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P.O. Box 1972, G.P.O.
New York, New York 10001
Editorial (212) 279-5950 TWX 581-5679
Customer Service (212) 564-8529

FRIDAY, SEPTEMBER 5, 1975 2000 HOURS EDT

PORTUGUESE NATO AGENTS BOYCOTT MFA ASSEMBLY

SEPT. 5 (IPS)—ATTENDANCE BY THE ARMY AND THE AIR FORCE AT THE ARMED FORCES MOVEMENT ASSEMBLY OF 240 TODAY IS REPORTED BY WEST GERMAN RADIO TO HAVE BEEN "SPARSE," SUGGESTING THAT DESPITE THE "PACKING" OF THE TWO DELEGATIONS BY HIGH-RANKING U.S.-ALLIED OFFICERS, U.S. AMBASSADOR TO PORTUGAL "FRANKIE" CARLUCCI ORDERED THE DELEGATIONS TO BOYCOTT THE ASSEMBLY RATHER THAN RISK POLITICAL DEFEAT. THIS VIEW TENDS TO BE CORROBORATED BY AN ANALYSIS IN TODAY'S ITALIAN COMMUNIST PARTY PAPER L'UNITA WHICH ON THE EVE OF TODAY'S ASSEMBLY MEETING CONCEDED THE PRO-PCP GENERAL GONCALVES FORCES A 130-110 MAJORITY AND AN EVEN WIDER MAJORITY SHOULD THE COPCON SECURITY FORCES SWING TO GONCALVES.

CAREY MANEUVERS TO STOP DEBT MORATORIUM

SEPT. 5 (IPS)—DESPERATELY ATTEMPTING TO TURN AROUND THE DECLARED INTENTION OF A GROUP OF NEW YORK CITY DEMOCRATS CENTERED IN THE BLACK AND PUERTO RICAN CAUCUS AND THE DEMOCRATIC STUDY GROUP TO INTRODUCE A DEBT MORATORIUM AMENDMENT, NEW YORK GOVERNOR HUGH CAREY HELD A SPECIAL MEETING WITH THE BLACK CAUCUS THIS MORNING AT WHICH HE PREPOSTEROUSLY LIED THAT NEW YORK BANKS WOULD MAKE AVAILABLE \$10 BILLION TO THE CITY, A FULL 10 PER CENT OF THE BANKS' ENTIRE ASSETS, IF THE LEGISLATURE PASSED THE FASCIST PENSION SWINDLE CAREY HAS PUT BEFORE THE LEGISLATURE.

IN THE SPECIAL ARMTWISTING SESSION, CAREY FURTHER LIED THAT THE \$750 MILLION WHICH MAC IS ATTEMPTING TO STEAL FROM THE STATE EMPLOYEES PENSION FUND WOULD LAST THE CITY FOR SEVERAL MONTHS AND DELIVERED A VERBAL PROMISE TO THE CAUCUS THAT THERE WOULD BE NO NEW YORK CITY WELFARE CUTS.

THE LEGISLATURE'S SPECIAL SESSION WAS ADJOURNED EARLY TODAY WHEN THE COMBINED OPPOSITION OF UPSTATE REPUBLICANS, UPSTATE ANTI-MAC DEMOCRATS WHO REALIZE THAT BIG MAC WOULD SOON BANKRUPT THE STATE, AND THE BLACK AND PUERTO RICAN CAUCUS MADE IT CLEAR THAT CAREY'S PLAN COULD NOT BE PASSED TODAY. AT THE PRESENT TIME, CAREY HAS CALLED THE DEMOCRATIC STUDY GROUP TO ANOTHER ARMTWISTING MEETING, WHILE MAC SOURCES HAVE ALREADY BEGUN TO FEED THE PRESS FALSE REPORTS THAT CAREY'S LEGISLATION HAS PASSED IN THE ASSEMBLY.

(MORE)

NEW YORK BANK ADMITS MORATORIUM LIKELY;
CONFESSES BANKS PLANTED SCARE PROPAGANDA IN PRESS

NEW YORK, SEPT. 5 (IPS)—AN OFFICIAL OF ONE OF NEW YORK'S LEADING INVESTMENT BANKS ADMITTED TODAY THAT A DEBT MORATORIUM IN NEW YORK CITY WAS ALMOST UNAVOIDABLE, FOLLOWING TODAY'S EVENTS IN THE STATE ASSEMBLY.

"IF NEW YORK DEFAULTS, THEN THE SEVEN TO EIGHT MILLION PEOPLE OF THE CITY WILL HAVE TO TAKE PRECEDENCE OVER THE TWO OR THREE THOUSAND BOND HOLDERS," SAID THE BANKER, WHO ASKED NOT TO BE IDENTIFIED. "USE YOUR COMMON SENSE. A DEFAULT WOULD PROVIDE AN INFLOW OF FUNDS TO THE CITY, SUFFICIENT TO COVER ITS EXPENSES, FOR AS LONG AS THE DEFAULT LASTS," HE ADDED. "AFTER 60 TO 90 DAYS, IT WOULD GO TO THE COURTS, AND BECOME AN OFFICIAL MORATORIUM." MOST OF THE SCARE TALK ABOUT UNPAID PAYROLLS, HE SAID, WAS "POLITICAL PROPAGANDA."

ALTHOUGH A DEFAULT MIGHT PROVOKE A RUN ON THE NEW YORK BANKS, HE REASONED, THE GOVERNMENT COULD THEN NATIONALIZE THE BANKING SYSTEM AND WRITE OFF MOST OF THE OLD DEBTS. "THAT WOULD PRODUCE ONE HELL OF A STRONG U.S. DOLLAR," HE SUGGESTED, "ONCE YOU BLEW ALL THAT HOT AIR OUT OF THE SYSTEM."

THE BANKER MADE THE ADMISSIONS AFTER HE WAS CONFRONTED ON SPURIOUS REPORTS--WHICH HE HAD DISSEMINATED--THAT THE NEW YORK STATE ASSEMBLY HAD PASSED GOVERNOR CAREY'S PROPOSED STATE TAKE-OVER OF NEW YORK CITY FINANCES.

TEDDY KENNEDY STANDS BEHIND CHASE ON PORTUGAL

SEPT. 5 (IPS)—ROBERT HUNTER, AN AIDE TO SENATOR EDWARD KENNEDY, TODAY TOLD A U.S. LABOR PARTY REPRESENTATIVE THAT A "VERY INTERESTED" EDWARD KENNEDY IS BACKING CHASE MANHATTAN-KISSINGER SABOTAGE OF THE PORTUGUESE ECONOMY. "HE HAS IN THE PAST BACKED (ECONOMIC) AID TO A DEMOCRATIC PORTUGAL. HE IS NOT ADVOCATING AID NOW," HUNTER SAID.

HUNTER, WHOSE BACKGROUND INCLUDES A TERM OF RESIDENCE AT THE INSTITUTE FOR STRATEGIC STUDIES IN LONDON, IS KENNEDY'S FULL-TIME ADVISER ON THE PORTUGAL SITUATION. KENNEDY'S HOME STATE, MASSACHUSETTS, IS A MAJOR CENTER OF CIA-NATIONAL SECURITY COUNCIL COORDINATED ACTIVITIES AGAINST THE PORTUGUESE WORKING CLASS WITHIN THE UNITED STATES.

THE U.S. LABOR PARTY HAS SINGLED OUT KENNEDY AS A TARGET FOR PRESSURE IN ITS CAMPAIGN TO LIFT THE WESTERN ECONOMIC BLOCKADE OF PORTUGAL AND FORCE THE RECALL OF U.S. AMBASSADOR FRANK CARLUCCI.

CPI BLASTS CIA/NATO INTERFERENCE
IN PORTUGAL, INDIAN SUBCONTINENT

SEPT. 5 (IPS)—THE NATIONAL COUNCIL OF THE COMMUNIST PARTY OF INDIA (CPI) HAS ASSAILED "THE ECONOMIC BOYCOTT IMPOSED BY CERTAIN

(MORE)

NATO AND EUROPEAN MARKET COUNTRIES AGAINST PORTUGAL" AND THE "INTERNATIONAL PLOT TO WEAKEN THE UNITY OF DEMOCRATIC FORCES IN PORTUGAL" AS A VIOLATION OF THE HELSINKI ACCORDS, IN A DECLARATION PUBLISHED IN THE INDIAN LEFT-WING DAILY, THE PATRIOT, AUG. 29. THE DECLARATION CHARGES THAT "THE PRESENT EVENTS IN PORTUGAL, THE DEVELOPMENTS IN INDIA THAT LED TO THE PROMULGATION OF THE EMERGENCY, THE ASSASSINATION OF SHEIKH MUJIBUR REHMAN, ALL FORM LINKS TO ONE SINGLE CHAIN OF U.S. IMPERIALISM'S GLOBAL STRATEGY TODAY," AND PINPOINTS THE CIA AS RESPONSIBLE FOR THE ANTI-COMMUNIST HYS-TERIA IN PORTUGAL.

THE CPI DEMANDED AN IMMEDIATE END TO FOREIGN INTERVENTION IN THE DOMESTIC AFFAIRS OF THE PORTUGUESE PEOPLE.

IPS EXCLUSIVE

MCMARTIN SEES RETURN TO GOLD, NO RECOVERY, BANK COLLAPSE

WASHINGTON, D.C. (IPS)--FORMER FEDERAL RESERVE CHAIRMAN WILLIAM MCCHESENEY MARTIN SAID TODAY THAT HE FEARED THE WORLD MONETARY SYSTEM WOULD MOVE TO A SET OF CURRENCY BLOCS, CLEARING THEIR PAYMENTS IN GOLD. THIS VIEW HAS BECOME POPULAR IN EUROPEAN CIRCLES, WITH ONE LEADING SWISS BANKER PREDICTING THAT FOUR ZONES WOULD EMERGE AROUND THE DOLLAR, GERMAN MARK, JAPANESE YEN AND SOVIET RUBLE.

SPEAKING OFF-THE-CUFF OVER COCKTAILS AT THE INTERNATIONAL MONETARY FUND'S ANNUAL MEETING, THE INFLUENTIAL "MCMARTIN" SAID HE BELIEVED THIS DEVELOPMENT--WHICH HE OPPOSED--WAS NOW INEVITABLE. "I WAS ALL FOR INTERNATIONAL MONETARY REFORM," HE SAID, "BUT NOW IT'S TOO LATE."

THE FORMER FED GOVERNOR ALSO WARNED THAT THE SHAKY SITUATION OF THE BANKING SYSTEM WOULD MAKE A RECOVERY "IMPOSSIBLE." "TWO HUNDRED AND FIFTY BANKS ARE BEING CAREFULLY WATCHED," HE SAID. MCMARTIN IS A DIRECTOR OF NINE AMERICAN CORPORATIONS, INCLUDING U.S. STEEL.

MCMARTIN PROPOSED THAT THE FEDERAL RESERVE BUY UP NEW YORK CITY BONDS AT THEIR FACE VALUE TO PREVENT A RUN ON THE BANKS SHOULD NEW YORK DEFAULT. "BUT THIS WOULD REDUCE THE DOLLAR TO 20 CENTS OF ITS CURRENT VALUE," THE RETIRED BANKER MUSED.

WHITE ADMINISTRATION ATTENDS DEBT MORATORIUM HEARINGS; COUNCIL TO VOTE ON O'NEIL'S RESOLUTION ON MONDAY

SEPT. 5 (IPS)--BOSTON COUNCILMAN ALBERT O'NEIL REOPENED HEARINGS ON DEBT MORATORIUM TODAY WITH MAYOR WHITE'S TOP-LEVEL ADMINISTRATION IN ATTENDANCE TO ANSWER QUESTIONS ON THE CITY'S FINANCIAL CONDITION. THE APPEARANCE OF CITY TREASURER JAMES YOUNG AND CHIEF AUDITOR MERRILL WITH FOUR OF HIS STAFF WAS THE RESULT OF A WEEK-LONG CAMPAIGN BY O'NEIL AND THE U.S. LABOR PARTY AFTER WHITE'S BOYCOTT OF THE HEARINGS LAST WEEK.

(MORE)

O'NEIL OPENED THE HEARINGS BY OUTLINING THE NATIONAL SUPPORT FOR THE DEBT MORATORIUM, POINTING OUT "I USED TO THINK I WAS ALONE IN THIS, BUT REPRESENTATIVES IN THE NEW YORK STATE LEGISLATURE, THE NEW YORK CITY COUNCIL AND OUR OWN MASSACHUSETTS STATE LEGISLATURE ARE ACTIVELY CONSIDERING DEBT MORATORIUM."

THROUGHOUT THE HEARINGS, THE LEADING COUNCIL OPPONENT OF DEBT MORATORIUM, LARRY DICARA, ATTEMPTED TO WORK WITH YOUNG TO ESTABLISH THAT BORROWING WAS USED ONLY TO MAINTAIN CITY SERVICES, DESPITE YOUNG'S ADMISSION THAT DEBT PAYMENTS HAVE RISEN 137 PER CENT SINCE 1971, WHILE THE BUDGET HAS INCREASED ONLY 30 PER CENT.

U.S. LABOR PARTY MAYORAL CANDIDATE BOB GIBBONS BLASTED YOUNG'S TESTIMONY AND DOCUMENTED WHITE'S DRASTIC SLASHING OF ALL ESSENTIAL CITY SERVICES.

AT THE CONCLUSION OF THE HEARINGS, O'NEIL ANNOUNCED TO THE CHRISTIAN SCIENCE MONITOR THAT HE WOULD SUBMIT THE DEBT MORATORIUM TO THE COUNCIL FOR A VOTE MONDAY. THE ENTIRE CITY COUNCIL FACES REELECTION IN A PRIMARY ON SEPT. 23.

IRAQI AMBASSADOR PRAISES FRANCO-IRAQI COOPERATION

PARIS, SEPT. 5 (IPS)--MOUNZER AL WENDAONI, THE NEWLY APPOINTED IRAQI AMBASSADOR IN FRANCE, DECLARED IN HIS MESSAGE TO FRENCH PRESIDENT GISCARD D'ESTAING THAT "THE FRUITFUL COOPERATION ESTABLISHED BETWEEN FRANCE AND IRAQ CONSTITUTES A MARVELOUS EXAMPLE OF COOPERATION BETWEEN INDUSTRIALLY ADVANCED NATIONS AND THIRD WORLD COUNTRIES, AS WELL AS BETWEEN OIL PRODUCING AND CONSUMING COUNTRIES," ACCORDING TO THE SEPT. 4 ISSUE OF LE MONDE. GISCARD REPLIED THAT "EQUALLY ATTACHED TO THEIR NATIONAL INDEPENDENCE, IRAQ AND FRANCE HAVE IN COMMON THE WILLINGNESS TO CONTRIBUTE TO THE INSTALLATION OF AN INTERNATIONAL ECONOMIC ORDER BETTER ADAPTED TO THE PRESENT REALITIES."

K-MART: "FIND SOMEONE WHO WILL ARREST THEM."

AKRON, OH., SEPT. 5 (IPS)--STEVEN MEYERS, CAMPAIGN MANAGER OF CLEVELAND MAYORAL LABOR PARTY CANDIDATE JAMES ROSENBLATT, WAS ARRESTED ON THE PICKET LINE FOR TRESPASSING ON THE STRUCK AKRON K-MART YESTERDAY, AFTER THE STORE'S MANAGER PLACED FRENZIED CALLS TO CHICAGO AND DETROIT MANAGEMENT AND RECEIVED INSTRUCTIONS TO "FIND SOMEONE WHO WILL ARREST THEM." AREA PROSECUTORS HAD PREVIOUSLY RULED THE USLP IS WITHIN ITS RIGHTS IN PICKETING ON SEMI-PUBLIC K-MART PROPERTY.

USLP ATTORNEYS ARE SEEKING TO HAVE CHARGES DROPPED, AND PLAN TO FILE A FALSE ARREST SUIT AGAINST THE STORE'S ASSISTANT MANAGER BRUNO.

END OF LATE IPS PRIORITIES FOR FRIDAY, SEPTEMBER 5, 1975