL DROP SHARPLY

FEB. 17 (IPS)—AN OFFICIAL AT THE U.S. STATE DEPARTMENT'S FUELS AND ENERGY OFFICE TODAY PREDICTED THAT A RAPID DROP IN OIL PRICES WOULD OCCUR SHORTLY. THE OFFICIAL ADMITTED THAT, UP TO NOW, THE ONLY THING WHICH HAD BEEN HOLDING UP THE PRICE WAS THE OIL COMPANIES AND THE U.S. GOVERNMENT ITSELF. THE STATE DEPARTMENT VIEWS THE OIL PRICE CUT AS A NECESSARY SOP TO THE WESTERN EUROPEANS, WHO HAVE THUS FAR REFUSED TO ACCEPT U.S. BACKED AUSTERITY PROGRAMS.

PRICE OF OIL TO DROP BY 2 DOLLARS PER BARREL?

WASHINGTON, D.C., FEB. 17 (IPS)—A SPOKESMAN FOR THE REPUBLICAN THINK TANK, THE AMERICAN ENTERPRISE INSTITUTE, PREDICTED TODAY THAT THE WORLD PRICE COULD FALL BY AS MUCH AS 2 DOLLARS PER BARREL, DUE TO PRICE COMPETITION WITHIN THE OIL PRODUCERS' CARTEL, OPEC. THE SOURCE FURTHER STATED THAT THE MAJOR OPPOSITION TO LOWER PRICES IS SAUDI ARABIA, A LONG-STANDING ALLY OF THE ROCKEFELLER-CONTROLLED OIL MULTINATIONALS.

BANKERS PLAN TO COLLAPSE AND CONSOLIDATE EURODOLLAR MARKET

GENEVA, SWITZERLAND, FEB. 17 (IPS)—MAJOR INTERNATIONAL BANKS ARE PREPARING FOR A COLLAPSE OF THE EURODOLLAR MARKET BY PACKING UP OPERATIONS AND SENDING THEM BACK TO THEIR HOME BRANCHES IN NEW YORK, ACCORDING TO AUTHORITATIVE BANKING SOURCES HERE.

AN EXPECTED DROP IN INTERNATIONAL OIL PRICES WILL FORCE ARAB COUNTRIES TO WITHDRAW TENS OF BILLIONS OF DEPOSITS FROM THE INTERNATIONAL BANKS, THREATENING A GENERAL COLLAPSE OF THE EURODOLLAR MARKET. IN RESPONSE, BANKING SOURCES SAY, THE EURODOLLAR BANKS ARE PUTTING THEIR MOST UNCOLLECTABLE LOANS ON THE BOOKS OF THEIR PARENT BRANCHES. ONCE THESE BAD LOANS, PRIMARILY TO THIRD WORLD COUNTRIES, TANKER OPERATORS, AND COMMODITY SPECULATORS, ARE

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RETURNED TO NEW YORK HEAD OFFICES, BANKERS SAY, THE HEAD OFFICES CAN DISCOUNT THE LOANS WITH THE FEDERAL RESERVE.

THE FEDERAL RESERVE PROVIDES EMERGENCY LIQUIDITY TO BANKS BY PURCHASING, OR DISCOUNTING, THEIR LOANS IN RETURN FOR CASH.

INTERNATIONAL BANKING CIRCLES BEGAN DISCUSSING AN EMERGENCY RETRENCHMENT FROM THE EURODOLLAR MARKET IN EARLY DECEMBER, WHEN SENATORS KENNEDY (D-MASS), ABOUREZK (D-S.D.) AND CHURCH (D-IDAHO) BEGAN PUSHING FOR A BREAK-UP OF THE INTERNATIONAL OIL CARTEL AND A DROP IN THE WORLD OIL PRICE.

DALE: AT LEAST MANILA CONFERENCE DIDN'T BACK DEBT MORATORIUM

NEW YORK, FEB. 17 (IPS)--NEW YORK TIMES FINANCIAL COLUMNIST EDWIN DALE TODAY PRAISED THE RESTRAINT DEMONSTRATED BY THE PLAN DRAWN UP BY THIRD WORLD NATIONS AT THE RECENT MANILA MINISTERIAL MEETING OF THE GROUP OF 77 TO "WIDEN THEIR DEBT."

"THE NEW PLAN IS NOT A RADICAL CALL FOR SWEEPING DEBT MORATORIUM AS HAS BEEN SUGGESTED BY SPOKESMEN FOR SOME OF THE POORER COUNTRIES," DALE WRITES. "INSTEAD, ACCORDING TO ONE U.S. OFFICIAL, IT IS A 'VERY MODERATE SET OF PROPOSALS THAT ARE DESIGNED TO BE WORKABLE.'"

DALE REPORTS THAT "A HIGH TREASURY OFFICIAL" TOLD HIM THAT CONGRESS IS LIKELY TO BE "EXTREMELY RELUCTANT" TO AGREE TO DEBT SERVICE CANCELLATIONS OR WAIVERS.

THE PROPOSAL AGREED TO AT THE MANILA MEETING REPRESENTED A SIGNIFICANT COMPROMISE FROM THOSE BACKED BY THE ALGERIANS, PERUVIANS AND OTHERS WHICH CALLED FOR SWEEPING DEBT CANCELLATIONS AND MORATORIA.

DIPLOMATIC SOURCES HERE AND IN EUROPE REPORT THAT A SIMILAR BATTLE ON THE DEBT QUESTION IS NOW TAKING PLACE AT THE CURRENT SESSION OF THE PARIS CONFERENCE ON INTERNATIONAL ECONOMIC COOPERATION.

USLP TESTIMONY AT JEC HEARINGS  
MARKS DEMISE OF HUMPHREY-HAWKINS

BOSTON, FEB. 17 (IPS)--AT THE CONGRESSIONAL JOINT ECONOMIC COMMITTEE HEARINGS ON UNEMPLOYMENT HERE YESTERDAY, U.S. LABOR PARTY NATIONAL COMMITTEE MEMBER LARRY SHERMAN CONFRONTED JEC CHAIRMAN SEN. HUBERT HUMPHREY (D-MINN) ON HIS CRIMINAL SPONSORSHIP OF THE HUMPHREY-HAWKINS SLAVE LABOR BILL: "HAVE YOU EVER HEARD OF (NAZI FINANCE MINISTER) HJALMAR SCHACHT? DO YOU KNOW THAT YOU ADVOCATE SCHACHTIAN POLICIES?" THE SENATOR COULD ONLY DUMBLY NOD AFFIRMATIVELY.

SHERMAN'S TESTIMONY DEVELOPED THE INTERNATIONAL IMPLICATIONS OF THE FOREIGN AND DOMESTIC POLICIES ADVOCATED BY HUMPHREY AND FELLOW SENATOR AND COMMITTEE MEMBER EDWARD KENNEDY (D-MASS) AND THE ALTERNATIVE POLICIES POSED BY THE USLP IN THE EMERGENCY EM-

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PLOYMENT ACT AND INTERNATIONAL DEVELOPMENT BANK PROPOSALS. BOXED IN BY USLP-ORGANIZED SUPPORT FOR THE EEA, NOT ONE TRADE UNION SPOKESMAN OR LABOR REPRESENTATIVE SHOWED UP TO SUPPORT HUMPHREY-HAWKINS.

IN HER TESTIMONY, MASSACHUSETTS CONGRESSWOMAN MARGARET HECKLER CHARGED THAT THE PROPOSED PUBLIC WORKS PROPOSAL WAS "SUICIDALLY SHORT-TERM." LONG-TERM PROGRAMS ARE NEEDED TO "REVITALIZE INDUSTRY IN THE MASSACHUSETTS AREA." SHE WAS FOLLOWED BY LIEUTENANT GOVERNOR THOMAS O'NEIL, WHO PURCHASED AN EEA PAMPHLET FOLLOWING HIS LUKEWARM ENDORSEMENT OF PUBLIC WORKS. A GROUP OF SCIENTISTS AND ENGINEERS FROM GENERAL DYNAMICS AND BOEING ECHOED CALLS FOR CAPITAL INTENSIVE INVESTMENT AS THE ONLY BASIS FOR A FULL EMPLOYMENT POLICY.

## II. INTERNATIONAL NEWS

### NIGERIAN STUDENTS DEMONSTRATE AGAINST CIA-ENGINEERED ASSASSINATION

FEB. 17 (IPS)—NIGERIAN STUDENTS GATHERED IN FRONT OF THE U.S. EMBASSY IN THE NIGERIAN CAPITAL OF LAGOS AND MARCHED THROUGH THE CITY DEMONSTRATING AGAINST THE CIA INVOLVEMENT IN THE RECENT COUP ATTEMPT AGAINST THE PRO-DEVELOPMENT NIGERIAN GOVERNMENT. THE ABORTED COUP RESULTED IN THE DEATH OF NIGERIAN PRESIDENT GEN. MUHAMMED. THE STUDENTS, ACCORDING TO TODAY'S NEW YORK TIMES, CARRIED SIGNS SAYING "DOWN WITH THE CIA," "DEATH TO DIMKA" (THE GENERAL SAID TO BE BEHIND THE COUP ATTEMPT), "TO HELL WITH AMERICA AND THEIR AGENTS." A SIMILAR DEMONSTRATION TOOK PLACE FEB. 14, THE DAY AFTER THE COUP, IN FRONT OF THE U.S. CONSULATE IN THE NIGERIAN CITY OF IBADAN.

### PRO-DEVELOPMENT FACTION PULLS SOCIALIST LEADER DE MARTINO TO THEIR SIDE

FEB. 17 (IPS)—FRANCESCO DE MARTINO, THE GENERAL SECRETARY OF THE ITALIAN SOCIALIST PARTY (PSI), ISSUED A STATEMENT FEB. 15 ADVISING THE CHRISTIAN DEMOCRACY (DC)—WHICH IS PRESENTLY PRESIDING OVER A ONE-PARTY MINORITY CABINET—THAT THE PSI WILL BRING DOWN THIS GOVERNMENT, IF THE DC DOES NOT REVAMP ITSELF BY THE TIME OF ITS NATIONAL CONGRESS SCHEDULED FOR MID-MARCH.

DE MARTINO WAS OFFICIALLY THE PERSON RESPONSIBLE FOR THE COLLAPSE OF THE PREVIOUS GOVERNMENT, UNDER THE PRESSURE OF THE PSI PRO-DEVELOPMENT FACTION, LED BY GIACOMO MANCINI, WHICH REJECTED THE AUSTERITY ECONOMIC PROGRAM THAT THAT GOVERNMENT WAS TRYING TO IMPOSE.

END COMBINED IPS PRIORITIES  
TUESDAY 2.17.76