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RAND MILITARY EXPERT SEES RIGHT VIOLENCE IN RESPONSE TO ECHEVERRIA

WASHINGTON, D.C. April 7 (IPS)-- A military specialist at the California-based RAND corporation today indicated in an interview that "it's not going to be a peaceful period in Mexico this year." The RAND spokesman said that the right should respond to Mexican President Luis Echeverria's April 1 speech branding the rightwing Monterrey industrialist group as "fascist," "First with capital flight, then with violence."

Asked about the possibilities for Mexican dictatorship modeled after Gen. Pinochet's in Chile, the RAND expert indicated there was a chance of a coup attempt, but said he was pessimistic that it would succeed. "The right wing may find an individual but he probably wouldn't have an institutional base like Pinochet had," he said.

ECHEVERRIA REITERATES ATTACK ON RIGHT

April 7 (IPS)-- Mexican President Luis Echeverria delivered a second strong attack on the right-wing forces of the so-called Monterrey group, warning that "we must not be divided by violence." Speaking two days ago before students and faculty of the University of Nuevo Leon who were meeting at Echeverria's official Mexico City residence. Echeverria explicitly labelled the Monterrey group's "developmentism" (the Brazilian model) "closed, anachronistic, unfeeling and stubborn." It is imperative, Echeverria said, to follow a "policy of cooperation for shared development." This must be done, he warned, "before there are social explosions of unforeseeable consequences." The "closed structures" of the Monterrey group "will be broken by the...pressure of countryside, the city, or the institutions of culture..."

Echeverria's speech was reported in full in the April 6 Mexican daily El Dia.

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SITUATION TENSE FOLLOWING PROVOCATION LAND OCCUPATION IN MEXICO

CIUDAD OBREGON, SONORA, MEXICO, April 7 (IPS)--Late local press reports today indicate that some 2,000 Mexican army troops continue to surround an equal number of peasants who invaded a 400-hectare tract near this northwest Mexican city three days ago. These same sources report the governor of the state has left for the site of the invasion to personally mediate the conflict, and that Mexican President Luis Echeverria has taken measures to ensure that the area's wheat harvest, threatened by the occupation, be continued.

The local press indicated that the invaders are holding two government agrarian officials hostage, and that the invaders are well-armed and are coordinating their activities with walkie-talkies.

The major peasant organizations of the state have disavowed that any of their members are involved in the takeover. The invaders themselves have not identified themselves. In the past week, the leaders of the local peasant groups made highly unusual visits to all the local press to declare they were not connected to any land invasions in the region. Their action came as local and national peasant spokesmen accused right-wing groups of provoking invasions themselves as justification for subsequent police or vigilante repression.

MEXICAN OIL WORKERS PROPOSE SOLUTION FOR RIGHTWING DESTABILIZATION PLOTS

April 7 (IPS)--The rightwing industrialists' groups of Monterrey, Mexico "who are using surplus value and subsidies to carry out subversive campaigns which tend to undermine every government action...should keep in mind...the 'hill of the bells,' where the Mexican people carry out justice (i.e. execute) on those who betray the fatherland of Juarez," warned a representative of the Revolutionary Unity Group of oil workers in a speech delivered three days ago. On April 1, President Luis Echeverria attacked the rightwing coup plots being hatched in the leading industrial city of Monterrey.

The "hill of the bells" was the site of the execution of the Hapsburg Emperor Maximilian in 1877 under orders of then President Benito Juarez. The workers contrasted this hill to the "Chipilingue hill" in Monterrey where the right wing held its meeting last month and noted that they supported "nationalist industrialists but not those cloistered in the Chipilingue hill."

The speech by the representative of oil workers was made in the presence of the ruling PPI Presidential candidate Jose Lopez Portillo during a tour of the Gulf coast city of Tamaulipas. The statements were reported April 5 in the leading Mexico City daily, El Dia.

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CHILE SEEKS U.S. ARMS AGAINST "PERU THREAT"

WASHINGTON, D.C., April 7 (IPS)--A Capitol Hill source close to a delegation of U.S. Congressmen who just returned from a visit to Chile said today that the Congressmen, Rep. Tobey Moffet (D-Mass), Tom Harkin (D-Iowa), and George Miller (D-Cal), were told that the Chilean junta is lobbying for military aid from the United States on the basis of the Peruvian threat. The fact that hostilities with Peru are an active consideration in the thinking of the Chilean junta is seen as an indication of the danger of implementation of the RAND Corporation's "War of the Pacific" Latin American conflict, which calls for conflict between Peru and Chile.

COLOMBIAN COMMUNIST PARTY FORMED BROAD FRONT TO DEFEND THE DEMOCRATIC LIBERTIES OF THE COLOMBIAN POPULATION

April 7 (IPS)--The Colombian Communist Party (PCC) announced today in Bogota that they are forming a broad front of leftists, Christian Democrats, liberals, and independent figures "to defend the democratic liberties" of the Colombian population, according to a Prensa Latina dispatch of April 7. Last March 30, the executive Committee of the PCC published an open declaration warning of how the ultra right-wing military sectors are "pressuring for an Argentine-style solution" for Colombia.

This PCC-led front will soon publish an open letter to the Colombian government denouncing the latest military repressive actions against students and striking workers, and urging the population to join the struggle to defend the democratic liberties in the country.

HARRIMAN-LINKED BANK SAYS ARGENTINA, ZAIRE ARE MODELS FOR THIRD WORLD DEBT PROBLEMS

NEW YORK, April 7 (IPS)--"Third World countries without the ability to pay their debts will have to fend for themselves, as Argentina and Zaire have done," a top Latin America officer at a leading Harriman-linked bank said today.

He admitted that "nobody in Europe is buying economic austerity plans now. It's the same in the U.S.; no one, not politicians, certainly not the left, is buying it."

"Of course many banks such as Citibank can't just pull out of places like Argentina--they are so far loaned in there that they'd lose their shirts," the bank spokesman said. "Certainly, Argentina has already had a moratorium on some 2 or 3 billion dollars in debts which came due last summer. It's being rolled over on a 180-day basis. The banks just have to continue pumping it in. Zaire, same thing."

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U.S., EUROPEAN CENTRAL BANKS TO BAIL OUT NEW YORK BANKS' BAD THIRD WORLD LOANS

NEW YORK, April 7 (IPS)--U.S. and European commercial banks will be able to retire their billions in bad Third World debt by borrowing from the Federal Reserve and other central banks, according to a New York banking source involved in the African debt crisis. The source said that banks holding bad Third World loans are further expecting government bailouts of these countries under austerity conditions and that for this reason they are not considering debt moratorium.

"The banks can refinance debts coming due in 1976, 1977 by discounting these debts at the Federal Reserve," said the source. "Then it's no problem, they retire the loans into long-term loans," using taxpayers' money. "The commercial banks take no more than a 10 per cent risk in these loans," he continued. "And they have begun to do this already. Indonesia, for example, defaulted on 1.5 billion dollars in May; the loans were discounted, and the banks issued the Indonesians new five-year loans with the money."

The source said that for this Federal Reserve practice not to be hyperinflationary, "much higher productivity in the U.S. will be needed."

WEST GERMAN BANKER PLEAS FOR ACTION ON DEBT CRISIS

NEW YORK, April 7 (IPS)--Dr. Kurt Richebaecher, executive manager of the Dresdner Bank, one of the largest West German banks, warned in a recent speech here that the Third World debt crisis will collapse the exports upon which many industrialized countries are heavily dependent. The consequence of such a trade collapse, Richebaecher said, would be "unparalleled financial distress" in the advanced sector, particularly in Britain, France, Italy, Belgium, and the Netherlands, forcing these countries to adopt austerity measures. Richebaecher believes this crisis will be detonated in the near future as international banks slow down their lending to the Third World based on their knowledge that the loans can never be fully repaid. He also predicted that some Third World countries will unilaterally declare debt moratoria.

Richebaecher addressed these points to a gathering of U.S. corporate money managers and commercial bank officers at a meeting in New York last week sponsored by ABO Securities, a Dresdner Bank subsidiary.

PERES PUSHES RIGHT-WING CONFRONTATION IN ISRAEL, IS ATTACKED BY LEFTIST MINISTERS

April 7 (IPS)--Israeli Defense Minister Shimon Peres, a leading Israeli hawk, has extended explicit support to a planned march by religious fanatics of the "Gush Emunim" expansionist movement toward the West Bank area on April 18, West Germany's Sueddeutsche

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Zeitung reports today. The march is expected to exacerbate the weeks-long tension in the Israeli-occupied area.

In a policy speech in the city of Haifa, Peres further called for Israeli collusion with the right-wing Jordanian regime of King Hussein in forming a "confederation" in the West Bank, as a means of undercutting the growing unrest in the area.

According to Zeitung reporter Manfred Schroeder, Peres has been sharply attacked by left-wing government ministers, who criticized the entirety of Israeli government policy toward the Arab residents in the West Bank and in Israel itself.

FORD ADMINISTRATION ADMITS SYRIAN INTERVENTION INTO LEBANON COULD LEAD TO WAR

April 7 (IPS)--The Ford Administration concluded that a major Syrian armed intervention into Lebanon would provoke an Israeli invasion to keep southern Lebanon out of Syrian control, syndicated columnists Evans and Novak write today. This would raise "the ominous specter of another Mideast war," the columnists report.

Evans and Novak note that the mission of U.S. special envoy L. Dean Brown to Lebanon is the last chance the U.S. has to find a solution to the Lebanese crisis. If his mission fails, Evans and Novak report, the entire region will be closer to a "general conflict" since any time since 1973, "with no sure way to avoid it."

SYRIAN AND ISRAELI GUN BOATS PATROL LEBANESE COAST

April 7 (IPS)--Four Israeli gunboats are patrolling the south Lebanese coast after attempting to shell a Palestinian village last night, according to Stimme der DDR, the German Democratic Republic state radio. South Lebanon is heavily populated with Lebanese Communists and Iraqi-backed Ba'athists. Stimme further reports that large shipments of arms to the fascist Christian Falange have been taking place since the Syrian port blockade began. Syrian naval vessels are reported to be guarding all Lebanese ports to block arms shipments to the Lebanese left. Ships from the U.S. Sixth Fleet are remaining off Lebanon for a possible evacuation of civilians still in Lebanon, the State Department reports.

SYRIA HALTS ARMS AND FUEL SUPPLIES TO LEBANESE LEFT TO FORCE SETTLEMENT

WASHINGTON, D.C., April 7 (IPS)--Syrian President Hafez Assad is attempting to "corner" Lebanese leftists and radical Palestinians by controlling their food, arms and fuel supplies, according to a well-informed Lebanese diplomat. He speculated that, by controlling all the ports where arms shipments are received, Syria may even be secretly sending arms to the Christian Falange as a means of further controlling the leftists. "Assad effectively controls Lebanon right now, both the left and the right, by his control of logistics," the source said. He emphasized that Assad hopes to push through the "facade" of a settlement beginning with the meeting of the Lebanese Parliament April 10.

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STATE DEPARTMENT COORDINATING
JOINT ISRAELI-SYRIAN SQUEEZE ON LEBANON

WASHINGTON, D.C., April 7 (IPS)--The U.S. State Department is closely coordinating and monitoring Syrian and Israeli actions to contain the burgeoning leftist movement in Lebanon, a leading right-wing Jewish think-tanker source said today. The Syrians, with Israeli complicity, hope to make escalating step-by-step interventions into Lebanon, the source reported. "Three times a day the State Department tells Israel to sit tight and not to budge--let Syria do your work for you in Lebanon." Syrian President Hafez Assad hopes to "strangulate" the Lebanese left "by turning off supplies...in bolder and bolder ways by sending Syrian troops into Lebanon....But this will be done so as not to cause a dilemma for Israel," he concluded.

TENG HSIAO-PING OUSTED FROM POSTS IN PEKING,
BUT LEADING SUPPORTER REAPPEARS

April 7 (IPS)--The Politburo of the Chinese Communist Party passed a resolution stripping vice-premier Teng Hsiao-ping of his posts as vice-minister, vice-chairman of the party, and chief of staff, at a meeting late last night. The resolution claimed that as a result of the "counter-revolutionary incident (a reference to riots in Peking two days ago), planned, premeditated and organized" by sympathizers of Teng, his continued presence in the leadership "has become an antagonistic contradiction." Hua Kuo-feng, the acting premier since Feb. 6, was elevated to premier and replaced Teng as a party vice-chairman. It was also revealed that Politburo member and top economist Li Hsien-nien, very close associate of Chou and ally of Teng, who like Teng had not been seen since mid-January, appeared for the first time today in a meeting with a Laotian delegation.

The People's Daily also printed up a detailed account of the April 5 demonstration and riot, writing off its large size largely to curiosity seekers and blaming the violence on a handful of "gangster elements" supporting Teng. The length and detail of the account was extraordinary.

TROOPS MASS IN PEKING TO PREVENT FURTHER DEMONSTRATIONS;
MAO'S HOUSE GUARDED

April 7 (IPS)--Thousands of troops were called in to Peking Monday night, April 5, and Tuesday after a day of demonstrations and riots had resulted in the burning of three vehicles and the sacking of a police station Monday. Troops were reported ringing the central Tien An Men Square, standing a yard apart around the periphery, preventing all pedestrian entry. The troops were also stationed around the Great Hall of the People and at the entrance to Mao Tse-tung's home, according to yesterday's London Daily Telegraph.

ITALIAN WORKING CLASS REJECTS IMF AUSTERITY DEMANDS, FED REVEALS

WASHINGTON, D.C. April 7 (IPS)-- "The International Monetary Fund delegation has returned from Italy with no agreement on a loan, because wage and budget cut conditions were not accepted," a knowledgeable source at the U.S. Federal Reserve said today. "Italy is ungovernable," he stated. "Even the Communist Party could not implement IMF conditions." Groups to the left of them, more in touch with the workers, would kick them out. No government in Italy is possible which doesn't meet the unions' demands."

CARLI THREATENS COERSION TO FORCE WAGE CUTS

April 7 (IPS)--In a statement published in today's edition of the Italian newspaper Corriere della Sera, the ex-governor of the Bank of Italy and former economic adviser to NATO, Guido Carli, said that unless Italian workers' wages are slashed there can be no solution for the Italian economic crisis. Carli said that the solution can only come in the context of a "general consensus of the political forces tied together by some sort of a common program." "Lacking this (solution)," he threatened, "the highest degree of coercion could be invoked."

BRITISH UNIONS GIVE HEALEY BUDGET COLD SHOULDER

April 7 (IPS)-- The British austerity budget introduced yesterday by Chancellor of the Exchequer Denis Healey was "quickly met with a mixed reaction" among British trade union leaders, according to today's Baltimore Sun. Some union officials "doubted that there was enough flexibility in the offer"--which proposed a deal to reduce taxes in exchange for holding wage increases at 38 percent.

Even Jack Jones, architect of the present wage restraint policy, said, "I don't believe that an increase of 3 percent will be acceptable." Hugh Scanlon, leader of the powerful engineers union, called the proposed trade-off "virtually unacceptable," according to Prensa Latina.

BRITISH ELECTRICAL WORKERS OPPOSE FURTHER WAGE RESTRAINT

April 7 (IPS)--British trade union leaders representing 30,000 professional engineers in the electrical supply industry voted over-against a continuation of the present 6 pound (12 dollar) limit on pay increases, and called for a 10 percent across-the-board increase in the next round of wage bargaining, according to an article in yesterday's London Times. At their annual conference which opened two days ago, the general secretary of the Electrical Power Engineers Association said: "We shall not stand for an indefinite reduction in standards of living...We wish to see the economy recover but we will not cooperate in the extinction of the professional work force of this country, on whom the whole economy

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depends...We would be forced to defend ourselves by industrial action if there is no abatement of these policies."

TETHER: LESSONS OF ITALY IN STORE FOR BRITAIN

April 7 (IPS)--"If the story of the Italian lira is anything to go by, " Financial Times columnist C. Gordon Tether wrote yesterday, only "temporary relief" is to be found by nations which introduce stringent economic measures to reassure foreign investors, and then "only at a tremendous long-term price." The effect of Italy's "massive retrenchment programme" to defend the lira was only to precipitate the Italian economy into "a recession from which it has been quite unable to extricate itself," Tether says.

Similarly, says Tether, "if we remember that years and years of retrenchment in Britain--always justified on the grounds that there was no other way of appeasing foreign holders of sterling--have ended up in nothing but new devaluations of the pound, the moral of the Italian story can hardly be ignored."

NEW YORK TIMES WEAKLY ATTACKS TEAMSTER SETTLEMENT

April 7 (IPS)-- In the first major editorial comment on the Teamster settlement to date, the New York Times yesterday attacked the unlimited cost-of-living escalator clause in the just-negotiated Teamster master freight contract, but says that, "inflationary" settlements are probably inevitable.

The editorial, entitled "Escalator Run Amok," says that with 60 percent of the organized workforce now covered by escalators, "the dangers implicit in that trend are highlighted by the fat wage settlement in the national truck strike." "Other major unions approaching the bargaining table will find themselves under intensified rank-and-file pressure for contracts richer than is healthy for the still-fragile recovery," the Times complains. However, the editorial makes no comment on President Ford's handling of the situation, and the decision not to invoke the Taft-Hartley law or make other strike-breaking moves.

PROXMIRE ATTACKS TRANSIT WORKERS COST-OF-LIVING INCREASE

WASHINGTON, D.C. April 7 (IPS)-- Senator William Proxmire (D-Wisc) said yesterday before the Senate Banking Committee, of which he is the chairman, that it would be "a tragic mistake" for New York City to give city transit workers any cost-of-living benefits. "I think it would be a very tough blow to the success of the city's financial plan (to repay its debts--ed.)," Proxmire said, "this contract would destroy chances of the financial plan succeeding." Deputy Assistant Secretary of the Treasury Robert Gerard said in response to Proxmire's questioning that he agreed. There's a serious risk of that," Gerard said.

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TURKISH EMPLOYERS CALL FOR END TO
COLLECTIVE BARGAINING RIGHTS OF TURKISH WORKERS

April 7 (IPS)-- The Turkish Confederation of Employers' Unions issued a statement this week attacking the collective bargaining system as "destructive" to the socio-economic structure of Turkey, according to the April 4 Turkish daily Cumhuriyet. The confederation demanded "immediate and radical" measures be taken to eliminate collective bargaining rights.

Last week the Turkish Chamber of Industry and Commerce called for a wage freeze. The call coincided with demands from the IMF for across-the-board austerity in Turkey as the precondition for any extension of credit.

TURKISH DEVALUATION STIRS CRITICISM AGAINST
IMF POLICIES OF GOVERNMENT

April 7 (IPS)-- The Turkish lira was devalued by 3.2 percent this week, the seventh in a series of devaluations over the past 12 months that have lowered the value of the lira by 14.5 percent. This latest devaluation is the second in two weeks.

Opposition leaders from the Democratic Party criticized the devaluation as a capitulation in the direction of IMF demands for a 30 percent devaluation, according to the Turkish daily Cumhuriyet of April 4. Rather than impose the 30 percent devaluation and risk widespread unrest, the Turkish government has chosen to devalue "little by little," the Democratic Party spokesman charged, noting that the government has already devalued by half of what the IMF has demanded.

End of Combined IPS for April 7, 1976.