



NEW SOLIDARITY International Press Service

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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE (IPS)
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I. PRIORITIES

BALL CALLS CORPORATISM SOLUTION TO ECONOMIC CRISIS

CHICAGO, March 3 (IPS)—In a major policy address before the Chicago Council on Foreign Relations here last night, former Undersecretary of State George Ball, a leading representative of the Wall Street financial cabal, praised "corporatism" as the solution to current economic and political crisis in Europe. Emphasizing his point in relation to the current Italian crisis, Ball stated, "If we hadn't already tried fascism, we'd have to try fascism now."

Since the 1950s, the New York investment banker told his audience, "Europe has tended to go in opposite directions from the United States." Britain, Ball indicated, is a notable exception, "it is a model in developing a new corporatism." He praised the British corporatism for having accomplished "the consolidation and rationalization" of industry.

France and Italy, Ball stated, are now "our two greatest problems." He predicted, however, that the French Communist Party would be in the government by 1978 and the Italian Communist Party would enter a government coalition "within the next few months." The PCI, he indicated, was a far better force to carry out programs of "discipline" (austerity) than the Christian Democracy, which Ball described as being "corrupt." He called upon the U.S. Security and Exchange Commission to disclose whatever incriminating information that it had on the Italian DC—in the interests of justice.

Ball however expressed some uncertainty over the policy that he was proposing. He attacked the Helsinki Collective Security Pact as "giving the Soviet Union legitimacy....We have created problems by a policy of detente....Detente has given the (western) Communist Parties credibility." Under such circumstances, as now exist, what are the implications of a PCI government, he asked. When they get voted out, will they leave peacefully?

Answering his own questions, Ball recommended a policy that would politically, militarily and economically integrate all of Western Europe into NATO. This, he indicated, would prevent PCI and PCF governments from turning too far leftward in response to their working-class base.

**BANKERS FORCED TO ROLL OVER ARGENTINIAN DEBT,
AS POPULATION RESISTS IMF AUSTERITY**

NEW YORK, March 3 (IPS)—Chase Manhattan spokesmen today denied recent London Financial Times reports that the bank was seeking out other banks for a consortium loan to retire some 33 million dollars of the bankrupt Argentine central bank's unpayable debts coming due this week. "There is no consortium; hell, there have been no new credits for the last six months," the source stated. "We're just rolling them over, every bank is." Argentina's outstanding debt exceeds 3 billion dollars.

The Argentine central bank is currently negotiating a 360 million dollar International Monetary Fund loan which carries stipulations for a 50 per cent currency devaluation, drastic import cuts and a near total shut-off in industrial development in favor of labor-intensive agriculture. If the loan comes through, some debts may be repaid, the Chase source indicated, but "the situation is very tough. The unions and the general political resistance to austerity measures make it totally unpredictable whether the government can accept the loan. They are already printing money to pay municipal salaries." High Economics Ministry officials are reportedly meeting with the IMF in Washington.

When asked what would happen if the loan cannot be put through, the source replied, "Well, unilateral debt moratorium has been a real fear for the past six months and it is even more of a fear now."

**JOURNAL OF COMMERCE REPORTS
KEY PAKISTAN CREDIT INSTITUTIONS "COMPLETELY BANKRUPT"**

March 3 (IPS)—The Pakistan Industrial Credit and Investment Corporation (PICIC) and the Industrial Bank of Pakistan (IBP) are "completely bankrupt," today's Journal of Commerce reports. The bankruptcy of the two institutions, which authorize requests for foreign exchange to finance projects in the private and public sectors of the economy, has already produced financial chaos within Pakistan. The announcement of at least 150 million rupees (22 million dollars) shortfall in the Industrial Bank of Pakistan was immediately followed by the report that the government is unable to finance 50 pending industrial projects involving foreign currency loans. Additional loan equivalents of another 500 million rupees (approximately 73 million dollars) for the projects are required immediately.

The Journal reports that the cut-off of investment capital caused by the banking collapse is expected to exacerbate an already serious breakdown crisis in Pakistan. The economic growth has slowed down drastically from a 7.6 per cent figure in 1972-73 to a mere 2.6 per cent rate in 1974-75. Deficit financing in the budget of the current fiscal year (to end June 1976) is reported to be around 1 billion rupees, according to the Pakistan Finance Minister Mohammed Hanif. "Top banking circles estimate the deficit financing up to June 13 will be around 4.5 billion rupees," the Journal reports.

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BANKERS PREDICT FALL OF GOVERNMENTS OF ZAIRE, ZAMBIA

NEW YORK, March 3 (IPS)—Banking sources here predicted today that attempts to enforce International Monetary Fund (IMF) dictated austerity conditions for emerging bail-out loans to Zambia and Zaire will topple governments of both countries within the next six months. Both governments are currently regarded as pro-American.

The foreign reserves of the countries dropped to zero by last September, the sources reported, forcing both countries to withdraw all of their IMF assets. By the end of September, Zambia had only one month and three days left of financial capacity with which to import goods, while Zaire had only three days left. The sources indicated imports were subsequently cut off until the IMF guaranteed a limited credit line under forced austerity conditions.

Both countries have had their sole export, copper, bottlenecked by transit problems while its price collapsed on the London metals exchange. This has forced the shutting down of some of their copper mines, the sources said.

GEORGE BALL PREPARING SUIT AGAINST NIGERIA

March 3 (IPS)—The government of Nigeria is being sued by the East-Europe Import and Export Company in a case being prepared for the World Court by Wall Street investment banker George Ball, according to unconfirmed reports from sources close to Secretary of State Henry Kissinger. The case involves 14 million dollars in cement contracts which were cancelled by Nigeria as part of its clearing a shipping back-up in the port of Lagos last fall. Activity in the port had been brought to a standstill as a result of a glut of cement over-deliveries.

The sources report that the Nigerian and European middlemen who negotiated the contracts knowingly arranged duplication and unnecessarily large orders which produced the glut. The sources also confirmed Nigerian government claims that unusable goods, as well as empty or severely damaged ships were dispatched to Nigeria to accumulate demurrage payments during the height of the Lagos port crisis.

MOZAMBIQUE IN STATE OF WAR WITH RHODESIA, WEST GERMAN RADIO REPORTS

March 3 (IPS)—The President of Mozambique, Samora Machel, today ordered the sealing of his country's borders with Rhodesia and is reported to have declared in a radio broadcast that Mozambique is "now in a state of war with Rhodesia." West German radio reports that all Rhodesian property in Mozambique has been seized by the government.

BANKERS CONTRADICT PERUVIAN GOVERNMENT REPORT OF HALF BILLION DOLLARS IN LOANS

March 3 (IPS)—Conversations with leading New York and Washington bankers today contradicted recent statements by the Peruvian gov-

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ernment that it had obtained half a billion dollars in loans from these banks.

An International Monetary Fund official commented that since the March 1 Wall Street Journal had quoted Peruvian National Bank manager Alvaro Meneses as boasting he had been able to renew 500 million dollars in loans while on a brief New York visit, "we've had lots of calls, but are still not at all clear what Meneses was referring to." The same expert said that Peru would find doors closed at U.S. banks "until the dust settles on the January package" of austerity measures. Several other bankers assured that "all Meneses got was a luncheon in his honor at Manny Hanny (Manufacturers Hanover Bank)."

One banker ran off a long list of radical "attitude changes" which the Peruvian government would have to make before they received any long-term project loans from banks. To prove his point, he laughed that the Peruvians "were expecting Henry the K (Kissinger-ed.) to come with bags of money, but...they can't even roll over their debts."

Most banking sources agreed that Peru will still be able to finance some imports through short-term credits at 15-18 per cent interest, double normal loan rates.

HOUSE ETHICS COMMITTEE PREPARES FOR CONGRESSIONAL WITCHHUNT, HIRES "EX"-FBI AGENT

March 3 (IPS)—Moving off the broad mandate to investigate the leak of the House Intelligence Committee report of CIA activities given it by an overwhelming House vote two weeks ago, the House Ethics Committee yesterday requested a 350,000 dollar appropriation and 20 staff members to conduct the investigation. It announced that former FBI agent David Bowers will head the investigative team. Bowers retired from the FBI last Friday after spending the last 25 years of his service to the agency "assigned to Capitol Hill." The House voted today to give the Committee wide-ranging subpoena powers by the incredible margin of 321 to 85.

AIDES TO ETHICS COMMITTEE REPORT CONGRESS TO BE TARGET OF ITS PROBE

March 3 (IPS)—An aide to the House Ethics Committee said today that the investigators "would not be particularly interested" in CBS news correspondent Daniel Schorr, who has admitted providing a copy of the intelligence report to the New York weekly, the Village Voice, but would instead focus on determining who in Congress leaked the report.

Another Ethics Committee aide, when asked why the Committee needed 350,000 dollars for the investigation, replied, "Well, there are so many people to investigate. There were a lot of staffers on the Pike Committee. Unfortunately the person who leaked it isn't going to stand up and plead guilty." He called today's vote giving the Committee broad subpoena powers a "reasonable vote from Congress—for a change."

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