



NEW SOLIDARITY International Press Service

Weekly Edition

P.O. Box 1972, G.P.O.
New York, New York 10001
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Vol. II No. 44

October 10, 1975

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IPS DAILY REPORTS FROM OCTOBER 4 THROUGH OCTOBER 10

Simon: Banks Need Moratorium

Oct. 5 (IPS) — Following a week in which the New York situation was only one of the financial hot spots sending panic through leading capitalist circles, Treasury Secretary Simon proposed Oct. 4 that the banks declare a debt moratorium on interest payments from the city to head off a sudden, uncontrollable default. He stipulated that such a moratorium be tied to a "credible" plan for balancing the city's budget and the temporary imposition of a state sales tax to aid the city.

The bankruptcy of New York's banks, especially Chase Manhattan and other Rockefeller institutions, has forced the issue of debt moratorium out into the open — an opening that will not be ignored by the Third World and other Rockefeller satrapies. Simon's call for a debt moratorium, strictly on bankers' terms, was born of the recognition that the financial panic unleashed by a municipal default or a major corporate or financial bankruptcy could topple the entire fragile U.S. banking system at any time and that top capitalists themselves must be in control of the inevitable collapse.

In the weeks ahead a major political battle will be fought over who sets the terms of the debt moratorium, the banks or the working class.

In the midst of the financial panic last week, Rockefeller agents in New York, led by Governor Hugh Carey, moved to bail out the faltering Rockefeller financial institutions by making plans to loot nearly \$5 billion from state and city pension funds this fiscal year to prop up state city debt.

Austerity Plans

Besides the plan to "borrow" almost

\$5 billion from workers' retirement funds — a sum far exceeding what Nazi Finance Minister Hjalmar Schacht looted from German workers' pensions — the Rockefeller forces are utilizing the atmosphere of financial crisis to renew an all-out assault on living standards in the city:

*Following up the move by the Emergency Financial Control Board to reopen the teachers' contract at the beginning of the week, the Board of Education announced that 900 teachers will be laid off on the grounds that the local boards do not want to spend the money saved during the strike to rehire teachers.

*This week the city administration must submit a three-year austerity plan for approval by the control board, the real city government. Carey, who sits on the control board, is demanding that more than \$200 million be axed from the current \$12.3 billion expense budget, if the city is to convince the financial community and Washington that it is making an effort to balance its budget. In the long-run, Carey is advising the city to eliminate 46,000 from its payroll by fiscal 1977-78. But given the depth of the financial crisis at this moment, it is inevitable that the control board recommend that the three-year plan be compressed into about three months in the interests of restoring investor confidence in the city.

The possibility of a New York City default became immediate at the beginning of last week when the \$2.3 billion rescue package started to bust apart, and then was temporarily averted by a plan to soak up even more of the pension funds to keep the city

liquid. Sate Controller Arthur Levitt, who at the beginning of the week refused to bear the responsibility of voluntarily investing \$125 million of state pension funds in Big MAC bonds, had been convinced by Thursday to use pension funds to buy \$250 million of state notes to be issued on behalf of the city on Oct. 15. This move means that the banks transfer funds they hold on pension accounts to their own assets — thus wiping out the ability of others to collect their retirement funds.

Levitt rationalized that the state notes are less of a risk than MAC bonds, however, bookkeeper Levitt was undoubtedly warned that the default of the city, the state, and ultimately the collapse of the international monetary system would be pinned on him for not releasing his funds.

In addition, the trustees of another state pension fund are about to pledge another \$250 million in the state issue November 15. Governor Carey meanwhile has proposed that \$4 billion in city pension funds be utilized to tide the city over December through June.

In a new stroke of ingenuity, the Carey administration in Albany made plans to rewrite state law to unlock all the independent state funds for daily cash expenses, now that the state has been barred from the credit market along with the city. A top aide to the governor pointed out that the plan would also have the virtue of "straightening out the state's finances" once and for all. State officials say that if it works, the plan could change the face of municipal financing nationally, making states and municipalities "independent" of the bond market — and triaging all their operations.

Atlanticists Forced to Back East-West Trade

Sect. 4 (IPS)-- In the aftermath of the Copenhagen NATO meeting last week, where forces under the direction of U.S. Secretary of State Henry Kissinger and Secretary of Defense James Schlesinger made explicit moves to wreck East-West trade and push for thermonuclear confrontation, West German anti-Atlanticists have renewed their offensive in the opposite direction.

Similarly, anti-Rockefeller factions in the U.S. have taken steps to reaffirm their support for detente based on expanded East-West trade.

Rockefeller is now forced to operate in a controlled environment created by the panic over the collapsing dollar and by months of organizing by working class forces for a monetary system to replace it.

The pressure created by this controlled environment is so great that even avowed Atlanticists like West German Chancellor Helmut Schmidt and Christian Democratic Union head Helmut Kohl were forced this week to stand behind East West trade.

Schmidt on NATO

When asked at a press conference this week during his visit to New York City whether he was in agreement with the policies laid out at last week's NATO meetings, a nervous Schmidt announced, "I don't know where such a policy (the sabotage of East-West trade) came from, but I will say that I reject such a policy out of hand."

"Strategically, cooperation between the two sectors greatly enhances the prospects of peace," the West German Chancellor elaborated. "From an economic point of view East-West trade is extremely advantageous (to West Germany)."

Schmidt's sober statements are a reflection of the pressure he is feeling from the faction of his own Social Democratic Party (SPD), led by parliamentary fraction leader Herbert Wehner. And pro East-West trade forces the CDU opposition led by CDU leader

Gerhard Stoltenberg. The penalty for toeing the Schlesinger line is a swift political demise.

Similarly, CDU chairman and another long-time Rockefeller agent Kohl, flanked by CDU officials Weizaecker and Marx, told a Bonn press conference that "economic cooperation was a very important theme of discussion" during his just-concluded 10-day visit to the Soviet Union. "I asked them (the Soviets) what are the exact points in their upcoming five-year plan," the CDU chairman said. "Their answers show that a long term orientation by the German economy is necessary here." Kohl, who had previously been an outspoken opponent of the Stoltenberg faction, also reported that he had an extraordinary two-hour long conversation with the Soviet head of the BRD-USSR Economic Commission, the body that facilitates trade deals. Weizaecker the second in command of the CDU delegation, in an implicit denunciation of the Copenhagen policy told the press "solutions cannot be reached through threats, only through cooperation of the three great camps: the industrialized nations, the Comecon sector, and the Third World." The office of CDU parliamentarian Lamberback told IPS this week, that the Kohl visit to the Soviet Union represented a major commitment on the part of the party to East-West trade and detente. In addition, Lamberback's office stated that CDU'ers who had advanced the Schlesinger line against East-West trade at last week's NATO meetings, were speaking for themselves and not for the CDU.

The industrial layers who back the CDU are also adamantly opposed to Schlesinger. Industrialists and economists at the large West German concerns of Krupp, Telefunken, and Bund Deutsche Industrie became angry

and hysterical when briefed on NATO Copenhagen discussions. "If what you say is true, (about moves to wreck detente), one industrial spokesman told IPS, "its unbelievable!" Each spokesman affirmed his companys commitment to continued detente. In this context, even the raving Maoist Franz Josef Strauss, the head of the Christian Socialist Union, has been forced to curb his anti-Communist diatribes. In an opposite editorial this week in the major West German business daily Handelsblatt, Strauss reiterated CDU-proposals for economic austerity. Significantly, the would-be Fuhrer omitted his usual attacks on the communist menace.

Meanwhile in the U.S., Sargent Shriver, the Democratic presidential hopeful, took off for Moscow this week ostensibly to look into his private hotel-building enterprises in the USSR. The Soviets used the visit of Shriver, one of the major anti-Rockefeller spokesmen as a means to tell Schlesinger-Kissinger what they thought of their efforts to wreck detente.

In the two-hour meeting with Shriver, Kosygin blasted the Kissinger blackmail proposal to barter U.S. grain for Soviet oil. Shriver told the press that the Soviets "want to purchase grain for cash and if we (the U.S.) don't sell it to them someone else will." He reported that Kosygin predicted that US-USSR trade would double over the next five years—an opinion which he, Shriver, shared.

While Kosygin discussed future trade arrangements with Shriver, Under Secretary of State Robinson, the man personally dispatched by Kissinger to secure the grain deal, was shuffled from one lower level bureaucrat to another. "Things may take a while," Robinson was quoted in the U.S. press as saying, "maybe a little longer than I thought."

Schmidt: Fixed Rates Will Ease 'Cheap U.S. Labor'

New York, Oct. 4 (IPS) -- West German Chancellor Helmut Schmidt, speaking before the banking community here at the U.S. Council of the International Chamber of Commerce on Thursday, called for the establishment of fixed exchange rates between the dollar and European currencies — explicitly to facilitate massive capital drains from Europe to the U.S.

"U.S. investments are best because labor here is so much cheaper than elsewhere," Ludwig Poullain, chairman of the West German Landesbank is reported to have said seconding Schmidt's proposal from the same podium.

Citing the "dangerous psychological effect" of the imminent default of New York City on the European banking system, Schmidt had strongly criticized U.S. Federal Reserve Chairman Arthur Burns for his insistence on floating exchange rates.

Instead, the West German Chancellor proposed there should be a supranational autarchy, coordinated through the central banks to, as he put it, "maintain orderly currency markets" - implicitly at all costs.

Schmidt's proposal and his subsequent activities in this country indicate that the West German Chancellor is here attempting to fix up a "deal" with Rockefeller forces to head off motion towards the development of a Europeanist anti-Rockefeller faction.

Schmidt's negotiating position, implicit in his proposal to the New York bankers is as follows: In return for intensified looting possibilities in the U.S., mediated by "support" operations to prop up the collapsing U.S. banking system, the West Germans and whoever else they can get to go along with the scheme, will triage their own domestic production forcing a fascist political reorganization and pump investment money into the U.S. at fixed rates maintained by the central banks.

To secure such looting possibilities, Rockefeller stands committed to slash the living standards of the U.S. working class to levels indicated by the proposals for the reorganization of New York City and the fascist wage policy implied by the Dunlop bill to slash wages and bust unions in the U.S. construction industry.

A top financial analyst at Money Manager magazine revealed yesterday that the Schmidt fixed-exchange rate proposal is already making the rounds in Europe. He reported that it is being billed as a "compromise" with French demands for gold backed fixed rates and recent U.S. positions at the International Monetary Fund. The U.S. would agree (under the Schmidt plan) to fix rates in exchange for a total demonetization of gold." The source indicated such a step as several pro-development Europeanists realize would give Rockefeller the ability to fix rates wherever he pleases in order to support the dollar, while bleeding Europe of its capital. Obviously anticipating the success of negotiations, Poullain told the bankers on Thursday that he was absolutely convinced that the Bundesbank, the German central bank would soon lower interest rates again. The lowering of interest rates by European central banks, has already driven capital out of Europe into high interest New York and Eurodollar accounts. Debt-strapped European corporations have thus been effectively frozen out of the loan and bond markets.

"It should be possible for European and American central banks to establish, through even closer cooperation and a skillful intervention policy, a higher degree of actual exchange rate stability between the European currency bloc and the dollar zone," Schmidt told the bankers as he wooed them with prospects of even more capital.

U.S. Banks and Industry Collapse

Oct. 4 (IPS) — Shaken by a series of corporate failures and a withdrawal in interest free deposits unprecedented in U.S. financial history, the illiquid New York based commercial banking system this week passed into a state of complete collapse. This week the dollar plunged on the international exchange markets. Panic spread throughout political and financial circles both in Europe and the U.S., climaxed by Treasury Secretary William Simon's abrupt call for banks to declare a debt moratorium on New York City short-term debt. Among those "in the know," it can no longer be denied that the dollar-based banking system has entered the deepest illiquidity crisis in capitalist history. The massive outpouring of deposits — the hair trigger of the crisis — indicates that corporations are drawing down their checking account balances as a prelude to a major downturn in business activity, already indicated by this week's shutdowns in steel and auto. In contrast with the depression downturn last year, this one will be accompanied by a full-scale credit collapse.

Bankruptcy Hits

In order of magnitude, the New York centered commercial banks were hit with the following developments:

*W.T. Grants, the country's seventeenth largest discount store filed for Chapter 11 bankruptcy in what is the largest failure in retail history. Immediately \$1 billion in bank loans are frozen in default status. Chase Manhattan, First National City and Morgan Guaranty, all up to their necks with bad loans, have \$97 million of such loans outstanding with Grants. Morgan Guaranty instantly wrote off \$37 million of one-third of its loan loss reserves — an indication that they can expect to salvage little from upcoming litigation proceedings. In turn, 27 unnamed smaller banks are directly implicated in loan defaults upwards of \$640 million. As the Wall Street Journal modestly commented, "Such smaller bank creditors of Grant's, particularly those worried about their holdings of New York City bonds and real estate, might have their own credit markets impaired."

*Major New York commercial banks led by the illiquid Manufacturers Hanover pumped an emergency \$300 million credit infusion into the Chrysler Financial Corporation to smother a major cash flow crisis that would interrupt payment on \$1.6 billion in bank credit lines and loan agreements. Chrysler's President Gordon Areen also revealed that similar amounts of such fire-engine funds would be extended in exchange for the transfer of Chrysler's uncollected receivables, thus stuffing future bank portfolios with more worthless paper assets.

IPS has determined that Chrysler's cash flow crisis is directly related to the plunge in car sales of its parent company Chrysler Corporation. The number 3 auto maker has suffered a 26 per cent decline in car sales from depressed levels a year ago. Chrysler has to date sold none of its 1976 model cars. Dealers who have borrowed from Chrysler Corporation to finance car stocks are without the means to repay.

*Several large Real Estate Investment Trusts went into de facto default status piling on top of the \$12 billion bad loans tied up in such bankrupt operations. A number of large commercial banks headed up by Chase Manhattan — an institution which Canadian financial circles have tagged "insolvent" — suspended interest payments on \$750 million in bank loans to the Chase Manhattan Mortgage REIT. The next day the First Virginia Corporation, one of the largest southern-based REITs had its trading in securities on the stock exchange market suspended due to undisclosed financial difficulties. Meanwhile, Hubbard REIT of Boston, whose \$25 million book value investments in 11 properties leased to Grants are endangered is being considered as next in line for bankruptcy reorganization.

*New York City's financial troubles spread to New York State and to hundreds of state and local governments shut out of the bond market. New York State notes which in May sold at 5.37 per cent were trading this week at almost 21 per cent but still no bidders could be found. Buffalo didn't raise one

cent on its \$17.5 million issue with which it intends to pay off earlier notes due for payment October 15. Meanwhile, from Florida to Oregon, states and municipalities were shut out of the markets except at prohibitive interest rates. With municipalities and states scheduled to borrow \$20 billion between now and Jan. 1, \$250 billion in such debt stands in jeopardy.

The accumulated pressures on bank income by such defaults intersected with a \$6 billion collapse in bank deposits at the large New York commercial banks. As financial intermediaries, it is these so-called free non-interest bearing deposits that banks use not only to make quick profit but to cushion themselves against "unlikely" loan losses. The combination of massive defaults and deposit outflows placed the large New York banks in a cash flow crisis greater than during the 1933 bank collapse.

It was in response to these nightmarish developments that Federal Reserve Board Chairman Arthur Burns and Treasury Secretary Simon moved in surreptitious but panic style. Friday afternoon, one day after the W.T. Grant bankruptcy and the same day of the Chrysler crisis, the Federal Reserve pumped an unusual amount of reserves into the banking system, an action which could not be explained by technical factors.

The same day West German Chancellor Helmut Schmidt, in conference

with President Ford, Simon, and Burns, warned of the unthinkable consequences of a bank collapse. According to press reports, Schmidt referred to the "enormous impact" of two previous bank failures — Franklin National and Herstatt.

Saturday Simon called for a bank-initiated debt moratorium on interest payments due on their account from New York City. Simon's call is a mere pretext to a backdoor full-scale bailout of the commercial banks.

The proposal could not have been meant for New York City. Between Sept. 1 and June 30 New York City has roughly \$4 billion in short-term notes

due for payment. The major New York banks have already agreed to roll-over their share which is estimated at \$550. The rest is held by individuals, funds and institutions. Felix Rohatyn, Chairman of the Municipal Assistance Corporation, apparently not briefed by Simon as to its true purpose, dubbed the debt moratorium proposal impractical and irrelevant.

In fact, Simon's debt moratorium

proposal will simply be used by the Federal Reserve bank as a pretext for bail out actions for the commercial banks. Had Burns himself declared that the banks were in trouble because of accumulated loan losses and deposit withdrawals suffered over the past week and required emergency aid for those reasons, he would have provoked a panic run on the banks and a classic bank collapse. Now the Fed's credit

mainline will be hooked directly into the banks using an incidental debt moratorium by the banks as the excuse.

Simon, however, is playing with fire. Not only will Fed bailouts lead to immediate hyperinflation but the pretext — a debt moratorium — will become an example for such debtors to Rockefeller banks as Third World countries, municipalities to follow.

New Bloodletting in NYC Began on Rocky's Orders

NEW YORK, Oct. 8 — New York's Mayor Abraham Beame announced this week bloodletting measures against the city's eight million residents, in the first phase of a three-year, Rockefeller-dictated austerity package to guarantee the looting rights of debt collection.

The announcement, mandated by New York State's Emergency Financial Control Board (EFBC), comes one day after Nelson Rockefeller demanded that New York City "put its house in order" before any federal relief is considered.

Governor Carey offered the plan yesterday to an audience of 2,000 bankers attending the annual meeting of the American Bankers Association. The bankers charged it was insufficient and, like vultures, demanded more blood from their working-class prey. In the style of the flesh peddlers of New York's red light district where the meeting took place, Carey obliged and tore up the teachers contract that ended last month's strike, declaring the settlement in violation of the banker's austerity plans.

The plan itself involves a \$200 million reduction in the city's budget by year's end, to be accomplished by the following actions:

*A reduction of the workforce by 20,000 through forced retirement of veteran employees. These layoffs, it is estimated by sources close to the mayor, will mean a 3 per cent cut in the police force and an 8 per cent cut in the fire force. Deputy Mayor for Finance,

Kenneth Axelson revealed, however, that such "attrition" will have to be accompanied by a new wave of layoffs. "If you look at the numbers," the dollar-a-year-man executive warned, "you'll see that there will have to be sizeable layoffs."

*An extension of the present wage freeze to cover all municipal workers and to extend for three years. This sweeping measure applied to all cost-of-living increases and contract increments. Axelson stated in blunt terms that this will require a "review of all city contracts and collective bargaining" and thus effectively dissolve all municipal union contracts.

*A drastic cutback in hospital, education, and cultural services combined with a RAND Corporation program of productivity and speed-up against those workers still employed.

*A complete freeze on capital spending for schools, hospitals, libraries, and other "non-essential" construction projects. The freeze, it is estimated will instantly effect at least \$74 million in construction plans.

In a related development, major press sources have reported that Governor Carey is considering a long-range financial plan to place the entirety of the state's \$8 billion pension fund under his direct control, to be used to purchase all the state's upcoming short-term note issues. By all capitalist financial standards these notes are worthless — a fact confirmed by Moody's Investors' Services, which removed their credit rating last week.

Workers are thus being "asked" not only to guarantee debt collection through layoffs, wage cuts, and service curtailments, but through the sacrifice of their retirement funds.

By the admission of Rockefeller's own hired hands, this wholesale attack on workers' living standards is a foretaste of what workers can expect in the period ahead. "Even with these wage reductions," Axelson conceded, "the gap (budget deficit) in the third year will be great," and will require much greater levels of austerity. In addition, the projected budget deficits on which Rockefeller has based the present attacks do not account for the jump in operating costs and the fall in revenues that the renewed inflation and industrial collapse will ensure.

This is of little concern to such Rockefeller flunkys as Carey, Beame and their controllers in the EFBC who believe that once workers accept the present round of austerity and the complete destruction of their own municipal unions, then there will be no obstacles to such future attacks.

The resistance to the present assault, however, was signalled earlier this week by the call for a debt-moratorium by Dennis Serrette, head of the New York Coalition of Black Trade Unionists, and by similar motion among key members of the Congressional Black Caucus. Carey, when presented with this evidence of opposition at a broadcast press conference yesterday, became flustered and screamed out, "A bank collapse will cause a debt moratorium!"

Their Debt Moratorium or Ours

by David Goldman

Oct. 8 (IPS) — Although senior financial and government officials still tremble at the mention of the idea of debt suspension, this week's events in New York City and at the United Nations have compelled leading capitalist spokesmen to associate themselves with the debt moratorium policy — until now regarded almost as a copyrighted slogan of the International Caucus of Labor Committees.

In the case of New York City, both Treasury Secretary Simon and Rep. Henry Reuss (D.-Wisc.), chairman of the House Banking Committee, admitted reluctantly this week that no "rescue" package for New York City could work without the suspension of at least a significant portion of the City's \$3.5 billion annual debt payments. The alternative, both Simon and Reuss are aware, would involve either default and subsequent panic, or printing of Federal money to cover the debt payments gap to the point that the U.S. currency would become worthless through hyperinflation.

They Just Can't Collect

In no sense has the Treasury Secretary abandoned the most sacred of capitalist principles, the collection of income by the holders of paper titles to income, in this case, the \$14 billion in notes and bonds of New York City. On the contrary: William Simon merely suggested that New York City exercise the privilege that W.T. Grants used last week. The bankrupt retailer applied for court protection under Chapter 11 of the Federal Bankruptcy Act, suspended payments on \$640 million in bank loans, continuing to pay its suppliers on a cash basis, and shutting down about 30 per cent of its outlets.

No one in Washington has suggested that New York City should continue to provide even the minimum of essential services its population requires under a reorganization plan. But no amount of austerity, Simon and Reuss have ad-

mitted, can pay all the debt on schedule.

In a recent interview, Assistant Secretary of State Thomas O. Enders admitted candidly that the U.S. capitalists would have to take a similar approach to the debt of Third World countries. "A likely scenario" is a breakdown of the \$220 billion international lending market, which includes most of the Third World's \$60 billion private debt, "which would probably convince these countries that they have nothing to lose from debt moratoria," Enders said. In this case, he explained, the U.S. would attempt to apply "Paris Club" proceedings to all the defaulting countries — a bankers' Kangaroo court with remarkable similarities to the banks' Emergency Financial Control Board in New York City — and extract what income available from debtor countries.

Indeed, what has terrified banking circles in regard to Simon's proposal is not the financial principle involved, which has had an honored place in capitalist textbooks since the Spanish bankruptcy of the sixteenth century. Rather, bankers fear that debt moratoria will get out of hand politically. "Debt moratoria are immoral!" declared a spokesman for Lazard Freres, the investment bank called in to "reorganize" New York, commenting on the Simon and Reuss proposals — meaning that a New York City moratorium might "demoralize" local governments and Third World countries sufficiently to make them want moratoria, too.

In general, leading bankers are thoroughly aware that they will not be able to collect on most of the forty per cent in bad loans on their books. Chase Manhattan yesterday indicated this by writing off sufficient of its bum assets to knock its third-quarter 1975 earnings down to half of their level in the second quarter. There have been no major bankruptcies during the third quarter, ended Sept. 30, and the Chase an-

nouncement represents a decision to bite the bullet — provided that the bullet is already lodged in the hide of a debtor-victim.

No Policy

The fundamental problem of the Rockefeller banking interests, in particular, is that their present economic role — the world's biggest coupon-clippers and interest-collectors — rules out for them any form of sane economic policy. Third World countries, who plan to renew the push for debt moratoria in the United Nations later this month through the Economic Committee delegated by last month's Special Session on Development, understand perfectly well what policy the industrial countries require. Mexican President Luis Echeverria spelled out in detail yesterday the coincidence of economic interests between underdeveloped countries and the advanced sector: he noted that the main obstacle to mutually beneficial agreements of this sort was the stripping of present foreign aid and more by \$20 billion in annual Third World debt service.

Any policy for expanding production requires suspension of debt service, the main cause of the strangulation of production since the 1969 recession. In any period of financial panic, in which paper assets against the finances of a New York City or Argentina become worthless, the capitalist is thrown back to those productive facilities he controls which can be made to generate profit — a phenomenon which forced the rise of industrial capitalism following the utter collapse of mercantile capitalism by the middle of the seventeenth century. Present debts must be at least suspended during the period in which production is re-started. In this sense most industrial capitalists, principally the Europeans and Japanese will reluctantly back debt moratoria when there is clearly no other option, at the expense of financial interests who rely principally on the collection of debt.

But — as Simon's remarks to a badgering journalist indicate — the Rockefeller interests themselves cannot avoid effective debt moratoria; Chase Manhattan Bank, prior to corraling a banking consortium into a \$700 million credit for their bankrupt real estate investment trust, Chase Mortgage Investors, had to ask for a temporary moratorium for its own subsidiary.

What Kind of Debt Moratorium?

The rate of debt-service payments in the dollar sector has outstripped the economy's capacity to maintain even current-account expenditures for its own maintenance, such as purchases of raw materials, consumer replacement of durable goods, new family housing, and so on. Following the December-to-May industrial downturn, which stabilized during the past five months, the economy is now heading into a second and worst tailspin for this reason. But the destruction of current profit-making activities to pay debt service — such as W.T. Grants' decision to shut down 250 retail stores — immediately destroys the basis for further collection of debt service.

There are, in fact, two debt-moratorium policies; the first intends to freeze parasitical titles to income in the interests of re-starting production and investment; the second to guarantee the most cents on the dollar for creditors. What makes it impossible for the Rockefeller interests to impose bankruptcy-court politics on the capitalist sector is a political fight on the debt moratorium question. The working class is immediately able to dictate such policy to industrial layers and those financier layers whose main asset-base is in productive industry or agriculture. At the present juncture, the very preliminary efforts in this direction by our own forces and our allies in the U.S. sector, and the motion of Third World countries in this direction, made Simon's sounding of debt moratoria one of the worst blunders of a leading capitalist official in recent years.



Europe Agrees, Bankrupt U.S. Means Moratorium

Oct. 8 (IPS) — Pure panic erupted this week in European and Japanese financial circles as U.S. Treasury Secretary Simon's Sunday proposal for a New York City debt moratorium rudely awoke them to the impending international banking collapse. Summing up European reaction, Dr. Kurt Richebächer, number two man at West Germany's prestigious Dresdner Bank, angrily told an interviewer; "Upswing? There's never been a chance for an upswing. If there was, (U.S. Federal Reserve Chairman Arthur) Burns' monetary policy killed it."

Fueling the panic was a fresh broadside of bankruptcies, New York bankers confessed their own illiquidity publicly while Chrysler Corporation and New York City threatened to follow W. T. Grant's down the hole.

"Few people understand how serious the situation really is compared to the 1930s," Richebächer continued. "Half the borrowers in international lending are uncreditworthy." Sources at top New York banks agreed that, indeed, these banks are now making loans to the Third World expecting to never see collateral returned — if only they can get the interest.

Already Third World organizing at the United Nations and in Europe forebodes a volley of debt moratoria in response. Under the circumstances, the Third World bloc's trade and development offers are ones that Europe and Japan cannot refuse.

Assistant Secretary of State Thomas O. Enders, asked in a telephone interview yesterday whether a coming crisis of confidence in response to Simon's idea might not destroy international credit flows and, convince the Third World that they have a clear road to moratorium, responded, "That's quite possible. It would probably convince them. It's a likely scenario."

Atlanticist West German Chancellor Helmut Schmidt, along with British and Japanese policymakers, are moving hurriedly under this political pressure. Last Thursday, Schmidt lectured the New York business community that the city debt crisis is shaking international capital markets far more drastically than did last year's Herstatt Bank col-

lapse. On Friday, he flew to Washington to match raised voices with Federal Reserve Chairman Burns, demanding that currency markets be stabilized some way — any way. Present were President Ford and Treasury Secretary Simon. Simon's freak-out proposal the next day for a New York City debt moratorium was blasted over the front page of the Sunday New York Times.

Debt Moratorium? Delighted!

A high British economics official set the conditions for sanity commenting, "British financial circles would be delighted" with Simon's proposal. The source, who is close to the Labour Party's left-wing Tribune faction, saw the immediate need for orderly political agreements to stop the bust and further cannibalization of industrial production. "There's been a lot of talk in the past week or two around here of the Kredit Anstalt collapse in Austria in 1931, the one that ticked off an international panic," he said.

Britain's Daily Telegraph noted this week that the British delegation to the upcoming Big Five international monetary summit will push for "assurance from the Ford Administration that it will take steps to protect the international banking system" from "a collapse of New York City's debt service program.

Among Schmidt's West German constituency, Dr. Richebächer's response was the norm. Number two man Bachenagel at the Swiss Banking Corporation bellowed. "If you're talking to bankers about moratorium, collapse — you are responsible for a sharp drop in the dollar!"

Indeed, such a drop occurred this week.

The bankruptcy-a-day Japanese meanwhile abandoned all pretense of inscrutability. The Bank of Japan junked a two-year tight-money policy and flooded the banking system with a 33 per cent increase in lending this quarter. This would not suffice, insisted Soichi Yokoyama, President of the Bank of Tokyo, Japan's top foreign exchange bank. To avoid "a depression of the kind...of the 1930s" the world must print reams of money to avoid bankruptcies, "even at the risk of re-

kindling inflation." A top officer at a major Japanese bank in New York termed the Simon proposal "disastrous to the international money markets. Default would be equally disastrous because...in the strongest country in the world, it would destroy the idea that America is the exception to the economic crisis."

Reality Principle

But unprecedented public admissions by New York banks of their own illiquidity, along with fresh bankruptcies and a weakening of the dollar, is forcing capitalist recognition of reality. John Sullivan, Senior Vice President of Manufacturers Hanover confessed to several hundred members of the American Banking Association annual conference on Monday that his lending officers are spending about 25 per cent of their time trying to recover bad loans. "The problems are of such magnitude," Sullivan added, "that we have found it necessary to hire or train specialists in various industries." His confession was prominently covered by the financial press.

More important, Sullivan revealed that on top of bad loans to retailers, municipalities, manufacturers, and real estate investment trusts, banks' loan losses to each other and to bank holding companies are the banks' biggest headaches. Manufacturers Hanover, the U.S. bank with the most such loans, has had to lure a "specialist" away from the Federal Reserve to deal with the situation.

Following last week's W.T. Grant's bankruptcy, and then the shutdown of a Kresge store under pressure from the U.S. Labor Party's boycott of the chain, auto surfaced as the next industry to go. Today the largest Chrysler dealership in St. Louis folded. Chrysler's British subsidiary, reporting losses of \$23 million in the first half of 1975, has borrowed for the emergency from its parent company. Chrysler Financing Company, which funds the international group, was in turn bailed out this month with a \$300 million credit to keep it from defaulting on some of its \$1.6 billion in outstanding loans. The source of the infusion? Manufacturers Hanover!

Special Report:

USLP, Kissinger Critics Testify in Senate Hearings on the Sinai Pact

Oct. 8 (IPS) — Strong opposition to U.S. Secretary of State Henry Kissinger's brand of secret diplomacy and policy by executive agreement emerged this week at the Senate Foreign Relations Committee hearings into the Egyptian-Israeli disengagement accord. In testimony before the Committee, whose hearings were ostensibly confined to the question of whether to station 200 American CIA-trained "technicians" in Sinai, leading Kissinger critics George Ball, Paul Warnke, and Charles Yost, all former government officials, and Sen. James Abourezk voiced broad attacks on every aspect of the Kissinger policy. The opposition at the Senate hearings represented the crystallization of direct factional resistance to the Rockefeller-Kissinger goals of Cold War-style containment and economic brinksmanship, against both the Soviet bloc and the Third World.

Despite the hearings and overwhelming public opposition to the dangerous Sinai pact — Senator Mike Mansfield reported his mail as being "98 per cent against" the accord — the Senate and the House are both expected to approve the agreement by large margins later this week. Yesterday, the Foreign Relations Committee voted 10-2 in favor of the accord, sending the measure to the Senate floor.

The Committee also heard testimony on Monday from U.S. Labor Party spokesman Bob Dreyfuss that Kissinger had secretly agreed with Syria, Israel and Egypt to fan the flames of civil war in Lebanon in order to destroy the Lebanese left and the Palestinian movement and thus pave the way for an extension of Kissinger's diplomacy to the northern front. Iraq, Algeria, and East Germany have all charged that the Lebanon civil war is a consequence of the Sinai pact. Dreyfuss testified that acceptance of the accord by Congress would lead to renewed explosions in Lebanon and a likely

nuclear confrontation between the U.S. and the Soviet Union.

Although one Senator privately told the Labor Party that he agreed that the U.S. "and Israel, too" were actively provoking the civil strife in Lebanon and that Kissinger was directly responsible, neither the Committee nor the other witnesses mentioned the Lebanese situation in their remarks. Overcome with parliamentary politeness, the bourgeois opponents of the accord confined their criticism to veiled references to the dangers of secret diplomacy.

"I believe the days should be over when the Secretary of State and the President can be allowed to shoot dice under a blanket," said Sen. Abourezk in his testimony, "where they are the only ones allowed to see the dice."

Tottering old skeptic George Ball, former Undersecretary of State, was the clear leader of the hounds of dissent against Kissinger's provocative agreement. Ball correctly identified the futility of the Kissinger approach and added that provisions of the Sinai accord "can lead to a highly dangerous explosion in the next two or three years."

Ball, whose consistent opposition to step-by-step diplomacy since late 1974 has earned him a wide reputation as a Kissinger critic, was explicitly recognized as the leader of Kissinger and Rockefeller's factional opposition by Sen. Charles Percy. Percy noted that his mail from constituents contained innumerable references to Ball's writings and that Ball had "catalyzed" latent opposition to the agreement.

Visibly upset by Percy's acknowledgement of Ball's role were the two leading pro-Rockefeller agents on the Committee, Senators Jacob Javits and Clifford Case, the "Senators from Mobil (Standard Oil of New York) and Exxon (Standard Oil of New Jersey)," respectively. Throughout the hearings,

Javits and Case unashamedly defended the Kissinger policy, claiming repeatedly that Congressional approval of stationing 200 American "technicians" in Sinai did not signify acceptance of the numerous secret provisions and assurances contained in the accord. Ball, Warnke and several Senators disagreed, and urged that Congress vote an amendment that would disassociate Congress from any other aspects of the agreement.

Javits' strongly disagreed with such efforts, including a proposed amendment by Sen. Dick Clark.

Slick counterinsurgent Sen. Frank Church also slyly tried to imply that Congress was voting only on the strict issues of sending Americans into Sinai, to which Ball replied that this issue was a "red herring," and tried to refocus the discussion onto more significant, larger issues. Ball did not, however, have the courage to urge rejection of the pact, preferring to regard the measure as a fait accompli by Kissinger to which Congress must acquiesce, and only then seek to reorient U.S. Middle East policy.

Reflecting the pressure against continuation of step-by-step diplomacy and for an overall agreement, Kissinger doubted yesterday under questioning from Sen. George McGovern that he could pursue Syria-Israel bilateral talks via shuttle diplomacy. "We're coming to the end of the step-by-step process," Kissinger lied, seeking to quiet Senate opposition until after the vote this week.

Meanwhile, Sen. Joseph Biden, a young freshman Democrat, voiced the otherwise unspoken fears about the accord, raised elsewhere only by the Labor Party. "How do we know," he asked, "that what has been already revealed represents all the secret provisions?" Then, realizing what he had said, Biden added, "the President says they are, and I believe him. But...."

Special Report:

Finnish Social Dem Bagman Caught with Laundered CIA \$

STOCKHOLM, Oct. 8 (IPS) — The treasurer of the ruling Finnish Social Democratic Party was arrested yesterday by Swedish Customs police as he attempted to smuggle 198,000 Swedish Crowns (approximately \$58,000) out of Sweden. Swedish radio reports that the treasurer was released with a reprimand. He has since gone underground and is reported to be unavailable for comment.

Preliminary but reliable information from the Swedish and Finnish press, however, however, traces the origins of the money back to CIA agent Willy Brandt and the West German Social Democratic Party (SPD).

This evening, Expressen, a major liberal Swedish daily, reports that Eugen Loderer, Trilateral Commission member and head of IG Metall, the West German metalworkers union, has issued a statement claiming responsibility for most of the money. One hundred

thousand West German Marks were reportedly conduited to the SAP in Sweden on the authorization of Loderer, an ally of Willy Brandt's.

The money was laundered — i.e. changed into Swedish Crowns — and then delivered to the Finnish SD treasurer, allegedly by SAP officials. The transfer, informed sources indicate, may have occurred at the recently concluded SAP conference in Stockholm.

Palme's government, which was rocked last week by revelations in the press that the Second International was involved in conduiting CIA money to the Portuguese Socialists, has refused official comment on the incident. Observers here expect the incident to trigger a major governmental crisis, that may bring down Palme.

According to Swedish press reports from earlier today, the Swedish Social Democratic Party (SAP) of Prime

Minister Olof Palme has "confessed" that the entire sum originated with them.

The money had been passed to the Finnish Social Democracy for the support of its candidates in the Nov. 3 metalworkers union elections. Political observers had expected the Finnish Communist party to win the elections and thus gain control of the trade union movement. In last month's general elections the Communists scored impressive gains, while the SD lost votes.

The Finnish Communist Party has issued a statement charging that the contraband money was part of a CIA operation.

Expressen reports that Brandt was recently invited to Stockholm by Palme where he spent most his time denying his CIA links and swearing that he never touches CIA money. "Doth the Lady protest too much?," Expressen asks.

Brandt-CIA Agent for 30 Years

Oct. 4 (IPS) — The chances of former West German Chancellor Willy Brandt to prove in open court that he is not now and never has been an employee of the CIA took a turn for the worse yesterday. This week, the full story of his longstanding ties to Anglo-American intelligence community, which Brandt is suing the European Labor Committees for publicizing, was aired on West German TV.

Gerhard Löwenthal, a popular TV commentator for the Channel 2 West German station and a spokesman for Franz Joseph Strauss, chairman of West Germany's Christian Social Union, accused Brandt of having perjured himself during a court investigation into the Günther Guillaume spy affair, which prompted Brandt's

resignation from the federal Chancellorship in April of 1974.

Löwenthal charged that Brandt's pleading that he was ignorant of "intelligence matters" and therefore did not know that West German intelligence officials suspected Guillaume — a top aide to Brandt — of being an East German spy was ludicrous. Löwenthal

then proceeded to outline Brandt's connections to the intelligence community in West Germany and internationally.

The commentator noted that although the former Chancellor was the supposed leader of the major anti-fascist party in Germany during the mid-1930s, he was known to have travelled freely in and out of Berlin at the height of Hitler's power. Löwenthal also detailed Brandt's employment with the U.S. Office of Strategic Services (OSS) as a special agent in Sweden from 1943-1945.

Löwenthal's charge of perjury and agency against Brandt is part of a mounting international exposure campaign of the CIA's leading Western European operative.

In an Oct. 1 article documenting CIA funding of the European Social Democracies, Chicago Sun Times writer Thomas Ross ties Brandt to the CIA's entire post-war history of Western European operations. When President Ford decided to begin covert CIA funding of the Portuguese Socialist Party, the money was channelled

through Brandt, Ross asserted, because "the CIA had a close working relationship with leading German socialists since World War II.

"Former Chancellor Brandt reportedly worked for the Office of Strategic Services, the CIA predecessor, in Scandinavia during the war and maintained the CIA relationship as a mayor and later in the Bundestag," Ross continues.

Newspapers throughout West Germany are picking up the Brandt scandal. Friday's edition of the Hanoversche Allgemeine Zeitung quotes Brandt as denying any connection with the CIA's anti-communist wrecking operation in Portugal.

Yesterday, the European Labor Party kicked off a European forum series that will lead directly into the court suit that Brandt has filed against Labor Party Executive Member and Neue Solidarität editor Anno Hellenbroich, and Jürgen Spahn. The first forum this week in Dusseldorf, advertised by the ELC's 'Brandt posters; drew an overflow crowd of more than 50 people.

Special Report:

Detroit Kresge's Folds, Chain Reaction to Come

Oct. 5 — The national management of Kresge's Corp. has closed the "7-mile Road" Kresge store in Detroit. The first crack in the façade of financial solvency put forth for the edification of Kresge K-Mart stockholders is just the beginning of a chain reaction bankruptcy. High level sources report that at least two other stores are slated for permanent shut-down, including Baltimore's Northeast Kresge store. All the stores, in areas of high USLP penetration, have been pushed over the edge of the general retail collapse by the U.S. Labor Party's strike against Kresges.

When the USLP began the strike action against Kresge K-Mart harassment of Labor Party electoral campaign organizers the demand was "End the CREEP harassment or face bankruptcy." Since the end of July, the strike has cut sales at the high turnover retail chain by an estimated \$3 million per week. At the 43 targeted stores, commission salaries for store managers — based on store profits — have been slashed from \$25-30 thousand to \$10-15 thousand per year.

The Kresge CREEP management, however, has refused to end its harassment. Instead, store managers have deployed goons to attack the Labor Party picket line, cut prices by 75 per cent to attract shoppers, and have submitted in the last two weeks, a fraudulent financial report to a Wall Street firm which claimed that sales were up by 20 per cent.

Illegal Support

What is keeping Kresge and Co. momentarily afloat are a series of questionable financial transactions between the Kresge Foundation and the company. Money is funneled out of Kresge K-Mart into the Foundation through the Foundation's illegal purchase of the bulk of Kresge stock. The Foundation, the major stockholder in Kresge's and Ford Motor Co., then jacks up the dividends.

This financial ruse, however, is short-lived. Although the stores targeted for shut-down are not the stores targeted by the USLP strike, it will not be long before the effects of plummeting sales at these 43 stores will have its effect.

According to Robert H. Anderson, president of the bankrupt W.T. Grant Co., "When you have 1,000 stores and you are in the dire situation we have been in of fighting for you corporate life, missing your sales goals makes your losses multiply quickly."

Shut Down Kresge Drug-Running

The imminent bankruptcy of the Kresge K-Mart retail chain should close down Rockefeller's drug-pushing operation — the Kresge Foundation. The Kresge Foundation, according to the Commuter Digest, a local Wilmington paper reporting on the USLP strike against Kresge, "is a heavy sponsor of methadone programs."

In 1975 alone, the Kresge Foundation gave \$45,000 to the Northeast Guidance Center in Detroit, a methadone maintenance center; \$60,000 to Project Headline, an umbrella organization funding methadone maintenance, withdrawal and detoxification centers; and \$25,000 to the Detroit Transit Alternative, a one-year program for runaways offering Transactional Analysis and classes in "Radical Political Theory."

Further, Kresge stores are major contact points for large heroin transactions. A Sept. 17 drug bust in the parking lot of Detroit's Farmington K-Mart netted three arrests and \$4 million in heroin.

Desperate Harassment

The USLP exposure of the Kresge pushers has evoked a desperate response from the CREEPs who have upped their harassment of Labor Party campaign organizers.

With a false arrest suit already pending for hearing next week, Officer in Chicago and Roseland K-Mart security guard Caputo arrested six Labor Party picketers yesterday.

Friday, USLP candidate for Congress Phil Valenti was arrested for disorderly conduct by the Wilmington, Del. Kresge store manager, Mr. Rigley. Police at the precinct house declared, "You must be really hurting those guys. Those charges are ridiculous." Valenti was released on his own recognizance after two radio stations broadcast the arrests.



International Press Service

Daily News and Press Summaries

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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE
OCTOBER 4, 1975 2040 HOURS EDT.
COMBINED EDITION

I. PRIORITIES

EAST GERMAN PARTY PLENUM WARNS OF "ABRUPT CHANGES" ON THE INTERNATIONAL SCENE

OCT. 4 (IPS) — ALL MAJOR SPEAKERS AT THIS WEEK'S PLENUM OF THE EAST GERMAN COMMUNIST PARTY (SED) CENTRAL COMMITTEE WARNED OF THE POSSIBILITY OF "ABRUPT CHANGES" IN THE INTERNATIONAL SITUATION, AND THE DANGER OF WAR, NEUES DEUTSCHLAND REPORTS TODAY.

PARTY CHIEF ERICH HONECKER WARNED AGAINST ANY COM-
PLACENCY ABOUT THE RESULTS OF THE HELSINKI SECURITY CON-
FERENCE, AND CALLED FOR CONCRETE DISARMAMENT MEASURES. "NEITHER
PIOUS WISHES, NOR STAYING UP LATE AT NIGHT" WILL REMOVE THE
THREAT OF WAR, HE SAID. POLITBURO MEMBER HERMANN AXEN, IN HIS
SPEECH ON THURSDAY, STATED THAT "THE RESULTS OF HELSINKI ARE EN-
DANGERED BY INTERNATIONAL CRISIS POINTS SUCH AS THE NEAR
EAST, CYPRUS, AND NORTHERN IRELAND. THE IMPERIALISTIC INTERVEN-
TION IN PORTUGAL CREATES NEW TENSIONS." "THE AGGRESSIVE
CIRCLES OF IMPERIALISM," HE ADDED, "ARE ANSWERING THE HISTORIC
DEFEAT THEY RECEIVED IN INDOCHINA AND IN THE CONFERENCE AT HELSINKI
WITH MASSIVE NEW THRUSTS AGAINST PEACE AND INDEPENDENCE, IN
ORDER TO WORK AGAINST THE INTERNATIONAL DETENTE PROCESS."

OTHER SPEECHES AT THE PLENUM REPORTED ON THE RESULTS OF
LAST MONTH'S UNITED NATIONS SPECIAL SESSION ON DEVELOPMENT.
FOREIGN MINISTER OSKAR FISCHER CHARGED THAT "INTERNATIONAL
MONOPOLY CAPITAL" HAD USED THE SESSION TO TRY TO "DECEIVE THE
DEVELOPING COUNTRIES WITH THE 'CANDY AND WHIP' TACTIC," AND
TO EXCLUDE THE SOCIALIST COUNTRIES FROM DELIBERATIONS ON CRUCIAL
INTERNATIONAL ISSUES.

WEST GERMAN AIRFORCE GENERAL SACKED FOR OPPOSING SCHLESINGER

OCT. 4 (IPS) — WEST GERMAN AIRFORCE LT. GENERAL GUENTHER RALL
HAS BEEN REMOVED FROM HIS POSITION ON THE NATO MILITARY COM-
MITTEE, NATO'S HIGHEST MILITARY BODY, FOR OPPOSING THE STRATEGY
OF "LIMITED NUCLEAR WAR" ESPOUSED BY U.S. DEFENSE SECRETARY
JAMES SCHLESINGER. RALL HAS ALSO BEEN DISMISSED FROM
THE WEST GERMAN AIRFORCE.

SOLID CONFIRMATION THAT RALL WAS AN OPPONENT OF THE SCHLE-
SINGER DOCTRINE CAME THIS WEEK WHEN NATO-AGENT MANFRED WOERNER, A
MEMBER OF THE MILITARY COMMITTEE OF THE WEST GERMAN OPPOSITION

10.4 PRIORITIES/2

PARTY, THE CHRISTIAN DEMOCRATIC UNION, PRAISED THE DISMISSAL AND CALLED FOR AN "INVESTIGATION INTO THE POLITICAL RESPONSIBILITY OF OUR GENERALS," ACCORDING TO YESTERDAY'S FRANKFURTER RUNDSCHAU.

THE NATO AGENTS WHO ENGINEERED RALL'S OUSTER, LED BY WEST GERMAN DEFENSE MINISTER GEORG LEBER, HAVE MADE NO MENTION OF RALL'S OPPOSITION TO THE SCHLESINGER DOCTRINE. INSTEAD, THEY CLAIM THAT RALL WAS DISMISSED BECAUSE HE TOURED SOUTH AFRICAN NUCLEAR INSTALLATIONS LAST OCTOBER UNDER AN ASSUMED NAME AND FALSE PASSPORT. UNSAID IS THE FACT THAT RALL COULD NOT HAVE UNDERTAKEN SUCH AN EXPEDITION EXCEPT UNDER EXPLICIT ORDERS FROM LEBER.

THE SCANDAL HAS ALSO SERVED TO DIVERT ATTENTION FROM THE FACT THAT THE WEST GERMAN PRESS HAS ENTIRELY BLACKED OUT NEWS OF SCHLESINGER'S RECENT TOUR OF EUROPE.

PCI TO MERGE WITH SECOND INTERNATIONAL

OCT. 4 (IPS) — ITALIAN COMMUNIST PARTY (PCI) SECRETARIAT MEMBER BUFALINI HAS CALLED FOR THE MERGER OF HIS PARTY WITH THE ITALIAN SOCIALISTS (PSI). IN AN INTERVIEW WITH THE NOTED ITALIAN MAGAZINE IL MONDO, BUFALINI ARGUES THAT: "WE (PCI-PSI) ARE THE CHILDREN OF THE SAME HISTORY. WE MUST MOVE TOWARD UNITY...OVERCOME THE SCISSION OF 1921." THE PSI PROMPTLY RESPONDED TO THE PROPOSAL IN AN EDITORIAL STATEMENT BY THE EDITOR OF ITS DAILY, ARFE, IN WHICH THE LATTER STATES THAT THE DIFFERENCES BETWEEN THE TWO PARTIES — CENTERING ON THE PCI'S ADHERENCE TO THE SOVIET "POLICE STATE" — "WERE NOT INSURMOUNTABLE."

MEXICAN SENATOR DENOUNCES U.S. ECONOMIC AGGRESSION AGAINST MEXICO

MEXICO CITY, OCT. 4 (IPS) — MEXICAN SENATOR VICTOR M. SCHAEFFER DENOUNCED THE U.S. FOR ITS "ECONOMIC AGGRESSION" AGAINST MEXICO AT A MEXICAN SENATE SESSION TWO DAYS AGO. SCHAEFFER, A SENATOR FROM THE STATE OF YUCATAN, DECLARED THAT THE PRESSURE OF U.S. TRADE RESTRICTIONS AGAINST MEXICAN PRODUCTS "...HAS TURNED INTO ECONOMIC AGGRESSION AGAINST OUR COUNTRY." SCHAEFFER ALSO SAID THAT HE BELIEVES THAT THE U.S. HAS LAUNCHED THE AGGRESSIVE POLICIES IN RETALIATION FOR PRESIDENT ECHEVERRIA'S SUPPORT FOR THIRD WORLD DEVELOPMENT.

SCHAEFFER WARNED THAT MEXICO MUST "...CONTINUE FORWARD WITH THE POSITION ADOPTED BY PRESIDENT ECHEVERRIA, FOR TO TAKE A STEP BACK NOW WOULD BE EVEN MORE DANGEROUS."

SIXTY FIVE PER CENT OF MEXICO'S FOREIGN TRADE IS WITH THE U.S. AND THIS YEAR MEXICO'S TRADE DEFICIT WITH THE U.S. IS UP \$1 BILLION OVER THE LAST YEAR, A TOTAL OF \$2.5 BILLION DOLLARS FOR 1975.

SCHAEFFER'S STATEMENTS WERE PRINTED BY THE OCT. 3 MEXICAN DAILY LA PRENSA.

(MORE)

10.4 PRIORITIES/3

MOYNIHAN HURLS TIRADE AT THIRD WORLD IN SPEECH TO AFL-CIO

SAN FRANCISCO, OCT. 4 (IPS) — SPEAKING FOR 1,000 DELEGATES AT THE NATIONAL CONVENTION OF THE AFL-CIO YESTERDAY, U.S. AMBASSADOR TO THE UNITED NATIONS DELIVERED A TIRADE AGAINST THE THIRD WORLD "GROUP OF 77" NATIONS WHICH DEMANDED A NEW ECONOMIC ORDER BASED ON INTERNATIONAL DEBT MORATORIA AND CURRENCY RESTRUCTURING AT THE RECENTLY CONCLUDED UN SPECIAL SESSION.

"THERE IS BLOOD IN THE WATER AND THE SHARKS GROW FRENZIED," MOYNIHAN RAILED. CHARGING THAT "COMMUNIST TREACHERY" HAS PREYED UPON A PREVIOUS MERE "ANTI-AMERICAN BIAS" AT LOOSE IN THE WORLD, MOYNIHAN LAMENTED, "WE ARE ASSAILED DAILY AT THE UN, ATTACKS NOT MOTIVATED BECAUSE OF WHAT WE DO WRONG, BUT BECAUSE WE ARE A DEMOCRACY."

DIGRESSING TO COMMENT ON THE "CORPORATIST" SOCIAL RESTRUCTURING PROPOSALS THAT HAVE DOMINATED THE CONVENTION, MOYNIHAN ADDED: "TRADE UNIONS LAST LONGER THAN DEMOCRATIC GOVERNMENTS."

CARRILLO CALLS FOR LIQUIDATION OF COMMUNIST MOVEMENT

OCT. 4 (IPS) — THE ANTI-SOVIET HEAD OF THE SPANISH COMMUNIST PARTY (PCE), SANTIAGO CARRILLO, HAS CALLED FOR LIQUIDATING THE COMMUNIST MOVEMENT INTO A BROAD CONFEDERATION OF ALL SOCIALIST FORCES, WHICH HE SAID MIGHT BE CALLED THE "REVOLUTIONARY SOCIALIST PARTY." ASKED BY AN INTERVIEWER FOR THE ITALIAN MAGAZINE L'EUROPEO, WHAT WERE HIS DIFFERENCES WITH THE "SOCIAL DEMOCRATS" — I.E., THE ADHERENTS OF THE SECOND INTERNATIONAL — CARRILLO REPLIED FLATLY, "NONE."

CARRILLO'S REMARKS WERE PUBLISHED IN THE LATEST ISSUE OF L'EUROPEO.

NATO AGENT MANDEL TO DIRECT SPANISH TERRORISM

OCT. 4 (IPS) — ERNEST MANDEL, NATO AGENT AND LEADER OF THE "TROTSKYIST" FOURTH INTERNATIONAL, ORGANIZED A MEETING THIS WEEK WITH LEADERS OF THE SPANISH BASED CIA-CONTROLLED TERRORIST OPERATIONS, FRAP AND ETA AND WITH THE HEAD OF THE BELGIAN CONFEDERATION OF LABOR TO ESTABLISH AN "ANTI-SPANISH STRUGGLE FRONT" TO COORDINATE TERRORIST ACTIVITIES AGAINST THE REGIME OF FASCIST SPANISH DICTATOR FRANCISCO FRANCO.

A DISPATCH FROM THE SPANISH NEWS AGENCY, EFE, REPORTS THAT THE BRUSSELS MEETING DISCUSSED NEW TERRORIST ACTS INSIDE SPAIN, AND AGAINST SPANISH DIPLOMATIC DELEGATIONS IN OTHER COUNTRIES.

THE EFE DISPATCH WAS PUBLISHED IN THE OCT. 2 WEEKLY EDITION OF THE MADRID NEWSPAPER, ABC.

(MORE)

10.4 PRIORITIES/4

K-MART EMPLOYS ASSASSINATION CALLER

TRENTON, N.J., OCT. 4 (IPS) — LAST NIGHT USLP STATE ASSEMBLY CANDIDATE ELLIOT GREENSPAN IDENTIFIED AN EMPLOYEE OF THE HAMILTON K-MART (KRESGE CORP.) AS THE PERSON RESPONSIBLE FOR MAKING A DOZEN TELEPHONED THREATS AGAINST GREENSPAN'S LIFE. LOCAL POLICE HAVE REFUSED TO ARREST THE PERSON OR EVEN TO CONDUCT AN INVESTIGATION TO DETERMINE THE INDIVIDUAL'S IDENTITY. WHEN CONFRONTED AT THE K-MART STORE BY GREENSPAN YESTERDAY, THE EMPLOYEE BECAME UNEASY AND WHISPERED TO THE STORE'S MANAGER: "I USUALLY DEAL WITH THE SITUATION WITH A TWO-BY-FOUR, BUT..."

ROCKEFELLER WOOS ARAB MONEY FOR ENERGY BOONDOGGLE; ESCHEWS "SHARE THE WEALTH" SCHEME

OCT. 4 (IPS) — SPEAKING AT A PRESS CONFERENCE AT THE WESTERN STATES REPUBLICAN CONVENTION IN PORTLAND, OREGON YESTERDAY, VICE PRESIDENT NELSON ROCKEFELLER TOLD REPORTERS THAT "WE'RE TRYING TO WOO BACK ARAB OIL MONEY AND HAVE THEM BUY BONDS" TO FINANCE THE \$100 BILLION ENERGY INDEPENDENCE AGENCY HE IS ASKING CONGRESS TO ESTABLISH. THE BONDS, ROCKEFELLER ADDED, WOULD BE "VERY SECURE."

RESPONDING TO A REPORTER WHO ASKED WHAT EFFECT NATO'S DRIVE FOR NUCLEAR WAR WOULD HAVE ON SOVIET DISARMAMENT PROPOSALS AND THE EXPANSION OF EAST-WEST TRADE, ROCKEFELLER REPLIED: "THE SOVIET UNION IS A CLOSED SOCIETY. HOW DO WE REALLY KNOW THEY WANT DISARMAMENT?" ASKED TO COMMENT ON THE PROPOSAL FOR A MORATORIUM ON THIRD WORLD DEBT PAYMENTS ADVANCED AT THE RECENT UN SPECIAL SESSION, ROCKEFELLER SAID: "THAT IS THE SAME AS NEW YORK CITY." QUESTION — "HOW DO YOU FEEL ABOUT A DEBT MORATORIUM FOR NEW YORK CITY?" ROCKEFELLER — "IT WOULD AFFECT THEIR ABILITY TO BORROW. THESE ARE GOOD, TOUGH QUESTIONS." ASKED ABOUT THE S-1 JUDICIAL CODE REFORM BILL, WHICH CRITICS HAVE CHARGED WOULD VIOLATE A BROAD SPECTRUM OF CONSTITUTIONAL RIGHTS, ROCKEFELLER RESPONDED WITH A TERSE "NO COMMENT."

THE PRESS CONFERENCE ENDED AFTER A REPORTER ASKED THE VICE PRESIDENT: "YOU ARE SO RICH AND EVERYONE IS SO HUNGRY, WHY NOT SHARE YOUR MONEY?" "WELL, YOU ARE A FABIAN SOCIALIST OR SOME KIND OF COMMUNIST," ROCKEFELLER REPLIED. "I'M A DEDICATED CAPITALIST."

SOVIETS BLAST ARMS RACE, CALL FOR RECONVERSION OF WAR INDUSTRIES

OCT. 4 (IPS) — IN A BLAST AIMED AT DEMANDS BY U.S. DEFENSE SECRETARY JAMES SCHLESINGER FOR INCREASED ARMS PRODUCTION BY THE WEST, M. BAGLAI OF THE SOVIET-BASED INSTITUTE OF THE INTERNATIONAL WORKERS MOVEMENT, HAS WARNED OF "THE STRIVING OF WORLD-WIDE REACTION — FIRST OF ALL, THE INTERNATIONAL MONOPOLIES — TO MAINTAIN THEIR PROFITS FROM THE ARMAMENTS RACE, TO FURTHER ATTACK THE COUNTRIES OF SOCIALISM."

BAGLAI LUMPS TOGETHER U.S. SENATOR HENRY JACKSON, WEST GERMAN RIGHTIST FRANZ JOSEF STRAUSS, THE U.S. AFL-CIO, AND MAO ZE DONG'S PEKING REGIME AMONG THOSE WHO FAVOR AN ANTI-SOVIET OFFENSIVE.

(MORE)

10.4 PRIORITIES/5

"TOTAL PEACE CANNOT OCCUR WITHOUT STOPPING THE ARMAMENTS RACE," BAGLAI COUNTERS, STATING THAT "THE QUESTION OF THE URGENT NECESSITY OF RECONVERSION, THAT IS, THE CONVERSION OF THE WAR INDUSTRY IN THE CAPITALIST COUNTRIES FOR PEACEFUL MEANS, IS ALWAYS MORE OFTEN RAISED.

"THE MONOPOLIES IN EVERY WAY POSSIBLE OPPOSE THIS," HE SAYS, "INTIMIDATING WORKERS WITH THE GROWTH OF UNEMPLOYMENT WHICH, SO THEY SAY, WOULD INEVITABLY CONTINUE UNDER CONDITIONS OF RECONVERSION....(BUT) RECONVERSION COULD BE SUCCESSFULLY REALIZED ON THE BASIS OF DEVELOPING THE INTERNATIONAL BRANCHES OF THE ECONOMY, BROAD INTERNATIONAL ECONOMIC COOPERATION, OF RAISING THE STANDARD OF LIVING OF THE MASSES OF THE CAPITALIST AND DEVELOPING COUNTRIES."

BAGLAI'S REMARKS ARE CARRIED IN THE OCT. 2 ISSUE OF TRUD, THE SOVIET TRADE UNION DAILY.

ATTENTION: *****

THE ABOVE SHORTS ARE IN THE PROPER PRIORITIES ORDER FOR DAILIES, SO THERE WILL BE NO DAILY PRIORITIES LIST.

END OF COMBINED PRIORITIES SHORTS, 10/4/75.

NEW SOLIDARITY INTERNATIONAL PRESS SERVICE
OCTOBER 4, 1975 2230 HOURS EDT.
NON-PRIORITIES SECTION
COMBINED EDITION

I. INTERNATIONAL

NATO HEAD LUNS SEES EUROPE THROUGH U.S. FIELD BINOCULARS

OCT. 4 (IPS) — NATO SECRETARY GENERAL LUNS "LOOKS AT OUR CONTINENT ONLY THROUGH HIS FIELD BINOCULARS AND ONLY AS A POTENTIAL THEATRE OF MILITARY OPERATIONS," IZVESTIA, THE SOVIET GOVERNMENT DAILY, CHARGED ON OCTOBER 2. THE RECENT ATTACKS BY LUNS ON A REDUCTION IN THE DUTCH DEFENSE BUDGET, ACCORDING TO IZVESTIA, ARE NO COINCIDENCE: "THE U.S. DEFENSE MINISTER (JAMES R.) SCHLESINGER, IS TOURING EUROPE FOR INSPECTION PURPOSES. IT IS THEREFORE NECESSARY FOR LUNS TO SHOW HIS ZEAL."

PCF RIGHT-WINGER DEFENDS HISTORICAL COMPROMISE

OCT. 4 (IPS) — FRENCH COMMUNIST PARTY (PCF) RIGHT-WINGER JEAN RONY HAS CALLED FOR AN ALLIANCE BETWEEN ITALY'S AGENT-LED COMMUNIST PARTY (PCI) AND THE RULING CHRISTIAN DEMOCRACY, IN AN ARTICLE IN THE LATEST ISSUE OF THE PCF WEEKLY FRANCE NOUVELLE. RONY SAYS THAT THE PLAN — WHICH HAS GAINED NOTORIETY AMONG THE COMMUNIST MOVEMENT UNDER THE NAME "HISTORICAL COMPROMISE" — IS FEASIBLE IF BASED ON "SOCIAL CHRISTIANISM" AND CHANNLED THROUGH THE CISL, THE ITALIAN CATHOLIC TRADE UNION FEDERATION.

MANY COMMUNISTS, INCLUDING THE LEADERSHIP OF THE PCF, HAVE CHARGED THAT THE "HISTORICAL COMPROMISE" IS A COVER UNDER WHICH CIA AGENTS LEADING THE PCI HOPE TO IMPOSE ROCKEFELLER-DICTATED LEVELS OF AUSTERITY ON ITALY.

SEVERAL WEEKS AGO, RONY ATTACKED A LEADING SOVIET COMMENTATOR, KONSTANTIN ZARADOV, FOR DEFENDING THE PORTUGUESE COMMUNIST PARTY'S REFUSAL TO GIVE UNQUALIFIED SUPPORT TO A CIA-BACKED PORTUGUESE CABINET FORMED IN ACCORDANCE WITH RIGGED ELECTIONS LAST APRIL. RONY CLAIMED THAT THE CONCEPTION OF "LENINIST DEMOCRACY" ADVANCED BY ZARADOV IN DEFENSE OF THE PCP WAS ANALOGOUS TO THE BELIEFS OF CHARLES MAURRAS, LEADER OF FRANCE'S FASCIST ACTION FRANCAISE.

SOVIET AND PCF YOUTH LEADERS ISSUE JOINT CALL

(MORE)

OCT. 4 (IPS) — JEAN MICHEL CATALA, HEAD OF THE FRENCH COMMUNIST PARTY (PCF) YOUTH ORGANIZATION AND SOVIET KOMSOMOL (YOUTH ORGANIZATION) LEADER GUENADI YANAUD YESTERDAY ISSUED A JOINT CALL TO ALL "REVOLUTIONARY YOUTH" TO ATTEND A MASS MEETING IN THE PARIS PALAIS DES SPORTS NEXT WEEK. THE CALL FOLLOWS A SERIES OF MEETINGS BETWEEN CATALA AND KOMSOMOL LEADERS IN THE USSE LAST WEEK AND IS REGARDED AS A MOVE TO COUNTER THE MOBILIZATION OF FRANCE'S CIA-DOMINATED ULTRA-LEFT GROUPS THIS WEEK IN PROTESTS AGAINST THE EXECUTION OF TERRORISTS BY THE GOVERNMENT OF SPAIN.

THE PALAIS DES SPORTS MEETING WILL BE PRECEDED THIS SATURDAY BY A HUGE PCF YOUTH RALLY IN PARIS AGAINST AUSTERITY WHICH WILL CALL FOR JOBS AND EDUCATION. OVER 70,000 YOUTH ARE EXPECTED TO ATTEND THE RALLY, ACCORDING TO YESTERDAY'S HUMANITE, THE NEWSPAPER OF THE PCF.

OPUS DEI — SPANISH FASCISTS PUSH CO-PARTICIPATION

OCT. 4 (IPS) — NAVARRO RUBIO, A LEADING BANKER WITHIN THE SPANISH CATHOLIC FASCIST ORGANIZATION, OPUS DEI, HAS CALLED FOR SPREADING "WORKER-MANAGEMENT CO-PARTICIPATION" THROUGHOUT SPANISH FACTORIES.

RUBIO, LIKE THE UNITED AUTOWORKERS' PRESIDENT, LEONARD WOODCOCK, A SUPPORTER OF CORPORATIST POLICIES, STRESSED THE IMPORTANCE OF "TURNING THE PRESENT TRADE UNIONS INTO UNIONS OF PARTICIPATION." "IN THE PRESENT CIRCUMSTANCES," HE ADDED, "IT IS MORE IMPORTANT TO INVENT FORMULAS FOR SOCIAL PARTICIPATION THAN FOR INVENTING MACHINES." RUBIO'S STATEMENTS WERE FEATURED IN A LEAD COMMENTARY IN THE MADRID WEEKLY, ABC.

OPUS DEI CAN COUNT ON HELP FROM ITS PARTNER IN THE SO-CALLED DEMOCRATIC JUNTA OF THE SPANISH OPPOSITION, NATO AGENT SANTIAGO CARRILLO AND HIS ANTI-SOVIET SPANISH COMMUNIST PARTY. CARRILLO, ALSO A WELL-KNOWN SUPPORTER OF CORPORATISM, RECENTLY BOASTED OF HUGE GAINS MADE BY HIS PARTY IN SPANISH TRADE UNION ELECTIONS.

SPANISH GOVERNMENT ARRESTS CIA MAOISTS IN JESUIT CENTER

OCT. 4 (IPS) — SPANISH POLICE ARRESTED 35 MEMBERS OF A MAOIST LABOR ORGANIZATION CALLED THE SPANISH LABOR PARTY LAST WEEK IN A JESUIT CENTER CALLED PIGNATELLI, ACCORDING TO THE OCT. 2 ISSUE OF THE SPANISH PAPER ABC. THE JESUITS IN SPAIN LONG HAVE BEEN COUNTERINSURGENT LABOR AGITATORS.

STANDING OVATION FOR SOARES AT BRITISH LABOUR PARTY CONFERENCE

OCT. 4 (IPS) — MARIO SOARES, GENERAL SECRETARY OF THE PORTUGUESE SOCIALIST PARTY AND RECIPIENT OF CIA FUNDS, RECEIVED A WARM WELCOME FROM THE LEADERSHIP OF THE RULING BRITISH LABOUR PARTY AND A STANDING OVATION FROM DELEGATES TO THE LABOUR PARTY'S ANNUAL CONVENTION AT BLACKPOOL, ENGLAND, TWO DAYS AGO, THE BRITISH PRESS REPORTS.

(MORE)

"I AM HONORED TO BE HERE REPRESENTING THE SOCIALIST SECOND INTERNATIONAL," SOARES SAID. "OTHERS WHO HAVE HELD THIS HONOR HAVE BEEN WILLY BRANDT AND LEON BLUM."

BRANDT IS THE ATLANTICIST CHAIRMAN OF THE WEST GERMAN SOCIAL DEMOCRATIC PARTY. THE LATE LEON BLUM LED THE STRIKE-BREAKING POPULAR FRONT GOVERNMENT OF FRANCE IN 1936.

SOVIET SUPPORT FOR THE INTEGRITY OF ISRAEL

OCT. 4 (IPS) — THE LONDON TIMES REPORTS YESTERDAY THAT, SOVIET PREMIER ALEXEI KOSYGIN DURING THEIR RECENT MEETING IN MOSCOW, TOLD DEMOCRATIC PRESIDENTIAL HOPEFUL SARGENT SHRIVER THAT THE SOVIET UNION UNEQUIVOCALLY SUPPORTS THE INVIOABILITY OF ISRAEL'S FRONTIERS, AND IS PREPARED TO GUARANTEE HER INTEGRITY, PROVIDED ISRAEL WITH-DRAWS TO HER 1967 BORDERS, AND ACCEPTS UNITED NATIONS RESOLUTIONS ON THE MIDDLE EAST. THE MEETING REPORTEDLY REVIEWED THE WHOLE SPECTRUM OF SOVIET-AMERICAN RELATIONS, WITH EMPHASIS ON DISARMAMENT AND TRADE. THE WEST GERMAN DAILY, FRANKFURTER ALLGEMEINE ZEITUNG, REPORTS TODAY THAT A SOVIET DELEGATION IS SCHEDULED TO VISIT ISRAEL IN THE NEAR FUTURE.

THE MOVES REPRESENT A CONTINUATION OF SOVIET DIPLOMATIC MOVES TO DEFUSE THE TENSION IN THE MIDDLE EAST CREATED BY THE U.S.-AUTHORED SINAI ACCORD.

WEST GERMAN DEVELOPMENT FORCES BLAST VETTER CO-DETERMINATION PLAN

OCT. 4 (IPS) — LEADING PRO-DEVELOPMENT SPOKESMEN IN WEST GERMANY HAVE ATTACKED A PLAN BY HEINZ OSCAR VETTER, CHAIRMAN OF THE WEST GERMAN TRADE UNION CONFEDERATION AND A MEMBER OF DAVID ROCKEFELLER'S TRILATERAL COMMISSION, TO PERMIT THE NATION'S TRADE UNIONS AND EMPLOYERS TO INDEPENDENTLY COME TO AGREEMENT ON THE DEGREE OF "CO-DETERMINATION" WHICH UNIONS WILL BE GIVEN IN THE MANAGEMENT OF INDUSTRY. VETTER'S PLAN WOULD SCUTTLE A PARLIAMENTARY COMPROMISE WORKED OUT BETWEEN THE RULING SOCIAL DEMOCRATS (SPD) AND THE FREE DEMOCRATS (FDP), THEIR PARTNERS IN THE GOVERNMENT, UNDER WHICH THE QUESTION WOULD BE SETTLED BY THE FEDERAL PARLIAMENT IN BONN. THE FREE DEMOCRATS HAVE INSISTED THAT THE CO-DETERMINATION QUESTION BE SETTLED BY THE PARLIAMENT AS A CONDITION FOR THEIR CONTINUED PARTICIPATION IN THE GOVERNMENT.

THE FDP PARLIAMENTARY LEADER, WOLFGANG MISCHNIK, BLASTED THE PLAN, STATING, ACCORDING TO YESTERDAY'S DIE WELT, THAT "WE NEED SOLIDARITY, BECAUSE IN ITS PLACE THERE IS NOW HATE." AND PHILIP VON BISMARCK, AN ECONOMICS EXPERT AND EAST-WEST TRADE SPECIALIST FOR THE OPPOSITION CHRISTIAN DEMOCRATIC UNION (CDU) STATED THAT "IT IS PARLIAMENT'S AFFAIR TO ESTABLISH HOW THE DECISION PROCESS SHOULD COME ABOUT. NEITHER THE UNIONS NOR THE EMPLOYERS ARE ENTITLED TO MAKE DECISIONS ON THE FUNDAMENTAL RIGHTS OF CITIZENS."

(MORE)

THE ROCKEFELLER FORCES' RAGE THAT THE PARLIAMENTARY COMMISSION WHICH IS WORKING ON THE PROBLEM IS HEADED BY TWO OF PARLIAMENT'S LEADING DEVELOPMENT SPOKESMEN, MISCHNIK AND SPD PARLIAMENTARY LEADER HERBERT WEHNER. UNDER THEIR LEADERSHIP, THE OBSERVERS SAY, THE COMMISSION HAS SHOWN MORE INTEREST IN PROBLEMS OF DEVELOPMENT THAN IN THE NARROW CO-DETERMINATION QUESTION. THE OBSERVERS ALSO NOTE THAT VETTER'S ATTEMPT TO SCUTTLE THE COMMISSION WOULD BRING DOWN THE GOVERNMENT, AND CITE THIS AS A MEASURE OF THE ROCKEFELLER FORCES' DESPERATION.

II. CONTINENTAL

TIMES ACCUSES ECHEVERRIA OF "MONUMENTAL HYPOCRISY"

OCT. 4 (IPS) — THE NEW YORK TIMES ACCUSED MEXICAN PRESIDENT LUIS ECHEVERRIA — AN AVOWED SUPPORTER OF THE DEBT MORATORIUM — OF "MONUMENTAL HYPOCRISY" FOR ASKING THAT SPAIN BE SUSPENDED FROM THE UNITED NATIONS FOR EXECUTING FIVE CONVICTED TERRORISTS, IN AN EDITORIAL YESTERDAY.

"DIPLOMATS SAW MEXICO'S DEMAND AS PART OF PRESIDENT LUIS ECHEVERRIA'S CAMPAIGN FOR SECRETARY GENERAL OF THE UNITED NATIONS ON THE EXPIRATION OF KURT WALDHEIM'S TERM NEXT YEAR," THE TIMES SAID, "RECALLING MR. ECHEVERRIA'S ALLEGED ROLE, AS INTERIOR MINISTER, IN THE KILLING OF AT LEAST FIFTY STUDENTS AND THE WOUNDING OF HUNDREDS MORE DURING A PROTEST PRIOR TO THE OLYMPIC GAMES IN MEXICO CITY IN 1968."

OBSERVERS SAW THE TIMES' VIOLENT BLAST AS PART OF ITS CAMPAIGN TO DISCREDIT THE THIRD WORLD "GROUP OF 77" WHICH, UNDER THE LEADERSHIP OF ECHEVERRIA AND OTHERS, DEMANDED FAR-REACHING CHANGES IN THE WORLD ECONOMIC ORDER AT THE RECENT UN SPECIAL SESSION, DESPITE THE OPPOSITION OF U.S. SECRETARY OF STATE HENRY KISSINGER. GROUP OF 77 MEMBERS HAD ISSUED A STATEMENT AT THE END OF THE SESSION EXPRESSING DISPLEASURE WITH THE TIMES' COVERAGE OF THE SESSION.

SENATE FOREIGN RELATIONS COMMITTEE DECLASSIFIES SINAI PACT AGREEMENTS

OCT. 4 (IPS) — THE SENATE FOREIGN RELATIONS COMMITTEE, AFTER HOURS OF NEGOTIATIONS WITH SECRETARY OF STATE HENRY KISSINGER, YESTERDAY RELEASED FOUR DOCUMENTS CONTAINING THE TEXTS OF AMERICAN GUARANTEES TO ISRAEL AND SYRIA CONTAINED IN THE SINAI ACCORDS. KISSINGER FILED A FORMAL OBJECTION TO THE RELEASE BUT, THE NEW YORK TIMES NOTES TODAY, "MR. KISSINGER'S OBJECTIONS WERE MADE MORE FOR THE RECORD THAN ANYTHING ELSE."

V

KISSINGER'S OBJECTIONS TO PUBLICLY RELEASING THE DOCUMENTS ARE AIMED AT FOCUSSING ATTENTION AWAY FROM PROVISIONS IN THE SINAI ACCORD WHICH CALL FOR STAGING THE CIVIL WAR IN LEBANON IN ORDER TO WIPE OUT THE INFLUENTIAL LEFT-WING POLITICAL FORCES IN THAT COUNTRY.

(MORE)

CIA ASSASSINATION UNIT REVEALED

OCT. 4 (IPS) — SEN. FRANK CHURCH (D-IDAHO), HEAD OF THE SENATE SELECT COMMITTEE ON INTELLIGENCE, CONFIRMED YESTERDAY THE EXISTENCE IN THE EARLY 1960S OF A SPECIAL CIA "EXECUTIVE ACTION" GROUP WHOSE JOB WAS TO DEVELOP METHODS FOR THE REMOVAL OF "UNFRIENDLY" FOREIGN LEADERS. ACCORDING TO TWO CIA OFFICIALS, CHURCH STATED, THESE METHODS INCLUDED ASSASSINATIONS AND COUPS.

CHURCH INDICATED, AS REPORTED IN THE U.S. PRESS TODAY, THAT THE GROUP WAS SO SELECT AND SECRETIVE THAT EVEN THEN-PRESIDENT JOHN F. KENNEDY DID NOT KNOW OF ITS EXISTENCE. THE GROUP WAS DISBANDED IN LATE 1963, SHORTLY AFTER THE NOVEMBER ASSASSINATION OF PRESIDENT KENNEDY.

PIKE ATTRIBUTES INTELLIGENCE FAILURES TO KISSINGER

OCT. 4 (IPS) — "YOU CAN HAVE THE BEST INTELLIGENCE IN THE WORLD AND IF THE INTELLIGENCE DOES NOT GET THROUGH TO THE PEOPLE RESPONSIBLE IT DOESN'T DO YOU MUCH GOOD," OTIS PIKE, CHAIRMAN OF THE HOUSE SELECT COMMITTEE ON INTELLIGENCE, CHARGED YESTERDAY IN AN INTERVIEW ON WTTG-TV IN WASHINGTON, D.C. PIKE INDICATED HIS DISPUTE WITH SECRETARY OF STATE KISSINGER REVOLVES AROUND THIS ISSUE, ACCORDING TO TODAY'S BALTIMORE SUN.

MR. KISSINGER HAS ISSUED AN ORDER PROHIBITING LOWER-LEVEL STATE DEPARTMENT OFFICIALS FROM TESTIFYING ON RECOMMENDATIONS THEY PROVIDE FOR U.S. POLICY DECISIONS. PIKE TERMED THE DIRECTIVE "RIDICULOUS," AND REITERATED HIS INTENTION TO HAUL KISSINGER BEFORE THE COMMITTEE, IF HE FAILS TO RETRACT IT.

END OF NON-PRIORITY SHORTS, COMBINED IPS, 10/4/75.



International Press Service

Daily News and Press Summaries

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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE
OCTOBER 5, 1975 2000 EDT
COMBINED ISSUE

PRIORITIES

PCI-PSI "MERGER" TALKS

OCT. 5 (IPS) -- THE CIA-AGENT LEADERSHIP OF THE ITALIAN COMMUNIST (PCI) AND SOCIALIST PARTIES (PSI) HAVE CONTINUED THEIR PUBLIC DISCUSSION OF A "MERGER" OF THE TWO ORGANIZATIONS WITH ARTICLES AND EDITORIALS "IN FAVOR OF SERIOUS DISCUSSION" IN BOTH GROUPS' NEWSPAPERS YESTERDAY. THE "MERGER" ISSUE WAS THROWN UP BY THE PCI AGENTS IN ITALY AS PART OF THE SAME ROCKEFELLER-NATO ANTI-SOVIET STRATEGY WHICH EARLIER SAW CIA AGENT SANTIAGO CARILLO IN SPAIN CALL FOR DISSOLUTION OF THE WORLD COMMUNIST MOVEMENT.

THE PCI'S UNITA CARRIED A FEATURE BY PAOLA BUFALINI, PCI LEADER, YESTERDAY CLARIFYING HIS ORIGINAL "MERGER" PROPOSITION. HE HAILS THE POSITIVE RESPONSE OF THE PSI LEADERS AND STATES: "WE CONFIRM THAT WE ARE AVAILABLE FOR ANY SERIOUS AND THOROUGH DEBATES, APART FROM THE TEMPTATIONS OF PROPAGANDA, AND WE ARE LIBERATED FROM THE RESIDUAL COMPLEXES OF OVER HALF A CENTURY OF BATTLES AND HISTORICAL EVENTS." BUFALINI PROPOSES A "PROCESS" OF UNIFICATION OF THE TWO PARTIES OVER TIME. "THIS HAS NOT ONLY PRESENT POLITICAL IMPORTANCE FOR ITALY, BUT ALSO FOR EUROPE."

AVANTI, THE PSI NEWSPAPER, HAILS BUFALINI'S NEW SCRIBBLING AND REPORTS POSITIVE INTEREST IN THE PSI LEADERSHIP, ESPECIALLY SINCE BUFALINI "IS THE FIRST" TO OPENLY LAMENT THE 1921 SPLIT BETWEEN THE TWO PARTIES (FORCED BY V. I. LENIN - ED.)

PCP PREVENTS SOLDIER TRANSFER

OCT. 5 (IPS) -- IN RESPONSE TO CIVILIAN-SOLDIER DEMONSTRATIONS IN SUPPORT OF THE SUV (SOLDIERS UNITED TO WIN) MOVEMENT DEMANDS THAT REACTIONARIES BE PURGED, PREMIER AZEVEDO ORDERED 120 COMMANDOS FROM SECURITY FORCES AT THE SPINOLA-AFFILIATED TANCOS BASE TO EXPEL 70 DISSIDENT SOLDIERS IN THE SOUTHERN CITY OF BEJA, ALL PARTICIPANTS IN THE SUV DEMONSTRATION, ACCORDING TO YESTERDAY'S LONDON TIMES. THE 70 SOLDIERS WERE TO BE TRANSFERRED TO THE AZORES, ONE OF THE MOST REACTIONARY TERRITORIES, WHERE ALMOST ALL COMMUNIST HEADQUARTERS HAVE BEEN DESTROYED. THE MANUEVER WAS UNSUCCESSFUL BECAUSE OF THE PORTUGUESE COMMUNIST PARTY (PCP). WORKERS STAGED A SYMPATHY STRIKE AND THEIR "LEADERS THREATENED TO BRING THE PROVINCE TO A STANDSTILL IF THE TRANSFERS WENT AHEAD," THE REPORT STATES.

COMBINED IPS/10.05/2

IN THE NORTHERN INDUSTRIAL CITY OF PORTO, SUCH MANEUVERS WERE SUCCESSFUL IN OUSTING 30 DISSIDENT SOLDIERS WHO MARCHED IN THE SUV DEMONSTRATION, ACCORDING TO TODAY'S NEW YORK TIMES. THE SOLDIERS WERE EXPELLED AND "THE SOLDIERS' UNIT WAS ALSO ORDERED DISBANDED," SAID THE TIMES.

GAULLIST LEADER'S HOME SUBJECT TO SCARE BOMBING

OCT. 5 (IPS) -- ACCORDING TO A LATE NIGHT BELGIAN TV NEWS REPORT, THE PARIS HOME OF LEADING FRENCH GAULLIST, MICHEL DEBRE WAS BOMBED LAST NIGHT BY AS YET UNDETERMINED PERSONS. DEBRE HIMSELF WAS ABSENT AT THE TIME OF THE BOMBING, BUT HEAVY DAMAGE WAS REPORTED BY FRENCH RADIO TODAY.

THIS INCIDENT FOLLOWS A SERIES OF OTHER BOMBINGS AGAINST GAULLIST LEGISLATORS BLAMED ON VARIOUS UNHEARD OF "REGIONAL SEPARATIST GROUPS." OVER THE PAST WEEK, STREET FIGHTING WITH POLICE LED BY ULTRALEFT "GAUCHISTE" ELEMENTS HAVE ALSO HEIGHTENED DEMANDS FOR "LAW AND ORDER" MEASURES, BENEFITTING THE EFFORTS OF FRENCH PRESIDENT GISCARD D'ESTAING AND INTERIOR MINISTER PONIATOWSKI TO RAM THROUGH FRENCH PARLIAMENT SEVERAL PROTO-FASCIST LABOR AND POLICE LAWS, PARALLELING THE S.1 LEGISLATION NOW BEFORE THE U.S. CONGRESS.

SOVIETS BLAST NOTION OF SOCIALIST-CAPITALIST "CONVERGENCE"

OCT. 5 (IPS) -- A SOVIET WRITER HAS BLASTED THE NOTION OF "CONVERGENCE" BETWEEN THE CAPITALIST AND SOCIALIST SYSTEMS, A THEORY WHICH HAS BEEN PROPAGATED IN THE WEST BY GEORGE KENNAN AND OTHERS AS "AN ATTEMPT TO SUBVERT THE SOCIAL, POLITICAL AND IDEOLOGICAL STRUCTURE OF THE SOCIALIST COUNTRIES." PROFESSOR N. MOLCHANOV, WRITING IN THE LATEST ISSUE OF THE WEEKLY LITERATURNAYA GAZETA, STATED THAT "THE NOTORIOUS IDEA OF CONVERGENCE -- THAT IS, THE IDEA OF THE DRAWING CLOSER TOGETHER OF SOCIALISM AND CAPITALISM AND THE APPEARANCE OF SOME SORT OF A HYBRID OF THE TWO SYSTEMS, HAS FOR MANY YEARS BEEN THE OBJECT OF ATTENTION (OF WESTERN POLITICAL SCIENTISTS). THERE IS NOTHING UNUSUAL IN THIS, SINCE AS FRANCOIS ONCE SAID, THERE ARE SCHOLARS WHO LOVE TO OCCUPY THEMSELVES WITH 'DISCUSSING THE UNTHINKABLE.'" MOLCHANOV CHARGED THAT THIS DOCTRINE WAS DEVELOPED DURING THE COLD WAR PERIOD AND BECAME THE "PIVOT AND FOUNDATION OF THE FOREIGN POLICY DOCTRINE OF THE CAPITALIST COUNTRIES, THE BASIS OF THEIR POLICIES IN RELATION TO THE SOCIALIST COUNTRIES." IT HAS BEEN RECENTLY REVIVED, HE STATED, IN THE AFTERMATH OF THE EUROPEAN SECURITY AND COOPERATION CONFERENCE IN HELSINKI LAST JULY.

DUNLOP, USERY WARN AGAINST "EXTREME GROUPS," SUGGEST FASCISM, AT AFL-CIO CONVENTION

SAN FRANCISCO, OCT. 5 (IPS) -- FEDERAL MEDIATION AND CONCILIATION SERVICE HEAD WILLIAM USERY WARNED ASSEMBLED AFL-CIO CONVENTION DELEGATES AGAINST "ALL KINDS OF EXTREME GROUPS" IN A PRESENTATION THURSDAY, PRAISING THE TRADE UNION MOVEMENT'S CONCERN WITH "ECONOMIC RIGHTS" RATHER THAN "RADICAL SOCIAL CHANGE," REPORTS YESTERDAY'S NEW YORK TIMES. SECRETARY OF LABOR DUNLOP, ALSO SPEAKING THURSDAY,

COMBINED IPS/ 10.05/3

PRaised the "CONSERVATISM" OF THE AFL-CIO, EXPLICITLY PUSHING CORPORATISM AND "SELF-RESTRAINT" AS THE MEANS TO COUNTER ANY REVOLT AGAINST "PROCESSES OF RESTRAINT . . . IMPOSED FROM THE OUTSIDE." DUNLOP RECOMMENDED A FASCIST ECONOMY BASED ON LABOR-MANAGEMENT COMMITTEES FOR THIS PURPOSE.

PATRICIA HEARST PUT ON DRUGS --
COULD BECOME "WALKING ZOMBIE"

OCT. 5 (IPS) -- PATRICIA HEARST IS NOW BEING "MAINTAINED" ON A SEVERE DEPRESSANT DRUG, THORAZINE, WHICH "COULD TURN HER INTO A WALKING ZOMBIE," ACCORDING TO KGO-TV, THE ABC AFFILIATE IN SAN FRANCISCO, YESTERDAY. MISS HEARST WAS PUT ON AN EXTREMELY HIGH DOSAGE OF THORAZINE LAST WEEK BY THE STANFORD MEDICAL CENTER AFTER COURT-APPOINTED DOCTORS MADE A SURPRISE VISIT TO HER SAN MATEO COUNTY JAIL CELL FOR "A MEDICAL CHECK-UP." THE VISIT WAS MADE PRIOR TO BEGINNING A SERIES OF "PSYCHOLOGICAL TESTS" WHICH ARE OSTENSIBLY AIMED AT ESTABLISHING MISS HEARST'S STATE OF MIND. IN AN AFFIDAVIT FILED WITH THE COURT, MISS HEARST HAS CLAIMED THAT SHE WAS BRAINWASHED BY THE CIA'S "SYMBIONESE LIBERATION ARMY."

BAYH SAYS HE WOULD CONSIDER
THIRD WORLD DEBT MORATORIUM, EVADES ALL ELSE

OCT. 5 (IPS) -- DEMOCRATIC PRESIDENTIAL HOPEFUL SEN. BIRCH BAYH (D-IND.) STATED THAT HE "WOULD CONSIDER SUPPORTING A DEBT MORATORIUM FOR THIRD WORLD COUNTRIES" AND THAT HE "SUPPORTED AN INTERNATIONAL DEVELOPMENT BANK TYPE STRUCTURE" IN RESPONSE TO IPS QUESTIONS AT A PRESS CONFERENCE AT THE NEW YORK DEMOCRATIC PARTY CONFERENCE IN SYRACUSE, NEW YORK YESTERDAY.

ASKED LATER IF HE WOULD SUPPORT THE USLP CALL FOR A TEN-DAY DETOXIFICATION PROGRAM FOR ALL ADDICTS, BAYH REPLIED EVASIVELY, "I'VE DONE MORE TO FIGHT DRUGS THAN YOU HAVE."

PRESIDENTIAL CANDIDATES SEN. HUBERT HUMPHREY, SEN. HENRY JACKSON, AND FRED HARRIS ALSO SPOKE AT THE CONFERENCE, RIPPING THE U.S.-USSR WHEAT DEAL AS SENDING "MONEY TO RUSSIA WHEN THERE IS NO MONEY HERE FOR FOOD STAMPS." BAYH MADE A SIMILAR COMMENT IN HIS PRESS CONFERENCE. SARGENT SHRIVER, JUST RETURNED FROM MOSCOW SPOKE AT THE CONFERENCE BUT DID NOT MENTION EAST-WEST TRADE.

CAREY WILL SUPPORT "NATIONAL" DEBT MORATORIUM

OCT. 5 (IPS) -- NEW YORK GOVERNOR HIGH CAREY YESTERDAY TOLD IPS REPORTERS WHO ASKED HIM WHETHER HE WOULD SUPPORT A DEBT MORATORIUM FOR NEW YORK CITY IN THE COMING LEGISLATIVE SESSION: "WHAT MAKES YOU THINK WE'LL HAVE A SPECIAL SESSION? WE WON'T HAVE ONE UNLESS I SAY SO. THE ONLY KIND OF DEBT MORATORIUM WOULD BE IMPOSSIBLE." IPS MET CAREY AT THE SYRACUSE DEMOCRATIC PARTY CONFERENCE YESTERDAY.

END OF COMBINED IPS, OCTOBER 5, 1975.

NEW SOLIDARITY INTERNATIONAL PRESS SERVICE
SUNDAY REPORT, NON-PRIORITY ITEMS
OCTOBER 5, 1975 2000 HOURS EDT

I. WORLD PRESS SUMMARY: INTERNATIONAL NEWS

CIA PLANNING NEW "ARAB TERRORISM"?

OCT. 5 (IPS)--ONE RESULT OF REDUCED ARAB FUNDS FOR PALESTINIAN ORGANIZATIONS COULD BE AN UPSURGE IN COMMANDO AND TERRORIST ACTIVITY, INCLUDING ATTACKS ON OTHER ARABS, TO FORCE MORE ATTENTION TO BE PAID TO THE PALESTINIAN CAUSE, REPORTS MICHAEL PARKS IN TODAY'S BALTIMORE SUN.

"SOME GROUPS ARE GETTING VERY CLOSE TO THE DESPERATION THRESHOLD BECAUSE OF THE REDUCTION IN AID," SAYS PARKS, ADDING THAT THEY SEE THIS AS AN ABANDONMENT OF THE PALESTINIAN CAUSE.

HE ALSO NOTES THAT SOME OF THE MORE RADICAL GROUPS WOULD LIKE A NEW ARAB-ISRAELI WAR TO REVERSE THIS TREND AND MAY TRY TO PROVOKE ONE IF THEY CAN.

"PERU AND THE GERMAN DEMOCRATIC REPUBLIC DRAW CLOSER"

OCT. 5 (IPS)--AFTER MEETING WITH PERUVIAN PRESIDENT MORALES BERMUDEZ ON SEPT. 30, EAST GERMAN FOREIGN MINISTER FISCHER TOLD REPORTERS, "PERU AND THE GERMAN DEMOCRATIC REPUBLIC ARE UNITED IN A COMMON FRONT AGAINST THE MONOPOLIES AND IMPERIALISM AND FOR THE PROGRESS AND PEACE OF THEIR PEOPLES." FISCHER NOTED THAT EAST GERMANY (DDR) HAS BECOME THE LEADING BUYER OF PERUVIAN FISHMEAL AND ANNOUNCED THAT THE DDR WAS PURCHASING \$28 MILLION IN PERUVIAN MINERALS.

FISCHER ALSO SIGNED A CULTURAL AGREEMENT WITH THE PERUVIANS CALLING FOR EXCHANGE OF SOCIAL COMMUNICATION AND EDUCATION TECHNIQUES AND OF TEACHERS AND STUDENTS. THE PERUVIAN GOVERNMENT-OWNED NEWSPAPER, CRONICA, WELCOMED FISCHER'S PRAISE OF PERU IN AN EDITORIAL ENTITLED "PERU AND THE GERMAN DEMOCRATIC REPUBLIC DRAW CLOSER."

NUCLEAR WAR WILL MEAN "BACKLASH,"
ECOLOGICAL CATASTROPHE, REPORT SAYS

OCT. 5 (IPS)--NUCLEAR WAR WOULD CAUSE A SERIOUS DEPLETION OF THE OZONE LAYER THAT SHIELDS THE EARTH FROM THE LETHAL EFFECTS OF THE SUN'S ULTRAVIOLET RADIATION CAUSING AN ECOLOGICAL HOLOCAUST EFFECT OF DEVASTATION OF CROPS AND CLIMATIC CHANGES, ACCORDING TO THE CONCLUSIONS DRAWN FROM A REPORT WRITTEN FOR THE ARMS CONTROL

(MORE)

AND DISARMAMENT AGENCY. THE REPORT, MADE PUBLIC YESTERDAY AND REPORTED IN TODAY'S NEW YORK TIMES, CONCLUDES THAT AN ATTACKING NATION, EVEN IF IT RECEIVED NO RETALIATION, WOULD SUFFER A BACKLASH EFFECT AGAINST ITS ENVIRONMENT. THE CONCLUSIONS, ACCORDING TO ACDA DIRECTOR FRED IKLE, SHOULD PROVIDE A FURTHER DETERRENT TO THE USE OF NUCLEAR WEAPONS.

GUSANO CALLS FOR RELIANCE ON MAOISTS
TO TOPPLE CASTRO

OCT. 5 (IPS)--RIGHT-WING CUBAN EXILE COLUMNIST ANTONIO LLANO MONTES, WRITING IN THE SEPT. 23 EDITION OF THE VENEZUELAN DAILY EL MUNDO, HAS CALLED ON "ALL ANTI-CASTRO CUBANS" TO "FIX THEIR ATTENTION" ON MAOIST CHINA FOR HELP IN OVERTHROWING THE CASTRO GOVERNMENT. DEMANDING A NEW CUBAN REGIME "TIED COMMERCIALY AND MILITARILY TO RED CHINA," THE "GUSANO" COLUMNIST PROCLAIMED: "WE MUST CHOOSE THE ROAD OF CHINA...THE ROAD OF MAO, TO ATTAIN LIBERTY."

LLANO POINTED OUT THAT "THE RECENT COUP IN BANGLADESH, FINANCED, SUPPORTED AND CARRIED OUT BY RED CHINA, IS SOMETHING FROM WHICH ANTI-CASTRO CUBANS SHOULD TAKE GOOD AND POSTIVE EXPERIENCE."

"CUBAN EXILE LEADERS," HE CONCLUDES, "SHOULD APPROACH THE RED CHINESE DELEGATIONS AT THE UN OR THE CHINESE DIPLOMATIC MISSION IN WHATEVER EUROPEAN COUNTRY TO INITIATE DISCUSSIONS."

COLOMBIAN TEXTILE WORKERS UNION EXPELS
MAOIST PROVOCATEURS FROM THEIR RANKS

BOGOTA, OCT. 5 (IPS)--AT ITS LAST MEETING, THE COLOMBIAN TEXTILE WORKERS UNION EXPELLED TWO KNOWN MAOIST LEADERS FOR ANTI-WORKING-CLASS ORGANIZING AGAINST THE COLOMBIAN COMMUNIST PARTY (PCC)-LED TRADE UNION FEDERATION. THE MEETING WAS REPORTED ON THE FRONT PAGE OF THE LATEST EDITION OF THE PCC'S WEEKLY, VOZ PROLETARIA. THE TWO EXPELLED PROVOCATEURS ARE MEMBERS OF THE CIA-CONTROLLED COLOMBIAN MAOIST GROUP, MOIR. MOIR HAS PARTICIPATED IN RECENT ATTACKS AGAINST THE COLOMBIAN LOCAL OF THE LATIN AMERICAN LABOR COMMITTEES.

RIGHT-WING FORCES STEP UP ARMED ATTACKS
AGAINST COLOMBIAN COMMUNISTS

BOGOTA, OCT. 5 (IPS)--VARIOUS "UNIDENTIFIED" INDIVIDUALS UNSUCCESSFULLY ATTEMPTED AN ARMED ASSAULT LAST WEDNESDAY AFTERNOON ON THE MAIN OFFICE OF THE COLOMBIAN COMMUNIST PARTY'S (PCC) NEWSPAPER, VOZ PROLETARIA. THE INCIDENT WAS DENOUNCED BY PCC CONGRESSMAN HERNANDO HURTADO, WHO ATTRIBUTED THE ACTION TO THE SAME RIGHT-WING GROUPS WHO LAST SATURDAY PLANTED BOMBS AT BOTH THE SOVIET EMBASSY AND THE DISTRICT PLANETARIUM IN BOGOTA. ANOTHER POC PARLIAMENTARIAN, JOSE CARDONA HOYOS, BLAMED THE COLOMBIAN ARMY FOR THE ARMED ASSAULT, ACCORDING TO THE COLOMBIAN LIBERAL DAILY, EL PUEBLO.

(MORE)

TWO BRAZILIAN ARMY OFFICIALS LINKED TO COMMUNISTS
"DIED IN THEIR CELLS"

OCT. 5 (IPS)--ONE COLONEL AND ONE ARMY LIEUTENANT ARRESTED WITH 63 OTHER HIGH-RANKING OFFICERS OF THE BRAZILIAN ARMY AND CHARGED WITH BEING MEMBERS OF THE OUTLAWED PRO-SOVIET COMMUNIST PARTY (PCB) WERE FOUND DEAD IN THEIR CELLS YESTERDAY, ACCORDING TO A UPI DISPATCH APPEARING IN THE MEXICAN DAILY EL SOL. THE INFORMATION WAS RELEASED IN AN OFFICIAL COMMUNIQUE FROM THE HEAD OF THE MILITARY REGION OF SAO PAULO AND WAS SAID TO BE THE FIRST "OFFICIAL ADMISSION OF SUPPOSED INFILTRATION OF THE PCB IN THE RANKS OF THE ARMY."

THE UPI DISPATCH ADDED THAT ARMY OFFICIALS ATTRIBUTED THE COLONEL'S DEATH TO "HEART ATTACK" AND THE LIEUTENANT'S TO "SUICIDE." IT WAS REPORTED, HOWEVER, THAT THE LIEUTENANT WAS FOUND DEAD IN HIS CELL "JUST AFTER" COMPLETION OF A LONG INTERROGATION. THE ARRESTS AND MURDERS OF MILITARY LEADERS HAVE OCCURRED AMID MAJOR FACTIONAL STRIFE AMONG RULING CLASS LAYERS, SOME OF IT ANTI-ROCKEFELLER.

II. WORLD PRESS SUMMARY: CONTINENTAL NEWS

FORD TO PROPOSE FEDERAL BANKRUPTCY REFEREES FOR CITIES

OCT. 5 (IPS)--THE FORD ADMINISTRATION WILL SOON PROPOSE NEW LEGISLATION THAT WOULD ENABLE NEW YORK AND OTHER LARGE CITIES TO PETITION FOR BANKRUPTCY AND SURRENDER FISCAL CONTROL TO A COURT-APPOINTED FEDERAL REFEREE, ACCORDING TO THE NEW YORK TIMES. UNDER THIS PROPOSED LAW, THE CITY WOULD SUBMIT A PLAN FOR PAYMENT OF CREDITORS TO THE REFEREE, WHO WOULD BE EMPOWERED TO COLLECT CITY FUNDS AND MAKE DISBURSEMENTS. ONE HIGH ADMINISTRATION OFFICIAL, HOWEVER, SAID THAT "PAYROLL TAKES PRECEDENCE OVER THE BOND-HOLDERS."

FROM HOOVER TO ROCKEFELLER

OCT. 5 (IPS)--PRESIDENT FORD'S SUPPORT FOR NELSON ROCKEFELLER'S \$100 BILLION ENERGY BOONDOGGLE, THE "ENERGY INDEPENDENCE AUTHORITY," INDICATES HE IS DUMPING HIS PREVIOUS "HOOVER-LIKE APPROACH TO ECONOMIC PROBLEMS," SUBSTITUTING AN "ACTIVIST APPROACH TO GOVERNMENT," WHICH TODAY'S BALTIMORE SUN EDITORIAL CALLS "PURE ROCKEFELLER." THE SUN ARGUES THAT IF THE ADMINISTRATION IS WILLING TO FINANCE "HIGH-RISK ENERGY VENTURES" FOR PRIVATE INDUSTRY, THEN IT "OUGHT TO BE WILLING TO USE ITS GOOD NAME TO PREVENT NEW YORK CITY FROM GOING DOWN THE FISCAL DRAIN."

SENATE COMMITTEE REPORTED "DISCOVERING"
RFK LINKS TO ASSASSINATION PLOTS

OCT. 5 (IPS)--SEVERAL NEW "LEADS" FROM "RECENTLY DISCOVERED" DOCUMENTS IN THE JUSTICE DEPARTMENT AND THE WHITE HOUSE HAVE REPORTEDLY LINKED ROBERT F. KENNEDY TO THE CIA PLOT TO KILL CUBAN PREMIER FIDEL CASTRO. THE LEADS ARE BEING INVESTIGATED BY THE SEN-

(MORE)

ATE SELECT COMMITTEE ON INTELLIGENCE AND ARE REPORTEDLY A FACTOR IN THE DELAY IN ADOPTING AND PUBLISHING THE COMMITTEE'S REPORT ON ASSASSINATIONS, ACCORDING TO TODAY'S NEW YORK TIMES.

BRESLIN SCORES TIMES' STRIKE-BREAKING EFFORTS
FOR WASHINGTON POST

OCT. 5 (IPS)--WASHINGTON STAR WRITER JIMMY BRESLIN YESTERDAY DETAILED HOW NEW YORK TIMES PUBLISHERS INTERVENED AGAINST THE PUBLISHER OF THE WASHINGTON STAR IN AN ATTEMPT TO FORCE THE STAR TO EITHER SUSPEND PUBLICATION OR PRINT THE POST NEWS COPY DURING A STRIKE ACTION TAKEN BY POST PRESSMEN. BRESLIN REPORTED THAT TIMES PUBLISHER ARTHUR OCHS SULZBERGER AND CLIFTON DANIEL, CHIEF OF THE TIMES WASHINGTON BUREAU, TOOK STAR PUBLISHER JOE ALLBRITTON TO LUNCH THURSDAY AND "URGED" HIM TO SUSPEND PUBLICATION OF THE STAR FOR THE DURATION OF THE STRIKE IF HE WOULD NOT PRINT THE POST'S NEWS COPY AT THE STAR FACILITIES.

WHEN ALLBRITTON REFUSED TO GO ALONG WITH THE SCHEME, TIMES COLUMNIST JAMES RESTON FEATURED IN HIS COLUMN OCT. 3 AN ATTACK ON THE POST PRESSMEN COUPLED WITH A DENUNCIATION OF THE STAR FOR PLAYING "THE ROLE OF FEARFUL BYSTANDER IN THE CRISIS" AND NOT "MAKING A COMMON FRONT AGAINST ALL THIS ANARCHY." BRESLIN COMPARED RESTON TO "ANY TOUGH OLD COMPANY HEADBREAKER WHO EVER DEFENDED THE PLANT GATES" AND THE TIMES INTERCESSION AS EFFECTIVELY SAYING TO ALLBRITTON, "COME ALONG WITH US, YOU ALLBRITTON, OR WE'LL BURY YOU."

III. LABOR PARTY INTELLIGENCE AND ORGANIZING REPORT

RCMP TO ATTEMPT FRAME-UP OF NALP MEMBER

OCT. 5 (IPS)--ROYAL CANADIAN MOUNTED POLICE (RCMP) OFFICER "DUNCAN" YESTERDAY PICKED UP AND INTERROGATED NORTH AMERICAN LABOR PARTY (NALP) LEADER ANDRE DOUCET IN CONNECTION WITH A "ROBBERY" WHICH ALLEGEDLY OCCURRED SEVERAL WEEKS AGO IN VANCOUVER, B.C. THE RCMP OFFICER ATTEMPTED TO QUESTION DOUCET AT A SHOPPING CENTER WHERE NALP MEMBERS WERE ORGANIZING, BUT DOUCET REFUSED TO ANSWER THE WILD QUESTIONS. LATER RCMP OFFICER DUNCAN STOPPED THE CAR THAT DOUCET WAS RIDING IN WITH ANOTHER NALP MEMBER AND RE-STATED HIS QUESTIONS. DOUCET REFUSED TO BE INTIMIDATED BY DUNCAN, WHO INDICATED THAT A FRAME-UP WAS IN THE WORKS, SAYING, "I'M GOING TO HAVE TO PUT THIS IN MY REPORT (DOUCET'S "UNCOOPERATIVENESS") AND IT MAKES YOU SUSPECT." DUNCAN HAS BEEN IDENTIFIED AS THE SAME OFFICER WHO STOPPED ANOTHER NALP ORGANIZER TWO NIGHTS EARLIER WITHOUT CAUSE.

END OF IPS NON-PRIORITIES FOR OCTOBER 5, 1975



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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE
EARLY EVENING NEWS ROUND-UP
OCTOBER 6, 1975 1400 HOURS EDT

I. INTERNATIONAL

MOROCCAN ARMY IN REPLAY OF BARBARY COAST INTRIGUES--AGAINST ALGERIA

OCT. 6 (IPS) — "VIRTUALLY THE ENTIRE MOROCCAN ARMY, WITH ITS FRENCH AND AMERICAN TANKS AND ARTILLERY, IS DEPLOYED ALONG THE BORDER FACING THE SPANISH SAHARA--AND ALGERIA," YESTERDAY'S NEW YORK TIMES REPORTED.

THE TIMES SAYS THAT "THE SOVIET-EQUIPPED ALGERIAN ARMY" IS ALSO ON MOBILIZATION AND THAT THE OPPOSING FORCES ARE "READY FOR CONFRONTATION."

THE "DISPUTE" HAS BEEN FANNED BY MOROCCO'S U.S.-ALIGNED KING HASSAN, WHO RECENTLY BEGAN A CAMPAIGN AGAINST ALLEGED ALGERIAN "EXPANSION" WHILE HIMSELF THREATENING TO RE-OPEN A LONG-DORMANT DISPUTE OVER THE CITY OF TINDORF ON THE MOROCCAN-ALGERIAN BORDER. HASSAN HAS ALSO LAID CLAIM TO PHOSPHATE DEPOSITS AND TERRITORY OF THE SPANISH SAHARA.

"FORTRESS ISRAEL" IN CRISIS, LONDON SUNDAY TIMES REPORTS

OCT. 6 (IPS) — DISCUSSING THE GROWING "MALAISE OF INFLATION-RACKED ISRAEL," YESTERDAY'S SUNDAY TIMES OF LONDON REPORTS THAT AN INCREASING NUMBER OF ISRAELIS ARE EITHER EMIGRATING FROM ISRAEL OR EXPRESSING DISCONTENT ABOUT THE ECONOMIC CRISIS AND THE LACK OF LEADERSHIP CONFRONTING THE COUNTRY'S "DOUBTFUL FUTURE."

TIMES REPORTER ERIC MARSDEN QUOTES LETTERS FROM ISRAELIS TO LOCAL NEWSPAPERS ATTACKING THE FAILURE OF ZIONISM TO ACHIEVE ANY SECURITY IN THE REAL SENSE FOR THE JEWISH POPULATION. ONE LETTER PUBLICLY ATTACKED ZIONISM'S LEADERS FOR CREATING "AN ISLAND IN WHICH THEY HOPED TO ISOLATE THEMSELVES COMPLETELY FROM THE OCEAN OF HUMAN BEINGS AROUND THEM."

MARSDEN CONCLUDES THAT "ISRAEL'S LEADERS ARE TOO BUSY REBUILDING FORTRESS ISRAEL TO PAY ANY HEED" TO THIS PROBLEM.

NEW GOVERNMENTAL CRISIS IN LEBANON EMERGING

OCT. 6 (IPS) — LEBANESE PRESIDENT SULEIMAN FRANJIEH IS COMING UNDER HEAVY PRESSURE TO RESIGN, BOTH FROM LEBANESE LEFTIST KAMAL

JUMBLATT AND FROM OPPORTUNISTIC FEUDAL POWER-BROKERS RAYMOND EDDE AND SAEB SALEM, THE OCT. 3 SUDDEUTSCHE ZEITUNG REPORTS. THE PAPER EMPHASIZES THAT THIS IS ADDING A "PRESIDENTIAL CRISIS" TO THE ALREADY EXISTING "LEBANESE STATE CRISIS."

WEST GERMANY'S FRANKFURTER ALLGEMEINE ZEITUNG FURTHER NOTES THAT SALEM AND EDDE ARE THREATENING TO RESIGN FROM THE SO-CALLED "COMMITTEE OF NATIONAL DIALOGUE," FORMED LAST WEEK AS A PATCH-WORK MEASURE TO STEM THE TIDE OF LEBANON'S RAPIDLY BURGEONING CIA-PROVOKED CRISIS.

150,000 YOUTH GATHER IN PARIS
TO FIGHT UNEMPLOYMENT

OCT. 6 (IPS) -- 150,000 FRENCH YOUTH RESPONDED TO A CALL ISSUED BY THE FRENCH COMMUNIST PARTY (PCF) TO DEMONSTRATE IN PARIS ON SATURDAY. THE DEMONSTRATORS, WHO WERE PROTESTING HIGH UNEMPLOYMENT DEMANDED A PROGRAM OF EXPANDED JOBS AND EDUCATION.

TODAY'S HUMANITE, NEWSPAPER OF THE PCF, EMPHASIZES THAT THE YOUTH WHO PARTICIPATED IN THE DEMONSTRATION DID NOT RESORT TO ANARCHIST RIOTING OF THE SORT STAGED BY ULTRALEFT "GAUCHISTE" ELEMENTS DURING DEMONSTRATIONS AGAINST THE FRANCO GOVERNMENT LAST WEEK.

ECEVIT CALLS FOR CLOSER TURKISH
RELATIONS WITH THE SOVIET UNION

OCT. 6 (IPS) -- THE GREEK GOVERNMENT'S NEWSPAPER, KATHIMERINI, REPORTS THAT IN A RECENT INTERVIEW TURKEY'S OPPOSITION LEADER, SOCIAL DEMOCRAT BULENT, ECEVIT EXPRESSED RESERVATIONS REGARDING THE ALLIANCE BETWEEN TURKEY AND THE USA, AND URGED CLOSER RELATIONS BETWEEN TURKEY AND THE SOVIET UNION WITHIN THE CONTEXT OF A "NEW BALANCED FOREIGN POLICY OF TURKEY," WHICH WOULD ENSURE THE "NATIONAL SECURITY AND WOULD BRING TURKEY CLOSER TO THE NON-ALIGNED WORLD."

TURKEY SHOULD LEAVE NATO, ECEVIT SAYS, AND "DEVELOP A NEW CONCEPTION OF NATIONAL SECURITY" WHICH WOULD ALLOW HER TO MINIMIZE HER MILITARY EXPENDITURES.

BRITISH COLUMNIST WARNS AGAINST CONFRONTATION
WITH SOVIETS: COUNSELS "KENNAN LINE"

OCT. 6 (IPS) -- IN A WARNING AGAINST RECENTLY-REVIVED NATO PLANS TO STAGE A "LIMITED" NUCLEAR CONFRONTATION WITH THE SOVIET UNION, LONDON TIMES COLUMNIST RICHARD DAVY COUNSELED OCT 2: "IF WE HAND THEM PORTUGAL ON A PLATE THEY WILL BE TEMPTED TO TAKE IT. TO ME THEIR EFFORTS THERE ARE EVIDENCE OF ADVENTUROUS OPPORTUNISM, NOT A MASTERPLAN. THERE ARE AREAS WHERE OUR INTERESTS OVERLAP, IN AVOIDING WAR, IN SPENDING LESS ON ARMS, ...IN TRADING WITH EACH OTHER...THE SOVIET RESPONSES ARE MIXED AND VARIABLE AND THERE IS A POSSIBILITY THAT THEIR INTENTIONS CAN BE MODIFIED OVER THE YEARS."

DAVY CITED NO EVIDENCE FOR HIS PREDICTION, WHICH IS KNOWN AS "CONVERGENCE THEORY" OR THE "KENNAN LINE" IN THE UNITED STATES.

MILITARY AND CIVILIANS JOIN TO PROTEST POLITICAL PURGES IN PORTUGAL

OCT. 6 (IPS) — CIVILIANS AND MILITARY JOINED TOGETHER THROUGHOUT PORTUGAL ON OCT. 3 TO VOICE SOLIDARITY WITH THE NEWLY FORMED COMMUNIST SUPPORTED UNITED SOLDIERS WILL WIN MOVEMENT (SUV). IN BEJA, SOUTHERN PORTUGAL, AND IN THE NORTHERN CITY OF OPORTO, WORKERS AND SOLDIERS DEMONSTRATED TO PROTEST THE "TRANSFERRING" OF SOLDIERS WHO ARE MEMBERS OF THE SUV. THE DEMONSTRATORS CONSIDER THESE TRANSFERS TO BE POLITICAL PURGES, AND SHOUTED "REACTIONARIES OUT OF THE BARRACKS."

IN OPORTO, THE PARTICIPANTS DEMANDED THE REINSTATEMENT OF COMMUNIST BACKED GENERAL EURICO CORVACHO. IN COIMBRA, IN CENTRAL PORTUGAL, THE SUV ANNOUNCED THAT IT WOULD HOLD A MARCH NEXT WEEK. AND PRO-SUV SOLDIERS AT THE MONSATO AIRBASE NEAR LISBON VOTED TO "CENSURE THE FORMATION OF THE NEW MILITARY SECURITY FORCE, (AMI) WHICH SUV FEELS IS REPRESSIVE," ACCORDING TO TODAY'S BALTIMORE SUN.

II. CONTINENTAL

CABALISTS CAVORT IN CHINA

OCT. 6 (IPS) — A DELEGATION OF LEADING ROCKEFELLER CABALISTS LEFT OCT. 3 FOR AN 18-DAY VISIT TO CHINA WHERE THEY PLAN TO MEET WITH MAOIST OFFICIALS IN PEKING, ACCORDING TO TODAY'S NEW YORK TIMES. THE GROUP IS LED BY ARTHUR ROSEN, PRESIDENT OF THE NATIONAL COMMITTEE ON UNITED STATES-CHINA RELATIONS, AND CYRUS VANCE, CHAIRMAN OF THE ROCKEFELLER FOUNDATION AND VICE-CHAIRMAN OF THE COUNCIL ON FOREIGN RELATIONS (CFR). THE TRIP WAS MADE AT THE INVITATION OF THE CHINESE.

CHURCH ADMITS ASSASSINATION PLANS

OCT. 6 (IPS) — SENATOR FRANK CHURCH (D-ID), CHAIRMAN OF THE SENATE COMMITTEE ON INTELLIGENCE, ADMITTED ON ABC TELEVISION'S ISSUES AND ANSWERS YESTERDAY, THAT THE CIA HAD NOT ONLY PLOTTED ASSASSINATIONS OF FOREIGN LEADERS, BUT HAD ACTUALLY ATTEMPTED TO IMPLEMENT ASSASSINATION PLANS. CHURCH SAID THAT "BOTH PLOTS AND ATTEMPTS SPAN MANY YEARS" ENCOMPASSING THE EISENHOWER, KENNEDY AND JOHNSON ADMINISTRATIONS.

REUSS ANNOUNCES QUIXOTIC ENERGY PLAN

OCT. 6 (IPS) — REP. HENRY REUSS, MILWAUKEE DEMOCRAT AND CO-SPONSOR OF THE SLAVE LABOR REUSS-HAWKINS BILL, IS PUSHING WINDMILL CONSTRUC-

TION AS AN ECONOMIC ALTERNATIVE TO PRESENT ENERGY SUPPLIES, ACCORDING TO TODAY'S NEW YORK TIMES. A WEEK AGO REUSS BEGAN OPERATION OF A \$5,000, 80-FOOT WINDMILL ON HIS PROPERTY AND BELIEVES THE DEVICE CAN BE ADAPTED TO URBAN AREAS. A MODERN-DAY DON QUIXOTE, REUSS RECENTLY TOLD THE TIMES: "ONE WIND GENERATOR DOESN'T STEAL WIND FROM ANOTHER ANYMORE THAN ONE SAILBOAT STEALS FROM ANOTHER. AND THEY COULD BE COMBINED WITH TV AERIALS TO BE ESTHETICALLY PLEASING." REUSS HAS NOTIFIED THE ENERGY RESOURCES AND DEVELOPMENT AGENCY OF HIS "TRAILBLAZING" DISCOVERY AND REPORTS THAT THEY, TOO, AGREE, "THE ANSWER, MY FRIENDS, IS BLOWING IN THE WIND."

III. ORGANIZING AND INTELLIGENCE

USTASHI LEADER BACKS NUCLEAR WAR, 2ND INTERNATIONAL

OCT. 6 (IPS9 — LEV E. DOBRIANSKI, A NATIONAL WAR COLLEGE PROFESSOR AND HEAD OF UKRANIAN CONGRESS COMMITTEE OF AMERICA ENDORSED CLAIMS BY RETIRED ADMIRAL ELMO "ZUMWALT AND OTHERS" THAT THE SOVIET UNION IS DEVELOPING A "FIRST AND SECOND" NUCLEAR STRIKE CAPABILITY TO BE READY IN 1978. DOBRIANSKI CALLED FOR IMMEDIATE ECONOMIC EMBARGO OF THE SOVIETS NOW TO HALT THEIR INITIATIVE. ALSO A CONSULTANT FOR THE UNITED STATES INFORMATION AGENCY AND THE STATE DEPARTMENT, DOBRIANSKI DELIVERED HIS REMARKS AT A CONFERENCE ON NATIONALISM IN THE SOVIET UNION AND EASTERN EUROPE SPONSORED BY THE CATHOLIC UNIVERSITY IN DETROIT.

ALTHOUGH KNOWN AS A HARD CORE "USTASHI" (EAST EUROPEAN) ANTI-COMMUNIST, DOBRIANSKI ALSO HAS PRAISE FOR THE CIA-LINKED "SOCIALIST INTERNATIONAL." "THANK GOD FOR THE SOCIAL DEMOCRATS IN EUROPE," HE SAID, "BECAUSE OF THEM THE U.S. DIDN'T HAVE TO COME IN (PORTUGAL) DIRECTLY. IF ANYONE KNOWS HOW TO DEAL WITH COMMUNISTS IT IS THE SOCIAL DEMOCRACY."

END OF NEW SOLIDARITY INTERNATIONAL PRESS SERVICE
EARLY EVENING NEWS OCTOBER 6, 1975 1400 HOURS EDT



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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE
LATE EVENING PRIORITIES
MONDAY, OCTOBER 6, 1975 2130 HOURS EDT

I. WORLD PRESS SUMMARY: INTERNATIONAL NEWS

WEST GERMAN DEFENSE MINISTER FORGETS HIS SCRIPT

OCT. 6 (IPS)--WEST GERMAN SOCIAL DEMOCRATIC DEFENSE MINISTER GEORG LEBER TOLD WEST GERMAN ARMY RESERVISTS YESTERDAY THAT "THE RECENT PUBLICATION OF SOVIET PLANS FOR A 'BLITZKRIEG' SHOULD NOT UNSETTLE ANYONE" BECAUSE NATO IS STRONG ENOUGH TO COUNTER ANY ATTACK, THE FRANKFURTER ALLGEMEINE ZEITUNG REPORTS.

LEBER'S CLAIM THAT PARITY EXISTS BETWEEN NATO AND WARSAW PACT FORCES CONTRADICTS A RECENT NATO POLICY ASSESSMENT CONTAINED IN A STUDY BY THE BROOKINGS INSTITUTION. THE BROOKINGS STAFFER JEFFREY RECORD, CLAIMED THAT THE WARSAW PACT FORCES ARE VASTLY SUPERIOR TO NATO AND THAT THEREFORE THE SOVIET UNION IS PREPARED TO MOUNT A 'BLITZKRIEG' AGAINST CENTRAL EUROPE. THE REPORT HAS BEEN USED AS A PRETEXT FOR U.S. CALL TO INCREASE NATO FORCES.

LEBER ALSO TOLD THE RESERVISTS THAT THE MAJOR DANGER TO THE WEST GERMAN ARMY COMES FROM AN 'INTERNAL SOFTNESS' AS A RESULT OF A "CENTRALLY ORGANIZED INFILTRATION OF THE ARMY" BY COMMUNISTS. HE DID NOT SPECIFY WHAT HE MEANT.

LAST WEEK, DURING U.S. DEFENSE SECRETARY SCHLESINGER'S VISIT TO EUROPE, LEBER REPEATEDLY WARNED OF THE DANGERS OF THE SOVIET ARMS BUILD UP, THE VIEW SUPPORTED BY SCHLESINGER AT THE RECENT NATO PARLIAMENT.

BERLINGER ENDORSES PCI/PSI MERGER PLAN

OCT. 6 (IPS)--ITALIAN COMMUNIST PARTY (PCI) GENERAL SECRETARY ENRICO BERLINGUER, SPEAKING AT THE UNITA FESTIVAL IN CATANIA, SICILY YESTERDAY, CONFIRMED THAT THE PROPOSAL OF PCI SECRETARIAT MEMBER BUFALINI FOR A DE FACTO MERGER OF THE ITALIAN COMMUNIST AND SOCIALIST PARTIES IS OFFICIAL PCI POLICY. ACCORDING TO THE PCI DAILY, UNITA TODAY, BERLINGUER CALLED FOR "THE PROGRESSIVE REALIZATION OF A RAPPROCHEMENT BETWEEN THE PCI AND PSI IN THE AREAS OF STRATEGY AND IDEA-ORIENTATION."

BERLINGUER ALSO EXPRESSED IMPLICIT SUPPORT FOR THE EFFORTS OF TRILATERAL COMMISSION MEMBER PIERO BASSETTI TO ORGANIZE A FASCIST MOVEMENT ON THE SHARDS OF THE DISINTEGRATING CHRISTIAN DEMOCRACY. THE SAME ISSUE OF UNITA GIVES FAVORABLE COVERAGE TO THE PARMA CONFERENCE SPONSORED BY BASSETTI AS PART OF HIS ON-GOING ORGANIZING.

PCP MOBILIZES FOR DEFENSE OF RALIS

OCT. 6 (IPS)--THE PORTUGUESE COMMUNIST PARTY HAS CALLED FOR A MASS DEMONSTRATION IN SUPPORT OF THE LISBON FIRST LIGHT ARTILLERY REGIMENT (RALIS), WHICH HAS BEEN CRITICIZED BY NATO AGENTS IN PORTUGAL'S AZEVEDO GOVERNMENT FOR OBSTRUCTING NATO-DICTATED RIGHT-WING MOVES. THE PCP HAS REPORTEDLY ALSO CALLED FOR "ARMED POPULAR RESISTANCE" IF THE GOVERNMENT PERSISTS IN ITS RIGHTWING COURSE, ACCORDING TO FRENCH INTER RADIO TODAY.

PSP TRIES TO RECRUIT ANGOLAN REFUGEES
FOR SHOCK POLICE

OCT. 6 (IPS)--AT A PRESS CONFERENCE IN LISBON ON FRIDAY, A MEMBER OF THE "UNITED REVOLUTIONARY FRONT" (FUR) - A COALITION OF POLITICAL GROUPS WHICH STYLE THEMSELVES TO THE LEFT OF THE PORTUGUESE COMMUNIST PARTY AND INCLUDING SEVERAL GROUPS ALLIED WITH THE COMMUNISTS - CHARGED THAT ONE OF THE IMMEDIATE OBJECTIVES OF THE PORTUGUESE SOCIALIST PARTY'S RECENT ULTRALEFT COUP WARNING CAMPAIGN WAS THE "RECRUITMENT OF ELEMENTS FROM AMONG THE 'RETORNADOS' (RETURNED ANGOLAN REFUGEES) TO FORM A NEW FASCIST STYLE SHOCK POLICE." THE SOCIALISTS HAD INTENDED TO USE THEIR INVENTED COUP WARNINGS IN ORDER TO MOBILIZE A RIGHTWING "MARCH ON LISBON" THE GROUP REPORTED. THE FUR PRESS CONFERENCE WAS REPORTED IN SATURDAY'S O SEculo.

KOHL DISTANCES HIMSELF FROM HIS PARTY'S CORPORATIVIST
GENERAL SECRETARY

OCT. 6 (IPS)--FOLLOWING HIS JUST-CONCLUDED ONE WEEK VISIT TO THE SOVIET UNION, CHRISTIAN DEMOCRATIC PARTY (CDU) CHAIRMAN HELMUT KOHL, HAS "CLEARLY DISTANCED HIMSELF" FROM HIS PARTY'S GENERAL SECRETARY, KURT BIEDENKOPF, ACCORDING TO TODAY'S WEST GERMAN DAILY DIE WELT.

BIEDENKOPF, A TRILATERAL COMMISSION MEMBER AND THE FOREMOST ROCKEFELLER AGENT INSIDE THE CDU, HAS OPPOSED PRO-DEVELOPMENT FORCES IN THE CDU AROUND GERHARD STOLTENBERG, AND, WITH KOHL'S APPARENTLY BEGINNING TO SHIFT TO SUPPORT OF THE STOLTENBERG GROUPING, SPECULATIONS HAS ARISEN THAT BIEDENKOPF MAY BE FORCED TO RESIGN.

LAST WEEK, ANOTHER WEST GERMAN ROCKEFELLER AGENT, MARTIN BANGEMANN, WAS FORCED TO RESIGN AS GENERAL SECRETARY OF THE FREE DEMOCRATIC PARTY.

KISSINGER'S SECRET SECRETS

OCT. 6 (IPS)--THE SINAI PACT RECENTLY NEGOTIATED BY U.S. SECRETARY OF STATE HENRY KISSINGER INCLUDED THREE LEVELS OF AGREEMENTS, ACCORDING TO THE MOST RECENT ISSUE OF A WIDELY-READ THIRD WORLD-ORIENTED MAGAZINE, AFRIQUE-ASIE. SOME OF THE AGREEMENTS WERE TO BE MADE PUBLIC, SOME WERE TO BE RELEASED TO CONGRESS, BUT SOME WERE TO REMAIN ABSOLUTELY SECRET, INCLUDING THE AGREEMENT BETWEEN EGYPT AND THE U.S. TO ELIMINATE "RADICAL" ELEMENTS OF THE PALESTINIAN RESISTANCE.

OTHER SECRET AGREEMENTS BETWEEN THE U.S. AND EGYPT INCLUDE: EGYPT IS TO DENOUNCE ITS FRIENDSHIP TREATY WITH THE SOVIET UNION AS SOON AS CIRCUMSTANCES PERMIT; EGYPT IS TO DEVELOP AN EGYPTIAN AND ARAB PROPAGANDA CAMPAIGN AGAINST THE SOVIET UNION, AND AGAINST COMMUNISM IN GENERAL; EGYPT IS TO REPLACE HER SOVIET WEAPONS WITH WESTERN WEAPONS; EGYPTIAN AND AMERICAN INFORMATION SERVICES ARE TO ESTABLISH COOPERATION ON MATTERS WHICH EFFECT THEIR RESPECTIVE INTERESTS IN THE ARAB WORLD.

II. CONTINENTAL

BANKS BAD CREDIT RISKS THEMSELVES

OCT. 6 (IPS)--MANUFACTURERS HANOVER TRUST COMPANY, THE GIANT NEW YORK BANK WHICH HAS MORE LOANS OUTSTANDING TO OTHER BANKS THAN ANY OTHER COMMERCIAL BANK, REVEALED YESTERDAY THAT THE STAFF OF ITS INTER-BANK LENDING DEPARTMENT IS SPENDING 25 PER CENT OF ITS TIME OVERSEEING BAD LOANS, ACCORDING TO THE JOURNAL OF COMMERCE. "THE PROBLEMS ARE OF SUCH MAGNITUDE" OBSERVED THE DEPARTMENT'S CHIEF JOHN SULLIVAN "THAT WE HAVE FOUND IT NECESSARY TO HIRE OR TRAIN SPECIALISTS IN VARIOUS INDUSTRIES" TO ASSIST THE LOAN OFFICERS IN SALVAGING SUCH LOANS. ONE OF THE SPECIALISTS, HE INDICATED, WAS HIRED AWAY FROM THE FEDERAL RESERVE BANK.

MANUFACTURERS HANOVER - THE NATION'S FIFTH LARGEST BANK - IS KNOWN TO BE IN SEVERE LIQUIDITY STRAITS. LAST YEAR IT HAD TO WRITE OFF A \$30 MILLION LONG-TERM LOAN IT HAD MADE TO THE HOLDING COMPANY OF THE DEFUNCT FRANKLIN NATIONAL BANK. THIS WEEK IT HEADED UP A GROUP OF BANKS THAT MADE A \$300 MILLION RESCUE LOAN TO THE NEAR BANKRUPT CHRYSLER FINANCIAL CORPORATION TO STAVE OFF A DEFAULT ON OVER \$1 BILLION IN SHORT-TERM BANK LOANS.

III. ORGANIZING AND INTELLIGENCE

** EXCLUSIVE **

KISSINGER AIDES TERM DEBT MORATORIA BREACH OF U.S. LAW

WASHINGTON, OCT. 6 (IPS)--AIDES TO SECRETARY OF STATE HENRY KISSINGER, WHO HAVE PARTICIPATED IN THE RECENT SERIES OF INTERNATIONAL MONETARY AND ECONOMIC DEVELOPMENT NEGOTIATIONS IN NEW YORK, WARNED AGAINST ATTACHING ANY SIGNIFICANCE TO TREASURY SECRETARY WILLIAM SIMON'S CALL THIS WEEKEND FOR A TEMPORARY DEBT MORATORIUM FOR NEW YORK CITY. THE AIDES SAID THAT SIMON'S STATEMENTS HAD "NO CONNECTION" TO "OTHER CITIES OR TO THE INTERNATIONAL SITUATION." THEY ALSO SAID THAT FOREIGN DEBT MORATORIA WOULD VIOLATE THE U.S. FOREIGN ASSISTANCE ACT, WHICH THEY SAID STATES THAT "NO RECIPIENT CAN BE RELIEVED OF EITHER THE PRINCIPAL OR THE INTEREST" OF DEBT OBLIGATIONS TO THE U.S. THE OFFICIALS DENIED THAT THEY WERE ASSUMING THAT U.S. LAW GOVERNS THE POLICY DECISIONS OF OTHER COUNTRIES.

GOV'T MAY ALLOW HEARST TO COP A PLEA
TO PROTECT DOMESTIC NSC TERRORISM

OCT. 6 (IPS)--FEDERAL ATTORNEYS, ACTING ON ORDERS THAT ORIGINATE AT THE HIGHEST LEVELS OF THE U.S. GOVERNMENT, WILL APPARENTLY ALLOW PATRICIA HEARST TO COP A PLEA IN ORDER TO PROTECT NATIONAL SECURITY COUNCIL-DIRECTED TERRORIST OPERATIONS FROM EXPOSURE DURING HEARST'S DEFENSE.

WHILE GOVERNMENT OFFICIALS, AS OF LATE THIS AFTERNOON, WERE DENYING PRESS REPORTS THAT A DEAL INVOLVING IMMUNITY FOR HEARST IN EXCHANGE FOR TESTIMONY AGAINST JAILED SYMBIONESE LIBERATION ARMY (SLA) MEMBERS, INFORMATION OBTAINED BY IPS WOULD INDICATE THAT THE HEARST DEFENSE TEAM IS SEEKING SUCH AN ARRANGEMENT.

ACCORDING TO REPORTS FROM A SOURCE PREVIOUSLY CLOSE TO THE HEARST DEFENSE, F. LEE BAILEY IS NOW IN TOTAL CHARGE OF THE DEFENSE. BAILEY, A NOTED TRIAL LAWYER WHOSE ROLE IN THE HEARST CASE NOW APPEARS SUSPICIOUS, IS REPORTED TO BE IN DISAGREEMENT WITH THE PREVIOUS DEFENSE STRATEGY OF MAINTAINING THAT MISS HEARST WAS BRAINWASHED AND DID NOT PARTICIPATE IN ANY CRIMES OF HER OWN FREE WILL. HE MAY SOON ATTEMPT TO WITHDRAW THE AFFIDAVIT ATTESTING TO HER BRAINWASHING DRAWN UP BY HEARST'S FORMER CHIEF DEFENSE COUNSEL TERRANCE HALLINAN. THE HALLINAN DEFENSE STRATEGY MIGHT HAVE LED TO THE EXPOSURE OF THE NSC-RUN SLA OPERATION.

AT THIS MOMENT, HEARST IS BEING PROGRAMMED FOR HER TESTIMONY BY GOVERNMENT APPOINTED PSYCHOLOGISTS, INCLUDING NOTORIOUS CALIF. ASSED BRAINWASHER L. "JOLLY" WEST. SUCH TESTIMONY WILL ATTEST TO THE AUTHENTICITY OF THE SLA AS A RADICAL TERRORIST ORGANIZATION. HER TREATMENT HAS INCLUDED MASSIVE DOSES OF THE DRUG THORAZINE, ACCORDING TO PRESS ACCOUNTS, WILL HELP TURN HER INTO A WALKING ZOMBIE.

THE NSC IS APPARENTLY READY TO REACTIVATE THE SLA IN SOME FORM. A COMMUNIQUE RECEIVED BY THE PRESS YESTERDAY STATED IN PART THAT "THE SLA LIVES...IN SPIRIT AND MILITARY STRENGTH AND WILL GIVE PROOF OF THIS IN THE NEAR FUTURE."

THE TURN IN THE HEARST DEFENSE IS NO DOUBT AT LEAST INPART MOTIVATED BY THE GENUINE DESIRE OF THE HEARST FAMILY TO SECURE HER RELEASE AS QUICKLY AS POSSIBLE. PLAYING UPON THE HEARST'S DESPERATION, THE GOVERNMENT PROSECUTORS ARE PREPARING TO RETURN THEIR DAUGHTER IN EXCHANGE FOR THE SILENCE OF THE HEARST FAMILY AND PRESS EMPIRE ON THE CONSPIRACY THAT KIDNAPPED AND BRAINWASHED HER.

NEW YORK BANKER ADMITS:
NO HOPE OF DEBT REPAYMENTS FROM THIRD WORLD

NEW YORK, OCT. 6 (IPS)--A TOP INTERNATIONAL LOAN OFFICER AT A MAJOR NEW YORK CITY-BASED BANK ADMITTED IN A TELEPHONE CONVERSATION TODAY THAT BECAUSE OF THIRD WORLD COUNTRIES' INABILITY TO MEET THEIR DEBT OBLIGATIONS, THE NEW YORK BANKS HAVE COME UP WITH A NEW INTERNATIONAL LENDING POLICY. ACCORDING TO THIS NEW POLICY, "THE CREDITWORTHINESS OF INTERNATIONAL CUSTOMERS NOWADAYS IS DETERMINED PURELY ON THE BASIS OF THEIR ABILITY TO MAKE TIMELY INTEREST PAYMENTS."

ASKED WHAT WOULD HAPPEN TO THE PRINCIPAL AMOUNTS, THE SOURCE REPLIED: "FOR MOST THIRD WORLD COUNTRIES, WE DON'T EXPECT TO SEE PRINCIPAL PAYMENTS FOR THE FORESEEABLE FUTURE." QUERIED ON THE ABILITY OF COUNTRIES LIKE EGYPT TO EVEN MAKE INTEREST PAYMENTS, HE MUMBLED, "THE TROUBLE IS WE KEEP FOOLING OURSELVES ON SOME CUSTOMERS' ABILITY TO PAY EVEN JUST THE INTEREST. IT HAPPENS ALL THE TIME."

LEADING GERMAN BANKER SAYS:
U.S. IN WORSE SHAPE THAN 30'S

FRANKFURT, OCT. 6 (IPS)--A LEADING WEST GERMAN BANKER SAID TODAY THAT THE UNITED STATES ECONOMY IS IN WORSE SHAPE THAN IN THE 1930'S.

DR. KURT RICHENBACHER, NUMBER-TWO MAN AT THE DRESDEN BANK, SAID, "THE U.S. RECOVERY NEVER HAD A CHANCE--AND IF IT DID, (FEDERAL RESERVE BANK CHAIRMAN ARTHUR) BURNS' MONETARY POLICY WOULD HAVE KILLED IT YEARS AGO. THE BIG LIFT TO THE U.S. DOLLAR IN PAST WEEKS CAME FROM THREE THINGS: THE EXPECTATION THAT THE U.S. UPSWING WOULD COME, THAT THE U.S. WAS BETTER OFF THAN EUROPE, AND HIGHER SHORT-TERM INTEREST RATES IN THE UNITED STATES." RICHENBACHER ADDED, "NOW, ALL THAT IS LEFT IS INTEREST RATES -- AND BURNS WILL HAVE TO LOWER THEM" TO SAFEGUARD THE BANKING SYSTEM.

"BURNS' PROBLEM IS THAT HE CAN PUSH DOWN SHORT-TERM RATES, BUT LONG-TERM RATES ARE OUT OF HIS CONTROL BECAUSE OF THE \$90 BILLION BUDGET DEFICIT," HE CONTINUED.

ON THE INTERNATIONAL MARKETS, RICHENBACHER SAYS, "FEW PEOPLE REALIZE HOW BAD THE SITUATION IS COMPARED TO THE 1930'S -- NOW YOU HAVE A HUGE AMOUNT OF INTERNATIONAL LENDING, AND HALF THE BORROWERS ARE NOT CREDITWORTHY. THERE WILL SOON BE A SITUATION IN WHICH THERE ARE NO BORROWERS AND NO LENDERS."

IPS/6

THIRD WORLD WANTS "IMMEDIATE ACTION" ON DEBT MORATORIUM

UNITED NATIONS, N.Y., OCT. 6 (IPS)--THE SRI LANKAN AMBASSADOR AND DEPUTY REPRESENTATIVE TO THE UNITED NATIONS, SENEVIRATNE, TERMED U.S. TREASURY SECRETARY WILLIAM SIMON'S PROPOSAL FOR A NEW YORK CITY DEBT MORATORIUM "VERY IMPORTANT" TO THE THIRD WORLD POSITION AT THE CURRENT U.N. GENERAL ASSEMBLY. IN A TELEPHONE INTERVIEW TODAY, HE ALSO REVEALED THAT, BECAUSE THE U.N. CONFERENCE ON DEBT MOOTED FOR LATE 1976 WAS "TOO LONG TO WAIT," THE ECONOMIC COMMITTEE OF THE U.N. SPECIAL SESSION WOULD TAKE UP THE DEBT ISSUE IN TWO WEEKS AT THE GENERAL ASSEMBLY. "WE WANT IMMEDIATE ACTION," SENEVIRATNE STRESSED.

BRITISH DIPLOMAT PREDICTS UK "DELIGHTED" AT SIMON'S CALL FOR DEBT MORATORIUM

WASHINGTON, D.C., OCT. 6 (IPS)--A HIGH BRITISH OFFICIAL OF THE WORLD BANK AND THE BRITISH EMBASSY TOLD IPS THAT "IF (WEST GERMAN CHANCELLOR) MR. SCHMIDT IS RIGHT ABOUT THE STATE OF THE INTERNATIONAL BANKING SYSTEM, THEN THE BRITISH WILL BE DELIGHTED" WITH U.S. SECRETARY OF THE TREASURY SIMON'S OCT. 4 PROPOSAL FOR A NEW YORK CITY DEBT MORATORIUM. SIMON'S REMARKS WERE COVERED IN A FRONT-PAGE INTERVIEW IN YESTERDAY'S NEW YORK TIMES.

"THERE HAS BEEN A LOT OF TALK IN THE PAST WEEK OR TWO AROUND HERE ABOUT THE KREDIT ANSTALT (A MAJOR AUSTRIAN FOREIGN TRADE BANK) COLLAPSE IN AUSTRIA IN 1931, WHICH TICKED OFF AN INTERNATIONAL PANIC. ...YOU (IPS) REALLY MUST CALL UP SIMON AND TELL HIM 'I TOLD YOU SO!'"

POLLS GIVE USLP 40 PER CENT OF TOMORROW'S GREENSBORO VOTE

GREENSBORO, N.C., OCT. 6 (IPS)--MARION PORTER, US LABOR PARTY CANDIDATE FOR MAYOR OF GREENSBORO, ANNOUNCED TODAY IN A MAJOR PRESS CONFERENCE THAT FOUR SEPERATE ELECTION POLLS CONDUCTED BY GREENSBORO WORKERS PREDICT THAT SHE WILL GET 40 PER CENT OF THE EXPECTED VOTE IN TOMORROW'S CITYWIDE PRIMARY. IN SOME CASES, PORTER SAID, POLLS ACTUALLY EXCEEDED THE 40 PER CENT FIGURE. AT THE LORILLARD TOBACCO PLANT, EIGHT OUT OF TEN WORKERS POLLED STATED THEY WOULD VOTE FOR THE LABOR PARTY. SIMILAR RESULTS WERE OBTAINED IN A POLL OF CITY POSTAL WORKERS.

DESMOND-MCCARTHY PREDICT 15-18 PER CENT OF VOTE IN SPRINGFIELD PRIMARY

SPRINGFIELD, MASS. OCT. 6 (IPS)--USLP MAYORAL CANDIDATE STEVE DESMOND AND COUNCILMANIC CANDIDATE JOHN MCCARTHY ANNOUNCED TODAY THAT CONSERVATIVE INTERPRETATION OF POLLS TAKEN IN THE LAST FEW DAYS WOULD GIVE THE U.S. LABOR PARTY A 15-18 PER CENT VOTE TOTAL IN TOMORROW'S NON-PARTISAN SPRINGFIELD PRIMARY.

IPS//

THE USLP PREDICTION IS BASED ON STRAW POLLS CONDUCTED OVER THE WEEKEND IN WHITE AND BLACK WORKING CLASS NEIGHBORHOODS OF THE CITY WHICH HAVE HISTORICALLY TURNED OUT 50 PER CENT OF THE CITY'S VOTE: HUNGRY HILL, PINEPOINT/16 ACRES AND FOREST PARK. AN AGGREGATE OF 25 PER CENT OF WORKERS IN THESE NEIGHBORHOODS DECLARED THEY WOULD VOTE LABOR PARTY. MANY OF THE WORKERS WHO SAID THEY WOULD VOTE FOR THE LABOR PARTY GAVE CONTRIBUTIONS TO THE USLP CAMPAIGN.

IN A MOVE WHICH INDICATES THAT DESMOND'S OPPONENTS ARE CONTEMPLATING VOTE FRAUD, NBC CHANNEL 22 TV (SPRINGFIELD) AND LOCAL DEMOCRATIC PARTY AGENTS HAVE PRESSURED DEMOCRATIC NATIONAL COMMITTEEMAN JESSE PARKS TO WITHDRAW A STATEMENT WHICH HE ISSUED JOINTLY WITH DESMOND CONDEMNING ANY VOTE FRAUD.

WOODCOCK MOVES TO SILENCE JORDAN SIMMS,
OUTSPOKEN LOCAL PRESIDENT

DETROIT, OCT. 6 (IPS)—JORDAN SIMMS, PRESIDENT OF THE UNITED AUTOWORKERS (UAW) LOCAL 961 AT CHRYSLER'S ELDON GEAR AND AXLE LAST WEEK HAD HIS LOCAL PLACED IN RECEIVERSHIP BY LEONARD WOODCOCK'S UAW INTERNATIONAL LEADERSHIP.

THE OFFICIAL CHARGES LEVELLED AGAINST SIMMS BY THE INTERNATIONAL REFERRED TO HIS RELATIONSHIP WITH THE U.S. LABOR PARTY AND HIS SUSPENSION OF LOCAL 961 FINANCIAL SECRETARY KRONENBERG.

WOODCOCK'S ACTION FOLLOWED AN EXTRAORDINARY HEARING LAST WEEK AT UAW SOLIDARITY HOUSE HEADQUARTERS HERE ATTENDED BY PRESIDENT WOODCOCK, EXECUTIVE VICE PRESIDENTS IRVING BLUESTONE, DOUG FRASER, AND KEN BANNON AND UAW DISTRICT 1 HEAD GEORGE MORELLI, SIMM'S IMMEDIATE SUPERIOR. SIMMS, WHO BROUGHT 50 WORKERS TO THE HEARING TO TESTIFY ON HIS BEHALF, WAS INFORMED OF THE DELIBERATIONS OF THIS KANGAROO COURT IN A LETTER FROM UAW SECRETARY TREASURY EMIL MAZEY. THE OCT. 3 LETTER INDICATED THAT "SUPERVISORS" FROM THE INTERNATIONAL WOULD ARRIVE LATER THIS WEEK TO TAKE OVER THE UNION. EITHER FRASER OR MORELLI IS RUMORED TO BE ONE OF THE SO-CALLED SUPERVISORS.

SIMMS IS WELL-KNOWN NATIONALLY AS AN ACTIVE BLACK RANK-AND-FILE TRADE UNION LEADER. OVER RECENT MONTHS HE HAS COLLABORATED WITH THE USLP IN FIGHTING FOR MUNICIPAL DEBT MORATORIA, THE PRESERVATION OF DECENT IN-PLANT WORKING CONDITIONS AND THE DEFENSE OF THE ANGOLAN AND PORTUGUESE REVOLUTIONS FROM ILLEGAL CIA INTERVENTION. THE WOODCOCK DECISION TO PLACE SIMMS' LOCAL LOCAL IN RECEIVERSHIP WAS TAKEN ONLY DAYS AFTER A MAJOR CAMPAIGN AGAINST IN-PLANT DRUG TRAFFIC WAS LAUNCHED BY THE USLP IN CONJUNCTION WITH NUMEROUS TRADE UNION LEADERS, INCLUDING SIMMS.

IPS/8

DURING THE OCT. 1 HEARING, UAW DISTRICT 1 LEADER MORELLI REFERRED TO SIMMS AS A "DICTATOR" FOR SUSPENDING KRONENBERG, AND CRITICIZED THE UNION HEAD FOR HIS "POLITICAL" ACTIVITIES WITH THE LABOR PARTY.

FINANCIAL SECRETARY KRONENBERG, STATED THAT A MEMBER OF A MINORITY FACTION IN LOCAL 961 THAT IS CONTROLLED BY MORELLI, HAD FUNCTIONED AS A SABOTEUR WITHIN THE LOCAL MAKING IT IMPOSSIBLE FOR SIMMS TO CARRY ON HIS WORK AS PRESIDENT. IN ONE INSTANCE, KRONENBERG REPLACED ALL THE LOCKS ON THE DOORS OF THE UNION HEAD-QUARTERS SO SIMMS COULDN'T ENTER THE OFFICE. THESE DISRUPTING ACTIVITIES DATED FROM SIMMS' VICTORY OVER MORELLI'S CANDIDATE IN THE LATEST 961 LOCAL ELECTION. KRONENBERG'S SUSPENSION HAD BEEN UPHELD BY THE MEMBERSHIP.

SIMMS SAID TODAY IN DETROIT THAT HE IS PREPARED TO TAKE ALL NECESSARY ACTIONS TO PROTECT HIS MEMBERSHIP FROM THE UAW'S ATTEMPT TO TURN AUTOWORKERS IN CONCENTRATION CAMP VICTIMS. THE LABOR ORGANIZERS' DEFENSE FUND WILL DEFEND HIM AGAINST THE UAW ACTION.

END OF LATE IPS OCTOBER 6, 1975



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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE
EARLY EVENING NEWS ROUND-UP
TUESDAY, OCTOBER 7, 1975 1330 HOURS EDT

I. WORLD PRESS SUMMARY: INTERNATIONAL NEWS

PCF BLASTS INDUSTRIAL HOLOCAUST

PARIS, OCTOBER 7 (IPS)--IN A REPLY TO VIOLENT PROTESTS BY FRANCE'S CAPITALISTS OVER THE RECENT TEMPORARY JAILING OF THE MANAGER OF A PLANT IN THE NORTH OF FRANCE WHERE A WORKER WAS KILLED BECAUSE OF POOR WORKING AND SAFETY CONDITIONS, THE LEAD EDITORIAL IN TODAY'S L'HUMANITE CHARGES: "EVERY YEAR, MORE THAN ONE MILLION WORK ACCIDENTS ARE RECORDED. THEY KILL 4,600 AND MUTILATE OVER 10,000. HERE IS THE REAL SCANDAL FOR WHICH THE EMPLOYERS AND THE GOVERNMENT BEAR A CRUSHING RESPONSIBILITY." "ALL THESE GOOD APOSTLES WHO HAVE ENGAGED ON A CRUSADE FOR A PLANT DIRECTOR--WHO WILL HAVE SPENT FIVE NIGHTS IN JAIL--LOSE ALL CAPACITY FOR INDIGNATION WHEN IT IS A MATTER OF A DEAD WORKER."

L'HUMANITE IS THE DAILY OF THE FRENCH COMMUNIST PARTY.

PORTUGUESE SOLDIERS CONTINUE TO RESIST RIGHTIST GOVERNMENT

OCT. 7 (IPS)--THE LISBON MILITARY DISTRICT "HAS BECOME PRACTICALLY UNGOVERNABLE DUE TO THE POWER OF THE TROOPS CONTROLLED BY LEFTIST GROUPS," AND HAS CAUSED "DEEP WORRY" AMONG PORTUGAL'S POLITICAL AND MILITARY LEADERS, ACCORDING TO A UPI DISPATCH YESTERDAY. AMONG THOSE KNOWN TO SHARE THIS ASSESSMENT IS PREMIER AZEVEDO, WHOSE ATTEMPT TO REPEAL POPULAR ECONOMIC REFORMS APPROVED BY THE PREVIOUS GOVERNMENT OF GEN. VASCO GONCALVES IS RESPONSIBLE FOR MUCH OF THE SOLDIERS' DISSATISFACTION.

MEANWHILE, ACCORDING TO COMBINED PRESS REPORTS, DEMONSTRATIONS BY SOLDIERS AGAINST THE POLICIES OF THE RIGHTWING GOVERNMENT AND MILITARY COMMANDERS ARE CONTINUING TO TAKE PLACE THROUGHOUT THE COUNTRY. RALLIES OF THE COMMUNIST-BACKED "UNITED SOLDIERS WILL WIN" (SUV) IN THE CITIES OF COIMBRA AND EVORA ARE PLANNED FOR THIS WEEK, AND THE LEFT-LEANING LISBON LIGHT ARTILLERY REGIMENT (RALIS) HAS REPORTEDLY SET UP A DEFENSE PERIMETER OUTSIDE OF ITS HEAD-QUARTERS TO WARD OFF A POSSIBLE RIGHTWING ATTACK.

IRAQIS HOLD INTERNATIONAL DEVELOPMENT FAIR

OCT. 7 (IPS)--THE IRAQI GOVERNMENT OPENED ITS 12TH ANNUAL BAGHDAD INTERNATIONAL FAIR LAST WEEK TO IN THE WORDS OF HIKMAT AL-AZZAWI, THE MINISTER OF ECONOMY, "PROMOTE COMPREHENSIVE NATIONAL DEVELOPMENT AND FRIENDSHIP BETWEEN PEOPLES."

IPS/2

THE OCT. 1 BAGHDAD OBSERVER REPORTS THAT 62 COUNTRIES ARE EXHIBITING AT THE 21 DAY FAIR INCLUDING COUNTRIES FROM THE EAST BLOC AND THE THIRD WORLD.

THE OBSERVER ALSO REPORTS THAT THE SOVIET COMMERCIAL REPRESENTATIVE IN ATTENDANCE TERMED SOVIET PARTICIPATION IN THIS YEAR'S FAIR AN "ASPECT OF THE DEVELOPMENT AND EXPANSION IN ECONOMIC RELATIONS BETWEEN IRAQ AND THE SOVIET UNION." THE SOVIET ASSISTANT ECONOMIC COUNSELOR IN BAGHDAD ADDED THAT THE RECENTLY AGREED UPON FRIENDSHIP AND ECONOMIC TREATY HAS RAISED THESE RELATIONS "TO A NEW HIGHER LEVEL."

PCF OPPONENT NAMED NATIONAL SECRETARY OF THE PSF

OCT. 7 (IPS)--THE EXECUTIVE COMMITTEE OF THE FRENCH SOCIALIST PARTY (PCF) APPOINTED MICHEL ROCARD AS ITS "NATIONAL SECRETARY" OVER THE WEEK-END, ACCORDING TO YESTERDAY'S ISSUE OF L'HUMANITE, THE FRENCH COMMUNIST PARTY'S (PCF) DAILY. ROCARD, WHO IS A KNOWN OPPONENT OF THE "COMMON PROGRAM" CO-SIGNED BY THE PSF AND PCF IN 1972, THUS BECOMES THE PSF'S NUMBER TWO OFFICIAL, UNDER FIRST SECRETARY FRANCOIS MITTERRAND.

ROCARD HAS BEEN A MEMBER OF THE PSF FOR ONLY EIGHTEEN MONTHS. PREVIOUSLY, HE WAS GENERAL SECRETARY OF THE UNIFIED SOCIALIST PARTY (PSU), A "REVOLUTIONARY" COUNTERGANG NOW CONTROLLED BY DISSIDENTS OF THE "TROTSKYIST" FOURTH INTERNATIONAL.

PCP LEADER BLASTS CALLS FOR NEW RIGGED ELECTION IN PORTUGAL

OCT. 7 (IPS)--SPEAKING AT A COMMUNIST YOUTH RALLY IN LISBON, OCT. 3, OCTAVIO PATO, A LEADING MEMBER OF THE PORTUGUESE COMMUNIST PARTY (PCP), BLASTED CALLS BY PORTUGAL'S MAJOR BOURGEOIS PARTIES - INCLUDING THE SOCIALISTS - FOR A NEW ELECTION MODELED ON THE NATION-WIDE ELECTIONS LAST SPRING. IN THOSE ELECTIONS A COMPUTERIZED VOTE COUNTING SYSTEM LINKED TO THE CIA CHEATED THE PCP OUT OF MOST OF ITS VOTES.

"REVOLUTIONARY PRACTICE HAS DEMONSTRATED THAT THE ELECTION RESULTS HAVE NO RELATION TO THE REVOLUTIONARY PROCESS," HE CHARGED. "THE OPPOSITION OF THE POPULAR DEMOCRATIC PARTY, AND ALSO OF THE SOCIALIST PARTY, TO THE FORMS OF POPULAR ORGANIZATION AND ELECTION (WORKER COMMISSIONS, VILLAGE ASSEMBLIES, ETC.) CLEARLY SHOWS THE DUPLICITY OF THOSE WHO INTEND TO SUBORDINATE EVERYTHING TO VOTE PERCENTAGES." PATO'S SPEECH WAS REPORTED IN THE LISBON DAILY O SEculo OF OCTOBER 4.

BRAZILIAN MINISTER WARNS OF MUSHROOMING DEBT

OCT. 7 (IPS)--BRAZIL'S FINANCE MINISTER, MARIO HENRIQUE SIMONSEN, HAS WARNED OF THE "INEXORABLE INCREASE OF THE FOREIGN DEBT OF THE DEVELOPING NATIONS," ACCORDING TO THE MEXICAN LEADING DAILY EXCELSIOR YESTERDAY. BRAZIL IS PROJECTED TO OWE \$21.5 BILLION AT THE END OF THIS YEAR, TO FOREIGN CREDITORS MOSTLY IN THE UNITED STATES, AND IS SCHEDULED TO AMORTIZE OVER \$3 BILLION THIS YEAR ALONE.

II. CONTINENTAL

BALL ATTACKS SINAI PACT BUT CALLS FOR APPROVAL OF SENDING U.S. TECHNICIANS TO SINAI AT CONGRESSIONAL HEARINGS

OCT. 7 (IPS)--GEORGE BALL, FREQUENT CRITIC OF KISSINGER MIDEAST POLICY, YESTERDAY TOLD THE SENATE FOREIGN RELATIONS COMMITTEE THAT THE KISSINGER SINAI PACT COULD LEAD TO A "HIGHLY DANGEROUS EXPLOSION" IN THE MIDDLE EAST AND THAT CONGRESSIONAL APPROVAL OF THE MOOTED STATIONING OF 200 U.S. TECHNICIANS IN THE SINAI WOULD COMMIT CONGRESS TO APPROVAL OF THE PLETHORA OF "SECRET ACCORDS" THAT COMPOSE THE PACT.

BALL, A FORMER UNDER SECRETARY OF STATE, NONETHELESS CALLED ON CONGRESS TO APPROVE SENDING THE TECHNICIANS, SINCE AN ADVERSE VOTE WOULD DESTROY "FURTHER AMERICAN DIPLOMATIC STEPS THAT HE FELT WERE NECESSARY," ACCORDING TO TODAY'S NEW YORK TIMES.

BALL WAS FOLLOWED BY SOUTH DAKOTA SENATOR JAMES ABOUREZK, WHO COMPARED KISSINGER'S DIPLOMACY TO "SHOOTING DICE UNDER A BLANKET," AND BY FORMER PENTAGON OFFICIAL PAUL WARNKE, WHO CALLED THE SECRET ACCORDS "AN UNALLOYED DISASTER."

ATTACKS ON SCHLESINGER-THERMONUCLEAR CONFRONTATION MOUNT

OCT. 7 (IPS)--REP. PAT SCHROEDER (D-COL.) HAS DECLARED THAT "WE MUST PUT AN END TO THE CURRENT COUNTERFORCE DOCTRINE ESPOUSED BY OUR SECRETARY OF DEFENSE (JAMES SCHLESINGER)." SCHROEDER'S COMMENTS WERE CARRIED IN AN OP-ED COLUMN IN YESTERDAY'S DENVER POST ENTITLED "NUCLEAR COUNTERFORCE; A CURSE IN DISGUISE."

THE INDICTMENT OF THE SCHLESINGER DOCTRINE FOR "LIMITED" NUCLEAR WAR FOLLOWED WIDESPREAD COVERAGE OF A NATIONAL ACADEMY OF SCIENCES REPORT PREPARED FOR THE ARMS CONTROL AND DISARMAMENT AGENCY WARNING OF WORLD-WIDE ECOLOGICAL HOLOCAUST THAT COULD RESULT FROM A GEOGRAPHICALLY LIMITED NUCLEAR EXCHANGE. THE ACADEMY OF SCIENCES WARNING RECEIVED FRONT PAGE BANNER HEADLINES IN THE SAN FRANCISCO EXAMINER AND THE FLINT MICH. JOURNAL, AND PROMINENT COVERAGE IN THE CHICAGO SUN TIMES, ROCKY MOUNTAIN NEWS, AND THE DENVER POST.

CHICAGO TRIBUNE CONTINUES ATTACK ON DRUG NETWORK

OCT. 7 (IPS)--THE CHICAGO TRIBUNE CONTINUED ITS CAMPAIGN AGAINST CHICAGO'S ILLEGAL DRUG NETWORKS IN ITS OCT. 5 LEAD ARTICLE, "DRUGS, DEADLY HAZARD IN THE SCHOOLS." THE ARTICLE, OUTLINED THE "EPIDEMIC PROPORTIONS" OF THE DRUG PROBLEMS IN THAT CITY'S SCHOOL SYSTEM, DRAWING ON TESTIMONY PRESENTED TO THE ILLINOIS STATE LEGISLATURE.

IN THE SAME EDITION, TRIBUNE COLUMNIST BOB WIEDRICH POINTED OUT THAT THE FEDERAL DRUG ENFORCEMENT AGENCY (DEA) NEVER MAKES SERIOUS DRUG BUSTS, BECAUSE SOMEHOW DRUG DEALERS ARE ALWAYS TIPPED OFF AHEAD OF TIME. WIEDRICH DID NOT SAY WHO WAS RESPONSIBLE FOR THE TIPOFFS.

III. ORGANIZING AND INTELLIGENCE

IPS/4

DIGGS REPORTS BLACK CAUCUS MOTION ON IDB

OCT. 7 (IPS)--SPEAKING AT NORTHWESTERN UNIVERSITY IN CHICAGO, REP. CHARLES DIGGS (D-MI) TOLD THE AUDIENCE THAT HE IS, "OF COURSE... AWARE OF THE U.S. LABOR PARTY'S PROPOSALS FOR AN INTERNATIONAL DEVELOPMENT BANK." "I DON'T THINK ITS IN LEGISLATIVE FORM YET," HE SAID, "BUT REP. DELLUMS (D-CAL.), CONYERS (D-MI), AND MITCHELL (D-MD) ARE LOOKING AT PARTS OF IT AS THE BASIS FOR HEARINGS - TO OPEN UP THE SUBJECT FOR PUBLIC DEBATE."

IN HIS SPEECH ON THE "FAMINE IN AFRICA," DIGGS PUT FORWARD IDB-TYPE PROPOSALS FOR LONG-TERM CAPITAL INTENSIVE INVESTMENT IN IRRIGATION AND OTHER PROJECTS IN NORTHERN AFRICA. DIGGS NOTED THAT SUCH INVESTMENT WOULD NOT ONLY BENEFIT AFRICA, BUT THE US ECONOMY AS WELL.

FBI ADMITS INVESTIGATION OF 2ND NCLC MEMBER AND NCLC

OCT. 7 (IPS)--NATIONAL CAUCUS OF LABOR COMMITTEES MEMBER MIKE MICHELSON IN DENVER HAS BEEN INFORMED IN A LETTER FROM THE FBI IN RESPONSE TO HIS INQUIRY UNDER THE FREEDOM OF INFORMATION ACT, THAT HE AND THE NCLC ARE BEING INVESTIGATED BY THE FBI UNDER TITLE 18 U.S. CODE SECTIONS 2383, (REBELLION OR INSURRECTION), 2384 (SEDITIONARY CONSPIRACY), 2101 (ANTI-RIOT LAWS), AND TITLE 50, U.S. CODE, 781-798 (INTERNAL SECURITY ACT OF 1950 AND THE COMMUNIST CONTROL ACT OF 1954).

MICHELSON RECEIVED THREE XEROXED PAGES OF FBI FILES GIVING A DESCRIPTION OF HIMSELF AND HIS ACTIVITIES IN THE NCLC. INCLUDED AMONG THE DOCUMENTS WAS AN "INVESTIGATIVE SUMMARY" ON FBI STATIONARY, ALL CONTAINING MASSIVE DELETIONS ALLEGEDLY TO PROTECT THE "IDENTITIES OF AN INFORMATION FURNISHED BY CONFIDENTIAL SOURCES."

THE FBI HAD PREVIOUSLY ADMITTED THAT IT IS INVESTIGATING PORTLAND NCLC MEMBER CRAIG SCHLUTZ. NCLC LEGAL COUNSEL ARE PREPARING TO USE THIS LATEST ADMISSION AS FURTHER EVIDENCE TO FORCE THE RELEASE OF THE NCLC PAPERS.

END OF EARLY IPS FOR OCTOBER 7, 1975



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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE (IPS)
LATE EVENING NEWS ROUND-UP
TUESDAY OCTOBER 7, 1975

INTERNATIONAL NEWS

CORRIERE•SOVIETS AFRIAD TO BREAK WITH AGENT CONTROLLED ITALIAN CP

OCT. 7 (IPS)--YESTERDAY'S LEAD ARTICLE IN CORRIERE DELLA SERRA, ITALY'S LEADING CAPITALIST DAILY, CLAIMS THAT THE SOVIET UNION IS AFRAID TO BREAK RELATIONS WITH THE ROCKEFELLER-CONTROLLED ITALIAN COMMUNIST PARTY (PCI).

UNDER THE HEADLINE "HOW MOSCOW JUDGES THE PCI'S RIGHTWING OPPORTUNISTS?" JOURNALIST PIERO OSTELLINO OUTLINES THE THESIS THAT FOLLOWING THE SINO-SOVIET SPLIT, THE KREMLIN HAS WANTED TO MAINTAIN FRIENDLY RELATIONS WITH THE ULTRA-RIGHT WING, PCI-DOMINATED FACTION IN THE WORLD COMMUNIST MOVEMENT TO AVOID "COMPLETE ISOLATION."

OSTELLINO NOTES THAT SOVIET CRITICISM OF THE ULTRA-RIGHT WING FACTION HAS BEEN GETTING HARSHER SINCE THE SUMMER ON EXACTLY THIS ISSUE, QUOTING PRAVDA, THE SOVIET COMMUNIST PARTY DAILY, TO THAT EFFECT. PRAVDA CONDEMNED "THOSE WHO WANT TO DISSOLVE THE PARTY OF THE PROLETARIAT INTO AN ORGANIZATION WHICH WOULD BE IDEOLOGICALLY AMORPHOUS..."

LEADING PCI AGENT PAOLO BUTTALINO HAS RECENTLY INITIATED A PUBLIC DEBATE ON WHETHER OR NOT THE PCI SHOULD DISSOLVE INTO A MERGER WITH THE ROCKEFELLER-CONTROLLED ITALIAN SOCIALIST PARTY.

PORTUGUESE GENERAL THREATENS COUP

OCT. 7 (IPS)--GENERAL FRANCISCO CHARAIS, RIGHT-WING HEAD OF THE CENTRAL MILITARY REGION IN PORTUGAL, SAID TODAY THAT HE SEES A POSSIBLE INTERVENTION OF TROOPS INTO THE CAPITOL REGION (LISBON) "TO QUELL MUTINOUS LEFT-WING MILITARY UNITS."

CHARAIS STATED IN AN INTERVIEW WITH THE PORTUGUESE DAILY, COMERICO DE OPORTO THAT THE ONLY ALTERNATIVE TO THE PRESENT GOVERNMENT IS A MILITARY DICTATORSHIP. AS A SIGNER OF THE ANTI-COMMUNIST ANTUNES DOCUMENT, CHARAIS HAD HELPED BRING DOWN THE PREVIOUS GOVERNMENT OF PRO-COMMUNIST PREMIER VASCO GONCALVES. THE PRESENT GOVERNMENT IS CONTROLLED BY NATO AGENTS IN AND AROUND THE CIA-FUNDED PORTUGUESE SOCIALIST PARTY.

(MORE)

PORTUGAL'S PROGRESSIVE SOLDIERS
HOLD HUGE DEMONSTRATIONS IN LISBON AND OPORTO

OCT. 7 (IPS)--THE LIGHT ARTILLERY DIVISION (RALIS) HELD A DEMONSTRATION IN LISBON YESTERDAY WITH 10,000 CIVILIANS AND 1,000 SOLDIERS, ACCORDING TO TODAY'S NEW YORK TIMES. THE DEMONSTRATIONS WAS SUPPORTED BY THE PORTUGUESE COMMUNIST PARTY. THE SOLDIERS HELD BANNERS SAYING "NO TO CIVIL WAR," AND DENOUNCED THE PORTUGUESE SOCIALIST PARTY FOR SPREADING FALSE RUMORS THAT THE EXTREME LEFT WAS GOING TO STAGE A COUP D'ETAT.

IN THE NORTHERN INDUSTRIAL CITY OF OPORTO, THE COMMUNIST-BACKED SOLDIERS UNITED WILL WIN (SUW) MOVEMENT HELD A DEMONSTRATION OF 25,000, INCLUDING 3,000 SOLDIERS.

COLOMBIAN DEFENSE MINISTER
CONFIRMS IMMINENT MILITARY COUP

BOGOTA, OCT. 7 (IPS)--COLOMBIAN DEFENSE MINISTER, GENERAL ABRAHAM VARON VALENCIA STATED OCT. 4 THAT THE COLOMBIAN ARMED FORCES ARE OPENLY CONSIDERING A MILITARY COUP.

IN RESPONSE TO A REPORTER'S QUESTION ABOUT THE POSSIBILITY OF A "DIRECT INTERVENTION" BY THE ARMED FORCES IN THE PRESENT CHAOTIC POLITICAL SITUATION IN COLOMBIA, VARON VALENCIA STATED "THAT IF THE ENEMY INSISTS, WE WILL SEE THIS THROUGH TO THE END, REGARDLESS OF THE CAUSE" IN THEIR STRUGGLE TO PRESERVE A STRONG GOVERNMENT. GENERAL VALENCIA MADE THE STATEMENT DURING A MAJOR MILITARY MANEUVER IN VIJES, COLOMBIA, ACCORDING TO THE COLOMBIAN LIBERAL DAILY, EL PUEBLO,

COLOMBIA TO RESTRICT DRUG INVESTIGATIONS

OCT. 7 (IPS)--COLOMBIAN JUSTICE MINISTER SAMUEL HOYOS ARANGO HAS ANNOUNCED THAT HENCEFORTH COLOMBIA DRUG INVESTIGATIONS WILL BE DIRECTED ONLY TOWARDS THE "NATIONAL" DRUG RING. ARANGO MADE HIS ANNOUNCEMENT AT A PRESS CONFERENCE OCT. 3, ACCORDING TO THE BOGOTA DAILY ESPECTADOR OF OCT 4., AT WHICH HE STRESSED THAT IT WAS IMPOSSIBLE TO GO AFTER INTERNATIONAL DRUG TRAFFICKING DUE TO LACK OF RESOURCES.

ARANGO'S ANNOUNCEMENT FOLLOWS THE RECENT SIGNING OF AN AGREEMENT BETWEEN COLOMBIAN PRESIDENT LOPEZ, WHO HAS JUST RETURNED FROM A VISIT TO THE UNITED STATES, AND PRESIDENT FORD AND VICE PRESIDENT ROCKEFELLER IN WHICH THE TWO NATIONS PLEDGED TO CONDUCT A "JOINT INVESTIGATION" OF INTERNATIONAL DRUG TRAFFIC. BEFORE GOING TO WASHINGTON, LOPEZ HAD ACCUSED THE U.S. OF FLOODING COLOMBIA WITH ILLICIT DRUGS.

(MORE)

INDIA, YUGOSLAVIA, IRAQ ESTABLISH TRIANGULAR ARRANGEMENTS

OCT. 7 (IPS)--INDIAN TRADE MINISTER CHATTOPADYAYA HAS ANNOUNCED THAT INDIA IS SEEKING TRIANGULAR TRADE ARRANGEMENTS WITH COMECON COUNTRIES AND OTHER DEVELOPING NATIONS, ACCORDING TO LEFT WING INDIAN DAILY PATRIOT SPET. 27.

CHATTOPADYAYA HAS JUST RETURNED FROM A TOUR OF WEST GERMANY, YUGOSLAVIA AND CZECHOSLOVAKIA. THE YUGOSLAV GOVERNMENT HAS ANNOUNCED IT WILL GIVE INDIA SUBCONTRACTS FOR THE DEVELOPMENT OF THE BASRA PORT IN IRAQ. THE INDIANS ARE WORKING ON SIMILAR ARRANGEMENTS WITH ZAMBIA AND NIGERIA, WITH THE PARTICIPATION OF ANOTHER COMECON NATION.

CONTINENTAL.

ECHVERRIA BLASTS ARMS RACE

OCT. 7 (IPS)--MEXICAN PRESIDENT LUIS ECHEVERRIA YESTERDAY WARNED OF THE THREAT OF A THIRD WORLD WAR UNLESS THOSE COUNTRIES THAT ARE CURRENTLY PUSHING FOR INCREASED ARMS PRODUCTION PUT THEIR IMPERIALIST INTEREST ASIDE AND HELP IN DEVELOPING THE THIRD WORLD.

SPEAKING BEFORE REPRESENTATIVES OF 50 NATIONS AT THE WORLD PEACE COUNCIL IN MEXICO CITY, THE MEXICAN PRESIDENT EXPLAINED THAT THE CURRENT DRIVE FOR INCREASED ARMS PRODUCTION IS CAUSING "THE EMISERATION OF THE THIRD WORLD."

"THERE ARE COUNTRIES," ECHEVERRIA SAID, "THAT INSTEAD OF SEEKING WAYS TO CREATE INTERNATIONAL SOLIDARITY ARE LOOKING FOR WAR, THINKING THAT THEY CAN COME OUT ON THE TOP IN A BATTLE... THEY ARE WASTING ENORMOUS AMOUNTS OF RESOURCES IN ARMS PRODUCTION." THESE RESOURCES, THE OUTSPOKEN MEXICAN PRESIDENT STATED SHOULD BE EARMARKED FOR THIRD WORLD DEVELOPMENT.

THE CURRENT POLICY (PUSHING FOR ARMS PRODUCTION), ECHEVERRIA CONTINUED, WILL IN THE END CREATE "AN UNSTABLE POLITICAL, MILITARY AND ECONOMIC CONDITION WHICH WILL FORCE THE WORLD CLOSER TO WAR." "STRUGGLES AMONG GREAT POWERS WILL BECOME MORE ACUTE," HE STATED "AS IS HAPPENING AT THIS MOMENT IN THE MIDEAST..."

"IF THESE NATIONS DESIRE WAR," ECHEVERRIA WARNED, OR IF THERE IS NOT A SANE POLICY TOWARD THE THIRD WORLD, OUTBREAKS OF SOCIAL DISORDER IS INEVITABLE IN MORE THAN A HUNDRED (THIRD WORLD) COUNTRIES.

PRESIDENT ECHEVERRIA'S SPEECH WAS COVERED IN TODAY'S MEXICAN DAILY, ULTIMAS NOTICIAS.

(MORE)

III. ORGANIZING AND INTELLIGENCE

ENDERS SAYS BANKING TROUBLE MAY PROVOKE DEBT MORATORIA

WASHINGTON, D.C. OCT 7 (IPS)--DIFFICULTIES IN THE INTERNATIONAL LENDING MARKETS MAY CONVINCe THIRD WORLD COUNTRIES TO DECLARE DEBT MORATORIA, ASSISTANT SECRETARY OF STATE THOMAS O. ENDERS SAID TODAY.

"A LOT OF COUNTRIES ARE GOING TO DEMAND DEBT MORATORIA," ENDERS SAID, "BUT OUR POSITION IS THAT SUCH ACTION WOULD DESTROY THE BASIS ON WHICH CREDIT IS GIVEN," HE SAID.

ASKED WHETHER A CRISIS OF CONFIDENCE ON THE INTERNATIONAL LENDING MARKETS MIGHT DAMAGE THIS ARGUMENT, ENDERS SAID, "THAT'S QUITE POSSIBLE. A CRISIS OF CONFIDENCE WHICH SHUTS DOWN THE FLOW OF PRIVATE LOANS PROBABLY WOULD CONVINCe THESE COUNTRIES TO DECLARE MORATORIA. THERE WILL BE MASSIVE FINANCING PROBLEMS NEXT YEAR." HE CITED THE DEFAULT YESTERDAY BY NORTH KOREA ON \$430 MILLION IN FOREIGN LOANS.

ALTHOUGH ENDERS ACKNOWLEDGED THE INEFFECTIVENESS OF U.S. POLICY ON DEBT MORATORIA, HE CAUTIONED THAT THE U.S. WOULD NOT CHANGE THIS POLICY. ENDERS IS REPORTEDLY FACING A TRANSFER FROM HIS SENSITIVE POST DUE TO SECRETARY OF STATE KISSINGER'S DISPLEASURE AT ENDERS' FRANK AND SOMETIMES PESSIMISTIC ESTIMATIONS OF THE INTERNATIONAL SITUATION.

CONGRESS PREPARES SECRET PLAN FOR FINANCIAL EMERGENCY

OCT. 7 (IPS)--SOURCES CLOSE TO THE JOINT ECONOMIC COMMITTEE OF CONGRESS TOLD IPS YESTERDAY THAT THE COMMITTEE IS CURRENTLY WORKING ON A HIGHLY SECRETIVE PLAN TO DEAL WITH A GENERAL FINANCIAL COLLAPSE. THE JEC IS SAID TO BE COLLABORATING WITH THE HOUSE AND SENATE BANKING COMMITTEES IN THE EFFORT. THE SOURCES STATED THAT THE COMMITTEE WAS AFRAID TO RELEASE DETAILS OF THE PLAN BECAUSE IT MIGHT "CREATE A FINANCIAL PANIC."

BARE ADMINISTRATION SPLIT ON TAX PACKAGE

OCT. 7 (IPS)--A STAFF REPRESENTATIVE FOR THE CONGRESSIONAL JOINT ECONOMIC COMMITTEE SAID TODAY THAT THE ADDITION OF A CALL FOR CUTS IN FEDERAL SPENDING IN PRESIDENT FORD'S "TAX CUT" SPEECH LAST NIGHT WERE THE RESULT OF LAST MINUTE PRESSURE FROM TREASURY SECRETARY WILLIAM SIMON.

THE PRESIDENT, IN AN ADDRESS WHICH BOTH THE CBS AND NBC TELEVISION NETWORKS REFUSED TO CARRY, CALLED FOR \$28 BILLION IN TAX CUTS NEXT YEAR, PROVIDED AN EQUAL AMOUNT BE SLASHED FROM THE FEDERAL BUDGET.

"YEAH, THEY' WERE BURNING THE MIDNIGHT OIL," THE STAFFER TOLD IPS TODAY. "(LABOR SECRETARY) JOHN DUNLOP AND (TREASURY SECRE-

(MORE)

TARY) SIMON ARE CUT FROM DIFFERENT CLOTH. DUNLOP WANTED TO EXTEND THE TAX CUTS. SIMON HAS BEEN AGAINST IT ALL ALONG AND NOW SUPPORTS IT ONLY BECAUSE OF THE CUTS IN GOVERNMENT SPENDING.

RUMORS OF THE LAST MINUTE SWITCH WERE CIRCULATING ALL DAY TODAY ON CAPITOL HILL.

EGYPT RIPE FOR COMMUNISM SAYS STATE DEPARTMENT

WASHINGTON, D.C. OCT. 7 (IPS)--A SPOKESMAN FOR THE U.S. STATE DEPARTMENT SAID TODAY THAT EGYPTIAN PRESIDENT ANWAR SADAT'S OPEN FLAUNTING OF HIS ALLIANCE WITH SECRETARY OF STATE HENRY KISSINGER IS CREATING FAVORABLE CONDITIONS FOR THE RESURGENCE OF THE EGYPTIAN COMMUNIST PARTY (PCE). THE SPOKESMAN SAID THAT THE RECENT RE-EMERGENCE OF THE PCE WAS PART OF WHAT HE SPECULATED WAS A SHIFT IN SOVIET POLICY TOWARD EGYPT. EGYPTIAN COMMUNISTS, HE SAID, "HAVE GOTTEN THE WORD" FROM MOSCOW TO PUT PRESSURE ON SADAT BECAUSE OF HIS ENDORSEMENT OF THE KISSINGER-ARRANGED SINAI PACT.

THE SPOKESMAN ALSO SAID THAT EVEN SOME OF SADAT'S CLOSEST ALLIES, INCLUDING THE SAUDI ARABIANS, HIS CHIEF FINANCIAL BACKERS, ARE CONCERNED ABOUT SADAT'S EXCESSIVE "ACCOMODATIONS" TO THE U.S. AND HIS GROWING ISOLATION FROM OTHER ARAB STATES. "YOU KNOW THERE ARE LIMITS TO HOW FAR SADAT CAN GO...I PERSONALLY THINK HE HAS GONE TOO FAR," THE SPOKESMAN CONCLUDED.

USLP WARNS OF RED HORNET/ROCKY DIRTY TRICKS IN CHARLOTTE

CHARLOTTE, N.C. OCT. 7 (IPS)--IN A TELEVISED INTERVIEW ON WSOC-TV LAST NIGHT, U.S. LABOR PARTY SPOKESMAN HARLEY SCHLANGER WARNED THAT VICE PRESIDENT NELSON "ROCKEFELLER MIGHT DEPLOY THE COUNTER-GANG 'RED HORNETS'" TO DISRUPT HIS FORTHCOMING APPEARANCE HERE, IN AN ATTEMPT TO DISCREDIT THE USLP. THE RED HORNETS ARE A LOCAL POTHEAD GROUP WHICH ONCE RECEIVED FUNDS FROM CREEP -- THE COMMITTEE TO RE-ELECT THE PRESIDENT -- TO STAGE A FAKED ANTI-WAR PROTEST AGAINST FORMER PRESIDENT NIXON. MORE RECENTLY, THE RED HORNETS WERE PART OF A LOCAL CREEP VOTE-STEALING OPERATION THAT HAS RESULTED IN THEIR LEADER, MARK ENGLANDER, BEING PLACED ON THE BALLOT AS THE "LABOR PARTY" MAYORAL CANDIDATE IN THE NOVEMBER ELECTION.

SCHLANGER STATED THAT THE USLP WOULD NOT ATTEND ROCKEFELLER'S APPEARANCE HERE. THE WSOC NEWSCAST DESCRIBED THE USLP AS "ROCKEFELLER'S MOST NOTED OPPOSITION."

NBC, CBS REFUSE TO BROADCAST FORD SPEECH

WASHINGTON, D.C. OCT. 7 (IPS)--BOTH THE COLUMBIA BROADCASTING SYSTEM (CBS) AND THE NATIONAL BROADCASTING COMPANY (NBC) LAST NIGHT REFUSED TO CARRY PRESIDENT FORD'S MESSAGE ON HIS NEW TAX CUT PROPOSALS.

BOTH NETWORKS CLAIMED TODAY THAT THEY HAD DENIED THE WHITE HOUSE THE REQUESTED TIME BECAUSE THEY DID NOT WANT TO BE OBLIGED

(MORE)

TO COVER A RESPONSE BY THE DEMOCRATS REQUIRED UNDER THE SO-CALLED "EQUAL TIME" PROVISIONS OF THE BROADCASTING CODE.

POLITICAL OBSERVERS HERE INDICATE THAT THE NETWORKS' EXTRAORDINARY REFUSAL WAS LIKELY AN EXPRESSION OF THEIR OPPOSITION TO THE POLICIES OF THE ROCKEFELLER-FORD ADMINISTRATION.

THE AMERICAN BROADCASTING COMPANY (ABC) CARRIED THE SPEECH.

USLP SPOKESMAN BLASTS SECRET SINAI PROTOCOLS
IN SENATE TESTIMONY

OCT. 7 (IPS)--U.S. LABOR PARTY MIDDLE EAST EXPERT ROBERT DREYFUSS TOLD THE SENATE FOREIGN RELATIONS COMMITTEE YESTERDAY THAT SECRET PROVISIONS OF THE SINAI ACCORDS NEGOTIATED BY SECRETARY OF STATE HENRY KISSINGER CALL FOR THE PARTITIONING OF LEBANON AND A POGROM OF THAT COUNTRY'S LEFTISTS. SINGLED OUT FOR KISSINGER'S BUTCHERY, DREYFUSS SAID, ARE MEMBERS OF LEBANON'S BAATH AND COMMUNIST PARTIES, WHO ARE LEADING OPPONENTS OF THE PACT THROUGHOUT THE ARAB WORLD.

DREYFUSS STATED THAT OPPOSITION TO THE SINAI PACT HAD MADE IT IMPOSSIBLE FOR KISSINGER TO NETOTIATE A "SECOND STAGE" AGREEMENT BETWEEN ISRAEL AND SYRIA OVER THE GOLAN HEIGHTS, AND THAT THIS WAS THE REASON FOR KISSINGER'S DESPERATION TO WIPE OUT THE PACT'S OPPONENTS IN LEBANON.

WHILE IN WASHINGTON, DREYFUSS DISCUSSED THE KISSINGER PACT AND PLANS FOR AN INVESTIGATION OF THE CIA'S ROLE IN THE MIDDLE EAST WITH SEVERAL SENATORS.

APPARENTLY, MOST OF THE BOURGEOIS PRESS BLACKED OUT DREYFUSS' TESTIMONY. THE NEW YORK TIMES TODAY LISTED ALL OF YESTERDAY'S COMMITTEE WITNESSES EXCEPT DREYFUSS.

MOSCOW-BACKED ISRAELI CP BUILDS FOR GENEVA

NEW YORK, OCT. 7 (IPS)--A NEW YORK-BASED SOURCE CLOSE TO THE ISRAELI LEFT SAID YESTERDAY THAT MOSCOW IS WORKING THROUGH THE ISRAELI COMMUNIST PARTY IN "COOPERATING WITH ZIONIST ELEMENTS IN THE PEACE CAMP" TO BUILD SUPPORT FOR A LASTING MIDDLE EAST PEACE SETTLEMENT.

THE SOURCE ALSO SAID THAT THE ZIONIST PEACE FORCES ARE SERIOUSLY QUESTIONING ISRAEL'S TRADITIONAL ALLEGIANCE TO THE UNITED STATES, AND ARE NOW CONSIDERING REPLACING THIS ALLEGIANCE WITH CLOSER TIES TO THE SOVIET UNION.

THE SOVIETS ARE KNOWN TO FEEL THAT A RECONVENING OF THE GENEVA PEACE CONFERENCE, WITH THE AIM OF SETTLING ALL ELEMENTS OF THE ARAB-ISRAELI DISPUTE (ESPECIALLY THE RETURN TO THE 1967 BORDERS IN THE REGION AND A PERMANENT RESOLUTION OF THE PALESTINIAN QUESTION) AND PLANS FOR JOINT ARAB-ISRAELI DEVELOPMENT PROJECTS IN THE AREA, ARE THE ELEMENTS REQUIRED FOR LASTING PEACE.

(MORE)

FBI ATTEMPTED TO SPLIT MICHIGAN DEMS

OCT. 7 (IPS)--THE FBI SENT PHONY LETTERS TO TOP MICHIGAN DEMOCRATS WHICH FALSELY ALLEGED THAT MEMBERS OF THE POLICE-CONTROLLED "SOCIALIST WORKERS PARTY" HAD INFILTRATED THE YOUNG DEMOCRATS CLUB AT DETROIT'S WAYNE STATE UNIVERSITY. THE ALLEGATIONS WERE REPORTED IN A FRONT PAGE ARTICLE IN THE CHICAGO TRIBUNE YESTERDAY, TITLED: "BARE FBI ATTEMPT TO SPLIT MICHIGAN DEMS." THE LETTERS WERE CONTAINED IN DOCUMENTATION FILED IN SUPPORT OF AN SWP LAWSUIT ACCUSING THE FBI OF CAMPAIGN HARASSMENT.

I THOUGHT HE HAD THREE

NEW YORK, OCT. 7 (IPS)--VICE PRESIDENT NELSON ROCKEFELLER HAS BRASS BALLS, ACCORDING TO AUTHORITATIVE SOURCES IN THE FINANCIAL COMMUNITY. "ANYONE WHO BLAMES NEW YORK CITY FOR THE PRESENT MESS AFTER BEING GOVERNOR OF THE STATE FOR 16 YEARS HAS TO HAVE BRASS BALLS," ONE SOURCE SAID.

ACCORDING TO UNCONFIRMED REPORTS, ROCKEFELLER RECEIVED THE BRASS BALLS IN EARLY 1972, AFTER AN OPERATION AT A BALTIMORE MEDICAL FACILITY.

REACHED FOR COMMENT, MR. ROCKEFELLER SAID, "CLICK, CLICK."

END OF IPS LATE NEWS FOR TUESDAY, OCT. 7, 1975.



International Press Service

Daily News and Press Summaries

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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE
COMBINED IPS
OCTOBER 8, 1975 2100 EDT

PRIORITIES

MEXICAN PRESIDENT ECHEVERRIA CALLS FOR DISARMAMENT AND DEVELOPMENT OF THIRD WORLD

UNITED NATIONS, OCT. 8 (IPS) — IN A SPEECH YESTERDAY MORNING TO THE GENERAL ASSEMBLY OF THE UNITED NATIONS MEXICAN PRESIDENT LUIS ECHEVERRIA OUTLINED PROPOSALS FOR "A NEW WORLD ECONOMIC ORDER." THROUGHOUT HIS SPEECH, ECHEVERRIA EMPHASIZED DISARMAMENT AND DEVELOPMENT FOR THE THIRD WORLD, AS THE FOUNDATIONS OF THAT NEW WORLD ORDER. THE MEXICAN PRESIDENT MADE A SPECIFIC FORCEFUL CALL FOR ADJUSTING "PRODUCTION AND PRICES...TO A BLUEPRINT WHICH IS COMPATIBLE WITH THE OVERALL INTERESTS OF MANKIND."

ECHEVERRIA DECLARED THAT NO ADEQUATE SOLUTION HAS YET BEEN FOUND TO "TRADE IMBALANCES AND FLOW OF CAPITAL," NOTING THAT THE EFFORTS AT "INTERNATIONAL ASSISTANCE,...HAS, ON THE CONTRARY, BROUGHT ABOUT AN INCREASE IN FOREIGN DEBTS OF THE DEVELOPING COUNTRIES AND THUS MADE THEIR SUBJECTION ALL THE MORE SEVERE." HE THEN CALLED FOR "ESTABLISHING THE FINANCIAL MACHINERY AND INSTRUMENTS TO DEAL WITH TRADE."

PRESIDENT ECHEVERRIA ALSO ACKNOWLEDGED "THE SUPPORT THAT THE SOCIALIST COUNTRIES HAVE OFFERED THE PEOPLES OF THE THIRD WORLD...AND THE SIGNIFICANT ROLE THEY ARE PLAYING IN THE BALANCING CORRELATION OF WORLD FORCES." "THE INDUSTRIALIZED COUNTRIES COULD ORGANIZE A SCIENTIFIC REVOLUTION IN THE FIELD OF ENERGY," HE ADDED. "WHAT IS NEEDED, HISTORICALLY SPEAKING, IS THE CREATION OF A TRUE ASSOCIATION WITHIN THE FRAMEWORK OF THE NEW WORLD ORDER, BASED ON FAIR PRICES, A RENEWAL OF TECHNOLOGY FOR ALL AND BENEFITS THAT WILL ONLY BE AN ACCEPTABLE FACT IF THEY ARE COLLECTIVE IN NATURE AND PLACED AT THE SERVICE OF THE GREATER PART OF HUMANITY."

NEAR THE CONCLUSION OF HIS SPEECH ECHEVERRIA REITERATED: "IF THE ENORMOUS SUMS TODAY BEING SPENT ON ARMAMENTS WERE CHANNELLED TO THE OVER-ALL DEVELOPMENT OF THE WORLD, MUCH WOULD BE DONE THEN TO ELIMINATE THE CONFLICTS WHICH TODAY DARKEN THE PRESENT AND FUTURE OF MANKIND."

ECHEVERRIA RECIEVED A STANDING OVATION AT THE CONCLUSION OF HIS SPEECH.

(MORE)

FINNISH SD OFFICIAL ARRESTED
FOR SMUGGLING 2ND INT'L BAG MONEY

OCT. 8 (IPS) — THE FINNISH ECONOMICS MINISTER OF THE RULING SOCIAL DEMOCRATIC PARTY, WAS ARRESTED YESTERDAY BY SWEDISH CUSTOMS POLICE FOR ATTEMPTING TO SMUGGLE 198,000 SWEDISH CROWNS (\$50,000 U.S. CURRENCY) OUT OF SWEDEN.

THE SWEDISH PRESS INDICATED TODAY THAT MONEY HAD BEEN SECRETLY PROVIDED BY THE SWEDISH SOCIAL DEMOCRATIC PARTY OF PRIME MINISTER OLOF PALME AT ITS JUST-CONCLUDED CONGRESS IN STOCKHOLM.

IT IS WIDELY BELIEVED THAT THE MONEY WAS INTENDED TO BE USED TO FINANCE SOCIAL DEMOCRATIC CANDIDATES IN THE NOV. 3 METALWORKERS UNION ELECTIONS. POLITICAL OBSERVERS INDICATE THAT THE FINNISH COMMUNISTS HAVE A GOOD CHANCE OF WINNING THOSE ELECTIONS AND GAINING CONTROL OF THE FINNISH TRADE UNION MOVEMENT.

PRIME MINISTER PALME, WHOSE GOVERNMENT WAS ROCKED LAST WEEK BY CHARGES IN THE PRESS THAT IT WAS INVOLVED IN CONDUITING FUNDS TO SOCIALISTS IN PORTUGAL, REFUSED TO COMMENT WHETHER THIS NEW MONEY WAS PART OF THE SPECIAL "CIA OPERATIONS FUND" PROVIDED TO THE EUROPEAN SECOND INTERNATIONAL.

PONIA BARS SOVIET YOUTH LEADER FROM FRANCE

OCT. 8 (IPS) — GUENALDI JANAIEV, PRESIDENT OF THE SOVIET YOUTH ORGANIZATION, KOSOMOL, WAS DENIED ENTRY TO FRANCE LAST NIGHT UNDER DIRECT ORDERS FROM INTERIOR MINISTER MICHEL PONIATOWSKI. JANAIEV HAD BEEN SCHEDULED TO SPEAK AT FRENCH COMMUNIST PARTY YOUTH MOVEMENT MEETING YESTERDAY EVENING COMMEMORATING THE 58TH ANNIVERSARY OF THE OCTOBER (RUSSIAN) REVOLUTION.

J. M. CATALA, LEADER OF THE PCF YOUTH MOVEMENT, DELIVERED A STRONG PRO-SOVIET SPEECH AT THE MEETING IN WHICH HE COUNTERPOSED THE MISERABLE SITUATION OF THE YOUTH IN CAPITALIST COUNTRIES TO THAT OF YOUTH IN THE EAST BLOC. CATALA ATTACKED THE LACK OF DEMOCRACY IN THE WEST AND UNDERLINED THAT SOCIALIST COUNTRIES WERE A HUNDRED TIMES MORE "DEMOCRATIC" THAN THE MOST DEMOCRATIC OF ALL BOURGEOIS DEMOCRACIES.

THE REPORT WAS CARRIED BY TODAY'S L'HUMANITE, THE PCF DAILY.

PORTUGUESE MILITARY UNIT DENOUNCES PSP
FOR COUP MANEUVERS

OCT. 8 (IPS) — LISBON'S LEFTIST LIGHT ARTILLERY REGIMENT (RALIS) HAS CHARGED THAT THE CIA-FUNDED PORTUGUESE SOCIALIST PARTY'S WARNINGS AGAINST A PURPORTED LEFT-WING COUP LAST WEEK WERE PART OF A PLOT TO PLUNGE PORTUGAL INTO A CIVIL WAR. THE PSP'S REAL OBJECTIVES, A STATEMENT ISSUED BY RALIS SAYS, WERE TO CREATE AN ENVIRONMENT FOR DECLARING A STATE OF SIEGE; TO DISCREDIT PROGRESSIVE MILITARY UNITS (SUCH AS RALIS, WHICH WAS ALLEGED TO HAVE BEEN ONE OF

(MORE)

THE REGIMENTS PLOTTING THE SUPPOSED COUP) THROUGH THE SAME TYPE OF SLANDEROUS CAMPAIGN IT USED SUCCESSFULLY AGAINST LEFT-WING DISCIPLINE ON THE ARMY AND PURGE LEFT-WINGERS FROM THE INFORMATION MEDIA.

IF SUCCESSFUL, RALIS SAID, THE PSP PLOT WOULD LEAD TO "A VIOLENT RIGHT-WING DICTATORSHIP UNDER THE COVER OF SOCIAL DEMOCRACY OR RATHER, OF 'SOCIALISM'." BUT RALIS STATES, A SUCCESSION OF PSP FIASCOS HAS "REVEALED THAT THE TRUE SOCIALISTS NO LONGER HAVE CONFIDENCE IN THEIR PRESENT LEADERSHIP."

THE RALIS STATEMENT WAS PUBLISHED IN THE OCT. 4 DIARIO DE NOTICIAS.

FORD PREPARING "MAJOR SPEECH"
TO IMPLEMENT MURPHY COMMISSION CHANGES

WASHINGTON, OCT. 8 (IPS) -- PRESIDENT FORD WILL DELIVER A "MAJOR SPEECH" SHORTLY IN WHICH HE WILL PROPOSE CHANGES IN THE U.S. INTELLIGENCE APPARATUS AS RECOMMENDED BY THE MURPHY AND ROCKEFELLER COMMISSIONS, ACCORDING TO TODAY'S WASHINGTON POST.

CORRESPONDENT DAVID S. BRODER QUOTES HIGH WHITE HOUSE SOURCES AS SAYING THAT FORD'S PROPOSALS WILL MIRROR THOSE OF THE TWO COMMISSIONS. THEIR RECOMMENDATIONS, ISSUED IN LATE SPRING OF THIS YEAR, PROPOSED A CARTE-BLANCHE FOR EXECUTIVE USE OF FOREIGN AND DOMESTIC COVERT OPERATIONS.

CBS NEWS REPORTS TODAY THAT FORD AND SECRETARY OF STATE HENRY KISSINGER ARE CONSIDERING NAMING FORMER TREASURY SECRETARY GEORGE P. SHULTZ AS DIRECTOR OF A "REORGANIZED" CENTRAL INTELLIGENCE AGENCY TO REPLACE WILLIAM COLBY. SCHULTZ IS CURRENTLY PRESIDENT OF THE CIA'S LINKED CONSTRUCTION FIRM, BECHTEL INTERNATIONAL.

NARCOTICS SQUAD CONFIRMS ORLINSKY DRUG PUSHING

BALTIMORE, OCT. 8 (IPS) -- A HIGH-RANKING MEMBER OF THE POLICE NARCOTICS SQUAD IN BALTIMORE YESTERDAY TERMED THE CITY COUNCIL CHAIRMAN WALTER ORLINSKY "THE BIGGEST DRUG PUSHER IN BALTIMORE." THE SOURCE SAID BITTERLY THAT IN BALTIMORE HE "CAN'T EVEN MAKE A BUST STICK." THE SOURCE FURTHER IDENTIFIED PARTICULAR DRUG CASES WHICH WERE SABOTAGED THROUGH ORLINSKY'S INTERCESSION.

A U.S. LABOR PARTY LEAFLET EXPOSING ORLINSKY'S ACTIVITIES IS BEING DISCUSSED "ALL OVER THE POLICE DEPARTMENT," HE ADDED.

RUN ON NYC BANKS SET TO BEGIN NEXT WEEK

OCT. 8 (IPS) -- NEW YORK CITY COMPTROLLER HARRISON GOLDEN TOLD THE NEW YORK TIMES YESTERDAY THAT THE DEFAULT OF NEW YORK CITY, WHICH MAY OCCUR AS EARLY AS OCT. 17, COULD "PAVE THE WAY FOR A RUN ON THE BANKS," ESPECIALLY BY LARGE INTERNATIONAL DEPOSITORS. GOLDEN SAID THAT IF NEW YORK LOST ITS POSITION AS THE INTERNATIONAL CAPITAL CENTER, IT WOULD NOT BE TO ANY OTHER U.S. CITY BUT TO "LONDON, PARIS, FRANKFURT, GENEVA OR SOME PLACE ABROAD."

(MORE)

GOLDIN WAS NOT ALONE IN PREDICTING A RUN ON NEW YORK BANKS. AT REP. ROSENTHAL'S (D-NY) HOUSE BANKING SUBCOMMITTEE HEARINGS TODAY, SOME CONGRESSMEN SAID THEY WERE CALLING ALL THE BANKS IN THEIR DISTRICTS TO WARN THEM TO PULL THEIR FUNDS OUT OF NEW YORK. ONE CONSERVATIVE CONGRESSMAN FROM KALAMAZOO, MICHIGAN, PRESIDENT'S GERALD FORD'S HOME DISTRICT, SUGGESTED THAT CONGRESS SIMPLY ALLOW THE NEW YORK CITY BANKS TO COLLAPSE AND CONCENTRATE ON SAVING THE REST OF THE COUNTRY.

ALFRED HOLDEN, INTERNATIONAL ECONOMIST AT BANKERS' TRUST, AGREED WITH GOLDIN'S PREDICTION THAT EUROPEAN AND OTHER FOREIGN BANKERS WILL PULL THEIR FUNDS OUT OF NEW YORK IN THE EVENT OF A DEFAULT. THE EUROPEANS ARE EVEN "MORE CONCERNED" ABOUT A NEW YORK DEFAULT THAN U.S. CAPITALISTS, HOLDEN SAID.

ISRAEL ADOPTING "WAIT-SEE" STALLING TACTICS: BALTIMORE SUN

OCT. 8 (IPS) — THE CURRENT ISRAELI GOVERNMENT INTENDS "TO MOVE SLOWLY" TOWARD ANY PEACE INITIATIVES, BALTIMORE SUN CORRESPONDENT MICHAEL PARKS WRITES TODAY.

PARKS CLAIMS THAT ISRAELI RULERS WILL MAKE NO STEPS TOWARD PEACE FOR AT LEAST FIVE MONTHS TO ALLOW FOR THE "IMPLEMENTATION" OF THE SINAI PACT. THEY DO NOT EXPECT PEACE TO COME TO THE MIDEAST FOR FIVE TO FIFTEEN YEARS, PARKS NOTES. ACCORDING TO PARKS, ISRAELI GOVERNMENT OFFICIALS ARE SEEING THE "RESOLUTION OF THE PALESTINIAN QUESTION AS THE LAST ISSUE TO BE TACKLED."

KENNEDY DEMANDS CONGRESSIONAL OVERSIGHT OF LEAA

OCT. 8 (IPS) — SPEAKING AT SENATE GOVERNMENT OPERATIONS COMMITTEE HEARINGS ON PRESIDENTIAL PROTECTION AND GUN-CONTROL YESTERDAY, SEN. EDWARD KENNEDY (D-MASS) LAUNCHED INTO A DIATRIBE AGAINST THE LAW ENFORCEMENT ASSISTANCE ADMINISTRATION (LEAA) STATING, "IT'S BEEN IN EXISTENCE FOR EIGHT YEARS AND WE'VE HAD TWO DAYS OF CONGRESSIONAL OVERSIGHT HEARINGS ON IT."

KENNEDY SUGGESTED EXPANDING CONGRESSIONAL OVERSIGHT OVER THE AGENCY AND CALLED FOR A CURTAILMENT OF LEAA ACTIVITIES TO STUDYING SUCH SUBJECTS AS JUDICIAL REFORM.

THE LEAA OPERATING OUT OF THE JUSTICE DEPARTMENT IS CURRENTLY A MAJOR COMPENENT OF THE DOMESTIC GESTAPO OPERATION CONTROLLED BY THE NATIONAL SECURITY COUNCIL. ITS FUNDING WILL COME UP IN CONGRESS SOON.

IRS INTERVENES TO PROTECT DRUGRUNNERS

CHICAGO, OCT. 8 (IPS) -- A MAN WHO IDENTIFIED HIMSELF AS A FORMER DRUG-PUSHER SAID YESTERDAY THAT INTERNAL REVENUE SERVICE (IRS) AGENTS HAD INTERVENED TO KEEP HIM FROM GOING TO JAIL FOR A DRUG OFFENSE. THE MAN SAID THAT THE IRS AGENTS HAD APPROACHED HIM WHILE HE WAS IN JAIL IN TEXAS AND TOLD HIM THAT THEY COULD GUARANTEE HIM PROBATION WITH NO JAIL SENTENCE IF HE AGREED NOT TO DISCLOSE THE NAMES OF HIS SUPPLIERS.

(MORE)

OBSERVERS SAY THAT IT IS THROUGH SUCH "DEALS" THAT THE MAJOR NATIONAL SECURITY COUNCIL-LINKED DRUG NETWORKS ARE KEPT FREE FROM EXPOSURE. THE CHICAGO PRESS IS CURRENTLY WAGING A STRONG CAMPAIGN AGAINST DRUGS.

REUSS CALLS FOR DEFACTO DEBT MORATORIUM

OCT. 8 (IPS) -- REP. HENRY REUSS (D-WISC), CHAIRMAN OF THE HOUSE BANKING COMMITTEE, SAID YESTERDAY THAT THE FEDERAL GOVERNMENT SHOULD PROVIDE \$7 BILLION IN LOANS AND LOAN GUARANTEES TO NEW YORK CITY AND NEW YORK STATE TO PREVENT A DEFAULT BY THE CITY. IN EXCHANGE FOR THIS AID VARIOUS PRESS SOURCES REPORTED REUSS AS ASKING THAT NEW YORK BANKS AND OTHER HOLDERS OF MAC SECURITIES DEFER INTEREST AND PRINCIPAL PAYMENTS, IN THE CASE OF MAJOR BANKS, THIS DEFACTO MORATORIUM FOR AS LONG AS FIVE YEARS. REUSS WAS CAREFUL NOT TO USE THE WORDS DEBT MORATORIUM TO DESCRIBE HIS PROPOSAL.

REUSS MADE IT CLEAR THAT HIS PLAN LIKE A SIMILAR THOUGH LESS SPECIFIC PROPOSAL BLURTED OUT BY SECRETARY OF THE TREASURY WILLIAM SIMON THIS WEEKEND, WAS AIMED AT PREVENTING A BANKING PANIC. "THIS IS NOT A BAILOUT, REUSS IS QUOTED AS SAYING. IT... IS AN ATTEMPT TO PREVENT LETHAL FALLOUT (FROM A NEW YORK CITY DEFAULT) FROM THE REST OF THE COUNTRY AND WORLD."

REUSS SAID THAT WHILE BANKS WOULD BE HURT BY A SUSPENSION OF DEBT SERVICE, IN THE LONG RUN "THEY WOULD RECIEVE A MUCH HIGHER PROBABILITY OF REPAYMENT THAN THEY NOW ENJOY."

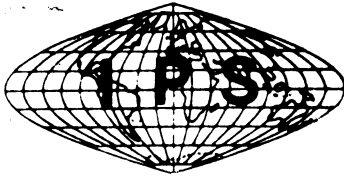
HOWEVER, REUSS MADE NO MENTION OF HIS PLAN DURING TODAY'S JOINT ECONOMIC COMMITTEE HEARING IN WASHINGTON, CAPITOL HILL OBSERVERS FELT THE CONGRESSMAN MAY HAVE ALREADY DITCHED THE PROPOSAL.

EUROPEAN TRADE UNION FEDERATION GOES FOR SPANISH BLOCKADE

OCT. 8 (IPS) -- HEINZ OSKAR VETTER, CHAIRMAN OF THE WEST GERMAN AND EUROPEAN TRADE UNION CONFEDERATIONS, IS CALLING FOR A EUROPEAN-WIDE BLOCKADE OF SPAIN FOR THE PURPOSE OF FORCING A COLLAPSE OF THE FRANCO GOVERNMENT. VETTER'S CLAIM THAT "ONE CAN CUT OFF SPAIN FROM THE OUTSIDE WORLD, BLOCKING ALL MEANS OF TRANSPORT AND ALL TELEPHONE NETWORKS," WAS ANNOUNCED ON A RADIO INTERVIEW SHOW, PANORAMA IN WEST GERMANY.

THE VETTER ANNOUNCEMENT WAS ENTHUSIASTICALLY BACKED BY OTTO KERSTEN, GENERAL SECRETARY OF THE INTERNATIONAL TRADE UNION FEDERATION DURING THE SAME RADIO SHOW.

END OF COMBINED IPS FOR WEDNESDAY, OCTOBER 8, 1975.



NEW SOLIDARITY International Press Service

Daily News and Press Summaries

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

NEW SOLIDARITY INTERNATIONAL PRESS SERVICE (IPS)
COMBINED NON-PRIORITIES FOR WEDNESDAY, OCTOBER 8, 1975

I. INTERNATIONAL PRESS ROUND-UP

LEFT WING FRENCH SOCIALIST PUSHES POLYCENTRISM

OCT. 8 (IPS)--SPEAKING AT A PARIS PRESS CONFERENCE ON OCT. 6, JEAN-PIERRE CHEVENEMENT, NATIONAL LEADER OF THE SOCIALIST PARTY'S LEFT WING CERES TENDENCY, CLAIMED THAT "THE CHANCES FOR THE DEVELOPMENT OF SOCIALISM IN EUROPE HAVE NEVER BEEN SO GOOD."

THE CERES LEADER CLARIFIED HIS REMARKS BY ATTRIBUTING THIS DEVELOPMENT TO THE SPREAD OF "POLYCENTRISM" AMONG THE EUROPEAN COMMUNIST PARTIES. THE ONLY "COMMUNIST" PARTIES ACTIVELY PUSHING POLYCENTRISM--THE IDEA OF INDEPENDENT, NATIONAL SECTOR STRUGGLE FOR SOCIALISM--ARE THE CIA-AND NATO-CONTROLLED SPANISH AND ITALIAN COMMUNIST PARTIES. CHEVENEMENT'S STATEMENT COINCIDES WITH A CALL FOR THE DISSOLUTION OF THE COMMUNIST INTERNATIONAL MOVEMENT BY SPANISH "COMMUNIST" LEADER SANTIAGO CARILLO.

ACCORDING TO SOURCES WITHIN THE FRENCH SOCIALIST PARTY, CHEVENEMENT HAS JUST TERMINATED A SEVERAL WEEK VISIT TO THE U.S. IN WHICH ALL HIS EXPENSES WERE PAID BY THE U.S. STATE DEPARTMENT.

BRD AUTHORITIES RELEASE TRADE UNIONIST ACCUSED OF BEING DDR SPY

WIESBADEN, BRD, OCT. 8 (IPS)--THE WEST GERMAN FEDERAL COURT HAS ANNOUNCED THE RELEASE ON BAIL OF HEINZ DURRBECK, EXECUTIVE COMMITTEE MEMBER OF THE IG METALL TRADE UNION, ACCORDING TO THE WEST GERMAN COMMUNIST PARTY PAPER UNSERE ZEIT. DURRBECK WAS ARRESTED EARLY LAST MONTH UNDER SUSPICION OF BEING A SPY FOR EAST GERMANY, UNTIL NOW THE GOVERNMENT HAS REFUSED TO ENUMERATE ANY SPECIFIC CHARGES AGAINST HIM.

SOLDIERS OCCUPY ARTILLERY BASE IN OPORTO DEMANDING REINSTATEMENT OF A LEFT REGIMENT

OCT. 8 (IPS)--A LEFTWING REGIMENT YESTERDAY TOOK OVER THE STRATEGIC ARTILLERY BASE OF SERRA DO PILAR WHICH OVERLOOKS THE NORTHERN PORTUGUESE CITY OF OPORTO, AND TOOK CONTROL OF A LARGE ARSENAL, ACCORDING TO TODAY'S BALTIMORE SUN.

THE REGIMENT WAS REPORTED TO BE PRESSURING THE ANTI-COMMUNIST COMMANDER OF THE NORTHERN MILITARY REGION, GENERAL ANTONIO PIRES VELOSO, TO REINSTATE A PRO-LEFT TRANSPORT REGIMENT THAT HE HAD DISBANDED LAST WEEK. VELOSO HAD TO SEND IN 120 COPCON (SECURITY FORCES) COMMANDOS TO EXPEL THE REGIMENT.

(MORE)

EGYPTIAN NEWSPAPER ATTACKS KISSINGER SINAI PACT

OCT. 8 (IPS)--THE EGYPTIAN MARXIST REVIEW AL-TALIA THIS WEEK BECAME THE FIRST JOURNAL IN THAT COUNTRY TO ATTACK THE SINAI PACT., NEGOTIATED BY U.S. SECRETARY OF STATE HENRY KISSINGER. THE REVIEW, WHOSE EDITORIAL BOARD IS COMPOSED OF SEVERAL PROMINENT EGYPTIAN LEFTIST INTELLECTUALS, CHARGED THAT THE PACT ONLY FEEDS INTO RENEWED ISRAELI INTRANSIGENCE AND "DOES NOT FACILITATE THE GENEVA PEACE CONFERENCE, AND THEREFORE DOESN'T BRING A GENERAL SETTLEMENT ANY CLOSER."

THE AL-TALIA ARTICLE WAS PUBLICIZED IN THE OCT. 3 L'HUMANITE, THE ORGAN OF THE FRENCH COMMUNIST PARTY.

FAZ BLAMES CONGRESS FOR WEAKENING ASSAD AND SADAT

OCT. 8 (IPS)--WEST GERMANY'S FRANKFURTER ALLGEMEINE ZEITUNG NEWSPAPER YESTERDAY LAMBASTED THE U.S. CONGRESS FOR INSISTING ON FULL DISCLOSURE OF THE SECRET ACCORDS OF THE SINAI PACT. THE SENATE FOREIGN RELATIONS COMMITTEE IS BEING "INDISCREET AT THE WRONG TIME," THE ALLGEMEINE COMPLAINS, SINCE THE BELEAGURED PRO-U.S. REGIMES OF PRESIDENT HAFEZ ASSAD OF SYRIA AND ANWAR SADAT OF EGYPT CAN ONLY BE FURTHER WEAKENED BY EVEN LIMITED REVELATIONS OF HOW ROTTEN THE KISSINGER PACT IS.

THE ALLGEMEINE TEARFULLY REMINDS CONGRESSIONAL CRITICS OF THE VIRTUES OF ASSAD AND SADAT. ASSAD IS "THE MOST MODERATE LEADER THAT SYRIA HAS HAD IN THIRTY YEARS," WHILE SADAT IS A MODERATE MAN WHO IS NOW PAINFULLY LEARNING "HOW DIFFICULT IT IS TO BE A FRIEND OF AMERICA."

THE ALLGEMEINE ATTACK ON CONGRESS IS THE FIRST SUCH ATTACK FROM THE WEST GERMAN PRESS AND ONLY UNDERSCORES THE INCREASING HYSTERIA OF THE BOURGEOISIE AT THE VULNERABILITY OF THEIR FAVORITE MIDEAST PUPPETS.

AFRIQUE ASIE BLASTS CHINA'S ANGOLA ROLE

OCT 8 (IPS)--AN EDITORIAL IN THE MOST RECENT ISSUE OF THE PARIS-BASED MAGAZINE AFRIQUE ASIE BLASTS MAOIST CHINA'S ROLE IN THE STRUGGLE FOR THE LIBERATION OF ANGOLA. THE TWO ANGOLAN LIBERATION MOVEMENTS SUPPORTED BY THE CHINESE, UNITA AND THE FNLA, THE EDITORIAL CHARGES, HAVE ALWAYS BEEN CIA-FUNDED, AND THE MAOISTS KNOW IT.

THE EDITORIAL STATES: "NEVER WILL THE PROGRESSIVE FORCES OF THE THREE CONTINENTS...TOLERATE THE TRADITION CHARACTERIZED BY THE THESIS DEFENDED BY MAO HIMSELF....THE AFRICAN PEOPLE BELIEVE IN THE VIGILANCE OF THE CHINESE PEOPLE AND THE CAPACITY OF THEIR LEADERS TO REVISE THEIR POLITICS."

THE EDITORIAL ALSO BLASTS "NEUTRAL" AFRICAN GOVERNMENTS, WHICH, TOGETHER WITH THE MAOISTS, ARE WORKING IN COMPLICITY WITH THE OBJECTIVES OF WASHINGTON.

(MORE)

INDUSTRIAL PRODUCTION FALLING IN BRITAIN

OCT. 8 (IPS)--BRITISH MANUFACTURERS' NEW INVESTMENT IS LIKELY TO FALL BY 11.5 PER CENT IN 1975, ACCORDING TO A REPORT FROM THE DEPARTMENT OF INDUSTRY PUBLISHED IN YESTERDAY'S LONDON FINANCIAL TIMES.

THE BANK OF ENGLAND, ACTING IN CONCERT WITH THE U.S. FEDERAL RESERVE, HAS CONTRIBUTED TO THIS EXTRAORDINARY COLLAPSE BY MAINTAINING HIGH DOMESTIC INTEREST RATES. LAST WEEK THE BANK RAISED ITS LENDING RATE TO PRIVATE BANKS TO 11 PER CENT, THE HIGHEST IN THE INDUSTRIALIZED WORLD.

THIRD WORLD LOVES CREDIT RATINGS

OCT. 8 (IPS)--RIMMER DE VRIES, HEAD OF THE INTERNATIONAL RESEARCH DEPARTMENT AT MORGAN GUARANTY TRUST, TOLD IPS THIS MORNING THAT A DEFAULT BY A MAJOR THIRD WORLD COUNTRY WOULD HAVE A DISASTROUS EFFECT ON THE INTERNATIONAL MONETARY SYSTEM. HOWEVER, DE VRIES STATED, THE SYSTEM WILL "MUDDLE THROUGH" WITHOUT SUCH DEFAULTS. BRIEFED ON THE BUILDING THIRD WORLD OFFENSIVE FOR DEBT MORATORIA, DE VRIES COMMENTED, "NO THIRD WORLD COUNTRY WANTS ITS CREDIT RATING REMOVED."

II. CONTINENTAL DEVELOPMENTS

MEXICAN LEFT WARNS OF FASCIST PROVOCATION AGAINST PORTUGAL

MEXICO CITY, OCT. 8 (IPS)--IN A CALL ISSUED THIS WEEK FOR A DEMONSTRATION TO "REPUDIATE FASCISM IN SPAIN...AND SUPPORT THE MEXICAN INITIATIVES AT THE UNITED NATIONS," A GROUP OF MEXICAN LEFT PARTIES, INCLUDING THE POPULAR SOCIALIST PARTY, WARNED AGAINST FASCIST INTERVENTIONS AGAINST THE PORTUGUESE REVOLUTION FROM BASES IN SPAIN. SUCH ACTIONS, THE CALL STATED, "WOULD THREATEN WORLD PEACE...BY CREATING A FOCUS OF TENSIONS IN THE IBERIAN PENINSULA WHICH COULD PUSH HUMANITY TO THE FEARED THERMONUCLEAR WAR."

"THE FRANCO REGIME HAS ALLIANCES," THE CALL SAID, "WITH THE FASCISTS OF PORTUGAL, TO WHOM IT HAS ALLOWED THE ESTABLISHMENT OF MILITARY TRAINING BASES FOR AN EVENTUAL AGGRESSION AGAINST THAT COUNTRY. WITH THESE ACTIONS, ATTEMPTS TO ORCHESTRATE A FULL PROVOCATION TO THREATEN WORLD PEACE" ARE CARRIED OUT.

THE CALL WAS PRINTED IN YESTERDAY'S EXCELSIOR, MEXICO'S LEADING NEWSPAPER.

ADMINISTRATION PROPOSES TO OUST MORE THAN ONE MILLION FROM FOOD STAMP PROGRAM

OCT. 8 (IPS)--THE FORD ADMINISTRATION HAS MADE A PROPOSAL FOR SO-CALLED REFORM OF THE PRESENT FOOD STAMP PROGRAM WHICH WILL ELIMINATE MORE THAN ONE MILLION RECIPIENTS OF THE AID, ACCORDING TO TODAY'S BALTIMORE SUN.

(MORE)

CURRENT DEDUCTIONS FOR SUCH ITEMS AS MEDICAL, WORK, CHILD CARE AND EDUCATIONAL EXPENSES WILL BE DROPPED AND REPLACED BY A STANDARD DEDUCTION FOR ALL FOOD STAMP RECIPIENTS. SLIDING SCALES, THE COST DEPENDENT UPON FAMILY INCOME AND SIZE, WILL BE REPLACED BY A FLAT INCOME DEDUCTION BELIEVED TO BE 30 PER CENT OF THE RECIPIENT'S NET INCOME.

RUMSFELD AND OTHER "POLITICAL ADVISERS"
BEHIND FORD'S LAST MINUTE TAX CUT PACKAGE

OCT. 8 (IPS)--DONALD H. RUMSFELD, PRESIDENT FORD'S WHITE HOUSE CHIEF OF STAFF AND SELF-PROCLAIMED OPPONENT OF VICE PRESIDENT NELSON ROCKEFELLER, WAS IDENTIFIED AS "ONE OF (FORD'S) SEVERAL KEY POLITICAL AIDES" INVOLVED IN "INSTIGATING" THE PRESIDENT'S NEW MASSIVE TAX CUT AND SPENDING CEILING PACKAGE, ACCORDING TO THE LEAD ARTICLE OF TODAY'S BALTIMORE SUN.

THE SUN ARTICLE ALSO DESCRIBES HOW THIS PACKAGE WAS PUT TOGETHER IN A "SCRAMBLE OVER THE WEEKEND" WITHOUT THE INVOLVEMENT OR SUPPORT OF FORD'S ECONOMIC AIDES. THE ARTICLE INDICATES THAT AS LATE AS LAST FRIDAY, "MOST POLICY-MAKERS STILL BELIEVED THE PRESIDENT WAS ABOUT TO PROPOSE ONLY A SIMPLE EXTENSION OF THIS YEAR'S CUTS, COMBINED WITH SOME NEW TAXES FOR BUSINESS."

IPS LEARNED YESTERDAY THAT TREASURY SECRETARY WILLIAM SIMON HAD DEMANDED THAT FORD ADD THE SPENDING CEILING AT THE LAST MOMENT, BY THREATENING TO WITHDRAW HIS SUPPORT FOR THE PACKAGE.

REAGAN SAYS HE MAY GO FOR VICE PRESIDENT

OCT. 8 (IPS)--FORMER CALIFORNIA GOVERNOR RONALD REAGAN YESTERDAY SAID THAT HE WOULD CONSIDER ACCEPTING THE REPUBLICAN VICE PRESIDENTIAL NOMINATION ON A TICKET WITH PRESIDENT GERALD FORD IF HE WERE CONVINCED THAT "HE WOULD MAKE A CONTRIBUTION TO THE COUNTRY" FROM THAT POST.

REAGAN'S STATEMENTS, REPORTED IN TODAY'S NEW YORK TIMES, ARE THE FIRST INDICATION THAT HE MIGHT BE WILLING TO REPLACE NELSON ROCKEFELLER ON THE REPUBLICAN TICKET. POLITICAL OBSERVERS VIEW THE GOVERNOR'S STATEMENTS AS BOTH A SIGN OF THE GROWING WEAKNESS OF ROCKEFELLER AND A PROD BY CONSERVATIVE REPUBLICAN LAYERS OF PRESIDENT FORD TO DUMP HIS CURRENT VICE PRESIDENT.

WASHINGTON POST URGES IMMEDIATE FEDERAL "GUARANTEE"
TO STALL NEW YORK CITY DEFAULT

OCT. 8 (IPS)--A "SAFETY NET" OF A FEDERAL GOVERNMENT "GUARANTEE" FOR STATE BOND AID TO NEW YORK CITY MUST BE PUT IN PLACE "WITHIN THE NEXT FEW DAYS," A LEAD EDITORIAL IN TODAY'S WASHINGTON POST URGES. WITHOUT THIS SWIFT ACTION, THE POST WARNS, "DEFAULT BY NEW YORK CITY ON ITS DEBTS IS INEVITABLE," RESULTING IN A COLLAPSE OF THE NATION'S BOND MARKETS. THE POST URGES CONGRESS TO TAKE SUCH ACTION, DUE TO PRESIDENT FORD'S CONTINUED UNWILLINGNESS TO ACT IN THE CITY'S CRISIS.

(MORE)

STEP-BY-STEP DIPLOMACY TO SELF DESTRUCT?

OCT. 8 (IPS)--IN TESTIMONY YESTERDAY BEFORE THE SENATE FOREIGN RELATIONS COMMITTEE, SECRETARY OF STATE HENRY KISSINGER AGREED WITH SOUTH DAKOTA SENATOR GEORGE MCGOVERN THAT "WE'RE COMING TO THE END OF THE STEP-BY-STEP PROCESS" OF MIDDLE EAST DIPLOMACY. KISSINGER TIED THIS TO THE EXTREME DIFFICULTY IN ARRANGING A NEW ROUND OF TALKS BETWEEN SYRIA AND ISRAEL FOR A GOLAN HEIGHTS PACT SIMILAR TO THAT ON THE SINAI, REPORTS TODAY'S NEW YORK TIMES.

AFTER KISSINGER'S TESTIMONY, THE COMMITTEE VOTED 10-2 TO APPROVE THE SENDING OF 200 AMERICAN TECHNICIANS TO THE SINAI TO MONITOR THE ACCORD. THE COMMITTEE MADE IT CLEAR THAT THE APPROVAL OF THE TECHNICIANS WAS NOT A STATEMENT OF SUPPORT FOR THE VARIOUS SECRET ACCORDS WORKED OUT BY KISSINGER DURING HIS MIDEAST SHUTTLEINGS. THESE PROTOCOLS ARE REPORTED TO INCLUDE THE EXTERMINATION OF THE LEBANESE LEFT.

BALTIMORE SUN SUPPORTS EEC DECISION
TO AID SOCIAL DEMOCRATIC GOVERNMENT IN PORTUGAL

OCT. 8 (IPS)--AN EDITORIAL IN TODAY'S BALTIMORE SUN PRAISED THE DECISION BY THE COMMON MARKET (EEC) MINISTERS LAST WEEK TO PROVIDE ECONOMIC AID TO THE CURRENT PORTUGUESE GOVERNMENT.

THE SUN DESCRIBES THE SOCIAL DEMOCRATIC GOVERNMENT OF PRIME MINISTER AZEVEDO AND FOREIGN MINISTER AND NATO AGENT MELO ANTUNES AS THE "BEST HOPE" PORTUGAL HAS OF ACHIEVING A TRUE "PLURALIST DEMOCRACY." LUMPING THE COMMUNISTS WITH THE NATO-CONTROLLED "EXTREME LEFTISTS," THE SUN WARNS THAT THEIR MOTION COULD STILL RESULT IN A CIVIL WAR.

TIMES COVERS FOR ROCKY ON DEBT MORATORIUM

OCT. 8 (IPS)--IN AN OBVIOUS ATTEMPT TO DIFFUSE THE IMPACT OF TREASURY SECRETARY WILLIAM SIMON'S USE OF THE WORLD DEBT MORATORIUM, MONDAY'S NEW YORK TIMES FEATURED AS ITS LEAD ARTICLE NELSON ROCKEFELLER'S "VIEWS" ON THE NEW YORK CITY CRISIS.

USING QUOTES FROM A TWO-WEEK-OLD U.S. NEWS AND WORLD REPORT INTERVIEW AND COMMENTS MADE SOMETIME AFTER THE TIMES PLACED SIMON'S DEBT MORATORIUM CALL ON ITS OCT. 5 FRONT PAGE, TIMES REPORTER PETER KIHSS ATTEMPTED TO REFOCUS DISCUSSION ON WHETHER OR NOT CONGRESS SHOULD "RESCUE" NEW YORK CITY WITH FEDERAL AID AND, IF SO, UNDER WHAT CONDITIONS.

KIHSS REPORTED THAT ROCKEFELLER HAS UNDERGONE A CHANGE OF HEART AND IS NO LONGER UNILATERALLY OPPOSED TO ANY KIND OF FEDERAL AID. SUCH AID COULD BE MADE AVAILABLE, THE VICE PRESIDENT ALLEGEDLY TOLD KIHSS, AFTER THE CITY UNDERWENT MASSIVE AUSTERITY MEASURES AND THEN ONLY IF CONGRESS APPROVED.

EARLIER, ROCKEFELLER HAD TOLD U.S. NEWS AND WORLD REPORT THAT HAVING THE FEDERAL GOVERNMENT "PICK UP THE CHECK...WOULD BE THE BEGINNING OF THE END OF THE SOLVENCY OF THE UNITED STATES."

(MORE)

IPS/NON-PRIORITIES/10.8.75/P.6

NO MENTION WAS MADE OF SIMON'S SUGGESTION OF THE DAY BEFORE
THAT THE BANKS SHOULD DECLARE A MORATORIUM ON NEW YORK CITY DEBT
--AN INDICATION THAT ROCKEFELLER WOULD BEST LIKE THE WORDS DEBT
MORATORIUM OUT OF THE PUBLIC MIND AS QUICKLY AS POSSIBLE.

END OF IPS NON-PRIORITIES FOR OCTOBER 8, 1975



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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE (IPS)
COMBINED PRIORITIES ITEMS
FOR THURSDAY, OCTOBER 9, 1975

DALEY DRUG EXPERT FINGERS FEDERAL PUSHERS

CHICAGO, OCT. 9 (IPS)--MARTIN POWERS, AN OFFICIAL OF MAYOR DALEY'S DRUG ABUSE AGENCY, CHARGED LAST NIGHT THAT, "EVERY TIME THE CHICAGO POLICE GET READY TO MAKE A DRUG BUST, THE (FEDERAL) DRUG ENFORCEMENT ADMINISTRATION TIPS THE PUSHERS OFF. OUR MAIN PROBLEM IS WITH THE DRUG ENFORCEMENT ADMINISTRATION." THE DRUG ENFORCEMENT ADMINISTRATION FUNCTIONS UNDER THE AUTHORITY OF U.S. ATTORNEY GENERAL EDWARD LEVI, WHO HAS BEEN CLOSELY LINKED TO ROCKEFELLER FAMILY ILLEGAL ACTIVITIES, INCLUDING DRUG-RUNNING AND BRAINWASHING OPERATIONS.

SPEAKING AT A MEETING ORGANIZED BY THE U.S. LABOR PARTY AND TWO CHICAGO MINISTERS TO FORM A CHICAGO COMMITTEE TO STOP METHADONE, POWERS ALSO STATED THAT "CHICAGO IS THE ONLY ONE OF THE TEN LARGEST CITIES IN THE COUNTRY THAT DOESN'T HAVE A METHADONE PROGRAM, AND BECAUSE OF THIS WE ARE CUT FROM FEDERAL FUNDS. WE HAVE ALL DRUG-FREE CLINICS, BUT THEY ARE NOT WIDELY KNOWN BECAUSE WE DON'T GET A CENT, WHILE THE ILLINOIS DRUG ABUSE PROJECT GETS MILLIONS BECAUSE THEY PUSH METHADONE.

"I DON'T BELIEVE IN SUBSTITUTING ONE DRUG FOR ANOTHER," POWERS CONCLUDED, "WE MUST DO AWAY WITH DRUGS ALTOGETHER SO THAT PEOPLE CAN LIVE UP TO THEIR FULLEST POTENTIAL."

CONGRESSMAN EXPOSES U.S. GUN-RUNNING TO MEXICAN TERRORISTS

OCT. 9 (IPS)--REPRESENTATIVE BOB WILSON (R-CALIF) CHARGED THAT A MAJOR MEXICAN TERRORIST ORGANIZATION, THE "LIGA 23 DE SEPTIEMBRE," OBTAINS ITS WEAPONS FROM "U.S. ARMS DEALERS WHO ARE EXCHANGING STOLEN MILITARY ARMAMENTS FOR DRUGS." THE "LIGA" HAS BEEN FREQUENTLY ACCUSED BY THE MEXICAN PRESS OF BEING CONTROLLED BY THE CIA; AND FORMER CIA AGENT ROY FRANKHOUSER HAS CONFIRMED THAT SUCH INTERNATIONAL TERRORIST AND DRUG-RUNNING OPERATIONS ARE CONTROLLED DIRECTLY BY THE U.S. NATIONAL SECURITY COUNCIL, UNDER THE PERSONAL SUPERVISION OF SECRETARY OF STATE HENRY KISSINGER.

SPEAKING AT A PRESS CONFERENCE IN SAN DIEGO YESTERDAY, WILSON CHARGED THAT THE GUN DEALERS SUPPLY "AUTOMATIC RIFLES, MACHINE GUNS, HAND GRENADES, AND EVEN ROCKET LAUNCHERS TO THE LIGA AND OTHER TERRORIST GANGS....IN EXCHANGE FOR MARIJUANA AND MEXICAN HEROIN." THE FEDERAL DRUG ENFORCEMENT ADMINISTRATION (DEA) IS AWARE OF THIS, WILSON SAID, NOTING THAT, "IT HAS REPORTED MORE THAN 40 CASES IN WHICH U.S. ARMS ARE USED TO ACQUIRE DRUGS." THE SAN DIEGO CONGRESSMAN MADE NO MENTION OF DEA ATTEMPTS TO STOP THE GUN AND DRUG-RUNNING.

THE PRESS CONFERENCE WAS REPORTED IN THE MEXICAN EVENING PAPER "ULTIMAS NOTICIAS" YESTERDAY.

PCP: "REVOLUTIONARY FORCES
HAVE RETAKEN THE INITIATIVE"

OCT. 9 (IPS)--COMMENTING ON THE CURRENT OFFENSIVE OF PORTUGAL'S PROGRESSIVE MILITARY AND WORKING CLASS FORCES, A DECLARATION RELEASED BY THE PORTUGUESE COMMUNIST PARTY (PCP) STATES THAT: "AN IMPORTANT ASPECT OF THE PRESENT SITUATION IS THAT THE REVOLUTIONARY FORCES, THE WORKING CLASS AND THE MASSES HAVE REGAINED THE INITIATIVE AND GONE BACK TO THE COUNTERATTACK."

THE DECLARATION ALSO BLASTED ATTEMPTS TO FORM A RIGHTWING SHOCK POLICE IN PORTUGAL, SAYING "THE FORMATION OF A REPRESSIVE POWER, WHICH RECRUITS FROM THE REACTIONARY ELEMENTS, NAMELY AMONG THE FORMER CIVIL DEFENSE UNITS OF ANGOLA, COULD NEVER SOLVE THE PROBLEM OF PUBLIC ORDER, BUT ONLY INCREASE IT."

THE DECLARATION ADDED THAT AUTHORITY CAN ONLY BE REESTABLISHED "IF THE REACTIONARY FORCES ARE REMOVED FROM THEIR LEADING POSITIONS AND THE REPRESENTATIVES OF REVOLUTIONARY FORCES ARE RE-INSTATED AND ELEVATED," AND CALLED FOR A MEETING WITH SOCIALIST AND MILITARY LEADERS FOR THAT PURPOSE. THE PCP DECLARATION WAS PUBLISHED IN TODAY'S NEUES DEUTSCHLAND, NEWSPAPER OF THE EAST GERMAN COMMUNIST PARTY.

DEBRE CALLS FOR END TO EXCLUSIVE DOLLAR AND RUBLE ZONES

OCT. 9 (IPS)--GAULLIST LEADER MICHEL DEBRE CALLED YESTERDAY IN AN ARTICLE IN THE DAILY LE MONDE FOR AN END TO THE MUTUAL EXCLUSIVENESS BETWEEN THE DOLLAR AND THE RUBLE ZONES OF THE WORLD ECONOMY IN ORDER TO DEVELOP TRADE BETWEEN THE EAST AND THE WEST. "A COMMUNITY OF ACTION BETWEEN THE SOVIET UNION AND THE WESTERN NATIONS IS INDISPENSIBLE FOR PEACE," DEBRE STATED. "THE BEST AND MOST URGENT EXAMPLE IS THAT OF THE MONETARY ORDER. THE RUSSIANS CLOSE THEMSELVES AND THEIR ASSOCIATES UP IN THE RUBLE ZONE. THE AMERICANS CLOSE THEMSELVES AND WOULD LIKE TO CLOSE US UP IN THE DOLLAR ZONE. THE FUTURE IS NOT IN THIS ABRUPT AND HARMFUL DIVISION. WE MUST ACT, IF WE WANT TO AVOID A CRISIS WHICH WOULD BE HARMFUL TO THE WEST AND FROM WHICH RUSSIA WOULD NOT PROFIT. TO PREPARE A GREAT MONETARY CONFERENCE WHICH WOULD REESTABLISH AN ORDER FAVORABLE TO EXCHANGES ON THE BASIS OF AN AGREEMENT FROM WHICH IT WOULD BE VAIN TO THINK THAT GOLD WOULD BE EXCLUDED, THIS IS A GREAT AMBITION, PERHAPS THE GREATEST AMBITION," THE GAULLIST LEADER CONTINUED. "IN OTHER WORDS, CONCERTATION (I.E., COOPERATION - ED.) MUST GO BEYOND THE ROUTINE OF BILATERAL PROBLEMS, AND AIM FOR HIGHER."

TETHER: 'EXCHANGE WAR' ON THE WAY

OCT. 9 (IPS)--"THERE SEEMS LITTLE DOUBT THAT WE HAVE BEEN WITNESSING THE OPENING BROADSIDES IN AN OUTBREAK OF EXCHANGE WARFARE"

(MORE)

OVER COUNTRIES' CURRENCY VALUES, COLUMNIST GORDON TETHER COMMENTED IN THE LONDON FINANCIAL TIMES OCT. 7.

"MANY OF THE COUNTRIES WHOSE CURRENCIES HAVE BEEN DRAGGED UP TO HIGHER LEVELS BY THEIR LINKS WITH THE DOLLAR HAVE BEEN INDICATING THAT THEY ARE THINKING IN TERMS OF ENDING THIS ARRANGEMENT BECAUSE OF THE WAY IN WHICH IT IS COMPLICATING THEIR PAYMENTS PROBLEMS," TETHER SAID.

"THIS COULD MEAN THAT MANY MORE DEVALUATIONS OF SECOND AND THIRD LEAGUE COUNTRIES ARE ON THE WAY."

PSP SAYS SOARES MET WITH KISSINGER, PRAISES CIA

OCT. 9 (IPS)--THE CHIEF OF STAFF OF THE PORTUGUESE SOCIALIST PARTY (PSP) SAYS THAT PSP LEADER MARIO SOARES HAS MET TWICE WITH U.S. SECRETARY OF STATE HENRY KISSINGER TO DEAL WITH "ORGANIZATIONAL WEAKNESS OF THE PSP."

IN A STORY APPEARING IN THE LATEST EDITION OF THE BOSTON PHOENIX, PSP CHIEF OF STAFF VICTOR CUNHA REGA SPOKE OF PROBLEMS THAT THE PSP IS HAVING BECAUSE THE COUNTRY'S ECONOMIC PROBLEMS HAVE FORCED ITS MIDDLE CLASS BASE INTO THE ARMS OF THE FASCISTS. CUNHA REGA REMINDED THE PHOENIX INTERVIEWER THAT THE PSP HAD ONLY 227 MEMBERS IN APRIL 1974, THE DATE WHEN THE PORTUGUESE DICTATORSHIP WAS OVERTHROWN.

REPORTS FROM OTHER SOURCES HAVE INDICATED THAT THE PSP CONSISTED OF SOARES AND 15 SUPPORTERS SITTING AROUND A BAR AT THE TIME OF THE COUP.

THOUGH NATO AGENT SOARES HAS VIGOROUSLY DENIED EVER HAVING RECEIVED CIA FUNDS, HIS CHIEF OF STAFF SHOWS A REMARKABLE FONDNESS FOR THE AMERICAN INTELLIGENCE AGENCY.

"I HAVE NEVER READ BETTER ANALYSES OF THE PORTUGUESE SITUATION THAN THOSE MADE BY THE CIA," CUNHA REGA, WHO IS ALSO SOARES' CAMPAIGN MANAGER, TOLD THE PHOENIX. "THEY ARE THE SMARTEST MEN THAT I HAVE EVER MET."

"CIA PERSONNEL ATTACHED TO THE LISBON EMBASSY ARE NOW OPERATING IN SPAIN," WORKING VERY HARD AGAINST SPANISH DICTATOR FRANCO, CUNHA REGA INDICATED, OBVIOUSLY PRIVY TO INSIDE INFORMATION. "I WISH THEY (THE CIA) WERE AS ACTIVE IN PORTUGAL AS THEY ARE IN SPAIN," HE CONTINUED. "THEY HAVE COMMITTED A LOT OF MANPOWER THERE."

COINCIDENTALLY, THE NEW YORK TIMES REPORTED YESTERDAY THAT U.S. INTELLIGENCE AGENCIES CLAIMED IN SEPARATE TESTIMONY BEFORE THE SENATE AND HOUSE COMMITTEES TO HAVE PLAYED NO ROLE WHATSOEVER IN THE APRIL 1975 PORTUGUESE COUP. SPOKESMEN FOR THE CIA HAVE REPEATEDLY STATED THAT THE AGENCY IS NOT NOW AND HAS NOT EVER "INTERFERED IN PORTUGUESE AFFAIRS."

(MORE)

****IPS ANALYSIS****

**"DOLPHINE" DIANE FEINSTEIN ISOLATED
AS LONELY METHADONE SUPPORTER IN S.F. RACE**

SAN FRANCISCO, OCT. 9 (IPS)--SIX OF THE EIGHT MAYORAL CANDIDATES IN SAN FRANCISCO HAVE NOW REPUDIATED THE USE OF THE DRUG METHADONE TO TREAT NARCOTICS ADDICTS. LAST NIGHT DONALD DONALDSON DENIED METHADONE IN A CANDIDATES APPEARANCE AT B'NAI B'RITH, JOINING METHADONE OPPONENTS NICK BENTON OF THE U.S. LABOR PARTY AND FOUR OTHERS, BARBEGELATA, KUHLMAN, ERTOLA, AND "MARIJUANA" GEORGE MOSCONE. MOSCONE IS NOW ALSO SAID TO HAVE SECOND THOUGHTS ABOUT HIS SPONSORSHIP OF A BILL IN THE STATE LEGISLATURE TO LEGALIZE MARIJUANA.

THE METHADONE AND DRUG ISSUE HAS BEEN DEFINED AS THE MAJOR ISSUE IN THE MAYORAL RACE BY USLP CANDIDATE BENTON, WHO USED IT TO KNOCK "MARIJUANA" GEORGE OUT OF THE FAVORITE'S POSITION IN THE RACE AND IS NOW LEADING THE ATTACK ON CURRENT FRONT-RUNNER DIANE FEINSTEIN'S ADVOCACY OF METHADONE. FEINSTEIN'S SUPPORTERS, LED BY STEPHEN BECHTEL, A CLOSE ASSOCIATE OF THE ROCKEFELLER INTERESTS THROUGH HIS MAMMOTH FAMILY CONSTRUCTION FIRM, WANT TO USE METHADONE TO CREATE AN ARMY OF DOCILE SLAVE LABORERS WHO WILL WORK ONLY FOR THEIR "FIX." UNDER THE NAME "DOLPHINE," FEINSTEIN SUPPORTERS SAY, METHADONE WAS SUCCESSFULLY USED IN THIS MANNER BY THE NAZIS TO KEEP THEIR MILLIONS OF STARVING SLAVE LABOR VICTIMS FUNCTIONING AND UNDER CONTROL.

FEINSTEIN'S SUPPORT FOR THE DRUG APPEARS TO HAVE COST HER CONSIDERABLE SUPPORT. TWO NIGHTS AGO, BENTON RECEIVED A THUNDEROUS OVATION FROM AN AUDIENCE OF 300 AT A JEWISH TEMPLE CANDIDATES NIGHT IN WELL-TO-DO PACIFIC HEIGHTS FOR HIS DENUNCIATION OF METHADONE. AT THE SAME EVENT, FEINSTEIN, CHAIN SMOKING AND VISIBLY UNSETTLED, NERVOUSLY DODGED QUESTIONS ON THE METHADONE ISSUE.

**NYC UNIONISTS RESPOND TO NEW AUSTERITY PLAN
WITH GENERAL STRIKE THREAT**

OCT. 9 (IPS)--LEADING NEW YORK CITY TRADE UNIONISTS YESTERDAY RESPONDED TO A NEW AUSTERITY PLAN BY MAYOR BEAME BY THREATENING A GENERAL STRIKE. BEAME'S PLAN WOULD IMPOSE A FREEZE ON ALL WAGE INCREASES, CONTRACT AND COST-OF-LIVING INCREMENTS FOR THE NEXT THREE YEARS, EFFECTIVELY RIPPING UP ALL OF THE CITY'S COLLECTIVE BARGAINING CONTRACTS. LEADING CITY OFFICIALS AND BANK REPRESENTATIVES ARE ALSO THREATENING MASSIVE NEW LAYOFFS.

UNITED FEDERATION OF TEACHERS PRESIDENT ALBERT SHANKER, DENOUNCING MAYOR BEAME AND GOVERNOR CAREY AS "PROSTITUTES" AND "MURDERERS" FOR THE CITY'S BANKS, TOLD REPORTERS THAT HE AND OTHER LABOR LEADERS WILL DISCUSS A GENERAL STRIKE AT NEXT TUESDAY'S MEETING OF THE MUNICIPAL LABOR COUNCIL. SIMILAR THREATS WERE UTTERED BY TEAMSTERS LOCAL 137 PRESIDENT BARRY FEINSTEIN AND POLICE BENEVOLENT ASSOCIATION PRESIDENT KEN MCFEELEY.

(MORE)

NONE OF THE UNION LEADERS MENTIONED THE DEBT MORATORIUM PROPOSAL NOW BEFORE THE CITY COUNCIL. BUT COMMUNICATIONS WORKERS LEADER MORTON BAHR, STATING THAT HE WOULD BRING THE MATTER TO THE OCT. 3 NEW YORK STATE AFL-CIO CONVENTION, WARNED THAT "THE CHALLENGE IS EITHER REMEDIAL LEGISLATION DESIGNED TO RESTORE FREE COLLECTIVE BARGAINING OR EUROPEAN-STYLE ACTION BY THE UNIONS--THE USE OF THE POLITICAL STRIKE TO SAVE OUR SYSTEM AND OUR JOBS."

GENERAL STRIKE IN ISRAEL?

OCT. 9 (IPS)--ISRAELI LABOR UNIONS ARE CONSIDERING CALLING FOR A NATIONWIDE GENERAL STRIKE TO PROTEST A 30 PER CENT LOSS IN LIVING STANDARDS FOR MANY WORKERS DURING THIS YEAR ALONE, TODAY'S WEST GERMAN DAILY SÜDDEUTSCHE ZEITUNG REPORTS. THE ZEITUNG CALLS THE DEMAND "NOT UNREALISTIC...IN VIEW OF RECENT WARNING STRIKES" AND WARNS THAT GROWING LABOR UNREST IN ISRAEL IS "THE SIGNAL FOR A COMING STORM."

SINCE THE GOVERNMENT ANNOUNCED MASSIVE AUSTERITY MEASURES SEVERAL WEEKS AGO, ISRAEL HAS BEEN HIT BY A SERIES OF STRIKES THROUGHOUT THE MUNICIPAL AND SHIPWORKING LAYERS. THE LATEST ROUND OF WORKER MILITANCY WAS TOUCHED OFF BY THE ARREST OF THE LEADER OF A WILDCAT STRIKE AT THE PORT OF ASHDOD. BUT, THE ZEITUNG NOTES, THIS ISSUE HAS BECOME THE PRETEXT FOR A GENERALIZED ATTACK ON GOVERNMENT ECONOMIC POLICY.

FINANCIAL PANIC SPREADS IN CONGRESS

WASHINGTON, D.C., OCT. 9 (IPS)--SIGNS OF PANIC AND EXTREME HETEROGENEITY OVER THE NATION'S DEEPENING FINANCIAL CRISIS APPEARED TO HAVE SPREAD TO MIDWESTERN CONGRESSIONAL DELEGATIONS YESTERDAY, AS RUMORS OF A NEW YORK CITY DEBT DEFAULT NO LATER THAN NEXT FRIDAY SWEEPED OVER THE HOUSE BANKING SUBCOMMITTEE ON MONETARY AFFAIRS YESTERDAY.

REP. CARLISS COLLINS (D-ILL) ASKED SUBCOMMITTEE WITNESSES YESTERDAY WHICH CHICAGO BANKS WOULD BE HURT BY A NEW YORK CITY COLLAPSE AND SAID THAT HE WOULD ADVISE THEM TO SELL THEIR CITY HOLDINGS. REP. GARY BROWN (R-MICH) SAID THAT AS LONG AS ONLY A FEW BIG NEW YORK BANKS SUCH AS CHASE MANHATTAN OR FIRST NATIONAL CITY WENT DOWN WITH THE CITY, IT WAS ALL RIGHT WITH HIM.

COUNCILMAN WILLY THOMAS FOUND GUILTY OF ATTACKS ON USLP

OCT. 9 (IPS)--EAST ORANGE CITY COUNCILMAN WILLY THOMAS AND THREE FEMALE ASSOCIATES WERE FOUND GUILTY YESTERDAY OF MOLESTING, ASSAULTING AND HARASSING THREE EAST ORANGE LABOR PARTY MEMBERS IN TWO INCIDENTS LAST JULY AND AUGUST.

THOMAS' THREE SUPPORTERS WERE FINED \$25 EACH, PLUS THE COSTS OF CAMERAS AND EQUIPMENT BELONGING TO THE USLP MEMBERS WHICH THEY DESTROYED DURING AN ATTACK AT A CITY COUNCIL SESSION IN AUGUST. THE COUNCIL WAS HEARING MALFEASANCE CHARGES AGAINST THOMAS' BROTHER, STEVEN, AN EAST ORANGE HOUSING INSPECTOR.

(MORE)

THOMAS HIMSELF WAS CONVICTED FOR ASSAULTING A USLP PHOTOGRAPHER WHO TOOK HIS PICTURE DURING A COURT APPEARANCE IN JULY, ON OTHER CHARGES BROUGHT BY THE USLP.

USLP CANDIDATE JANET COHEN, WHO IS RUNNING FOR THOMAS' COUNCIL POSITION IN THE NOVEMBER ELECTION, HAS CHARGED THAT THOMAS IS A KEY FIGURE IN LAW ENFORCEMENT ASSISTANCE ADMINISTRATION (LEAA) COUNTERINSURGENCY OPERATIONS IN EAST ORANGE.

KANAPA LEADS PCF DELEGATION
TO BERLIN CONFERENCE TALKS

OCT. 9 (IPS)--THE FRENCH COMMUNIST PARTY (PCF) DELEGATION TO THE PREPARATORY TALKS FOR THE BERLIN CONFERENCE OF EUROPEAN COMMUNIST PARTIES WILL BE LED BY PCF POLITBURO MEMBER JEAN KANAPA, ACCORDING TO TODAY'S PCF DAILY L'HUMANITE. KAPANA IS THE MOST OUTSPOKEN INTERNATIONALIST IN THE PCF LEADERSHIP AND IS REGARDED AS A LEADING ANTAGONIST OF SUCH CIA AGENTS IN THE COMMUNIST MOVEMENT AS THE LEADERSHIP OF THE ITALIAN COMMUNIST PARTY. KANAPA IS ALSO A STRONG SUPPORTER OF THE PORTUGUESE COMMUNIST PARTY.

OTHERS IN THE PCF DELEGATION ARE JACQUES DENIS AND GERARD STREIFF, BOTH FROM THE CENTRAL COMMITTEE.

END OF COMBINED IPS PRIORITIES FOR OCTOBER 9, 1975



NEW SOLIDARITY International Press Service

Daily News and Press Summaries

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New York, New York 10001
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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE
LATE EVENING PRIORITIES
FRIDAY, OCTOBER 10, 1975 2130 EDT

PCI DEMANDS COMMUNIST MOVEMENT CONFORM TO NATO POLICY

OCT. 10 (IPS) -- A DELEGATION OF TOP AGENT LEADERS FROM THE ITALIAN COMMUNIST PARTY WHO ARE ATTENDING A TWO-DAY-OLD EAST BERLIN MEETING TO PREPARE DOCUMENTS FOR SUBMISSION TO THE UPCOMING MEETING OF EUROPEAN COMMUNIST PARTIES, HAS THREATENED TO SPLIT THE WORLD COMMUNIST MOVEMENT, ACCORDING TO ANALYSTS HERE. ACCORDING TO TODAY'S UNITA, THE PCI PAPER, GIAN CARLO PAJETTA, THE TOP NATO AGENT HEADING THE PCI DELEGATION, HAS REFUSED TO ACCEPT A "COMMON DOCUMENT" DRAFTED FOR SUBMISSION TO THE FORTHCOMING CONFERENCE, UNLESS IT IS AMENDED "SUCH AS TO ALLOW THE DOCUMENT TO BE ACCEPTED BY THE 27 PARTIES." THE PCI SUPPORTS THE NATO ALLIANCE AND THE IMPOSITION OF FASCISM ON THE ADVANCED SECTOR.

THE ANALYSTS BASE THEIR ASSESSMENT OF THE IMPLICATIONS OF THE PCI'S STANCE ON STATEMENTS PUBLISHED BY SEVERAL CAPITALIST PRESS SOURCES CLOSE TO THE PCI DURING THE PAST WEEK. THE STATEMENTS URGED THE PCI TO THREATEN A WALK-OUT FROM THE CONFERENCE ON THE GROUNDS THAT THE SOVIET UNION WOULD CAPITULATE TO SUCH A SPLIT THREAT FROM FEAR OF "INTERNATIONAL ISOLATION."

THE DOCUMENTS RELEASED BY THE MEETING REPRESENT A COMPROMISE POSITION BY THE PRO-SOVIET HARDLINERS VIS-A-VIS THE PCI THREAT. THE TWO RESOLUTIONS, ON CHILE AND SPAIN, FOCUS ON QUESTIONS OF "LIBERALIZATION," "ANTI-REPRESSION," AND WERE DESCRIBED BY THE ANALYSTS AS "ESSENTIALLY APOLITICAL." THE RESOLUTION ON SPAIN MAKES SIGNIFICANT CONCESSIONS TO CIA AGENT SANTIAGO CARRILLO, HEAD OF THE SPANISH COMMUNIST PARTY, AND A LEADING PCI ALLY.

THE ANALYSTS CAUTIONED AGAINST A FINAL ASSESSMENT ON THE RESULTS OF THE MEETING HOWEVER, NOTING THAT THERE HAS AS YET BEEN NO COMMENT ON THE MEETING FROM SUCH HARD-LINE PARTIES AS THE FRENCH COMMUNISTS, NOR INDEED FROM THE SOVIETS THEMSELVES.

ILLINOIS DEFAULTS ON BILLS

CHICAGO, OCT. 10 (IPS) -- THE STATE OF ILLINOIS FAILED TO MEET \$17.3 MILLION IN ACCOUNTS PAYABLE YESTERDAY, INCLUDING \$1.6 MILLION IN PAYROLL CHECKS, BECAUSE THE STATE'S GENERAL FUND DID NOT HAVE THE CASH.

(MORE)

AS OF THIS MORNING, STATE BUDGET OFFICIALS WERE MAKING PLANS TO SPEED UP THE PROCESSING OF REVENUES AS THEY COME IN TO MINIMIZE THE DELAY IN THE DELIVERY OF THE CHECKS, BUT DEPUTY CONTROLLER ROBERT MANDEVILLE SAID THAT THE STATE WILL CONTINUE TO LIVE HAND-TO MOUTH BECAUSE SPENDING CONTINUES TO OUTSTRIP REVENUES.

MEANWHILE, MAYOR RICHARD DALEY OF CHICAGO CONTINUES TO MAINTAIN THAT GOVERNOR DANIEL WALKER DELIBERATELY EXACERBATED THE STATE'S FISCAL CRISIS. AS LATE AS TODAY, DALEY SUPPORTERS IN THE STATE LEGISLATURE WERE ATTEMPTING TO OVERRIDE WALKER'S EDUCATION BUDGET CUTS ON THE BASIS THAT THERE IS NO REAL FISCAL CRISIS.

BY PUBLICIZING THE CRISIS IN THIS FASHION, OBSERVERS FEEL THE WALKER ADMINISTRATION WILL FORCE DALEY TO EITHER FOLLOW THE ROUTE OF NEW YORK CITY MAYOR BEAME AND IMPLEMENT MASSIVE AUSTERITY, OR ENDORSE THE U.S. LABOR PARTY'S CALL FOR A DEBT MORATORIUM.

CHICAGO SUN-TIMES SLAMS GOVERNMENT
FOR "MASSIVE SUBVERSION OF CONSTITUTION"--
CALLS FOR FBI DIRECTOR KELLEY'S OUSTER

CHICAGO, OCT. 10 (IPS) -- AGENCIES OF THE FEDERAL GOVERNMENT ARE ENGAGED IN "MASSIVE LAWLESSNESS AND SUBVERSION OF THE CONSTITUTION," STATES AN EDITORIAL IN YESTERDAY'S CHICAGO SUN-TIMES. ATTACKING THE FBI FOR INCORPORATING CRIMINAL OPERATIONS INTO ITS ACTIVITIES, THE SUN-TIMES SAYS "THESE ARE THE TACTICS OF A POLICE STATE, NOT THE BUSINESS OF A DEMOCRACY," AND CALLS FOR THE IMMEDIATE DISMISSAL OF FBI DIRECTOR CLARENCE KELLEY.

KENNEDY CALLS FOR COMMISSION
TO SCRUTINIZE CIA ZOMBIE FACTORIES

OCT. 10 (IPS) -- SENATOR EDWARD KENNEDY (D-MASS) YESTERDAY INTRODUCED A BILL INTO CONGRESS TO TRANSFORM THE NATIONAL COMMISSION FOR THE PROTECTION OF HUMAN SUBJECTS OF BIOMEDICAL AND BEHAVIORAL RESEARCH INTO A PERMANENT BODY AND UPGRADE ITS FUNCTIONING AND IMPACT, ACCORDING TO TODAY'S NEW YORK TIMES. THE COMMISSION IS CURRENTLY INVESTIGATING PSYCHOSURGERY AND RESEARCH INVOLVING PRISONERS AND THE MENTALLY RETARDED.

IN A STATEMENT INTRODUCING THE BILL, KENNEDY CHARGED THAT "THE REVELATIONS OF THE PAST MONTHS CONCERNING BIOMEDICAL AND BEHAVIORAL RESEARCH ABUSES IN THE DEPARTMENT OF DEFENSE AND THE CIA UNDERSCORE THE URGENT NEED TO EXPAND THE NATIONAL COMMISSION'S JURISDICTION AND TO EXPAND IT NOW."

IN ADDITION TO ESTABLISHING THE COMMISSION AS A PERMANENT BODY, THE KENNEDY BILL, CO-SPONSORED BY SEN. RICHARD SCHWEIKER (R-PA.) WOULD DOUBLE ITS SIZE BY ADDING THE SECRETARIES OF HEALTH, EDUCATION AND WELFARE, AND DEFENSE; THE CIA DIRECTOR; THE VETERANS ADMINISTRATION HEAD; PLUS FOUR SENATORS AND FOUR REPRESENTATIVES.

(MORE)

SHRIVER LAUDS ECHEVERRIA ON U.N. SPEECH;
FORESEES MASSIVE THIRD WORLD DEBT MORATORIA

CHICAGO, OCT. 10 (IPS) -- DEMOCRATIC PRESIDENTIAL HOPEFUL R. SARGENT SHRIVER TOLD A CAMPAIGN FUNDRAISING DINNER LAST EVENING THAT HE SUPPORTS MEXICAN PRESIDENT ECHEVERRIA'S CALL FOR VASTLY EXPANDED TRADE BETWEEN THE INDUSTRIALIZED AND THIRD WORLD NATIONS. SHRIVER TOLD HIS AUDIENCE OF 300 THAT DETENTE AND EXPANDED EAST-WEST TRADE MUST BE DEFENDED AGAINST POLITICAL ASSAULTS.

RESPONDING TO QUESTIONS FROM LABOR PARTY REPRESENTATIVES, SHRIVER ALSO SAID HE COULD FORESEE MASSIVE UNILATERAL DEBT MORATORIA BY THE THIRD WORLD, BUT SAID HE THOUGHT THIS WAS NOT A SHORT-TERM PROSPECT.

EARLIER, SHRIVER ATTENDED A PRIVATE THREE-HOUR MEETING WITH CHICAGO MAYOR RICHARD DALEY AND DEMOCRATIC PARTY NATIONAL CHAIRMAN ROBERT STRAUSS. THE THREE REPORTEDLY DISCUSSED PLANS FOR THE UPCOMING DEMOCRATIC NATIONAL COMMITTEE MEETING IN WASHINGTON, AND "POLITICS IN GENERAL."

IPS EXCLUSIVE:
BRANDT DENIES BEING 30-YEAR U.S. AGENT

FRANKFURT, BRD OCT. 10 (IPS) -- FORMER WEST GERMAN CHANCELLOR AND CURRENT CHAIRMAN OF THE WEST GERMAN SOCIAL DEMOCRATIC PARTY (SPD) WILLY BRANDT YESTERDAY REPEATEDLY DENIED NUMEROUS PUBLISHED REPORTS THAT HE HAS ACTED AS A U.S. INTELLIGENCE OPERATIVE SINCE THE SECOND WORLD WAR AND THAT HIS ROLE HAS INCLUDED CONDUITING CIA MONEY TO ANTI-COMMUNIST FORCES IN PORTUGAL AND FINLAND.

IN MAKING THE DENIAL, BRANDT DIRECTLY CONTRADICTED STATEMENTS BY AN INFLUENTIAL MEMBER OF HIS OWN PARTY, EUGEN LODERER, THE HEAD OF THE WEST GERMAN METALWORKERS UNION, WHO WAS QUOTED IN SWEDISH RADIO AND NEWSPAPERS TWO DAYS AGO AS SAYING THAT MR. BRANDT HAD PERSONALLY DONATED FUNDS TO BE TRANSFERRED TO SWEDEN WHERE THEY COULD BE SMUGGLED TO ANTI-COMMUNIST TRADE UNIONISTS IN FINLAND. ON OCT. 7, THE TREASURER OF THE FINNISH SOCIAL DEMOCRATIC PARTY WAS ARRESTED AT THE SWEDISH BORDER ATTEMPTING TO SMUGGLE \$58,000 INTO HIS COUNTRY.

SPEAKING AT A PRESS CONFERENCE AT THE 1975 FRANKFURT BOOK FAIR, BRANDT WAS SUPPORTED IN HIS DENIAL OF SOCIAL DEMOCRATIC COMPLICITY IN CIA-ORGANIZED ANTI-COMMUNISM BY SWEDISH PREMIER OLOF PALME AND AUSTRIAN CHANCELLOR BRUNO KREISKY, BOTH SOCIAL DEMOCRATS.

MR. PALME IN FACT HELPED CLARIFY THE SOCIAL DEMOCRATS' ROLE: "WE HAVE ONLY BEEN THE MEDIATORS," THE SWEDISH PREMIER SAID.

THE PRESS CONFERENCE, ATTENDED BY OVER 100 JOURNALISTS, WAS DOMINATED BY A DISCUSSION OF AGENCY. A SAMPLE EXCHANGE:

(MORE)

QUESTION: "MR. BRANDT, ON THE SWEDISH RADIO YESTERDAY THERE WAS AN INTERVIEW WITH MR. LODERER WHO IS NOW IN TOKYO. HE EXPLICITLY SAID THAT PART OF THE MONEY HE HAD SENT TO SWEDEN WAS A DONATION BY YOU. SO WHO IS RIGHT, MR. LODERER OR YOU?"

BRANDT: "DID YOU REALLY HEAR THIS? THEN THIS MUST BE BASED ON A MISUNDERSTANDING. IT IS NOT TRUE."

SWEDISH JOURNALIST: "I AM FROM SWEDEN. I JUST HEARD THIS ALSO, FROM SOME COLLEAGUES OF MINE. IS IT TRUE?"

BRANDT: "NO, IT IS NOT...I WANT TO REPEAT AGAIN, THIS QUESTION WITH LODERER MUST BE BASED ON SOME ERROR."

SAME JOURNALIST: "BUT WHERE THEN ARE THESE 100,000 DEUTSCHEMARKS COMING FROM?"

BRANDT: "MR. LODERER IS A DISTINGUISHED PERSON. HE WILL DEFEND HIMSELF WHEN HE COMES BACK."

AT ONE POINT DURING THE MEETING, BRANDT REFERRED TO IPS CORRESPONDENTS AS "TROTSKYIST FASCISTS," AND PALME TOLD THE PRESS CONFERENCE: "IPS IS AN AGENCY FOR WHICH YOU DON'T HAVE TO ANSWER ANY QUESTIONS, YOU SIMPLY HAVE TO ORGANIZE OTHER JOURNALISTS TO KICK THEM OUT."

WEST GERMAN PARLIAMENTARY LEADERS
PUSH CHRISTIAN DEMOCRATS
ON TRADE AND DETENTE

OCT. 10 (IPS) -- WEST GERMAN SOCIAL DEMOCRATIC PARLIAMENTARY LEADER HERBERT WEHNER AND HIS FREE DEMOCRATIC COUNTERPART WOLFGANG MISCHNIK, BOTH ADVOCATES OF DEVELOPMENT AND DETENTE, TODAY MADE SWEEPING INTERVENTIONS INTO THE SPLIT BETWEEN PRO-DEVELOPMENT AND PRO-ROCKEFELLER FORCES IN THE CHRISTIAN DEMOCRATIC UNION. FREE DEMOCRAT MISCHNIK, WRITING IN THE AUGSBERGER ALLEGEMEINE, PRAISES THE RECENT VISIT OF CDU CHAIRMAN HELMUT KOHL TO MOSCOW, WHERE KOHL ADVOCATED THE PRO-TRADE AND DETENTE POLICIES OF THE CDU FACTION OF GERHARD STOLTENBERG. MISCHNIK EXPLAINS THAT THE QUESTION BEFORE THE CDU NOW IS WHETHER KOHL'S POLICY WILL WIN OUT, OR WHETHER THE CORPORATIST AGENT WING OF THE CDU AROUND GENERAL SECRETARY HELMUT BIEDENKOPF AND THE NEO-NAZI FACTION OF THE BAVARIAN FRANZ JOSEF STRAUSS WILL SUCCEED IN SABOTAGING EAST-WEST RELATIONS.

EXTENDING THE CHALLENGE, HERBERT WEHNER WROTE IN THE HAMBURGER NACHRICHTEN THAT THE CDU AS A PARTY IS SO SPLIT ON EAST-WEST POLICY THAT "THEIR REACTIONS ARE NONCOMMITTAL, CONTRADICTIONARY, AND SOMETIMES INSUFFERABLE."

WASHINGTON AND PEKING AGREE
TO INCREASE ARMS AND ADVISORS
FOR THE FNLA IN ANGOLA

(MORE)