



NEW SOLIDARITY International Press Service

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COMBINED ISSUE
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I. PRIORITIES

CONGRESSIONAL AIDE SEES SOVIET INTERVENTION IN MIDDLE EAST AS WAY TO CREATE HAWK ATMOSPHERE ON CAPITOL HILL

WASHINGTON, D.C., March 31 (IPS)--An advisor to the Senate Armed Service Committee on strategic military policy said today that if the Soviet Union made an open intervention into the Lebanese crisis, "we (U.S.) would be able to reverse the mood created on the Hill by the Angolan developments." The advisor pointed out, however that he was opposed to "direct or indirect American use of force in the Middle East." In discussion of implications of the factional situation in Syria for U.S. policy, the advisor agreed "Syria can't be counted on" to intervene in Lebanon on behalf of the U.S.

02

STATE DEPARTMENT ADMITS THAT THE U.S. MUST ACCEPT STRATEGIC LOSS OF LEBANON

WASHINGTON, D.C., March 31 (IPS)--A spokesman for the U.S. State Department said today that the U.S. had no military policy to prevent a leftist takeover in Lebanon. "From the perspective of the United States, the spokesman said, it is better to let the Lebanese Civil War run its course even if it means a takeover by the Lebanese left...leading to a leftist-Muslim dominated government." The only other alternative, he stressed would be a full-scale Syrian military intervention. This, however, carries with it the threat of Israeli reprisal "leading to a full-scale war" -- which the U.S. does not want to risk, the spokesman said.

03

WASHINGTON POST PUSHES SONNENFELDT DOCTRINE

March 31 (IPS)--In a news analysis datelined Paris, Washington Post columnist James Hoagland alleges that both the U.S. and Soviet Union, despite disclaimers to the contrary, will agree to carve up Europe into "spheres of influence." The U.S. is reportedly delighted that the 1968 Dubcek experiment in Czechoslovakia was terminated before "it could bestow credibility on the West European Communists," according to Hoagland, and will not intervene in Eastern Europe in the future.

The Soviets are equally reluctant to intervene in Western Europe,

Hoagland maintains. "It would not be new for the Soviets to sacrifice local parties (e.g. French or Italian Communist Parties) in favor of larger Soviet aims. They formed their alliance with Egypt's Gamal Abdel Nasser while he was ruthlessly breaking the Egyptian Communist Party, and have remained silent during similar experiences in Syria and Iraq." Both the superpowers prefer a calm status quo, Hoagland concludes hopefully.

04

STATE AND TREASURY BRAINWASH HOUSE WITH "SAFETY NET"

WASHINGTON, D.C., March 31 (IPS)--A source close to the House Banking Committee said today that the Treasury and State Departments were making a joint and intensive effort to mobilize House support for the so-called "safety net," the 23 billion dollar fund proposed by Secretary of State Kissinger and Treasury Secretary Simon to "bailout" bankrupt West European nations. State and Treasury are holding daily briefings of House Banking and Currency staffers to "explain" the net as an "insurance policy" which "will never have to be used." The source reported that the U.S. would never use the safety net because it would mean "signing the nation's sovereignty away." It is likely, he added, that Europe would not use it either, because of the stringent austerity statutes imposed upon a borrower nation. He predicted that the measure will not go through the House without open hearings by the Banking Committee, but indicated that the State-Treasury sessions were rounding up support needed to secure its passage.

05

HUMPHREY-HAWKINS REJECTED BY HOUSE BUDGET COMMITTEE

WASHINGTON, D.C., March 31 (IPS)--By a vote of 12 to 11, the House Budget Committee yesterday rejected the Humphrey-Hawkins Full Employment and Balanced Growth Act of 1976, citing the bill's "hyper-inflationary aspects." Sponsors of the bill had expected its easy passage by the committee.

A knowledgeable source in Washington revealed today that the authors of the bill will meet this week with economists from the Brookings Institution to draft amendments to eliminate inflationary "bread and butter" issues from the bill.

06

BIG MAC'S ROHATYN: THERE'S NO MONETARY SYSTEM, SO WE MUST BUST THE UNIONS

NEW YORK, March 31 (IPS)--An aide of Municipal Assistance Corporation chairman Felix Rohatyn summarized the perspective of the MAC chairman on the present international, national and local developments as follows:

"We don't have a monetary system. This Thursday and Friday (at the meeting of EEC finance ministers in Luxembourg) we won't

get anywhere. The West Germans and the French won't buy our "safety net", nor will the Germans allow a fixed parity system with restructured parities that will hurt their trade. We have a problem and we've got to solve it. The only way available under the circumstances is confrontation with labor. We've no choice. We're quite right to be worried about hyperinflation if we go along with any Humphrey-Hawkins (full employment-slave labor) type programs. The critical thing is keep wages low...then maybe we've got a chance. There's no money and somebody down the pike has to bear the consequences.

"Specifically on the U.S., we've got no choice but to bust unions and break strikes. Once that's done we can try to sneak ICNEP (the fascist national planning proposal named after its originators the Initiative Committee for National Planning—Ed.) through the back door. Last time we blew it by giving it too darn much publicity. Also (president) Ford's honeymoon was much shorter than we'd expected. So the way to do it is set precedent with labor and then get ICNEP going.

"On the New York Transit Workers' strike, well, we've got an injunction out. If they decide to go ahead any way Ted Kheel (labor mediator and New York trade union controller) will settle the thing with a package that will say 'Look guys, if you want a 10 per cent increase, we'll give it to you. How about taking a 20 per cent increase two years from now.'"

Then addressing himself to the U.S. Labor Party's analysis of the present conjuncture, the Rohatyn aide said, "Yes, yes, we know your International Development Bank solution is the one that will avoid the confrontation approach...You are right about a worker upsurge and mass strike. It's the debt moratorium everybody wants to avoid. Otherwise, your approach is OK, just the debt moratorium...well, the bankers won't go along with that."

07

SCHAPP SETS PACE FOR EMERGENCY MILITARIZATION

HARRISBURG, PA., March 31 (IPS)--Pennsylvania Governor Milton Schapp in a special press conference yesterday, announced that he was for a total militarization of his state in the event of a nationwide teamster's strike tonight. Schapp reported that a special Emergency Operations Center has been created to act as a central coordination point, under the supervision of the state Attorney General and the Lieutenant Governor. It will control the activities of the State Police, the National Guard, the State Council of Civil Defense -- all of the personnel of which have been separately notified to prepare for 24-hour a day. Personnel on active duty civil defense work have been undergoing "familiarization procedures for emergency operation" Schapp reported, and have added communications facilities, in the form of phone lines and radios installed.

Schapp, who in 1974 ordered the National Guard to line Pennsylvania highways during an independent truckers strike, said

that the full weight of the entire state apparatus was available to deal with any situation "which local officials judge themselves unable to cope with."

INJUNCTION ISSUED AGAINST TRANSIT STRIKE AS TALKS NEAR STRIKE DEADLINE

NEW YORK, March 31 (IPS)—The negotiations between the transport workers union and the Transit Authority remained deadlocked late today as the midnight contract deadline approached. The Transit Workers Union, which has held firm to demands for a wage increase and rejected Transit Authority proposals for wage indexation to productivity, will walk off the job at 5 AM tomorrow if no contract is reached, their first strike since 1966.

The State Supreme Court issued an injunction today under the New York Taylor law which forbids strikes by municipal workers. TWU President Matthew Guinan, at a press conference early this afternoon, responded to the injunction by charging that there is "not a judge in history to come up with the money for a contract settlement...what the court does is not necessarily what we do." Guinan reiterated the union's intention "to back the bosses to the wall" in order to get a wage increase.

OPEN REVOLT OF LEGISLATORS DAY BEFORE NEW YORK STATE ISSUES BORROWING PROSPECTUS

ALBANY, N.Y., March 31 (IPS)—Legislative offices in Albany indicate that both houses of the Legislature are set to override Governor Carey's vetoes of the state school aid formula bill and the Stavisky bill; the override of the latter by the Democratic-controlled Assembly is expected tonight. The bill, sponsored by Assemblyman Stavisky (D-Queens), would require New York City to spend at least 20 per cent of its budget on education and would represent the first countermand by the Legislature of its creation, the Emergency Financial Control Board, the body that runs New York City. The override of the Governor's veto would be the first such action by a New York State Legislature.

Simultaneously, the Republicans in the Senate including majority leader Warren Anderson have vowed to override Carey's sudden veto of the school aid formula—traditionally the key election issue for the upstate and Nassau County Republicans. Assembly Minority Leader Perry Duryea (R-Montauk) responded with "This is the biggest con job in the history of the state," according to today's New York Post.

Carey announced yesterday that new computer projections made by the state Department of Education showed that the formula called for 42 million dollars more in state aid to local school districts than the 116 million dollars budgeted for. Carey said he had to veto the bill in order to sign the State's prospectus today, a prospectus which shows a "credibly" balanced budget.

"The Senate will move to override this veto as the first order of business as soon as the Governor returns the school aid bill to us," Anderson said.

Against the background of this open revolt by the legislature, the state is issuing its prospectus and embarking on a 3.6 billion dollar borrowing drive—the largest and most critical in its history.

In another surprise, the prospectus shows that lower than expected receipts from the newly imposed bank tax—which could throw the state's budget out of balance by as much as 180 million dollars in fiscal 1977—would be compensated for by delaying state income tax refunds until the next fiscal year.

IMF DEMANDS ITALIAN GOV'T SUSPEND COL CLAUSES

March 31 (IPS)—The International Monetary Fund (IMF) has demanded that the Italian government suspend for six months cost-of-living increases in workers' contracts as one of the stipulations for a loan guarantee now being negotiated with Italian authorities. Today's respected Italian newspaper Il Giornale reports that the letter of intent signed by the IMF and representatives of the Italian government "spelled out conditions" under which the 530 million dollar emergency loan would be granted. These conditions, the paper reports, which included the abrogation of the workers COL contract clauses, were "dictated in full by the IMF to Italian authorities. Three days ago, Bank of Italy Governor Baffi told a meeting of Italian financial ministers that it would be necessary to do away with COL clauses in workers contracts.

ITALIAN RAIL WORKERS WARN GOV'T NOT TO TOUCH COL CLAUSES

March 31 (IPS)—The leadership of the railworkers unions of all three Italian trade union confederations have warned the government that they will not tolerate "the suspension or modification" of the cost-of-living clauses in their contracts. The unions indicated that they would be willing to go as far as paralyzing the country in a strike if the government goes ahead with its plans to abrogate COL clauses. The railworkers' warning was widely reported today in the Italian press.

TWO MILLION WORKERS STRIKE IN JAPAN

March 31 (IPS)—A 24-hour strike involving 2 million workers from both the public and private sector virtually shut down Japan's economy yesterday, today's New York Times reports. The strike involved workers from the transportation sector, communications, medical, mining and harbors, all demanding a 16.5 per cent wage increase for the present spring labor negotiations. Japanese Transport Minister Kimura estimated that 33.4

million people were affected by the strike. Labor unions in numerous industries have announced dates for strikes and walk-outs throughout the months of April and May unless their demands are met by the employers associations.

SWEDISH FOREIGN MINISTER WARNS OF MIDDLE EAST NUCLEAR WAR

STOCKHOLM, March 31 (IPS)-- In a speech before the national Parliament here yesterday, Sweden's Foreign Minister Andersen warned that the "Middle East is the greatest crisis spot in the world at the moment and there is a great possibility of large-scale war with modern weapons in the area." Given the conflicting U.S.-Soviet interests in the area, Andersen insisted, there is a growing possibility of a general thermonuclear war. The speech was widely reported in the press here.

TITO ARRIVES IN SWEDEN

STOCKHOLM, March 31 (IPS) — Yugoslav President Tito arrived here March 29 for talks with Swedish government officials.

SOVIET AMBASSADOR TO FRANCE SAYS SOVIETS ARE "WORRIED" ABOUT DEVELOPMENTS IN LEBANON

March 31 (IPS)--The Soviet Ambassador to France, S. Chervonenko, said in a speech yesterday that the Soviet Union is "very worried about the explosive situation which reigns today in Lebanon," today's L'Humanite, the paper of the French Communist Party, reports. Chervonenko was speaking before the International Diplomatic Academy in Paris.

LEADING US JOURNALIST SAYS SYRIA CANNOT MILITARILY INTERVENE INTO LEBANON

WASHINGTON, D.C., March 31 (IPS)-- Secretary of State Henry Kissinger has been unable to acquire guarantees from Israel that it would not militarily react if Syria were to launch an invasion into Lebanon, a leading East Coast journalist said in an interview today. Failure to gain such guarantees, the journalist said, makes Syrian military deployment into Lebanon to stop the left impossible. He stressed that the "only option left for Kissinger" is to try "to convince Israel not to react" if Syria deploys additional troops disguised as the Palestinian Liberation Army into Lebanon to pressure the "left to accept a ceasefire." "If this doesn't work, then there is nothing else the U.S. can do," with no military option remaining, the journalist stated.

THINK TANKER: U.S. MUST ACCEPT LOSS OF LEBANON

WASHINGTON, D.C., March 31 (IPS)--An official from the Center for Defense Information here said today that given the present world situation, "The U.S. will just have to swallow the loss of Lebanon."

TIMES CHARGES IRAQ READY TO INTERVENE IN LEBANON IF SYRIA DOES

March 31 (IPS)--Iraq is prepared to intervene militarily in Lebanon in the event of a U.S. State Department-backed Syrian invasion today's New York Times reports. Kemal Jumblatt, Lebanese leftist leader, and Yasir Arafat, leader of the Palestine Liberation Organization, received an Iraqi commitment to aid the Lebanese left prior to their meeting last week with U.S. puppet and Syrian President Hafez Assad, the Times says. Citing "intelligence sources in Washington, the Times reports that Iraq "promised to send airborne units to help the Moslem-leftist alliance in Lebanon and to send army units across the Syrian-Iraqi border if the Syrian Army became substantially involved in the Lebanese situation."

According to the Times interpretation, Iraq's pledge to intervene militarily into Lebanon is to be intended more as a "deterrent" against Syrian intervention in Lebanon than a "plan of action."

RIGHT WING SPOKESMAN SAYS U.S. SHOULD GET OUT OF LEBANON

WASHINGTON, D.C., March 31 (IPS)--A spokesman for the right-wing American Security Council said today that the only realistic option that the United States has in the present Lebanese situation "is pick up and evacuate American citizens." He indicated that he would not support a confrontation with the Soviet Union over Lebanon "under the present strategic situation."

CONGRESS RESPONDS TO LEBANESE CRISIS

WASHINGTON, D.C., March 31 (IPS)--The offices here of Senators Alan Cranston (D-Calif) and Joseph Biden (D-Del) said today that the crisis in Lebanon will be the subject of hearings of the Senate Foreign Relations Committee tomorrow afternoon when it takes up the question of U.S. arms sales to the Mideast. An aide to Senator Biden added that the situation in Lebanon was "verging on anarchy...it's totally out of hand." The aide also strongly criticized Secretary of State Henry Kissinger's policy in the Mideast as blocking peace efforts. "Kissinger's interested in avoiding a Geneva conference," the aide said, "because he doesn't want to let it get in the way of his step-by-step diplomacy."