

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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In Elizabeth, N.J., a two-part series by Ben St. John in the Daily Journal Dec. 30 and 31 was published to disorient workers about the Labor Party program, deliberately confusing it with the antics of CIA-controlled countergangs like the Revolutionary Union. Although the Daily Journal has been briefed regularly by Labor Committee organizers for a year, the paper found it necessary to consult with UAW Region 9 member Edward F. Gray to make sure the articles conveyed the "correct" UAW line on the Labor Party. The Labor Committee legal staff is contacting the management of the Daily Journal.

At employment centers in Elizabeth, where New Solidarity sales are usually high, the series temporarily served its purpose, with fewer workers on the lines buying the paper.

In Kenosha, Wisc., the UAW-controlled paper Kenosha Labor--the AFL-CIO's press organ--printed an "anonymous" letter (signed "a Kenoshan") straight from a UAW pen, to scare workers out of buying New Solidarity. Right on cue for the UAW's trumped-up lawsuit, the letter--declaring itself to be from "an average worker"--claims that the writer was a victim of "confusion": when he first saw New Solidarity, he bought it because he "mistook" it for the UAW's rag "Solidarity"! In the past, Kenosha Labor staffer Joel Shackleman has warned workers to be "careful" when they run into New Solidarity salesmen, stressing that it's not the UAW publication.

Meanwhile, the UAW is frantically setting up meetings throughout the country this week to brief its members on the suit against the Labor Committee. The Labor Committee legal staff will be in U.S. Federal Court, Southern District of New York, Jan. 9 to file a motion to dismiss the UAW's suit and to file a countersuit.

Countergangs Activated Against Party

Also this week, both "left" and right-wing countergangs have been put in motion against the Labor Party to heat up the Red Scare. In San Francisco Dec. 30, five "left" countergangs appeared at the same unemployment center to disrupt Labor Party organizing going on there at the time. In an effort to add to workers' confusion, several police cars stood by and a helicopter circled overhead.

Yesterday a Labor Party organizer in Reading, Pa. received a death threat from a caller who identified himself as a member of "American Justice," one of many right-wing nut groups which police agencies mobilize at will.