



NEW SOLIDARITY International Press Service

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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE (IPS)
LATE EVENING NEWS ROUND-UP
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I. PRIORITIES

BERLINGUER PLEDGES FEALTY TO NATO IN SPPEECH TO SOVIET PARTY CONGRESS

Feb. 28 (IPS) -- Italian Communist Party General Secretary Enrico Berlinguer yesterday told 5,000 delegates to the 25th Congress of the Communist Party of the Soviet Union "that his party supported Italy's membership in the Atlantic Alliance (NATO), sought cooperation with diverse ideologies at home and favored a 'pluralistic and democratic system'," according to the New York Times today. The Times added that Berlinguer "did not criticize the Soviet Union directly," but ignored the concept of 'proletarian internationalism' which has been stressed by Brezhnev and other speakers at the Congress, and "drew a clearly independent line from Moscow."

ITALIAN PAPER SAYS PCI READY TO ENTER GOVERNMENT

Feb. 28 (IPS) -- Repubblica, an Italian daily linked to Atlanticists FIAT head Gianni Agnelli, indicated today that the Italian Communist Party has proven its qualifications to enter an austerity cabinet by severing its last ties to the Soviet Union. "Berlinguer's speech at the 25th Congress of the CPSU (Communist Party of the Soviet Union) in Moscow, without dramatic overstatement, consummated the party's definitive split from the Soviet Union's leadership. Repubblica adds that "the operation was started many years ago, and it has been a lengthy one: now it is concluded."

WEST GERMAN CHANCELLOR SCHMIDT MOOTS PCI ENTRY INTO ITALIAN GOVERNMENT

Feb. 28 (IPS) -- At a Feb. 25 press conference that was blacked out of the West German press, West German chancellor Helmut Schmidt mooted the possibility of the Italian Communist Party entering the Italian Government. Schmidt stated that "I am not in a position to exclude a priori the eventual granting of new credit to Italy by the Bundesbank after the formation of a government with Communist participation. It will first be necessary "Schmidt explained, "to see how this historical compromise is (more)

realized, which is a hypothetical perspective for the moment."

According to yesterday's Corriere della Sera, Schmidt also said that were the PCI to enter the Italian government in the historical compromise, a NATO intervention could occur. "There are two historical precedents," Schmidt said, "Iceland and Portugal ...A more serious and complex situation was created in Lisbon, but NATO did not lift a finger although it had reasons to be seriously worried. However, it has not been said that in the future NATO will behave in the same way; its attitude will depend on many factors. The final decision will be taken by the various capitals..."

FRENCH SOCIALIST PARTY SPOKESMAN FOR
WHITE COMMUNIST GOVERNMENTS IN EUROPE

Feb. 28 (IPS) -- French Socialist Party political scientist M. Duverger today insisted on the "right" of the pro-NATO French and Italian Communist Parties to participate in their respective governments in a column in today's Le Monde. Criticizing both President Ford and Soviet leader Leonid Brezhnev for opposing this "historical compromise" "for their own reasons", Duverger called on PCF leader George Marchais, PCI head Enrico Berlinguer and Spanish Communist leader Santiago Carrillo to "go the way of Luther in his break with Rome" and declare their own "decisive break" with the "proletarian internationalism of the Soviet Union."

In a warning aimed at the anti-Atlanticist Gaullists who predominate in the French military, Duverger stated that the only way to block the "historical compromise" in Europe would be "to use force...This is called fascism." He added that a military coup against a "white communist" government "would directly violate the North Atlantic Treaty."

GAULLIST THINKTANKER WARNS OF FASCISM
AND WAR IN 1978

Feb. 28 (IPS) -- The president of France's Gaullist-linked Foreign Policy Institute, Louis-Auguste Girault de Coursac, yesterday warned of the threat of fascism and war in Europe by 1978, if Atlanticist control of Europe through NATO is allowed to persist, according to today's L'Humanite. De Coursac coupled this warning with a call for French complete withdrawal from NATO.

Citing the recent speeches by NATO Sec. Gen. Haig and West German Chancellor Helmut Schmidt which opened the door to participation by white communist agents in the governments of Italy and France, de Coursac stated that the "declaration of Schmidt and Haig are the same. We will have a Europe in 1978 which will see the end of liberties and with an important threat of fascism and war which we will be forced to go along with."

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ITALIAN COMMUNIST PARTY PUSHED INTO MINORITY OF ITALIAN UNION MOVEMENT

Feb. 28 (IPS) -- The pro-austerity and agent-led Italian Communist Party, which has had uncontested hegemony over the Italian trade union movement since World War II, has now been pushed into the minority in the trade unions, according to the pro-development financial daily *Il Fiorino*.

In a move which is attributable directly to the organizing of the pro-development Mancini faction of the Socialist Party against the policies espoused by Luciano Lama, a PCI leader and head of the PCI-linked CGIL trade union confederation, the nation's other two major union confederations, CSIL and UIL have declared their opposition to the proposal for "staggered wage increases" advocated by Premier Aldo Moro's fascist economic advisor Nino Andreatta and backed by Lama. *Fiorino* states that the Communist Party was effectively isolated at the exploratory meeting yesterday of the three confederations at which CSIL and UIL announced their stand, and added that the majority line could now be easily approved at the next joint meeting of the leaders of the industrial "category" unions and the confederations March 1-2.

ATLANTICISTS MOVE TO REVIVE MAOIST ALLIANCE

Feb. 28 (IPS) -- Indications from numerous sources confirm that U.S. Atlanticist forces are moving to shore up their alliance with the Maoist regime in Peking as part of a general shift to a confrontationist global posture. The *New York Times* reported today that President Ford will appoint a former Secretary of Defense, Thomas Gates, as the new U.S. chief of the liaison office in Peking, replacing George Bush. Gates is now an investment banker, who has worked with Morgan Guaranty of New York for the past 15 years. He is a close personal friend of Vice-President Nelson Rockefeller.

Atlanticist policy toward China was presented in the *New York Times* today by columnist C.L. Sulzberger who argued that former President Richard Nixon's current trip to China should not be attacked. More important, he insisted, is to realize that "the world's greatest political problem is whether China will remain friendly to the U.S., or, instead, will swing back toward Russian when the post-Mao succession is settled." Sulzberger cited Nixon's trip as valuable in providing information on the current political struggle within China between Chairman Mao tse-Tung's anti-Soviet faction and the pragmatist faction of the late Premier Chou En-lai.

Latest reports from inside China are that wall-posters placed at Peking University are now attacking Chou's deputy, Teng Hsiao-ping, the major target of the current Maoist attacks, by name.

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**CIA USES RED-SCARE TACTICS TO JUSTIFY MILITARY BUILD-UP;
TIMES SAYS SO-CALLED MICROWAVE WARFARE COULD END DETENTE**

Feb. 28 (IPS) -- The CIA released a report yesterday claiming that the Soviet Union spent forty per cent more than the U.S. on defense last year. The report, an eight-page document titled "A Dollar Comparison of Soviet and U.S. Defense Activities, 1965-1975," was presented to the House Armed Services Committee on Friday as part of the CIA's efforts to justify a massive increase in the Defense budget, today's New York Times reports.

At the same time, an editorial in today's New York Times entitled "Moscow Microwaves," urged U.S. retaliation against the Soviets for their alleged use of microwave radiation to jam eavesdropping devices at the U.S. embassy in Moscow, even at the cost of detente. Unless the Soviets halt the use of the radiation, the Times says, "the alternative might be either total evacuation from Moscow of the American Embassy staff or the institution of retaliatory microwave bombardment of Soviet diplomatic installations in this country."

**PRESS REORGANIZED FOR POLICE
STATE CONTROL?**

New York, Feb. 28 (IPS) -- It was learned here today that major network news media in the U.S. are carrying out a massive "reorganization" for controlling news in a way that may virtually approximate quasimilitary censorship. Apprehensive reporters indicated to IPS that they are not at liberty to discuss the nature of these reorganizations; but preliminary data reveals the following:

*At NBC network news, assignment editors no longer handle news intake, as established under previous procedures. All incoming news not from the Associated Press or United Press International wires now goes directly to a newly created news officer called the "coordinator." In a phone conversation with IPS, the "coordinator" operated a telephone monitoring device apparently tape recording the entire conversation. The coordinator then indicated that all news given would be referred to NBC's Washington bureau, and that no further information could be given on decisions for broadcast of information received.

*CBS network news assignment editors indicated likewise that new procedures now eliminate their role in assignment of news for reporting or coverage. All news for network radio and television assignment is now handled directly by the Walter Cronkite TV evening news show producer, Don Lane, or the TV morning news show producer, Dick Reeves.

This strict top-down CIA news regimentation constitutes

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quasi-military takeover of news, eliminating the role of any personnel not directly operating under CIA liaison. It follows immediately on the successful press crackdown test case of CBS reporter Dan Schorr, fired by CBS and under investigation for dissemination of "official secrets."

BROOKINGS SAYS STOCK MARKET BUBBLE
A SPUR TO RECOVERY

Feb. 28 (IPS) -- According to a study by Barry Bosworth of the Brookings institution, the 180-point speculative rise the Dow Jones industrial average since mid-December will provide the basis for credit expansion that will further strengthen the alleged economic recovery in the U.S.

Bosworth estimates that the increase in the Dow translates into 225 billion dollars in additional wealth to stockholders, according to yesterday's New York Times.

The Times states that "though some of this is paper wealth, it is wealth nevertheless," and explains that, according to Bosworth's study, such a "ballooning of wealth" will serve as the basis for the issuance of credit which will spur spending. Based on the "ripple effect" of the increased stock prices, Bosworth's study estimates, consumer spending will rise by 6.8 billion dollars to 11.3 billion dollars, and investment in new plant and equipment will increase an extra 6.5 billion dollars.

Another forecaster interviewed by the Times termed the recovery "simply fantastic so far."

STOCK MARKET HEADING "DOWN THE CHUTE FROM NOW ON"
AMID SIGNS FED TIGHTENS CREDIT TEINS

New York, Feb. 28 (IPS) -- Predicting that the stock market is heading for a downturn, a reliable source at a large New York Bank said that unease shown in the stock and bond markets yesterday was due to signs that the Federal Reserve Bank has decided to turn off the credit spigots. Commenting on the fact that the government securities market dropped 20 to 25 basis points while the Dow Jones Average plummeted 12 points before recovering half its loss at the end of trading yesterday, the source said that traders had interpreted the Federal Reserve's failure to keep the key Fed Funds rate (the interest rate at which the Fed lends to Commercial Banks) from rising from 4 3/4 to 4 7/8 per cent, as a sign that the Fed is tightening up on credit.

The opinion of traders in New York is that "interest rates will be high," he said. "It's down the chute from now on."

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