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SYRIA REJECTS ARAB LEAGUE PEACE PROPOSAL

June 11 (NSIPS) -- Syrian Foreign Minister Abdel Halim Khaddam stated that Syria will not accept the Arab league resolution calling for a ceasefire in Lebanon, a withdrawal of Syrian troops, and a pan-Arab peace-keeping force, according to today's West German daily, Die Welt. Syria had initially accepted the proposal.

Khaddam today said Syria could accept the proposal only if it was modified, calling for substitution of Syrian troops instead of "with-drawal of Syrian troops." He also said that Syria could accept the proposal if it specified that the pan-Arab peace-keeping force be sent after receiving official approval of the nonfunctioning Lebanese government. Rightist Lebanese President Suleiman Frangieh has already opposed the proposal, reportedly at Syrian instigation.

JORDAN URGES SYRIA TO REJECT ARAB LEAGUE PEACEKEEPING EFFORTS, COOR-DINATING ACTION AGAINST IRAQ

June 11 (NSIPS)—The Jordanian government of King Hussein has been urging Syrian President Hafez Assad to reject Arab League offers to send a peacekeeping force to Lebanon, yesterday's French daily. Le Figaro, reports. According to Le Figaro, other unnamed Arab governments are also engaged in these sabotage efforts.

Last night, Jordanian Prime Minister Zaid al-Rifai and Jordanian Chief of Staff Maj. Gen. Zaid Ben Shaker "arrived unexpectedly in Damascus" and "went directly to a meeting with Assad. It was widely assumed that they were discussing both the Syrian-Iraqi tension, and the situation in Lebanon, "today's New York Times reports.

It was Jordanian troops that carried out the 1970 Black September massacre of Palestinians on which Assad is now modelling his invasion of Lebanon. Jordanian troops and pilots have been involved in the Lebanesa invasion.

SYRIAN GOVERNMENT TAKING "MEASURES" TO COUNTER IRAQI BUILD-UP

June 11 (NSIPS)—The Syrian government announced yesterday that it was "obliged" to take "urgent and appropriate measures" to counter a reported buildup of Iraqi military forces near the Syrian border, today's New York Times reports. According to Times reporter James Clarity, the Syrians are propagandizing that the Iraqi troop movements were "impeding the efforts of Syria and other Arab nations to bring peace to Lebanon," while forcing the Syrians to redeploy troops otherwise to be used in Lebanon toward the Iraqi border.

(more)
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Indicating the intense internal pressure Iraq's moves are creating for Syrian President Assad, Clarity reports that Syria's Foreign Minister Khaddam "convened a meeting of Arab ambassadors in Damascus to explain Syria's position on the reported Iraqi military movements." Also, Syria's so-called "National Progressive Front," now nearly defunct, issued a hurried statement "supporting the policies of President Assad and appealing to other Arab countries to help Syria settle the civil war in Lebanon." Clarity notes that the purpose of the declaration was "to tell the Arab world, and particularly the hostile Baath party in Iraq, that Syria was weathering any internal tensions provoked by its military intervention in Lebanon."

ARAB LEAGUE ASKS UNITED NATIONS SECURITY COUNCIL ENDORSEMENT

United Nations, N.Y.June 11 (NSIPS)—The Arab League has asked the United Nations Security Council formally to endorse the resolution passed June 10 by the emergency meeting of Arab foreign ministers in Cairo, Arab League Ambassador Amin Hilmy said today. The request was forwarded to the UN Mission of Guyana, currently president of the UNSC.

Hilmy stated that the Secretary-General of the Arab League, Mahmoud Riad, said in Cairo today that the league was opposed to any "internationalization" of the crisis in Lebanon, including the involvement of any foreign troops. The league insists that the resolution of the civil war in Lebanon, now worsened by an invasion of the country by Syria, be achieved on the Arab level.

An Arab diplomatic source also reported that the Algerian and Sudanese troops in Lebanon would help "neutralize" the invading Syrian forces, militarily if need be. In addition, he said that the mobilization of Iraqi troops on the Syrian border would pressure the Syrians and reduce their military capability in Lebanon.

IRAQ, EGYPT, PLO EXPRESS UNITED STAND AGAINST SYRIAN LEBANON INTER-VENTION

June 11 (NSIPS)—Iraq and Egypt are apparently acting "in collaboration" to carry step-up pressure on the Syrian government "in an attempt to get it to carry out what was thought to be an agreement to begin withdrawing from Lebanon," today's Washington Post reports. Departing from Cairo, where he attended an emergency Arab League conference on the Lebanon situation, Iraqi Foreign Minister Saadoun Hammadi claimed that the League had agreed on the "necessity of the withdrawal of Syrian forces from Lebanon" but "expressed regret" that Syria refused to "promise that the troops would be removed," the Post notes.

The Post further reports that two additional Iraqi cabinet ministers besides Hammadi held discussions with the Egyptians on Lebanon and Syria and that Egypt, "in addition to giving wide publicity to the consultations with Iraq," made new shows of "solidarity" with the Palestine Liberation Organization, whose forces are now under siege from Syrian troops in Lebanon. For the first time in months, Egyptian President Sadat met with PLO leader Arafat, while on June 9, Egypt's only political party, the Arab Socialist Union, "staged a rally in support of the Palestinians." The Post stresses that the rally had "official approval."

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INDIAN CONGRESS PARTY PAPER ATTACKS ASSAD'S INVASION OF LEBANON

June 11 (NSIPS)—The proper of the Indian Congress Party, the National Herald, on June 3 blasted the Syrian invasion of Lebanon as a "foolbardy intervention" conducted with the complicity of the U.S. and Israel to directly undermine Soviet initiatives for peace.

The Herald quoted Soviet Premier Alexei Kosygin's statement that the Syrian invasion would lead to the destruction of Arab unity and liquidate the Palestinian liberation movement. The Herald editorial speculated that Syrian President Assad might break with the Soviet Union entirely and join the American camp, but said that this would leave Assad facing a hostile Arab world. "How would Assad justify the break?" it asked. The Hearal concluded by saying that Assad is in a position from which he will have difficulty extricating himself, because even if Lebanon cannot hold out against the invasion, a guerrilla novement will be consolidated by the resistance to Syria, and in any case, "politically, within Syria, Assad's political life is very fragile."

SYRIA, FALANGE STATE OF SIEGE AGAINST BEIRUT UNLEASHING TRIAGE CONDITIONS IN CITY

June it (NSIPS):-The leftist-controlled area of Western Beirut has been cut off from its sources of supply of food and fuel, and famine is now imminent, today's New York Times reports. At the same time, WCBS radio in New York today notes that invading Syrian forces have seized food stockpiles in Beirut, while Cuba's Prensa Latina reports that the Arab League has called twenty Arab health ministers to Cairo to discuss the danger of epidemics breaking out in Lebanon.

Reports from the June 10 British press leave no doubt that Syrian and Lebanese Folangist shocktroops are totally to blame for these genocidal conditions. In an article entitled "Beirut: City of the Dead," the Financial Times of London reports that Beirut is without electricity, water, and nearly out of food, as Syrian forces have put the city "under siege" and cut it off from the rest of Lebanon. Noting that attempts are being to repair electricity lines, the Times reports that "every time maintenance crews finish the repair work, the line is disrupted by shelling," as many Lebanese think this is done deliberately to "oppress the wrought nerves of most Lebanese." Because of the electricity cut-off, food is rotting due to lack of refrigeration, while water pumps have stopped, forcing children to "duck bullets to reach water holes."

The road from Beirut to Sidon port in the south has been cut off by Syria's "Saiga" thugs, which has "played havoc" with provision of supplies, "especially flour." Already short of bread, Beirut has been unable to receive necessary supplies because of Syria's blockade, the Times reports.

Yesterday's London Daily Telegraph reports that Beirut is "under siege" from the field guns of rightist and Falange militias. "The militia gunners, firing from positions in the east of the city, seemed bent on creating as much terror as possible," the Telegraph claims. Further, slim hopes for some compromise between the Syrians and the Paletinians on the evening of June 9 were "gradually being

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wrecked by the intervention fof the right-wing Falangist gunmen who directed a "barrage" of "completely random" shelling into western Beirut.

W. GERMAN PRESS CONTINUES PUSH FOR ISRAELI INTERVENTION

June 11 (NSIPS)—West German press conduits for the U.S. State Department continue to publish arguments today in favor of an Israeli invasion of Lebanon. The Jerusalem correspondent of the Frankfurter Rundschau writes that "It is hard to imagine that Israel will passively look on when troops from the most radical Arab camp take up positions on its northern border...No one can say when southern Lebanon will become a theatre for new bloody battles." The Suddeutsche Zeitung adds that in the Israelis opinion, "strategically the Syrian invasion was not sufficient" to pacify the left. Both papers discuss how the U.S. is heavily involved in discussing the Israeli "red line" threat. "One thing is clear," concludes the Frankfurter Rundschau, "the new regime in Lebanon, whatever it may by, will be much more bellicose against Israel."

LE FIGARO FLOATS STATE DEPARTMENT LINE ON SOVIET MIDEAST STATEMENT

June 11 (NSIPS)—Le Figaro correspondent Girard Nirascou today echoed the United States State Department in claiming that yesterday's government statement on the Middle East crisis issued by the Soviet Union is clear demonstration that the Soviets "influence is considerably decreased in the Middle East and that it has become incapable of directly acting on the events." Nirascou asserts that Moscow fears the U.S. and Israel could be tempted to look for a solution in the Middle East "excluding the Soviet Union."

FORD PRAISES SUDANESE PRESIDENT

June 11 (NSIPS)—President Ford meet with Sudanese President Gaafar al-Miniery yesterday at the White House and praised him afterwards as a "constructive force for peace and stability in both the Arab and African worlds." Sudan is one of four countries designated by the Arab League to participate in a peacekeeping mission to Lebanon.

SCHMIDT REASSURING ON DETENTE FOLLOWING GIEREK VISIT

BONN, W. Germany, June 11 (NSIPS)—Press conferences and statements emerging from the Bonn meetings between West German Chancellor Helmut Schmidt and Polish Premier Edward Gierek, which ended today, indicate the two leaders discussed wide-ranging of political and economic issues. Schmidt, who has come under increasing pressure to respond to the May 19 Soviet message advising West German leaders of an imminent war-or-peace choice, expressed confidence that Western countries would continue a policy of detente — including the U.S., regardless of electoral results, he added in response to a journalist's question. Schmidt stated that both countries are well-disposed toward troop reduction, citing the plan for a nuclear-free zone in Central Europe raised by Polish foreign minister Rapacki in the late 1950's. West German press and governmental

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sources confirmed that Schmidt and Gierek discussed the May 19 Soviet declaration.

Gierek's discussions with Schmidt occupied all of yesterday and much of last night; Gierek also met with industrialists from Metallgesellshcaft, Drupp and Ruhrkohle, and Christian Democratic chancellor candidate Helmut Kohl, as well as West German Communist party (DKP) leader Herbert Mies.

A number of joint economic projects were concluded, essentially along the lines of previous Polish-West German projects. "Problems of world currencies" were also discussed on the first day of Gierek's visit, according to the West German daily, Frankfurter Rundschau.

The West German cabinet will discuss the May 19 Soviet message in a session on June 16, according to today's Die Welt.

GIEREK FIELDS STRONG EUROPEAN SECURITY DEMANDS IN BONN

June 11 (NSIPS)—Speaking after his talks with Helmut Schmidt in West Germany yesterday, Polish party leader Edward Gierek emphasized the importance of consolidating the results of last summer's Helsinki European security conference with progress in the Central European arms reduction talks in Vienna, and world disarmament. Gierek recalled that improvement in relations between Poland and West Germany is entirely predicated on recognition of the inviolability of present European borders, according to the German Democratic Republic daily Neues Deutschland today.

Signalling the position of the Warsaw Treaty Organization, Gierek pointed out that Soviet-American detente is key to peace in Europe.

Gierek's colleague in the Polish leadership Edwar Babiuch told the West German Communist Party (DKP) daily Unsere Zeit that military detente is the top need for Europe. Babiuch linked military detente to the concomitant opportunities for expanding European trade, referring particularly to the pan-European cooperation conference proposals of Soviet leader Leonid Brezhnev.

NEW WARSAW PACT PROPOSAL AT VIENNA ARMS CUT TALK

June 11 (NSIPS,—Radio Moscow broadcast last night that Oleg Khlestov, Soviet delegate to the Mutual Force Reduction talks in Vienna has presented "concrete new proposals" in the negotiations there. Details were not released.

Today's New York Times story on the proposal denied that it exists and said that Khlestov merely presented new data on current Soviet Forces in Central Europe.

According to press reports, the Vienna talks are on the agenda in Bonn, where Chancellor Helmut Schmidt and Polish party chief Edward Gierek are meeting.

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GANDHI IN MOSCOW PRAISES INDUSTRIALIZATION: GANDHI'S NEWSPAPER SAYS SOVIETS BACK INDIA'S REGIONAL DIPLOMACY

NEW YORK, June 11 (NSIPS)—In a press conference in Moscow today, Indian prime minister Indira Gandhi delivered a strongly worked attack on opponents of India's Soviet—aided program of industrial development, according to Prensa Latina. She said that "the Soviet Union provided valuable help to aid the growth of the public sector of our economy in a period when the eternal enemies of the Indian people criticized our policy of preferential development of the industrial sector. Today we can see that effort has permitted us to double our agricultural production as we support our growth on the industrial base that we constructed." Gandhi was implicitly attacking the World Bank and allied agencies that had long opposed the industry policy.

In a June 7 editorial on Gandhi's Moscow trip, the National Herald, newspaper of Gandhi's ruling Congress Party, observed that Moscow has begun to use its own influence in favor of mutual reconciliation of disputes in the Indian Subcontinent region, the same policy Gandhi has been following in recent months. It said that the Soviets have advised Afghanistan to improve relations with Pakistan, which helped lead to Pakistani Prime Minister Bhutto's current visit there, and that the Soviets could not but welcome the "recent initiative bringing the governments and peoples together." And as for India's opening toward Peking, widely billed in the west as an Indian move away from Moscow, the Herald said that Moscow itself wishes to mend its fences with China, and "any progress that India makes in her search for peace and reconciliation there could not but contribute to Moscow's own longterm objectives in that quarter."

SOVIETS DEMAND ILO MAKE ARMS INDUSTRY RECONVERSION INTERNATIONAL POLICY

June 11 (NSIPS)—According to the trade union daily Trud, the Soviet delegate to the Gene va International Labor Organization meeting, Petr Pimenov, proposed there that the ILO should "take up serious research on reconversion of the arms industry, i.e. shifting military production to peaceful rails." The package presented by Pimenov confirms that the communist—affiliated World Federation of Trade Union (WFTU) delegations intervened firmly at the ILO meeting against labor intensive programs on the agenda.

The WFTU demands include guarantees for increased production, guarantees of workers' standard of living, and expansion of international trade and economic cooperation. The last point, on disarmament and defense industry conversion, breaks new ground in making these explicit elements of international policy, to involve the socialist sector, the capitalist countries, and the Third World.

Pimenov assailed the ILO documents presented at Geneva as incompetent, noting that they failed to discuss the capitalist crisis as the fundamental cause of unemployment.

TETHER: GOLD SYSTEM BEGINNING TO BECKON?

June 11 (NSIPS)—"Only more or less continuous feats of brinksmanship of the kind organized round the pound now stand between the world and the ultimate catastrophe," C. Gordon Tether charges in the London Financial Times yesterday.

The growing realization of this among financial authorities, the columnist says, means that "solid progress has been made towards giving gold the greater stability that will make it much easier for it to move into the central monetary role that is now beginning to beckon."

The Soviet Union is urging a role for gold, Tether says, citing to the latest quarterly report of Moscow's London trade bank. The Soviets "happen to be major producers of the stuff themselves," he adds. "But that does not alter the fact that there is a great deal in what they are saying. And it so happens that they are far from being the only ones saying it."

BASEL-BASED BANK FOR INTERNATIONAL SETTLEMENTS TO REPLACE IMF AS TRANSITIONAL INTERNATIONAL MONETARY INSTITUTION

NEW YORK, June 11 (NSIPS)—The Basel-based Bank for International Settlements (BIS), also known as the central bank for European central banks, is to act as the transitionary institutional framework replacing the bankrupt International Monetary Fund on the road to a gold-backed international monetary system, according to a knowledgable Eurocurrency trader at the Wall Street branch of the Swiss-based investment banking house of White, Weld.

"As far as BIS' loyalties are concerned, said the trader, "there is no question that it is solidly pro-Swiss, pro-Europe and pro-gold." He also dismissed yesterday's statements by the Eurodollar branch of a U.S. bank that the BIS was defending the dollar with Swiss Francs as "rumourmongering."

"The Germans, known in Europe as the 'niggers in the woodpile', are finally beginning to react to Swiss and I would imagine Soviet pressures to go with Europe", he continued. The BIS is ideally situated to act as a Euroepan clearing house in gold and the Soviets could join in: With that a gold-backed system is in place, he added.

Asked as to what evidence he had that the Germans were willing to replace the IMF with the BIS, he responded: "Look at their foreign policy over the last couple of weeks. They don't seem to be playing mouthpieces of the State Department."

EUROPEAN REACTIONS TO GOLD MOVES

WIESBADEN, W. Germany, June 11 (NSIPS)—In interviews today, a number of European bankers expressed their recognition that the present dollar-based system is on its last legs and that a gold-based replacement may be the solution. A top officer of the European branch of a leading U.S. bank said, "The structure of the international debt is inappropriate—because of the relation between debt

and real capital return. I may not agree with all your solutions (the gold-backed International Development Bank), but. . . " The chief economist at a leading Belgian bank was more explicit about the latest moves towards gold by the Arab nations: "There may be a gold block of sorts potentially emerging, probably in the Arab world. I can think of the Libyans and the Saudis increasing their gold stock. In any case, gold will be the main asset in the common Arab monetary authority under formation."

The West Germans are, of course, key in any establishment of a gold-based monetary system. An official in the Swiss National Bank commented that he was not surprized at last week's speech of Karl Otto Poehl, State Secretary of the West German Finance Ministry, expressing "sympathy" with Central Banks that want to maintain the price of gold. "This is no shift on Poehl's part. 'He's always thought personally that demonitization should not be continued. The Germans have no reason to quickly dump their gold."

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