

the cash needed to pay debts. However, this means that their suppliers are in turn faced with a drop in cash income, forcing more cutbacks in orders right down the lines. On the level of national economies, each country sees its balance of payments collapsing through export contraction, even as it curbs its imports. With the continued drain of oil payments out of the European sector, the collapse can only gather steam unless massive reflation, and expansion of credit, is implemented--soon. And as is the case with the U.S. sector, such worldwide reflation in the present situation can only spell three-figure inflation rates.

LABOR PARTY COURT HEARING AGAINST FBI

Jan. 1 (IPS)--Monday, Jan. 6, the U.S. Labor Party will be in court in Detroit arguing for the prosecution of the FBI on the grounds that the FBI illegally attempted to infiltrate, disrupt, and sabotage the Labor Party's recent electoral campaigns in the Midwest.

An aspect of the Labor Party's case--which the FBI is moving to have dismissed--is the attempted infiltration by FBI agent Vernon Higgins into the Detroit organization during the electoral campaign. Higgins was uncovered as an infiltrator by Labor Committee Security personnel last June.

With the court hearing coming up, the Ku Klux Klan--probably in an attempt to distract attention from the Labor Party's suit--announced that it will hold a press conference in Detroit tomorrow to "disclaim" the Klan's role in the 1970 busing riots in Pontiac, Michigan. The conference is apparently a response to evidence published by the Labor Committees documenting FBI infiltration of the KKK, as well as the conviction of an FBI-KKK member in one Pontiac bombing case. The Klan has already admitted to knowing that its former member Vernon Higgins was simultaneously an FBI agent.

UAW PUSHING RED SCARE TO BACK UP SUIT AGAINST LABOR PARTY

Jan. 1 (IPS)--The United Auto Workers bureaucracy this week made use of its friends in the press to issue anti-Communist calls against the U.S. Labor Party. Along with its \$30 million legal blunder against the Labor Party, this comes as part of the UAW's campaign to stop the Labor Party and save its own skin as Rocky's chief overlord in the labor movement.

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