



International Press Service

Daily News and Press Summaries

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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE (IPS)
EARLY EVENING NEWS
WEDNESDAY, SEPT. 3, 1975

I. ORGANIZING AND INTELLIGENCE REPORT.

MEXICAN CENTRAL BANK GOVERNOR REAFFIRMS
3RD WORLD MOVING RAPIDLY TOWARDS DEBT MORATORIUM,
WITHOUT CALLING IT THAT

WASHINGTON, D.C., SEPT. 3 (IPS)--IN AN EXCLUSIVE IPS INTERVIEW TODAY, MR. ERNESTO FERNANDEZ HURTADO, DIRECTOR -GENERAL OF BANCO DI MEXICO, REAFFIRMED THAT MEXICO'S BACKING OF THE FRENCH AND EUROPEAN POSITION ON THE MONETIZATION OF GOLD AT THE GROUP OF 24 MEETING THIS WEEK, WAS A POLITICAL STEPPING STONE TOWARDS A THIRD WORLD MORATORIUM ON DOLLAR-DENOMINATED DEBT WITHOUT CALLING IT BY THAT NAME. THE MEXICAN CENTRAL BANK GOVERNOR, IN WASHINGTON ATTENDING THE IMF AND WORLD BANK MEETINGS THIS WEEK, FURTHER ADDED THAT HE SAW WESTERN EUROPE AND THE THIRD WORLD MOVING IN TANDEM TOWARDS THE REMOVAL OF THE DOLLAR AS THE INTERNATIONAL RESERVE CURRENCY AND ITS REPLACEMENT WITH THE SOVIET TRANSFERABLE RUBLE FOR TRI-ANGULAR DEVELOPMENT.

DENOUNCING IMF'S SPECIAL DRAWING RIGHTS AS A BOGUS SOLUTION TO THE PROBLEM OF TRANSFER OF RESOURCES, MR. HURTADO ADDED: "WHAT IS IMPORTANT IS NOT MONEY BUT REAL GOODS. MANY COUNTRIES IN THE HIRD WORLD WOUBD BE GRATIFIED TO HAVE LONG TERM CREDITS FROM COMECON (THE SOCIALIST ECONOMIC BLOC)." ASKED AS TO HOW WESTERN EUROPE WOULD BE INTEGRATED IN THIS ARRANGEMENT, HE EXPLAINED: "THAT DEPENDS ON GRANTS FROM EUROPE GIVING CREDIT TO COMECON. IF THEY ACCEPT THE TRANSFER RUBLE THEY ARE GIVING CREDITS TO COMECON. THREE-WAY DEVELOPMENT IS POSSIBLE WITH THESE ARRANGEMENTS THE WESTERN EUROPEANS ARE ABLE TO ACCEPT COMECON CURRENCY." EMPHASIZING THAT THE ACCEPTANCE OF TRANSFER RUBLE BY EUROPE ALLOWS THE SOVIETS TO ISSUE CREDITS TO THE THIRD WORLD FOR PURCHASES OF GOODS TO EUROPE, HE ADDED, "IN THIS CASE COMECON IS BACKING THE CREDIT-WORTHINESS OF THE DEVELOPING COUNTRIES."

GOMES RECIEVES CARLUCCI: SPINOLA TO COME TO EUROPE

SEPT. 3 (IPS)--PRESIDENT OF PORTUGAL, COSTA GOMES, JUST RECIEVED THE U.S. AMBASSADOR TO LISBON, FRANK C. CARLUCCI, WITH THE AIR FORCE COMMANDER, GENERAL MORAIS DA SILVA. IT WAS REPORTED THAT THE SENTIMENT OF THE ABOVE WAS AGAINST GENERAL VASCO GONCALVES BECOMING CHIEF OF THE ARMED FORCES, ACCORDING TO SUMMARIES OF PRESS BY EAST GERMAN RADIO TODAY. IN ADDITION, EX-PRESIDENT GENERAL ANTONIO DE SPINOLA WILL ARRIVE IN SPAIN SHORTLY TO "SET UP OPERATIONS NEAR THE BORDER" OF PORTUGAL.

(MORE)

ARMY & AIR FORCE UNITS PURGE PRO-COMMUNISTS IN PORTUGAL

SEPT. 3 (IPS)—YESTERDAY BOTH ARMY AND AIR FORCE UNITS MET TO "PURGE PRO-COMMUNISTS FROM THEIR BRANCHES' DELEGATIONS TO THE ARMED FORCES MOVEMENT'S (MFA) ASSEMBLY..." ACCORDING TO TODAY'S WASHINGTON POST. PROGRESSIVE OFFICERS WERE NOT INVITED TO YESTERDAY'S MEETINGS, REPORTED EAST GERMAN RADIO.

FURTHERMORE, REPRESENTATIVES (DELEGATES) OF THE "AIR FORCE WILL NOT BE ELECTED (BY THE MEN) BUT WILL BE DESIGNATED BY THEIR OFFICERS," REPORTS TODAY'S L'UNITA, THE PAPER OF THE ITALIAN COMMUNIST PARTY. THESE ARE BLATANT MOVES TO FORCE A CONFRONTATION WITH THE PORTUGUESE COMMUNIST PARTY (PCP).

PORTUGUESE COMMUNIST PARTY
RESIGNS FROM ANTI-FASCIST COMMON FRONT

SEPT. 3 (IPS)—THE PORTUGUESE COMMUNIST PARTY (PCP) HAS FORMALLY RESIGNED FROM THE ANTI-FASCIST COMMON FRONT, WHICH IT CALLED INTO BEING A WEEK AGO TO STOP THE COUNTER-REVOLUTION IN PORTUGAL. THE PCP ACCUSED THE FRONT OF MAINTAINING "SECTARIAN AND ANTI-UNITARY ATTITUDES," ACCORDING TO TODAY'S L'UNITA, THE PAPER OF THE ITALIAN COMMUNIST PARTY. THE SIX OTHER PARTIES OF THE FRONT HAVE CRITICIZED THE PCP IN WANTING TO NEGOTIATE WITH THE PORTUGUESE SOCIALIST PARTY AND THE MODERATES, REPORTED YESTERDAY'S AVANTI, THE PAPER OF THE ITALIAN SOCIALIST PARTY.

FIRST SIGNS OF WORKING CLASS ARMING ITSELF IN PORTUGAL

SEPT. 3 (IPS)—ACCORDING TO YESTERDAY'S LONDON DAILY TELEGRAPH, THERE ARE MANY REPORTS OF CIVILIANS ARMING THEMSELVES, WITH "AUTOMATIC RIFLES, MACHINE PISTOLS AND OTHER WEAPONS." OTHER REPORTS INDICATE ROBBERIES OF ARMOURIES AND OF POLICEMEN FOR WEAPONS. "THE COMMUNISTS ARE BELIEVED TO HAVE ARMED THEMSELVES EXTENSIVELY, DISTRIBUTING SOME 10,000 WEAPONS AMONG THEIR MEMBERS," THE TELEGRAPH CONTINUES.

U.S. TO PROVIDE PLANES TO AIRLIFT REFUGEES
FROM ANGOLA TO PORTUGAL

SEPT. 3 (IPS)—THE U.S. GOVERNMENT WILL PROVIDE TWO CHARTERED PLANES IN ORDER TO HELP EVACUATE SOME 270,000 WHITE ANGOLANS WHO SEEK TO RETURN TO PORTUGAL, ACCORDING TO TODAY'S NEW YORK TIMES. A STATE DEPARTMENT SPOKESMAN DISMISSED THE "REPORT FROM LISBON THAT THE U.S. AMBASSADOR, FRANK C. CARLUCCI, HAD SUGGESTED THAT REFUGEE ASSISTANCE BE CONDITIONAL ON SHIFTS IN THE LEFTIST GOVERNMENT IN PORTUGAL," CONTINUED THE TIMES.

PORTUGUESE PRESIDENT COSTA GOMES
REPORTED EASING GENERAL GONCALVES OUT

SEPT. 3 (IPS)—ALTHOUGH PRESIDENT COSTA GOMES HAS APPOINTED GENERAL VASCO GONCALVES TO BECOME THE CHIEF OF THE ARMED FORCES, IN A COMMUNIQUE REPRIMANDING COMMANDER OF THE AIR FORCE, GENERAL MORAIS DA SILVA FOR HAVING ATTACKED GONCALVES, "THE PRESIDENT SIGNED HIMSELF AS CHIEF OF STAFF OF THE ARMED FORCES," ACCORDING TO TO-

(MORE)

DAY'S WASHINGTON POST. SIMULTANEOUSLY, THE LONDON DAILY TELEGRAPH REPORTED YESTERDAY THAT ALTHOUGH GONCALVES WAS SUPPOSED TO BE SWORN IN, GOMES IS CONSIDERING "PLACING A SECOND IN COMMAND, WHO, FOR PRACTICAL PURPOSES, WOULD BE IN CHARGE, LEAVING GONCALVES WITH ONLY A TITULAR ROLE."

FRENCH SUPPLY ARMS TO FNLA IN ANGOLA

PARIS. SEPT. 3 (IPS)--TODAY'S ISSUE OF LE MONDE EXPOSES FRENCH PRESIDENT GISCARD D'ESTAING'S INVOLVEMENT IN FOMENTING CIVIL WAR IN ANGOLA THROUGH HIS GOVERNMENT'S SUPPLYING WEAPONS AND "EXPERTS" TO THE OIL COMPANY-BACKED FNLA. (NATIONAL FRONT FOR THE LIBERATION OF ANGOLA.

"ACCORDING TO MANY CONCURRING WITNESSES, A FRENCH MILITARY TRANSPORT PLANE LANDED THIS SATURDAY AUG. 30, IN KINSHASA AND WOULD HAVE GONE INTO THE MILITARY SECTION OF THE AIRPORT. OUR INFORMERS HAVE ASSURED US THAT THEY WITNESSED THE UNLOADING OF WEAPONS WHICH THREE TRUCKS FROM THE FNLA CARRIED AWAY IMMEDIATELY.", SAYS LE MONDE.

"BESIDES, A FRENCH 'TECHNICAL AGENT' AND ARMAMENT SPECIALIST CAME AT THE INVITATION OF FNLA HEAD ROBERTO, TO STUDY THE MILITARY TECHNICAL MEANS OF THE FNLA. HE ARRIVED IN ANGOLA ON AUG. 25 AND LEFT ON THE 31 AFTER VISITING THE FIELD OF OPERATIONS MANY TIMES."

LE MONDE FURTHER SUGGESTS THAT DURING HIS RECENT TRIP TO ZAIRE AND GABON, PRESIDENT GISCARD WAS ASKED TO GIVE POLITICAL SUPPORT TO THE FNLA BY PRESIDENTS MOBUTU AND BONGO. THE PRESIDENT OF THE PRO-SOVIET POPULAR MOVEMENT FOR THE LIBERATION OF ANGOLA (MPLA), AUGUSTO NETO, HAS FOR A LONG TIME BEEN BANNED FROM FRENCH TERRITORY AND STEERED CLEAR OF THAT COUNTRY DURING HIS LATEST TRIP TO EUROPE.

FRENCH DEFENSE DEPT. DENIES GUNRUNNING TO FNLA

SEPT. 3 (IPS)--FOLLOWING THE PUBLICATION OF A STORY BY A LE MONDE CORRESPONDENT IN KINSHASA, ZAIRE ACCUSING THE FRENCH GOVERNMENT OF RUNNING GUNS AND TRAINED PERSONNEL TO AID THE CIA-COUNTERGANG FNLA IN ANGOLA, THE FRENCH DEFENSE DEPARTMENT WAS FORCED TO BREAK ITS SILENCE AND ISSUE AN OFFICIAL DENIAL YESTERDAY, ACCORDING TO TODAY'S L'HUMANITE.

L'HUMANITE ACCUSES SOARES OF BLOCKING PORTUGUESE SETTLEMENT

SEPT. 3 (IPS)--HENRI ALLEG, LISBON CORRESPONDENT OF L'HUMANITE, TODAY ACCUSED MARIO SOARES OF "MULTIPLYING THE OBSTACLES TO A RESOLUTION OF THE CRISIS" IN PORTUGAL. ALLEG ALSO STATED THAT SOARES' DEMAND FOR THE OUSTER OF CHIEF OF STAFF GONCALVES AS A PRECONDITION FOR HIS OWN PARTICIPATION IN A NEW GOVERNMENT, WOULD BE "A POINT IN FAVOR OF THE RIGHT."

(MORE)

CENTRAL BANKS TO GO FOR GOLD

SEPT. 3 (IPS)—GOLD EXPERTS CONTACTED BY THE JOURNAL OF COMMERCE YESTERDAY CONFIRMED THAT BOURGEOIS PRESS REPORTS FROM THE INTERNATIONAL MONETARY CONFERENCE MEETING IN WASHINGTON HAVE BEEN LARGELY INACCURATE AND HAVE LED TO WRONG CONCLUSIONS.

JAMES SINCLAIR OF VILAS & HICKEY CONFIRMED IPS REPORTS BY POINTING OUT THE DECISION TO SELL ONE-SIXTH OF THE IMF'S GOLD-- WHICH SPARKED A RUSH OF SPECULATORS OUT OF GOLD THE LAST TWO DAYS --IS CONTINGENT ON AGREEMENT ON FIXED EXCHANGE RATES IN JANUARY. US TREASURY SECRETARY SIMON HAD TO BE CORRECTED BY AN AID WHEN HE ANNOUNCED THAT THE SALES COULD TAKE PLACE IMMEDIATELY.

SINCLAIR ALSO SAID THAT DISAGREEMENT OVER GOLD WITHIN THE GROUP OF 24, WHICH INCLUDES DEVELOPING NATIONS, WHO HAVE TRADITIONALLY SUPPORTED THE U.S. PUSH TO DEMONITIZE GOLD, BECAUSE OF THEIR LOW GOLD HOLDINGS, MAY HAVE LED TO THE CANCELLATION OF THE PRESS CONFERENCE THAT WAS TO BE HELD BY THAT GROUP. NICHOLAS DEAK, PRESIDENT OF DEAK PERERA SAID THAT THOUGH THE GOLD AGREEMENT HASN'T BEEN TIGHTENED UP, IF CENTRAL BANKS ARE ALLOWED TO PURCHASE GOLD, BOTH FRANCE AND GERMANY WILL DO SO. "EVEN A NUMBER OF SMALLER COUNTRIES WOULD BE GLAD TO SELL DOLLARS FOR GOLD."

PALESTINIANS STRIKE
IN RESPONSE TO KISSINGER MID-EAST PACT

SEPT. 3 (IPS)—ALL PALESTINIAN CAMPS IN LEBANON ARE REPORTED ON STRIKE TODAY IN REACTION TO KISSINGER'S EGYPT-ISRAELI SINAI AGREEMENT ACCORDING TO CBS REPORTS TODAY.

L'HUMANITE CALLS KISSINGER SPEECH "REARGUARD ACTION"

SEPT. 3 (IPS)—TODAY'S L'HUMANITE, NEWSPAPER OF THE FRENCH COMMUNIST PARTY, CHARACTERIZED THE KISSINGER SPEECH TO THE UNITED NATIONS AS A "REARGUARD ACTION". L'HUMANITE ATTRIBUTED THIS TO THE NECESSITY FOR KISSINGER "TO TAKE INTO ACCOUNT THE RESULTS OF THE RECENT NONALIGNED NATIONS CONFERENCE IN LIMA, PERU."

SPD-CDU COALITION IN NECKARSULM, WEST GERMANY

WIESBADEN, BRD, SEPT. 3 (IPS)—A "GRAND COALITION" IS TAKING SHAPE BETWEEN SOCIAL DEMOCRATS AND CHRISTIAN DEMOCRATS IN THE MAYORALTY CAMPAIGN, IN THE AUDI/NSU FACTORY TOWN OF NECKARSULM, WEST GERMANY WHERE THE INCUMBENT SPD MAYOR, DR. ERHARD KLOTZ, HAS DISCLOSED THAT THE LOCAL CHRISTIAN DEMOCRATS WILL SUPPORT HIM IN THE CITY ELECTIONS ON SEPTEMBER. ACCORDING TO THE AUGUST 30-31 ISSUE OF THE HAMBURGER ABENDBLATT, A LEADING CHRISTIAN DEMOCRAT POLITICIAN IN THAT CITY COMMENTED ONLY THAT "DR. KLOTZ IS A GOOD MAN".

(MORE)

JAPAN BANKRUPTCY FULL-STEAM AHEAD

SEPT. 3 (IPS)—TERUKUNI KAIUN K.K., JAPAN'S NINTH LARGEST SHIPPING FIRM, HAS FILED BANKRUPTCY PETITIONS WITH THE GOVERNMENT REPORTS THE WALL STREET JOURNAL, LEAVING OVER \$144 MILLION IN BAD DEBTS. TERUKUNI'S OWNERS INCLUDE SOME OF JAPAN'S LARGEST CORPORATIONS: JAPAN LINE, THE LARGEST SHIPPER, IHI, THE LARGEST SHIPBUILDER, NIPPON STEEL, THE LARGEST STEELMAKER. ALSO INVOLVED IS DAI ICHI KANGYO BANK, WHICH HAS BEEN INVOLVED IN EVERY MAJOR JAPANESE CORPORATE COLLAPSE IN THE PAST WEEKS.

III. CONTINENTAL NEWS

ENCEPHALITIS CONTINUES TO SPREAD

SEPT. 3 (IPS)—TODAY'S WASHINGTON POST REPORTS THAT FEDERAL HEALTH OFFICIALS FEAR THAT THE OUTBREAK OF DEADLY ENCEPHALITIS INFECTION WILL CONTINUE TO SPREAD. DR. JOHN BRYAN OF THE FEDERAL CENTER FOR DISEASE CONTROL IN ATLANTA INDICATED THAT THE MOST OMINOUS FEATURE IS THAT MOST CASES HAVE APPEARED RECENTLY, SO THAT THE DISEASE MAY JUST BE TAKING OFF. IT HAS ALREADY REACHED SERIOUS PROPORTIONS IN 12 STATES.

THE DISEASE IS NORMALLY ASSOCIATED WITH THE FLOODING AND RAIN-FALL CONDITIONS THAT ENHANCE MOSQUITO BREEDING, BUT THERE ARE AREAS OF THE COUNTRY WHERE THIS DOES NOT APPEAR TO BE A MAJOR FACTOR. WHILE MOSQUITO CONTROL HAS BEEN UNDERTAKEN IN CHICAGO, WHERE THE DISEASE HAS STRUCK IN FORCE FOR THE FIRST TIME IN HISTORY, IT IS DIFFICULT TO PREVENT CONTACT WITH DISEASE-CARRYING MOSQUITOS, IN THE MANY RUN-DOWN AREAS AFFECTED. THERE ARE NO FUNDS FOR MONITORING OR CONTROLLING THE DISEASED BIRDS WHICH ACT AS CARRIERS FOR THE DISEASE.

OIL, MIDEAST PLAN TOP ISSUES ON HILL AGENDA

SEPT. 3 (IPS)—SECRETARY OF STATE KISSINGER'S NEW SINAI "PEACE PLAN" AND THE OLD CONTROVERSY OVER DECONTROLLING OIL PRICES ARE EXPECTED TO BE THE FIRST ITEMS ON THE CONGRESSIONAL CALENDAR AS CONGRESS RECONVENES TODAY, ACCORDING TO TODAY'S WASHINGTON POST.

PRESIDENT FORD WILL MEET WITH CONGRESSIONAL LEADERS ON THURSDAY TO DISCUSS THE MIDEAST PLAN, WHICH MUST BE RATIFIED BY CONGRESS, AS WELL AS TO CONTINUE THE QUARREL OVER OIL PRICE CONTROLS.

NYT ORDERS CONGRESS TO PASS PUBLIC WORKS BILL

SEPT. 3 (IPS)—"THERE IS NEED FOR CONGRESS TO APPROVE A PUBLIC WORKS PROGRAM" TODAY'S LEAD EDITORIAL IN THE NEW YORK TIMES TELLS THE RECONVENING CONGRESS. WHILE PROPOSING TO "CURE" UNEMPLOYMENT WITH SLAVE LABOR JOBS, THE TIMES WARNS THAT THERE IS ALSO "A NEED TO ADOPT A NATIONAL POLICY OF RESTRAINING WAGES AND PRICES IN THE KEY INDUSTRIES IN ACCORD WITH PRODUCTIVITY", A "POLICY" BEING M MOOTED BY ROCKEFELLER AS A LAST DITCH EFFORT TO MAINTAIN CONTROL OVER THE ECONOMY.

(MORE)

MAC WOULD SUSPEND DEBT TEMPORARILY
TO ENSURE FUTURE REPAYMENT

SEPT. 3 (IPS)—THE MUNICIPAL ASSISTANCE CORPORATION (MAC) HAS DRAWN UP LEGISLATION PROVIDING THAT IN THE EVENT OF A CITY DEFAULT, THE "FIRST LIEN" RIGHTS OF HOLDERS OF NEW YORK CITY BONDS COULD BE TEMPORARILY SUSPENDED FOLLOWING THE DECLARATION OF A "STATE OF FINANCIAL EMERGENCY." ALTHOUGH THE PLAN WOULD OSTENSIBLY MAINTAIN "ESSENTIAL" CITY SERVICES, TODAY'S WALL STREET JOURNAL POINTS OUT THAT ITS REAL AIM IS TO ENSURE "EVENTUAL PAYMENT IN FULL" OF ALL DEBTS. THE PLAN WOULD ESTABLISH A ROCKEFELLER DOMINATED EMERGENCY FINANCIAL CONTROL BOARD WHICH WOULD ASSUME ALL OF THE CITY'S POWERS OF COLLECTING AND SPENDING REVENUE.

MEANWHILE, MAC BONDS PLUNGED IN TRADING YESTERDAY—ONE ISSUE DUE 1990 FELL \$20 FOR EVERY \$1,000 FACE AMOUNT. GROWING EVIDENCE INDICATES THAT THE BANKERS' STRATEGY IS TO FORCE THE CITY TO DEFAULT ON ITS PAYROLL THIS FRIDAY, AS A MEANS OF DISCIPLINING THE WORKING CLASS AND IMPOSING FURTHER AUSTERITY. THE SEPT. 1 ISSUE OF BUSINESS WEEK REPORTS THAT TREASURY SECRETARY SIMON AND FEDERAL RESERVE OFFICIALS ACTUALLY WELCOME A DEFAULT SINCE IT "WOLD FORCE THE CITY TO BALANCE ITS BUDGET."

END EARLY IPS FOR WEDNESDAY, SEPTEMBER 3, 1975