



# NEW SOLIDARITY International Press Service

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IPS DAILY REPORTS FROM OCTOBER 11  
THROUGH OCTOBER 17

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# West German Industrial Collapse Will Help BAIL Out Dollar Sector

Oct. 11— Unless West Germany breaks with the U.S. dollar, its industry will undergo a massive collapse during the last quarter of 1975, according to a report by ICLC intelligence. The industrial collapse will help finance the dollar sector's debt-rollover requirements during the next three months, the report concludes, and will provoke the virtually general bankruptcy of the West German credit sector by the outset of 1976. Without the early creation of alternative credit institutions now mooted in European political and industrial circles, the following will take place:

-The decline in output exemplified by a one-third cutback in raw steel production will precipitately intensify;

-This erosion of the profit-making base of the economy will make it impossible to continue to squeeze out liquidity to prop up the dollar and domestic state debt, as production cutbacks have enabled West German bankers to do up through the September payments deadline;

-The net capital outflow from West Germany (BRD) -- which rose 350 per cent from the first quarter of 1975 to the second, and has continued this autumn -- will either be accelerated to add transfusions to the dollar sector at the expense of the BRD economy, or will ebb in the face of dollar collapse and leave West Germany, along with the rest of Europe, in the vortex of monetary breakdown.

West German bankers Ludwig Poullain and Jurgen Ponto have come out in favor of the former policy, which is not a policy at all but a step-up of the most murderous elements of the collapse process now taking place. Acting on the assumption that the Rockefellers will be able to shore up the international dollar sector by way of the New York banks, Poullain called for heightened reflation in the BRD and capital exports to the U.S. This proposal by the head of the West-deutsche Landesbank, made on Oct. 3 during a New York visit, was echoed five days later by Ponto, who is chairman of the Dresdner Bank, in a statement to the Bonn press corps.

The process Poullain and Ponto aspire to intensify is the following: During July and August, a decline of \$5.3 billion in the hands of European and Third World central banks (excluding the three largest oil-producing

countries) reflected unprecedented outflows of capital from dollar-dependent nations to the United States credit system. In turn, European central banks compensated for the decline in their reserves—the first in 30 years of continuous growth — through “reflation programs” of printing money to cover the needs of debt-strapped national and local governments and corporations.

In a downward spiral, European trade and production contracts; European liquidity is drawn out to refinance the dollar sector's debts; and European governments print money to paper over the collapse of corporate earnings and government tax receipts. In the case of West Germany, Europe's industrial heartland, the dollar liquidity spiral would lead to national ruin by year's end.

### Decline in Output

Basic industry has fallen into what West Germans call “the valley” (See Figure 1). Only Comecon and oil

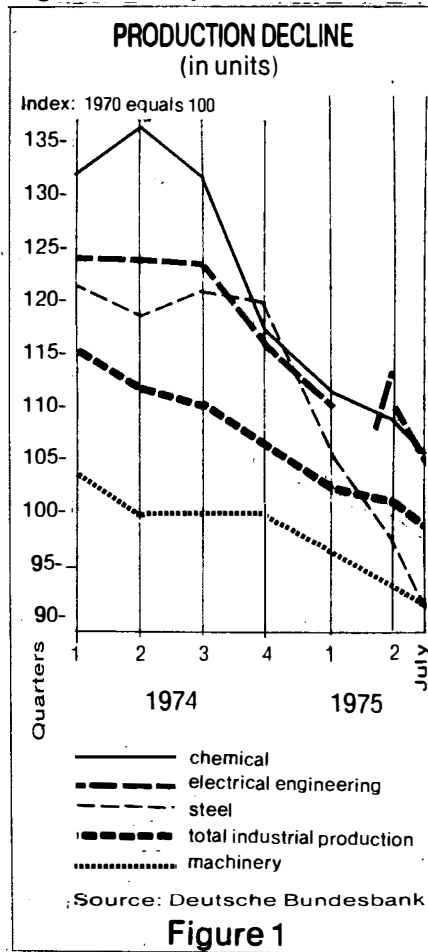


Figure 1

producers' orders plus a June rush to use an expiring capital goods investment writeoff, kept the decline of mechanical and electrical engineering output at 9-11 per cent. Raw steel output is over a third below 1974. More than half the business of machinery, electrical engineering, steel and auto depends on foreign orders; the recent pickup in car demand was dismissed by industry spokesmen themselves, who stressed that no recovery can take place while exports fall to 40 per cent below 1973, the last “normal” year.

The output declines express the self-aggravating process of depression: at current levels of capacity utilization (under 70 per cent in chemicals, under 60 per cent in steel), unit costs for capital-intensive producers become literally prohibitive. The profit decline— pre-tax returns for the Big Three chemical firms fell by one half in the first six months of this year—compounds itself at a time when credit has been forthcoming solely to finance old debt.

When questioned as to the liquidity position of West German corporations, the average financial officer points to the BRD's low interest rates and the central bank's resolute use of the printing presses to reply that no problem exists; his proof is that corporations are taking so little credit! Everyone knows, of course, that the Bundesbank's reflation has gone into financing the state debt and adding to bank reserves which have not reached corporations.

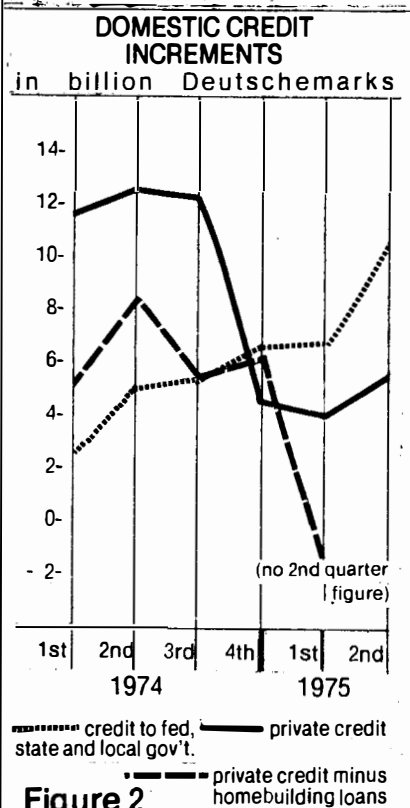
### Credit “Consolidation”

The fact of the matter is that a real decline in manufacturing credit has taken place since 1973; this autumn, at a time when the capital markets unloaded their corporate paper instead of buying new private obligations, the banks have merely provided enough credit to keep industry from juridical bankruptcy.

Bankers now purr that the slump is an opportune time for firms to settle back and “consolidate” that short-term debt. This has amounted to refinancing of obligations -- specifically in the most capital-intensive sector -- at slightly longer terms, while net bank credit to business continues to decline.

New banking credits to the private sector stood at 6.4 billion DM for the May-July period, as compared with 13.8 billion DM in the comparable three

months of 1974 -- a 53 per cent rate of decline, at the same time the rate of increase of credit to finance the state deficit rose 63 per cent! Figure 2 shows the trend, taking both bank and market lending sources. Total credit out-



standing to manufacturing industries from the end of December to the middle of this year dropped 5 billion DM. The latest Bundesbank report concludes that it is lucky the state debt demands so much financing, since private demand for credit is so low -- much as an over-zealous mortician might console bereaved parents with the thought that savings on the dead child's food bill will facilitate installment payments on a topnotch coffin.

#### Forcing Out Liquidity

Figure 3 shows the beginning of the process by which the Rockefeller's BRD deputies have extracted enough liquidity from the productive sector to keep the economy's property titles formally solvent up to now. The ability of BRD corporations to finance investment out of their own profits was eroded in the 1970s by inflation and the drop in their rate of expansion.

A mass of relatively short-term loans was taken by a national sector already chronically operating on a high debt ratio: from 1970-1974, bank credits to domestic corporations rose 87 per cent. In 1973, the "consolidation" effort began. The financing deficit was narrowed by cutting investment, while companies were still obliged to seek more external credit. Since, as Wilfried Guth of the Deutsche Bank emphasized, it was and is impossible for corporations to obtain the kind of long-term credit at stable rates desirable for sound business financing from the capital markets, more debt was taken from the banks. And in 1974, three-fourths of manufacturing credits from bankers were short-term.

Thus, as soon as BRD industry stopped growing toward 1974, its external liabilities rose and investment fell off. Now, when industry is not merely stagnating but declining, self-finance possibilities run down to a vertical drop. Not only is potential investment cut (one BRD foundation projects a further 25 per cent drop this year), but current costs of maintaining production itself are drained to provide temporary liquidity for the credit system.

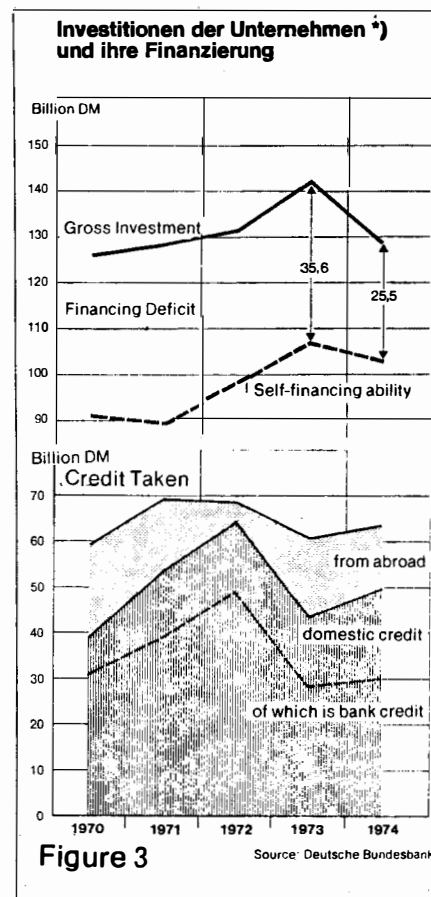
The pile-up of short-term corporate debt has thus been "consolidated" on a somewhat longer-term basis, at the expense of industry's own reproductive powers. In the U.S., \$15 billion has been directly pulled out of financing production this year into backup for dollar debt. It was a parallel 5 billion DM taken out of new business loans that enabled West Germany to roll over its old debt past this Sept. 30 deadline. Temptations also exist in cutbacks of trade finance; each 10 per cent cut in the \$40-50 billion that finances European trade will yield \$4-5 billion in liquidity for other purposes.

Such expedients will not be available next quarter for the BRD, because the deprivation of business ability to meet current operating costs is already putting major firms below the break-even point of profit. Neither the state debt nor the private sector can find sufficient credit under such conditions. The apparent conventional choices of deflation or hyperinflation are decisively ruled out.

The Poullain-Ponto option is to

donate a transfusion of capital to U.S. debt titles and to the dollar empire. This plan corresponds to David Rockefeller's hope of sucking liquidity into a U.S. economy ruthlessly deflated by high interest rates, and secured by primitive accumulation against the U.S. working class. If Rockefeller is forced to go for hyperinflation, the West Germans will not only have to pull back from the Poullain scheme, but their economy will be loaded with a more toxic burden of worthless greenbacks than it was during the export of U.S. inflation earlier in the 1970s.

When the dollar itself reaches the edge of the cliff, the ordinary questions of increase or decrease in dollar reserves and dollar-DM parities are superceded. An effort to "dump" the dollar without breaking with the dollar system would simply erode the reserves West Germany needs to maintain any trade within the present world monetary system.



# State Department Policy Falls on Its Face in Paris

Oct. 15 (IPS) — U.S. State Department efforts to contain a growing alliance of European, Third World, and socialist countries flopped miserably at the close of a meeting of oil-producing and consuming countries in Paris today. Backed into a corner by Algerian demands that the countries slated to meet Dec. 16 in Paris consider a substantive agenda of development issues and deal with international monetary questions, the U.S. delegation sabotaged the conference, touted as the Atlanticist answer to last month's Special Session on Development at the United Nations.

Decisively, Japan, West Germany, and Great Britain crossed "industrial nations" lines to side with Algeria on key questions, which also drew overwhelming support from Third World country delegations. The conference, called by French President Valerie Giscard at the close of the September Special Session, was a pre-meeting for a foreign ministers' "Dialogue between North and South," now planned for Dec. 16. Observers compare today's results with a similar attempt at the French behest last April, whose lack of results seriously embarrassed the French government and the U.S. State Department.

Today's events peaked a rising tide of European and Third World determination to prevent Nelson Rockefeller from ruining them along with the United States. Yesterday, West German Chancellor Helmut Schmidt delivered the first anti-American speech of his political career, blasting the rottenness of the U.S. credit system as the source of Europe's economic woes. On foreign exchange markets today, banks sold massively against the dollar for 30 to 90-day payment, in expectation of a forthcoming dollar collapse. In a sudden switch of plans, representatives of the United Nations Commission on Trade and Development (UNCTAD) gained entrance to the Paris meeting as observers, fresh from Moscow talks on triangular trade and development between the socialist countries, the West, and the Third World.

Today's setback for the State Department and its French Judas-goats shatters the prospects for "cooperation" rather than "confrontation" between the Rockefeller Administration and allied financial interests in the

United States, and the rest of the world. With West German and Japanese backing, the Algerians demanded the constitution of a commission on international monetary reform, in addition to mooted commissions on energy, raw materials, and development.

According to highly reliable sources, the brunt of the Algerian proposal was the creation of a new international monetary system based on international development, following the lines of Mexican President Echeverria's United Nations address and Algerian Foreign Minister Bouteflika's statements to the European press last week. U.S. Treasury representative Gerald Persky countered that monetary discussions could only take place in the controlled environment of the International Monetary Fund, where the United States has a built-in veto on proposals of substance.

In related developments, leading Third World spokesmen elaborated the Echeverria proposals in a form virtually identical to the International Development Bank proposal of the International Caucus of Labor Committees. In an interview this week in the Egyptian weekly *Rose al-Yusef*, former Egyptian Finance Minister Ismail Sabri Abdullah proposed the creation of an "international central bank" to provide funds for world trade and development, and a new world currency that would replace the dollar. Abdullah also proposed dumping the dollar as an international currency and solving Third World debt problems by "renouncing some debt and reviewing the interest rates of the rest."

## Dissolve Rocky Agency

Originally, Saudi Arabia had proposed the creation of a commission to discuss monetary problems, and won West German agreement for this program. The West Germans, meanwhile, combined with oil-producing countries to prevent discussions on the Kissinger energy program — the basis on which the U.S. had agreed to participate in the conference. According to West German Economics Ministry sources, Kissinger still planned to use the Paris conference to push the International Energy Agency, a supranational body designed to place world energy supplies under State Department control. West German Economics Minister Friderichs supports the dissolution of the IEA, sources close to him say, because "it is useless without

support from the Organization of Petroleum Exporting Countries."

British Foreign Minister James Callaghan disproved widespread rumors that Britain would "sabotage" the event by siding with the oil-producing countries against the U.S. delegation. According to reliable reports, British policy shifted following Finance Minister Denis Healey's visit to Iran last week. Healey, in search of Iranian loans, was told that bilateral Anglo-Iranian deals depended on British support for Third World demands for stabilization of raw materials prices. Callaghan, who had refused to accept British representation at the Paris meeting through a European bloc delegation, refused to take the U.S. side, contrary to earlier expectations.

Factional splits inside the joint U.S. Treasury-State Department delegation in Paris turned a U.S. defeat into an embarrassing rout. At the end of useless efforts to budge the Third World side from their position on the monetary question, State Department representative Thomas O. Enders announced that the U.S. had agreed to "discuss" the issue of commodity price stabilization, warning, however, that "this should not be construed as a concession." That morning, the U.S. Ambassador to France, Kenneth Rush, denounced the commodity stabilization concept on the front page of the Paris daily, *Le Monde*. In addition, Treasury officials intervened to prevent the State Department representatives from maneuvering on the monetary question. In effect, the two Departments function like ministries ruled by opponent parties in a European-style coalition government of several political parties.

Elsewhere in Paris, U.S. monetary negotiator George Schultz, a former Treasury Secretary now rumored to be the next head of the Foreign Intelligence Advisory Board, found his mission scuttled when Treasury Undersecretary Edwin Yeo III joined his party. Schultz, according to informed sources, planned to buy time for Nelson Rockefeller's foreign policy by offering a "grand compromise" on economic issues to the fuming Europeans. But Treasury Secretary William Simon, who reflects right-wing Republican views, got wind of the effort, and dispatched Yeo to "watch Schultz," in Yeo's words, and report back to Simon.

Simon, in turn, can afford open sabotage of Kissinger's efforts because the Schultz trip to France and West Germany is strictly a private operation outside of White House supervision.

The word at high levels of New York banks is that Kissinger will attempt to re-group and offer concessions on raw

materials prices stabilization to Third World countries, in order to circumvent the issue of debt moratoria. Even if Kissinger could convince the Treasury and Congress to back such an effort, which Assistant Secretary Enders hinted at late in the Paris meeting, the effect of a U.S. concession would only

consolidate Third World demands for debt relief, high UN sources maintain. UNCTAD, the UN agency close to the Algerians, Iraqis, and other leading Third World countries, regards the commodity issue as an appetizer to the more critical questions of debt and international credit for development.

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### **Special Report:**

## **Rockefeller, Agnelli Attack Cefis, Pave Way for PCI to Enter Gov't.**

Oct. 12 (IPS) — Vultures gathered in Turin, Northern Italy this weekend under the personal leadership of David Rockefeller to discuss how to pick any remaining morsels of decaying flesh from the bones of the dying Italian and European economies. The immediate focus of their deliberations is the disruption of the political activities of Europeanist factions of industrialists represented by the Italian Cefis-dominated state-holding companies, in particular the petrochemical giant Montedison — and their working-class support.

The implementation of such fascist wrecking tactics in turn brings to the fore the question of the entry of the Italian Communist Party (PCI) into the Italian government. The PCI's agent leadership would be assigned the task of speeding the destruction of existing so-called mafioso political machines within Italy, represented by the old-line Democrazia Christiana (DC), which now stand in the way of the fascist restoration. The PCI's ascendancy will also carve the way for Rockefeller's European-wide Atlanticist policies of integration of armaments production, loudly retailed for public consumption by such spokesmen for Rockefeller financial interests as Leo Tindemanns of Belgium, Willy Brandt from the BRD, Giscard in France and Edward Heath of the British Conservative Party.

### **Planning "Financial Reordering"**

David Rockefeller is, according to public accounts, attending a meeting of the world's top ten bankers at the notorious Agnelli Foundation. Further inquiry, however, reveals that this meeting is, in fact, a fraction meeting of European and American represen-

tatives of the Trilateral Commission. Attending representatives from Volkswagen and British Leyland auto-manufacturing companies demonstrate the European-wide implications of the meeting, and highlight the planned assault on Europeanist political factions.

Concurrently, Turin is the location for a second series of equally significant meetings, under the cover of a so-called conference to discuss the economy of the Piedmont region (the region whose capital is the city of Turin). The Agnelli-controlled Piedmont region has long been the pilot model for the implementation of Rockefeller's fascist austerity schemes in Italy as a whole. This weekend's conference marks a further escalation in that process for it regroups national figures from as "diverse groups" as the DC, PCI, and Communist trade union federation, who are discussing primarily national issues.

Public accounts of their deliberations constitute a clear outline for the implementation of national policy through changes in the present government. They address two principal problems: extending the decentralized, local control model of the Piedmont region — controlled since this summer's election by a so-called open giunta which includes the PCI — at the national level, and breaking up the Montedison group through changes in Banca D'Italia and central government finance policy for the benefit of the Agnelli family. As Libertini, PCI mayor of Turin, put it in his opening remarks to the conference, "It is necessary to implement a financial reordering of the large group, with control by democratic powers over the areas and plants in which rivers of public funds have been invested up to now."

With these conferences the Rockefeller brothers throw down the gauntlet to anti-Atlanticists throughout Europe. They make plain for all to see that they are willing to use their control of the agent layers of the PCI against opposition to their policies throughout Western Europe in the same way that they have used that party's leadership as a club against the Soviet bloc and Leninist currents within Western

Europe's CPs. They aim to destroy the Cefis-controlled companies, and to use the loot pillaged in that process to finance the reconversion of equally bankrupt Agnelli-controlled industrial capacity to bus and armaments production. This in turn is but the leading edge in a planned reorganization of European steel, auto and aerospace industries along the lines previously demanded by Belgian Rexist Leo Tindemanns and his Italian collaborator on the Commission of the European Economic Community, Altiero Spinelli, CIA agent and European Federalist.

### **Provocations Against Cefis**

To achieve the implementation of these programs, Italy is presently being thrown into the gravest political crisis it has yet seen. The word is out, among informed circles in Rome, that the present government may not last until the end of the month. The Agnelli press, namely the Turin daily *La Stampa*, and the weekly *Panorama* are openly mooting the entry of the PCI into the government.

Agnelli himself is doing his utmost to exacerbate the situation. On Thursday this past week the management of his FIAT concern broke off contract negotiations with the Metalworkers Federation. The workers' demands were described, ironically, as "too radical." Agnelli himself first formulated the relocation demands that the unions were pushing. On Friday, FIAT announced that selected factories would be locked out for the rest of the month. On Friday, too, representatives of the national government followed Agnelli's lead and broke off negotiations with national union federations.

The purpose of such provocations is only fully revealed by examining who is being set up as their target. Over the past two-week period there have been a series of meetings at the highest levels of Italian government, involving every major economics-related government agency. The official agenda for the meetings was the problem of state indebtedness. Unofficially, however, Montedison has been the subject of the discussions. Montedison is the largest recipient of credit from the above in-

stitutions, and controlled by Cefis.

It is the fate of the public holding companies which effectively determines the "debate" on austerity that has been provoked as a consequence of Agnelli's attacks on the labor movement. Andreotti announced in the Senate on Oct. 9 that oil imports would be drastically cut back over the next year in line with his policy of decreasing consumption. Peggio from the PCI replied in a front-page editorial in *Unità* specifically targeting Cefis, "We need to face with decisiveness the struggle against waste which takes place at the level of the public agencies.

But one cannot keep silent on the fact that what determines the indebtedness and deficit of the local public agencies is the interest on loans which they contract with the banks."

These Italian developments are of concern to every anti-Atlanticist force in Europe. Rockefeller escalation follows the earlier visit to Italy of Belgian fascist Tindemans to meet with all layers of Italian political life, including the Pope and Enrico Berlinguer. Tindemans and Berlinguer published a joint communiqué pushing the Spinelli line for European rearmament based on protectionist

control of steel, auto and aerospace sectors.

#### Unreality

There is no basis in reality for the implementation of such grandiose designs, except as a redoubled political attack on those political factions which are mobilizing against Rockefeller throughout Europe, and the working class. They are the product of a desperation which is forcing the Rockefellers to pull all the component parts of the European section of their political machine into defense of the same policy line, against motion away from the dollar and towards East-West trade.

### Special Report:

## Brandt Lies: Denies He Is U.S. Agent

FRANKFURT, BRD, Oct. 9 (IPS) — Former West German Chancellor and current chairman of the West German Social Democratic Party (SPD) Willy Brandt today stridently 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 conducting 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 yesterday 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 while attempting to smuggle \$58,000 into his country.

Speaking at a press conference at the 1975 Frankfurt Book Fair, Brandt was backed 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. The three were brought together by the West German publishing house *Europäische Verlagsanstalt (EVA)*, which plans to publish a book based on the



Second International's Palme, Kreisky, and Brandt lie to press at Frankfurt Book Fair.

correspondence of the three Social Democrats.

Mr. Palme in fact helped clarify the Social Democrats' role: "We have only been the mediators," the Swedish Premier said.

Although the press conference's moderator had expressed the hope that the questions would be of a non-political nature, the meeting of over one hundred journalists was dominated by a discussion of agency posed by the lead-off question of a New Solidarity International Press Service representative:

"Mr. Brandt, I want to ask you about some recent articles which appeared in the *Chicago Sun-Times*, in *New Solidarity*, and on the second channel of West German Television. These described you variously as a long-time 'money-launderer' for the CIA for its operations in Portugal. Now there are

also these revelations of your involvement in smuggling money into Finland via Sweden. Mr. Loderer of the Metalworkers said that you had given donations to this support for the Finnish metalworkers union.

"President Nixon used to say that the press was always lying. Would you say the same? And if you would, then why is it that you are only suing the editor of *Neue Solidarität* (The West German socialist weekly associated with IPS)?"

#### "SPD Not Involved"

Brandt: "I think you misunderstood. The first period is only for questions concerning the book. You can ask later."

Palme: "And you do not have to repeat it!"

Brandt: "Are there any more questions on the book?"

There were none.

**Brandt:** "So, on the question asked: we should divide the answer. First it is true that there have been these rumors that the SPD was channeling CIA money, and also that my name has been involved. But, I must say that I don't have anything to do with it. In the case of the money smuggled into Finland, the SPD is not involved at all.

**Palme:** "May I answer your remarks on Nixon? Nixon said that the press was producing slanders. This does not mean that the press is not producing slanders. Even if Nixon was caught lying, this does not mean that all politicians are lying. It is true that Eugen Loderer transferred sums of money to Sweden, but Willy Brandt is not the only friend of Eugen Loderer."

(Laughter from the audience.)

**Brandt:** "Who are you to laugh at this? Whom are you representing? This Trotskyist-Fascist group (presumably the International Caucus of Labor Committees which is associated with IPS — Ed.). Eugen Loderer is representing two million metalworkers who have elected him, who have confidence in him. Who are you to dare to laugh?"

**IPS:** "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: you or Mr. Loderer?"

**Brandt:** "Did you hear this really? Then this must be based on a misunderstanding. It is not true."

A Swedish journalist: "I am from Sweden. I just heard this also from some colleagues of mine. Is it true?"

**Brandt:** "No, it is not."

Same Swedish journalist: "Can you

answer me if it is a habit of your party to give such donations to other parties?"

**Kreisky:** "Let me answer this question. The Socialist Workers Party of Spain (the Spanish affiliate of the Social Democracy's Second International — Ed.) would never have survived after World War II if we had not gotten strong support from abroad. For the Social Democratic parties, it is one of the noblest attitudes to support each other. We are right now pushing a large solidarity campaign for the Spanish Socialists... (including) material support."

**Brandt:** "Let me give an example. This Spring I was in Athens, and we were discussing along these lines."

Unidentified journalist: "Are you financially supporting the Portuguese Socialist Party?"

**Brandt:** "No, there is no transfer of money to the PSP. We are supporting institutions which are close to the PSP. Beginning this year, the Dutch Social Democrats collected 100,000 gulden. And, I want to repeat again, this question with Loderer must be based on an 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."

Same journalist: "Did you know something about the money's collection?"

**Brandt:** "No."

**IPS:** "The Swedish newspaper Expressen says today that the CIA preferred to use the Social Democracy for

anti-communist organizing because it is an excellent cover. In this context I want to ask you if the three of you will be discussing statements made at the recent meeting of NATO parliamentarians in Copenhagen — statements that detente is dangerous and should be broken off? A high government source has told my agency in New York that this was also the purpose of the upcoming meeting of CoCon, the preparatory commission of the OECD — to discuss a confrontation strategy against the East bloc. Will this be the subject of your discussion?"

**Brandt:** "Who are you?"

**IPS:** "IPS."

**Palme:** "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."

Another unidentified journalist: "Mr. Palme, did the Swedish Social Democracy also give money to the Finns?"

**Palme:** "No, we have only been the mediators."

**Kreisky:** "I come from a country which is not involved in this. I can tell you that the Spanish Socialist Workers Party would not have survived if we had not gotten support... There is nothing immoral about it."

Mr. Brandt ended the press conference with a rambling discussion of the Social Democracy's international organizing, including Italy and Spain. "We do it indirectly," Brandt ended.

After the meeting formally ended, all three of the Social Democratic leaders refused to comment on further questions posed to them by IPS correspondents.



Special Report :

**Open Telex To Aftonbladet**

OCTOBER 15, 1975

GENTLEMEN:

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YOUR INFANTILE AND HYSTERICAL SLANDERS AGAINST MY ORGANIZATION ARE ALREADY MAKING YOU THE LAUGHING-STOCK OF MUCH OF THE WORLD'S PRESS. MOST CHILDISH OF ALL IS YOUR PATHETIC EFFORT TO 'RED-BAIT' ANTI-ROCKEFELLER INDUSTRIAL-CAPITALIST FORCES IN EUROPE AND THE U.S. BY GRATUITOUSLY ~~linking them~~ linking them to THE MARXIST LABOR PARTY ORGANIZATION. ARE YOU AND PRIME MINISTER OLOF PALME SO ENTIRELY INSANE THAT YOU BELIEVE THAT SUCH HASKISH-SCENTED GOSSIP WILL DETER SERIOUS PERSONS WHO KNOW THAT THE CRUSHING OF THE ATLANTICIST FACTION IS ABSOLUTELY ESSENTIAL TO SAVE THE WORLD FROM A TAVISTOCKIAN FASCIST NIGHTMARE AND TOTAL THERMONUCLEAR WARFARE?

OR, PERHAPS DO YOU MERELY IMAGINE THAT SUCH ANTICS WILL DISTRACT ATTENTION AWAY FROM A RECENT INCIDENT AT THE FINNISH BORDER?

I POINT OUT TO YOU WHAT SHOULD BE THE OBVIOUS CONCLUSION FROM STUDY OF YOUR RECENT CLOWNING. THE ATTACK YOU LAUNCHED UPON US HAS THE NET EFFECT OF PROVIDING US WITH A SIGNIFICANT NET COUNTERVAILING ADVANTAGE. ANY COMPETENT POLITICAL PERSON WOULD HAVE FORESEEN SUCH A RESULT IN ADVANCE. OBVIOUSLY, PRIME MINISTER OLOF PALME IS AN INCOMPETENT AMATEUR WHEN DIRECTLY MATCHED AGAINST A SERIOUS POLITICAL OPPONENT.

HOW, THEREFORE, WAS IT POSSIBLE FOR SUCH AN HYSTERICAL POLITICAL INCOMPETENT TO RISE TO A LEADING POSITION IN THE SWEDISH GOVERNMENT? OBVIOUSLY NOT BECAUSE OF ANY PERSONAL POLITICAL TALENT. THE SOLUTION TO THIS APPARENT PARADOX IS ELEMENTARY. SWEDEN'S POLITICS HAVE NOT BEEN ACTUAL POLITICS, BUT A MERE DRAMA ENACTED IN PUBLIC FOR THE STUPEFACATION OF THE ELECTORATE, AND OLOF PALME IS MERELY AN ACTOR PLACED UPON THAT STAGE.

OLOF PALME THE ACTOR HAS PERMITTED HIMSELF TO BE CARRIED AWAY BY HIS STAGE ROLE. PLAYING THE PART OF PRIME MINISTER ON THE STAGE FOR MANY YEARS, HE HAS BEEN SEIZED BY THE DELUSION THAT HE IS ACTUALLY A PRIME MINISTER IN REAL LIFE. HENCE, WHENEVER HE LEAVES THE PROTECTION OF THE STAGE FOR REAL AFFAIRS, HIS ATTEMPT TO PLAY A REAL-LIFE POLITICIAN PRODUCES ONLY A PATHETIC EFFORT TO IMPROVISE MONOLOGUE.

IT IS THE SAME WITH WILLY BRANDT. THAT IS DEMONSTRATED BY THE REPEATED REACTIONS BY BOTH PALME AND BRANDT TO QUESTIONS FROM IPS JOURNALISTS. FACED WITH A HARD QUESTION, NEITHER PALME NOR BRANDT ARE CAPABLE OF COHERENT, RATIONAL REPLY: THEY REPEATEDLY EXPLODE INTO WILD HYSTERICIS, SHOUTING OUT INCOHERENT SLANDERS AGAINST THE JOURNALISTS. CAN PERSONS OF

SUCH DELICATELY-BALANCED MENTAL EQUILIBRIUM BE CONSIDERED "TOUGH POLITICIANS"? INDEED, THEY ARE NOT. THE TOUGHNESS WHICH THEY AFFECT BEFORE THE TELEVISION CAMERAS AND IN THE SAFETY OF THE LECTURE PLATFORM AND PARLIAMENTARY DEBATE IS MERELY THE CASE OF A FRIGHTENED WISP OF AN ACTOR ATTEMPTING TO PLAY THE PART OF IVAN THE TERRIBLE OR GENGHIS KHAN ON STAGE.

IT IS FOR JUST SUCH REASONS THAT THE TINY LABOR COMMITTEES ORGANIZATION, VIRTUALLY IMPOVERISHED BY MATERIAL SACRIFICES, INTENSIVELY HARASSED BY NATO INTELLIGENCE SERVICES' MAOIST HOODLUMS AND SECURITY AGENCIES, HAVE BEEN ABLE TO MAKE SUCH PERSONS AS BRANDT, PALME AND KISSINGER EXPOSE THEMSELVES AS FOOLS WHENEVER THOSE STAGE-CREATURES MUST CONFRONT US ON APPROXIMATELY EQUAL TERMS. THESE ROCKEFELLER AGENTS ARE NOT TOUGH POLITICAL FIGURES, WHO FOUGHT THEIR WAY INTO LEADERSHIP BY BUILDING MASS ORGANIZATIONS, AND SO FORTH. THEY HAVE ALWAYS BEEN MERE HOUSEPETS OF THOSE ANGLO-AMERICAN FINANCIERS WHO EMPLOY THEM, WHO DIRECT THEM TO "MEDIATE" CIA FUNDS, AND WHO CAN INSTANTLY DISPENSE WITH SUCH PATHETIC HIRELINGS AT A MERE WHIM.

THAT IS PROMINENT AMONG THE REASONS BRANDT, PALME AND OTHER MERE HOUSEPETS OF ROCKEFELLER MUST ATTEMPT TO EXPLAIN THE EFFECTIVENESS OF THE LABOR COMMITTEES IN TERMS OF SOME MYSTERIOUS SPONSORSHIP. AT ONE TIME, MR. PALME AND HIS FRIENDS ABSOLUTELY INSIST OUR MYSTERIOUS STRENGTH IS GIVEN TO US BY THE CIA. AT ANOTHER TIME, MR. PALME AND HIS FRIENDS CORRECT THEMSELVES: THEY ABSOLUTELY INSIST OUR STRENGTH IS THAT OF THE MIGHTY SOVIET KGB. Now they absolutely insist OUR MYSTERIOUS STRENGTH COMES PERHAPS FROM CHICAGO-BASED U.S. INDUSTRIAL CIRCLES OR WHO KNOWS WHERE. WHAT THEY CAN NOT BRING THEMSELVES TO ADMIT, IS THAT IN CONTRAST TO THE ORDINARY LABOR COMMITTEE ORGANIZER WHOSE MERE PRESENCE SEEMS TO TERRIFY THEM, BRANDT, PALME -- AND OTHERS WHO HAVE SOLD THEIR SOULS TO THE ROCKEFELLER-DEVIL -- ARE RELATIVELY PATHETIC NON-ENTITIES. THEY MUST FIND SOME MYSTERIOUS AGENCY BEHIND US, BECAUSE THEY, BEING NOTHING THEMSELVES, ARE MERELY THE EMPTY TUBES THROUGH WHICH THE ROCKEFELLERS' POWER IS-- AS MR. PALME HAS PUT HIS FUNCTION-- "MEDIATED."

SINCERELY,

LYNDON H. LA ROUCHE, JR.

## **Special Report :**

# **Political Blunders Speed Demise of Brandt and Palme**

## **European Press Focuses on Brandt Agency As He Orders IPS Expelled from Press Assoc.**

BONN, BRD, Oct. 14 (IPS) — The Arbitration Committee of the Foreign Press Association, the main press association in the West German capital, abruptly expelled the International Press Service from its membership today. IPS was given no hearing, and the Arbitration Committee would not disclose the reason for the expulsion, even though on Monday the committee's secretary told IPS that it had no complaints against IPS at all. Informed press sources here, who are embarrassed by such a childish antic, quickly disassociated the Bonn press corps and the Social Democratic Party from the expulsion by insisting that Social Democratic chairman and 30-year CIA agent Willy Brandt was the only one to stick his neck out and ram through IPS's expulsion.

IPS also learned that during the expulsion deliberations, the Foreign Press Association was also negotiating with Brandt to get him to speak before one of their meetings. Brandt only made up his mind to speak on last Thursday, which is also the day the Arbitration Committee agreed to expel IPS.

Brandt's attempt at illegal press censorship is in immediate retaliation for several revealing questions IPS asked the former West German Chancellor at a press conference at the Frankfurter Book Fair four days ago. At the time IPS caught Second International leaders Brandt, Swedish Prime Minister Olof Palme, and Austrian Chancellor Bruno Kresky in a public lie before a hundred of Europe's top journalists as all three tried to dodge questions about reports in several Scandinavian papers accusing Brandt of masterminding currency smuggling to anti-communist Finnish trade unionists — possibly under CIA orders. After all three lied that they had no connection to the incident, Palme warned the reporters, "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."

There is also evidence that fascist Franz Josef Strauss, a known NATO agent and West Germany's foremost Maoist organizer, was involved in the

expulsion. A week ago, IPS learned that Strauss lodged a complaint against IPS for asking him, during his birthday party, why he had visited Mao's China twice this year. During the summer, a reporter for the Swiss bankers' paper, the Neue Züricher Zeitung, demanded that IPS be expelled for "asking disturbing questions at a press conference." IPS was also denied accreditation to the Conference on European Security and Cooperation in Helsinki by the United States State Department.

For a year, the European Labor Committees have so thoroughly documented Brandt's 30 years of agency that each time he tried to lash out at IPS, which he has correctly targeted as the source of his misery, he has just sunk deeper in his own muck. In fact, Brandt is hysterically bringing Neue Solidaritaet, the ELC's West German weekly, to court on Oct. 21 for printing evidence of his agency which the New York Times, The Chicago Sun-Times, and the Swedish paper Expressen printed — with less documentation — three weeks ago.

In the middle of September, before recent articles in the bourgeois press also exposed Brandt, and as a series on Brandt was just beginning in Neue Solidaritaet, a worker in Dortmund told ELC organizers, "If only 20 per cent of what you say about Brandt is true, then Brandt is really a fascist." Since then, there have been Europe-wide forums on



Brandt to fundraise for a legal defense that have drawn up to fifty people in some West German cities. A poster showing a picture of Brandt standing next to John McCloy, the hated Rockefeller man who ran the Allied Occupation of Germany, and David Rockefeller himself is now up all over West Germany. When ELC organizers saw that same worker a week ago, he said, "I almost cannot believe it. I believed in the SPD and in Brandt and now it turns out that he is a CIA agent."

## **Palme Tells Party Press to Smear ELC; Instead All the Dirt Lands in His Lap**

Oct. 14 (IPS) — Over the past 48 hours, one of the most intense and uncanny battles in modern political history has been fought between the International Caucus of Labor Committees (ICLC) and the Rockefeller agents of the Second International in both Sweden and West Germany.

In Sweden Olof Palme, the ghoulish Social Democratic Prime Minister, ordered an absolutely unprecedented press slander barrage against the European Labor Committees which included every Palme-connected news-

paper — led by the major Swedish daily the Aftonbladet. A monitoring of merely two of these newspapers over the last two days tallied 13 articles — nine full pages of newsprint — about the Labor Committees, with each story more preposterous than its predecessor. Palme even ordered his country's Intelligence Service to investigate the 30-member Swedish ELC as "spies."

In West Germany, Willy Brandt, the exposed 30-year CIA agent who heads the Social Democratic Party, stuck his neck way out and personally ordered

the expulsion of the ICLC-affiliated press service, IPS from the Bonn Foreign Press Association (VPA) (see accompanying article).

Within approximately 12 hours, the Labor Committee had turned the enemy's offensive back in their faces. By this writing, the freakouts by Brandt and Palme have become the most serious political mistakes of their careers as agents — mistakes that are now hastening their final demise.

As a result, Labor Committee offices have been flooded by a growing stream of journalists who want to find out the real reasons behind the attacks. They are asking for the politics and economic issues behind all this, and are of course being supplied with the answers.

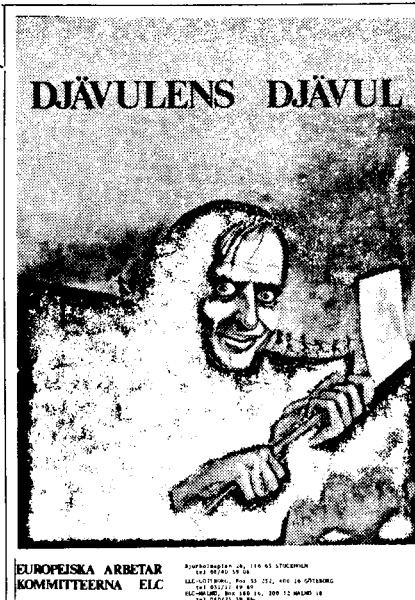
Journalists who are coming to check on Labor Committee dialectical economics classes leave the lecture hall with a sense of awe and in the articles they don't even try to conceal their admiration of the ICLC's professional scientific competence.

In short, the Palme-Brandt freakout has supplied the Labor Committees with an unprecedented access to mass audiences.

What immediately prompted the freakout by agents Brandt and Palme was their realization that they had been caught in a naked lie by IPS at their press conference with Austrian Second International agent Bruno Kreisky at the Frankfurt bookfair last week. Honest journalists among the international press corps walked away from that conference convinced that Palme and Brandt were U.S. agents and were involved in the conducting of CIA funds to anti-communist agents in Portugal and Finland.

These revelations which have since been blasted throughout the European press, are now triggering a crisis that could bring down Palme's government. The Palme-ordered slander campaign against the ELC is now occupying the same space that only last week had been devoted to a discussion of the Prime Minister's homosexual perversions, his deteriorating mental condition, and charges of his CIA agency.

The first volley of slanders came Monday with the Aftonbladet featuring



a three-page spread. Two inch-high, front page headlines announced: "U.S.-Controlled Espionage Against Palme." Every newsstand was given an advertising poster with this headline — an expensive promotion normally reserved for "major scandals." But Aftonbladet was determined to make the ELC major scandal "material." "Infiltrators under Communist cover report to computers in New York...CIA pays."

An article in the centerfold discusses the Labor Committees "luxurious headquarters in New York where the orders go out..."

The next day, the Aftonbladet decided to create the illusion of competent journalism, and dispatched its New York correspondent to Labor Party headquarters in New York to check out "this nest of well financed agents."

As the reporter was shown around the organization's far-from-luxurious offices in Manhattan's Garment Center, he decided that these agents were indeed devious. "Tell me the truth," he asked members of the organization's executive, "exactly who are you agents of?" "We are agents of the Finnish Customs Service," an executive committee member replied. Last week, the Finnish Customs Service had arrested the treasurer of the Finnish

Social Democratic Party trying to smuggle a donation from the CIA conducted via Palme and Brandt, to the anti-communists in the Finnish metalworkers union. The reporter turned red.

The Aftonbladet reporter filed an embarrassing story, admitting that his paper had exaggerated:

"In contrast to what you read in yesterday's paper, worn-out furniture, chairs with the stuffing hanging out and broken desks give an impression of an organization on the verge of ruin."

But this could all be explained, the Aftonbladet editors reasoned. "The financiers of the ELC realized that the project does not function according to the original plans, and therefore have stopped fuelling the organization with money." (!)

In Sweden, the Aftonbladet decided to dispatch reporter T.A. Porseryd to one of those ELC "brainwashing sessions" — an educational in Dialectical Economics. After hearing what the ELC had to say, he admitted that his paper was indeed concocting lies. He filed a story that could not help but reflect his fascination with the ELC's program: "(ELC leader) Kerstin Tegin lays out the text with emphasis...She has read Marxist economics and knows it well...She is no doubt a good teacher...(her) main point is fusion power to increase the living standard throughout the world.

For unflinching willingness to carry out the orders, the editors of Aftonbladet will soon be slapped with a \$5 million libel suit. Their boss, O. Palme will be named as a co-defendant.

Palme's problems are far from over. Industrialists angered by Palme's destruction of the Swedish economy to support the dollar and his efforts to sabotage East-West trade are also turning his attack on the ELC against him. The regional paper of the famous Swedish steel region of Gävle covered the "Aftonbladet affair" by giving an extensive objective interview with an ELC spokesman who emphasized programmatic policies such as fusion energy and expanded Comecon trade.

## Special Report :

# Rockefeller Revives Drive To Sabatoge Fusion Program

Oct. 13 (IPS) — The Rockefeller Administration has revived the spectre of the McCarthy witchhunts in the scientific community in order to sabotage controlled thermonuclear fusion (CTR) research, the U.S. Labor Party revealed yesterday. Targeted for harassment are plasma physicists and bureaucrats in the government energy umbrella agency, the Energy Research and Development Administration (ERDA).

At the same time, the Administration has ordered ERDA to produce immediate "results" in its existing CTR program while it simultaneously narrows the research to the point that no such "results" are possible. In particular, the magnetic confinement program for the development of fusion has been limited to research on only the tokamak type of reactor, while laser and electron beam pellet fusion was once again put under absurd security wraps.

The Labor Party has fully documented the facts in this two-pronged Rockefeller attack (presented below in summary form), and a campaign statement on the Rockefeller sabotage was released to the press yesterday by USLP Presidential candidate Lyndon H. LaRouche, Jr. In addition, the Labor Party is re-introducing in Congress an updated version of the USLP Fusion Technology Bill, first submitted in June 1974. The core of the USLP program is an estimated \$6 to \$1 billion yearly expenditure to expand the scope of fusion research and fully develop all promising lines of investigation — exactly the opposite of Rockefeller's suicidal course. Fusion potentially can provide cheap, clean and virtually unlimited energy.

"The Labor Party is calling for an immediate Congressional investigation of Rockefeller's criminal sabotage," a USLP spokesman said today. "There is no objective capitalist interest in continuing to stymie fusion power development since the Soviet Union has completely adopted the brute force fusion research policy adopted by the USLP. The USLP fusion bill necessarily includes the fullest possible cooperation of all advanced sector countries with the Soviet Union to have the first fusion reactors operational in the 1980s."

The science division of the USLP discovered that ERDA has already begun limiting the scope of fusion research under the guise of accelerating the

achievement of an actual tokamak fusion power reactor. ERDA's policy has always been to "select" one promising approach for further development, but the decision on fusion was supposed to wait until the next series of crucial experiments had been completed in 1977-78. The tokamak choice, moreover, will not work.

All but one of the four major ERDA-funded National Fusion Labs and the three main-line approaches to magnetic confinement of fusion plasmas are being shifted into vague "technology" development projects:

\*When its Ormak tokamak is turned off in the near future, the Oak Ridge lab in Tennessee will deal almost exclusively with engineering for tokamak reactors: producing magnets, materials, and neutral beams for plasma heating.

\*The Los Alamos lab in California was warned that Scyllac, the high beta toroidal theta pinch (a confinement scheme which makes efficient use of magnetic field energy) faces an immediate shutoff of ERDA funds.

\*Despite major experimental breakthroughs recently achieved with the magnetic mirror machine at Lawrence Livermore lab in California, this device and the theoretical teams working on it are slated to become mere technology development adjuncts to the tokamak.

\*Even in the case of significant frontier secondary efforts such as the Bitter Magnet lab's high field tokamak, the Alcator, there are no plans to turn this project over to the CIA-controlled Massachusetts Institute of Technology, downgrading work on this device to mere "educational" activities.

Although these policies are not yet fully implemented, the threatened and operational cutbacks have been sufficient to limit main-line research to one laboratory — Princeton — and one approach — the tokamak.

At the same time, auxiliary experimental work designed to thoroughly examine theoretical hypotheses has been almost totally gutted over the last five years in order to make room for tokamak development; research in new, exploratory approaches has been severely cut back in this period.

As for laser and electron beam pellet fusion, the inertial confinement of fusion plasmas, Livermore Lab suddenly reversed the stated ERDA policy and refused to make available — even to other government labs with security

clearance (in this instance, Los Alamos) — copies of LASNEX, the most advanced computer code for simulating laser pellet fusion.

### McCarthy Tactics

To curtail the kind of atmosphere necessary for the development of ideas, the Administration has arbitrarily "classified" research and terrorized individual scientists. The originator of many of the concepts used for designing electron beam pellet fusion systems, for example, just had his work classified "top secret" by the ERDA Division of Military Applications. When the Division authorities informed this researcher of the "national security" reasons for this action, the fusion researcher replied: "Well, why don't you people just get the CIA to shoot independent scientists like me, and then cut us up and feed us to the scientists at your weapons labs so they could more readily duplicate our work?"

Scientist Vincent LoDato has also been threatened with classification of his ongoing theoretical investigations. Simultaneously, he lost his teaching position at the small college where he was forced to move when his work was first "classified" in 1972.

To add to this manufactured atmosphere of paranoia, the CIA makes official visits to the major magnetic confinement research labs, ostensibly to obtain information on the Soviet magnetic confinement program. Since the Soviet research has been completely open since 1956, and more than a score of U.S. scientists will take up residence at all the major Soviet labs this year in an official exchange program, it is obvious that these "official" visits are a throwback to the red-scare days of the 1950s.

In addition, ERDA officials have been spreading slanders about the Fusion Energy Foundation, an independent group initiated by the Labor Party. The FEF is an agent of a foreign power, the slander goes. An agent not of the Soviet Union, for as scientists well know, the Soviets are far ahead of the U.S. in fusion; but of Iran. The FEF, the CIA says is attempting to "tease" out information on construction of H-bombs.

The Soviet designed and Soviet developed tokamak is accepted as the most successful approach to efficiently confine thermonuclear grade plasmas. There is little doubt that within the next year, Soviet scientists working on the T-

10 model at the Kurchatov Institute in Moscow will demonstrate that the tokamak is scientifically capable of achieving "breakeven" energy production, producing more energy than is required to construct the system. But, as the Soviets note, the situation is paradoxical.

#### **Dirty Plasmas Won't Work**

The tokamak produces what is best described as "dirty plasma," so called because of impurities from the tokamak walls, and poorly understood microprocesses. On the basis of existing experimental and theoretical knowledge, the tokamak will not be able to proceed much beyond a break-

even point. The current behavior of tokamak plasmas is unpredictable, and the situation is sure to worsen as previously uninvestigated phenomena such as trapped mirror modes and synchrotron radiation appear when fusion conditions are achieved in the tokamak.

#### **Rockefeller's Pathology**

The underlying pathology which the Rockefeller fusion sabotage aggravates in the American science community is the belief that a crucial breakthrough can be accomplished by one individual or a single team led by one individual. By multiplying the same kind of experiment, this phony theory goes, computers can process numerical data and

obtain the magical optimal conditions for a power reactor.

This kind of thinking, as the Labor Party has fully explained in the 1976 Presidential campaign platform, obstructs breakthroughs in science. The main-line approaches to CTR must take the form of experiments designed to push the boundaries of basic science, developing an atmosphere of creative work that allows for creative breakthroughs.

Rockefeller and his ERDA dupes know that by limiting CTR to one approach and virtually one laboratory, the program is assured of failure.

## **Special Report:**

# **Capitalists Coalescing To Oppose Rockefeller**

Oct. 15 (IPS) — On Oct. 12, the Chicago Sun-Times, a leading press conduit for the Chicago-based industrialists who oppose Nelson Rockefeller, named the Vice President and Secretary of State Henry Kissinger as the key figures controlling the American "intelligence community."

"Rockefeller, Kissinger's original patron," Sun-Times reporter Thomas Ross writes, "has declared publicly that he believes revelations and investigations (into the intelligence operations) have gone far enough. Kissinger who controlled the CIA's operations through the super secret '40 Committee' has made it perfectly clear in private that he agrees."

The article has since been conduited to major papers from coast-to-coast, including the San Francisco Examiner, the Detroit Free Press and the Boston Globe.

#### **Behind the Attack**

This attack on the heart of the Rockefeller's invisible government — the super-secret "40 Committee" — comes as open factional warfare has broken out in the executive branch. The cabinet disintegration has come a long way from fights among the departments and secretaries to "guerilla warfare" in the hallways, the batrooms and watercooler areas of the executive buildings.

Underneath these developments is a coalescence of a broad anti-Rockefeller capitalist coalition. This group consists of the Chicago-based industrialists and their conservative spokesmen, both in the press and in political office, and the Kennedy-Stevenson wing of the Democratic Party, with the Chicago machine of Mayor Richard Daley as a bridge between the two groups. This coalition is now preparing to move in for the kill — to force Rockefeller and his chief henchman Kissinger from office.

Fearing a potential labor upsurge around the Labor Party program, capitalist elements within this coalition are consciously maneuvering to make sure that the Labor Party Program does not gain hegemony among the anti-Rockefeller opposition. These elements are attempting to clamp down with an austerity program of their own.

In this period, no political spokesman fronting for the anti-Rockefeller capitalists can successfully emerge mouthing a program of austerity. Such a figure can count on no working class support whatsoever. If it pursues this austerity course, the coalition will quickly dissolve, leaving Rockefeller mortally wounded and the Labor Party his sole major opposition.

As this coalition begins to take shape, the U.S. government has become so factionalized that it has virtually ceased to function. Various press accounts paint the following lurid picture: the White House no longer functions as a policy making institution; President Ford controls nothing — he is caught in a crossfire between feuding anti- and pro-Rockefeller advisers who in turn give him such bad advice that no coherent policy can possibly emerge.

At the moment, the only government of the U.S. is the super-secret government of Nelson Rockefeller and Henry Kissinger's "40 Committee," and hence its exposure by the anti-Rockefeller forces.

Columnist Joseph Kraft points out the difficulty in coming up with foreign economic policy: Right now, Ford "must thrash out policy in a kind of guerilla warfare with his Secretary of State and his Secretary of the Treasury (William Simon)."

#### **The Coalescence**

Speaking before the Chicago International Trade Club — an institution controlled by the anti-Rockefeller Borg-Warner interests headed by James Ingersoll, Congressional leader Rep. John Anderson (R-Ill) delivered an attack on Kissinger and Rockefeller flunkey Sen. Henry Jackson (D-Wash)



Rocky's cornered

for their attempt to sabotage East-West trade. Anderson specifically attacked the National Security Council attempts to force a "grain-for-oil" barter with the Soviets as a Kissinger-directed operation designed to undermine trade. Kissinger, Anderson told the businessmen, is attempting to make the NSC "an economic dictatorship which would control all economic policy and international trade."

Anderson is a member of David Rockefeller's supranational fascist

planning apparat, the Trilateral Commission, but as his speech indicates, his loyalty to the Rockefeller family has worn thin. Anderson made a specific appeal to Sen. Adlai Stevenson (D-III) to completely junk his support for Kissinger and his policy.

Anderson was quoted in today's Kraft column on the policy collapse of the Ford Administration — a move which indicates that the anti-Rockefeller opposition is beginning to cross-feed its ideas.

The Rockefeller opposition has also zeroed in on Kissinger and Attorney General Edward Levi's control of the drug enforcement apparatus as a factional issue. The White House today finally released a Domestic Council report, done under Rockefeller's personal stewardship, on the operation of the Drug Enforcement Administration (DEA). White House Chief of Staff Donald Rumsfeld — a former Midwest congressman — had created such a furor over the report that even the New York Times was forced to cover factional allegations that it was a "whitewash."

A source in the Federal government, the Times reports, termed the report a "whitewash" because "it failed to explore the unusual relationship between the DEA and the CIA."

The attacks on the DEA are also emanating directly from Chicago. "Chicago — my favorite people are there!" the author of the Domestic Council's report told IPS snidely. "They are wildmen out there. . . This is their favorite issue (attacking the DEA)."

#### Press Attacks

Meanwhile, continuing press attacks on Rockefeller are shaping the public climate throughout the country.

The Ross article in the Sun-Times was preceded by an article entitled "What's Wrong with Rockefeller?" written by former Nixon aide Douglass Hallet. The article blasts the post-war control of America by "John J. McCloy, Cyrus Vance and David Rockefeller," and calls for Rockefeller's immediate resignation. Hallet goes on to strongly hint that Nixon was removed from office by the Rockefeller clique because he had attempted to break Rockefeller's hold over the government.

Conservative columnist George F. Will asks, "Is Rockefeller an Asset?" and answers with a resounding, "No." Mocking Rockefeller's remarks last week that opponents of his \$100 billion energy development boondoggle should step down, Will writes that Rockefeller should step down over his disagreement with Ford over whether the Federal government should bail out the New York banking system.

## **Chicago: Headquarters For Rocky's Capitalist Opposition**

Oct. 11 (IPS) —The region surrounding Chicago has emerged as the center for increasingly vocal anti-Rockefeller factions, all of which have simultaneously been hit by the rude awakening that if they are to survive, they must at once pick up pieces and chunks of the pro-development program of the U.S. Labor Party.

Democratic Presidential hopeful R. Sargent Shriver told a Chicago audience this week that he is in essential agreement with the recent U.N. speech on the development of a "New World Economic Order" by Mexican President Luis Echeverria. Calling for vastly expanded trade to meet the needs of technological development for the Third World, Shriver emphasized the need for increased East-West trade. Declaring that he recognized many Third World countries will be declaring debt moratoria, Shriver added that he thought such steps were not yet needed. "We may have to go that route later, though," he said.

Detroit Congressman Charles Diggs, speaking to a student audience Oct. 6 at Chicago's Northwestern University, called for massive, long-term capital-intensive agricultural development of the famine-stricken African continent. Responding to a Labor Party organizer's questions, Diggs added that fellow Black Caucus members Ron Dellums (D-Calif.), John Conyers (D-Mich), and Parren Mitchell are debating turning the USLP's proposal for an International Development Bank (IDB) into legislative form for possible Congressional hearings.

At the same time, several representatives of leading Chicago business interests requested meetings with the USLP to discuss the IDB proposals. In a telephone discussion, the former Chairman of the Board of the First National Bank of Chicago asked a USLP spokesman for a briefing on the details of the explosive factional situation in West Germany.

A leading Republican Congressional spokesman for Midwest industrialists told an International Trade Club meeting yesterday that they must move into an alliance with the Kennedy-Stevenson wing of the Democratic party and its allies in order to defend East-West trade and defeat Henry Kissinger's attempts to establish a dictatorship over international economic policy.

Since Oct. 1, the two leading Chicago bourgeois newspapers, the Sun-Times and the Tribune—the first liberal Democratic, the other conservative Republican— have issued repeated, direct attacks on the Rockefeller-Kissinger-Levi "invisible hoodlum government." These papers have warned of a Rockefeller Presidency through the assassination danger, hit the massive flow of drugs, and fingered Kissinger's "intelligence community" for "massive lawlessness and subversion of the Constitution."

And, moving strongly behind the Labor Party campaign to wipe out drugs and methadone, the

old-line boss machine of Chicago Mayor Richard Daley and Daley's police investigators have all but declared "open season" on the massive drug-running operations conducted by federal agents.

This series of open factional maneuvers against Rockefeller's invisible government represent severe factional breaks within the ranks of the U.S. ruling class now emerging from four key sectors: the Chicago Democratic machine centering around Mayor Richard Daley; the Kennedy wing of the Democratic Party machine whose Presidential stalking horse is Sargent Shriver; the Congressional Black Caucus and those liberal, Democratic layers surrounding it; and the industrialists concentrated in the Midwest industrial heartland.

Each of these layers has been forced to respond to the devastation that Rockefeller's onslaught on the international economy has wreaked upon U.S. municipalities and industry.

All of the essential elements exist now for the coalescence of these powerful forces into a cohesive faction which will be able to destroy Rockefeller— save one. What is required is a firm commitment from all layers to take a stand against Rockefeller's fascist austerity drive: the immediate moratoria on city and farm debt; a program of expanded three-way trade between Comecon nations, the Third World, and the advanced sector; and a program of productive investment.

But the motive force behind such a consolidation is a working class political machine which makes it clear that it will accept nothing less.

### **The Daley Machine**

The last of the old-line independent big city machines is headed by Chicago Mayor Richard J. Daley. The 73 year-old political boss, who delivered the 1960 Presidential election to John F. Kennedy, has been Mayor of this city continuously since 1955. While most other similar independent Democratic machines were being systematically torn up by Rockefeller's Justice Department and replaced with more streamlined, Rockefeller-designed counterinsurgency governments during the late - 1960's and early 1970's, Daley's machine fought back stubbornly against the Watergating attacks and has survived more or less intact.

The brunt of the LEAA's attacks on Daley have been aimed at undermining his source of power by attempting to split the black and white working-class elements of the machine and by an attempted Watergate-style takeover and reorganization of Daley's police department. Daley had come under increasing pressure from federal agencies during the mid-1960's to institute population-control programs like methadone maintenance introduced into the city — moves which Daley consistently opposed. This



is one major reason why the most heated factional opposition to Rockefeller is coming out of Chicago.

Due to his traditionally overwhelming reliance on support from the trade unions and from the working-class—black and white generally, Daley has been forced to come out strongly in conjunction with the USLP drive to stop methadone and dope. Until recently Daley has been unwilling to direct open warfare against the FBI-LEAA on the drug issue. The electric response of the workers to the USLP campaign, tapping the intense hatred for the Rockefeller drug pushers, has forced Daley's hand. If he backed down on this crucial life-and-death issue, the working class itself would soon end the Mayor's long career.

The characteristic which Daley dangerous to Rockefeller, is precisely this tendency to propelling Shriver and others to test the waters with portions of the Labor Party's program.

#### **Black Caucus Politicians**

The third generation political groupings operative in this regard is the layer of urban-based black politicians led nationally by Congressional Black Caucus members Charles Diggs and John Conyers of Detroit, Ron Dellums of California, Charles Rangel of New York, and Parren Mitchell of Baltimore. Congressman Diggs' pro-development speech this week in Chicago is clear evidence of the potential for driving the IDB proposal into Congress.

In Chicago itself, Ralph Metcalfe and Cardiss Collins are the two Black Caucus members, representing the largely black working class and ghetto South Side and West Side respectively. While Metcalfe has never emerged as a factional spokesman per se, his recent political case history provides a useful insight into the forces at work in Chicago, and in fact nationally, shaping the new alignments.

Metcalfe's district is the most heavily black and most heavily Democratic district, traditionally, in the country. In the 1972 Presidential election, the district gave the Democrat George McGovern 90 per cent of the vote. Metcalfe was elected to Congress, with 91 per cent of the vote, in 1970, after being a loyal Daley supporter on the City Council since 1955. In the spring of 1972, however, Metcalfe fell prey to an LEAA "inside-outside" operation, part of the much larger LEAA-FBI deployment in Chicago. The trigger was highly publicized set-up involving a "racist" police attack on two South Side black citizens, a classic case of LEAA use of the "race issue" to split the black and white working class base of the Democratic party-Daley machine. According to LEAA plan, Daley and Metcalfe split.

The LEAA forces led by then-University of Chicago president Edward Levi, quickly moved in promoting fascist "local control" counter-insurgency projects, vastly expanding their murderous drug-running and methadone operations throughout the South Side. Drugged zombie terrorists such as Levi's "Beni Zakeem" roamed the neighborhoods, running a federally-spon-

sored protection racket for LEAA-FBI drug-running operations.

Metcalfe began to realize what had happened, and last year started making noises, moving toward a reconciliation with Daley. Shortly thereafter, Rockefeller's agent in the U.S. Attorney's office, Jim Thompson, now Republican candidate for Governor, moved to slap bogus federal "corruption" indictments against Metcalfe. The war continues to this day.

#### **The Industrialists**

Undoubtedly the most heteronomic and bewildered of all the operative factional groupings is that representing the large industrial and industrial respond to base pressure if simply for political expediency. Given sufficient working-class mobilization, Daley may be forced to transform his ongoing budget dispute with agent Illinois Governor Dan Walker, a Rockefeller Democrat, into a full-fledged national battle against austerity and for debt moratoria. Walker is now withholding needed school funds, backed up by the Department of Health, Education, and Welfare which is also withholding \$147 million in federal funds from the Chicago School Board. Indications are that Daley may be preparing such a move.

#### **The Kennedy Wing: Shriver and Stevenson**

Daley still commands overwhelming support from the Chicago and Illinois Democratic delegations, a power base he has used previously to maneuver for leverage within the party. This week Daley met for three hours privately with Sargent Shriver. Also reported to have been present were Democratic national chairman Robert Strauss and Daley's key City Council stalwart, Jane Byrne, also a member of the Democratic national committee. According to later press accounts, the group discussed the Shriver candidacy, "the general political situation", and "preparations for the upcoming Democratic national committee meeting", to be held Oct. 12-15 in Washington, D.C.

Since late summer, Daley has been pushing for a 1976 Stevenson-Kennedy ticket, but both Senators have shown their unwillingness to declare. Thus, Daley has been quietly promoting Shriver, while carefully withholding his full endorsement lest Ted Kennedy decides to change his mind.

This liberal Democratic trio, however, generally represents the same forces. Shriver is the former manager of the giant Chicago Merchandise Mart, operating headquarters for Midwest consumer goods producers and merchant-capital interests. Shriver himself is married into the Kennedy clan, and maintains his Chicago campaign staff, headed by long-time Kennedy political operative Thomas Brophy, inside the Merchandise Mart's management offices.

As the only announced candidate from the Kennedy wing, Shriver has been the most outspoken proponent of detente and East-West trade.



The King-pins of Chicago's opposition to Rockefeller: (l) Shriver, (c) Daley, (r) Metcalfe.

But without the backing of the labor movement, now led by the USLP, no Kennedy spokesman can remain viable for long despite capitalist support. As a top Shriver aide admitted to the USLP recently, Shriver is "having trouble" attracting workers' interest. Shriver aides, who receive regular briefings from the USLP have asked to send "observers" to Labor Party organizing meetings "to find out what the workers are thinking"! It is this fact of political life that is trial-finance interests and firms headquartered in Chicago. Chief among these are the McCormick family interests of International Harvester Company, who maintain close ties to the Chicago factional propaganda organ, the Chicago Tribune; the Ingersoll family interests of the Borg-Warner Corporation; the Pullman and Pullman-Standard companies; and the chief "pro-European" financial institution, First National Bank of Chicago. Scores of smaller industrial firms based in Chicago, most of which are heavily involved in international trade and specifically in East-West trade, operate within the overall political-economic hegemony of the key firms. The top international executives of these firms form the leadership of the Midwest's pro-East-West trade faction of capitalists.

While nominally Republican-affiliated, these capitalists traditionally have not lined up together behind any particular politician faction in a strict sense. To defend their present and future existence as capitalists against the onrushing collapse and the disastrous policies pushed by the moronic Rockefeller brothers, leading circles from these and other firms are being thrown

— in direct conflict with their "rugged individualist tendencies — to seek acceptable programmatic solutions to the crisis.

In the conference rooms of their two key umbrella organizations — the Chicago Association of Commerce and Industry and the International Trade Club of Chicago — leading corporate executives are debating the Labor Committee's IDB proposals. Informed sources have reported that James H. Ingersoll, international Vice President of Borg-Warner, regarded as the group's key organizer, has reproduced the IDB pamphlet for circulation and discussion in these circles.

The problem that confronts these industrialists is chiefly two-fold: First, as Ingersoll himself declared in opening remarks to a conference on East-West trade in August: "Unless we move fast for vastly expanded trade with the Soviets and the Third World, the U.S. Labor Party will be in the White House in 1976."

Second, for these industrialists to muster enough muscle to take on the Rockefeller machine and win, they must ally with the only political forces among the capitalist parties moving in the same direction — namely the very Democratic party factions who are entirely dependent upon labor support. Although it is the most bitter pill they have yet to swallow, the industrialists will have to agree to eliminating the drugs in the plants that are maintained by such figures as Ingersoll.

It is, in the final analysis, the political working-class forces that will determine the outcome.



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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE  
EARLY EVENING NEWS ROUND-UP  
OCTOBER 11, 1975 1400 HOURS EDT

## I. INTERNATIONAL

### SOVIETS DELIVER MAJOR CONCESSION ON ARMS; U.S. FILLIBUSTERS

OCT. 11 (IPS)--THE SOVIET UNION HAS MADE A MAJOR CONCESSION ON STRATEGIC ARMS WHICH WILL REMOVE A KEY IMPASSE TO THE DEVELOPMENT OF THE NEXT STAGE OF THE SALT (STRATEGIC ARMS LIMITATION TALKS) NEGOTIATIONS, ACCORDING TO A HIGH UNNAMED ADMINISTRATION SOURCE QUOTED IN THE WASHINGTON STAR OCT. 9. THE STAR SAYS THAT THE SOVIET UNION HAS AGREED TO CLASSIFY ALL OF ITS SS-18 INTERCONTINENTAL BALLISTIC MISSILES AS MIRV'S - HAVING MULTIPLE WARHEADS. PRECISE DETAILS OF THE AGREEMENT MUST STILL BE IRONED OUT FOR TREATY LANGUAGE, THE STAR SAID, ADDING THAT SECRETARY OF STATE HENRY KISSINGER WILL MEET SOVIET FOREIGN MINISTER ANDREI A. GROMYKO NEXT WEEK.

MEANWHILE, THE PENTAGON APPEARS TO HAVE ERECTED A NEW OBSTACLE TO THE SALT DISCUSSIONS, BY DEMANDING THAT THE SOVIET'S SMALL FLEET OF "BACKFIRE" MANNED SUPERSONIC BOMBERS BE CLASSIFIED AS "INTERCONTINENTAL" WEAPONS. IN 1974, ACCORDING TO YESTERDAY'S NEW YORK TIMES, KISSINGER HAD AGREED TO CLASSIFY THE BACKFIRE AS A TACTICAL WEAPON NOT COVERED BY THE SALT NEGOTIATIONS. U.S. DEFENSE SECRETARY JAMES SCHLESINGER IS RESPONSIBLE FOR THE NEW U.S. POSITION, THE TIMES SAYS.

### L'HUMANITE CHARGES THAT FALANGISTS WANT LEBANON PARTITIONED

OCT. 11 (IPS)--THE LEBANESE CHRISTIAN-FASCIST FALANGISTS WANT TO PARTITION LEBANON BY FAIT ACCOMPLI, CHARGED YESTERDAY'S L'HUMANITE, DAILY OF THE FRENCH COMMUNIST PARTY.

L'HUMANITE REPORTS THAT FOUR CHRISTIAN CONGREGATIONS HAVE OPPOSED THE EFFORTS OF THE NATIONAL RECONCILIATION COMMITTEE, WHICH IS TRYING TO RECONCILE THE OPPOSING GROUPS IN LEBANON & HELP END THE FOUR-WEEK OLD FIGHTING IN THE COUNTRY.

THESE CONGREGATIONS FIGURE AMONG THE BIGGEST LANDOWNERS IN LEBANON, AND THEIR CONVENTS SERVE AS ARSENALS FOR THE FALANGISTS, L'HUMANITE NOTED.

THE FALANGE HAS BEEN BACKED BY AID FROM THE U.S. CIA, WHICH IS SEEKING TO EXTERMINATE LEBANON'S POWERFUL LEFT. THIS EXTER-

(MORE)

MINATION WAS AGREED UPON BY EGYPTIAN PRESIDENT ANWAR SADAT AND U.S. SECRETARY OF STATE HENRY KISSINGER IN A SECRET PROTOCOL TO THE SINAI AGREEMENT.

#### MARCHAIS ADDRESSES 10,000 WORKERS

OCT. 11 (IPS)--ADDRESSING A MASS MEETING OF TEN THOUSAND WORKERS IN THE RED-BELT SEINE-SAINT-DENIS DISTRICT OUTSIDE OF PARIS TWO DAYS AGO, FRENCH COMMUNIST PARTY GENERAL SECRETARY (PCF) GEORGES MARCHAIS CONDEMNED THE MORAL BANKRUPTCY AND VIOLENT CHARACTER OF GISCARD GOVERNMENT AND VOWED THAT DESPITE PROVOCATIONS FROM INTERIOR MINISTER PONIATOWSKI, THE PCF WILL NOT CEASE ITS INDUSTRIAL ORGANIZING. ACCORDING TO YESTERDAY'S L'HUMANITE, THE PCF DAILY, MARCHAIS TOLD THE ASSEMBLY THAT "WORKERS NOW UNDERSTAND BETTER AND BETTER THAT TO DEFEND THEMSELVES NOT ONLY DO THEY NEED TO HAVE UNIONS WHOSE ROLES ARE INCREASING, BUT THEY MUST ALSO HAVE T H E I R POLITICAL PARTY...I WANT TO SAY THIS AGAIN WITH FORCE; THE COMMUNISTS HAVE DECIDED TO PURSUE THEIR EFFORT AND ACT IN THE PLANTS WITH THE SOLE AIM OF SERVING WORKING CLASS INTERESTS EVEN BETTER."

#### CIA FUNDS FINNISH SOCIAL DEMOCRACY

OCT. 11 (IPS)--THE FINNISH NEWSPAPER ILTA SANOMAT HAS REVEALED THAT THE CIA IS FUNDING THE FINNISH SOCIAL DEMOCRATS VIA THE SWEDISH SOCIAL DEMOCRACY IN ORDER TO PREVENT THE FINNISH COMMUNISTS FROM MAKING IMPORTANT INROADS IN THE UP-COMING ELECTIONS, ACCORDING TO YESTERDAY'S FRENCH COMMUNIST PARTY DAILY L'HUMANITE.

## II. CONTINENTAL

#### FBI VOWS TO ISOLATE CONGRESS FROM COMMUNISTS

OCT. 11 (IPS)--IN A SPEECH TO THE AMERICAN CONSERVATIVE UNION, FBI DIRECTOR CLARENCE M. KELLEY SAID THAT THE FBI KEEPS WATCH OVER CAPITAL HILL TO MAKE SURE MEMBERS OF CONGRESS DO NOT FALL PREY TO SOVIET INTELLIGENCE AGENTS, ACCORDING TO THE OCT. 9 WASHINGTON STAR. KELLEY ALSO SAID THE UNITED STATES "MUST STAND UNITED IN OUR RESOLVE TO IDENTIFY, LOCATE AND SEPARATE THE EXTREMISTS FROM SOCIETY."

COMMENTING THAT CAPITOL HILL HAD BECOME A SAFE PLACE FOR SOVIET AGENTS TO MEET THEIR CONTACTS SINCE J. EDGAR HOOVER WITHDREW FBI AGENTS FROM THE HILL IN ORDER TO AVOID ACCUSATIONS THAT HE WAS ATTEMPTING TO INTIMIDATE CONGRESS, KELLEY SAID, "WE STILL HAVE AGENTS WHO COME UP HERE FROM TIME-TO-TIME." WHILE AGREEING THAT THE BUREAU HAS NO EVIDENCE THAT ANY MEMBER OF CONGRESS OR ANY STAFF MEMBER HAS BEEN SUCCESSFULLY RECRUITED TO THE SOVIET KGB, OR STATE SECURITY COMMITTEE, HE SAID, "WE DO NOT FORGET THEY MIGHT FALL PREY TO SOME OF THESE PEOPLE."

ADDRESSING THE GENERAL "RED MENANCE" ON THE HILL, WHERE, HE SAID, "DOMESTIC" COMMUNISTS ARE OF PRIMARY CONCERN, KELLEY WARNED THAT "OUR JUSTIFIABLY STRONG CONCERN FOR THE RIGHTS OF ALL CITIZENS MUST NOT LEAD US TO CREATE SANCTUARIES--SANCTUARIES IN THE LAW ITSELF OR SANCTUARIES IN THE MANNER OF ITS ADMINISTRATION-- THAT EXTREMISTS CAN USE IN SNARING NEW RECRUITS AND CLAIMING ADDITIONAL VICTIMS."

(MORE)

KEEP YOUR ADVICE TO YOURSELF, HERR SCHMIDT

OCT. 11 (IPS)--THE WALL STREET JOURNAL HAS LASHED OUT AT WEST GERMAN CHANCELLOR SCHMIDT FOR WARNING OF A "VERY SERIOUS INTERNATIONAL PROBLEM" WHICH WOULD RESULT FROM A DEFAULT BY NEW YORK ON ITS DEBT OBLIGATIONS DURING HIS VISIT TO THE U.S. LAST WEEKEND. IN AN EDITORIAL YESTERDAY, THE AUSTERITY-MINDED JOURNAL THANKED SCHMIDT FOR HIS BLUNTNESS AND HIS CALL FOR EXCHANGE-RATE STABILITY, BUT TOLD HIM TO KEEP HIS ADVICE ON U.S. MONETARY POLICY AND NEW YORK TO HIMSELF: "WE HOPE, ALONG WITH HERR SCHMIDT, THAT NEW YORK DOES NOT DEFAULT, BUT WE CONTINUE TO BELIEVE THAT THE INTERNATIONAL IMPACT OF DEFAULT WOULD BE LESS SERIOUS THAN A FEDERAL BAILOUT OF THE CITY, WHICH WOULD MEAN THAT ANOTHER DISCIPLINE IN THE UNITED STATES HAS BEEN ABANDONED."

MONEY SUPPLY, BUSINESS LOAN FALLS  
REFLECT INDUSTRIAL SHUTDOWN

OCT. 11 (IPS)--THIS WEEK'S FEDERAL RESERVE BANK STATISTICS ON THE DEMAND FOR MONEY CONTINUE TO REFLECT THE COLLAPSE OF INDUSTRIAL PRODUCTION AND TRADE IN THE U.S. AND THE WORLD. FOLLOWING THE PREVIOUS WEEK'S \$2 BILLION PLUMMETING OF THE FED'S PRIMARY MONEY SUPPLY CATEGORY, CURRENCY IN CIRCULATION PLUS CHECKING ACCOUNT BALANCES, THIS SAME CATEGORY, M-1, FELL A FURTHER \$300 MILLION OVER THE PAST WEEK. SIMILARLY, BUSINESS LOANS AT MAJOR NEW YORK BANKS, A KEY INDICATOR OF INDUSTRIAL OPERATIONS (OR LACK OF THEM), FELL A CATASTROPHIC \$147 MILLION IN THE WEEK ENDED WEDNESDAY TO \$36 BILLION. THE TOTAL DROP IN SUCH LOANS IN THE YEAR TO DATE IS A FULL \$15 BILLION.

CHRYSLER PRODUCTION SHUTDOWN PRESAGES  
BANKRUPTCIES THROUGHOUT AUTO

OCT. 11 (IPS)--CHRYSLER CORP. WILL SHUTDOWN PRODUCTION IN ITS TWO REMAINING LARGE-CAR ASSEMBLY PLANTS FOR THE WEEK BEGINNING OCT. 27, ACCORDING TO A WALL STREET JOURNAL REPORT FROM "INDUSTRY SOURCES" YESTERDAY. 6,000 WORKERS WILL BE LAID OFF, SUPPOSEDLY TEMPORARILY, REDUCING CHRYSLER'S PLANNED 1976 PRODUCTION BY 6 PER CENT. THE REPORT, FOLLOWING EARLIER NEWS OF CHRYSLER DEALERSHIP BANKRUPTCIES AND A \$300 MILLION BAILOUT TO CHRYSLER FINANCE CORP., CLEARLY FORBODES THE BANKRUPTCY OF THE NATION'S NO. 3 AUTOMAKER.

THE NATION'S OTHER AUTOMAKERS ARE ALSO ATTEMPTING TO AVOID MASSIVE INVENTORIES AS SALES DROP. FORD MOTOR COMPANY HAS INSTITUTED REGULAR TEMPORARY PLANT CLOSINGS FOR THE PAST SEVERAL MONTHS, AND HAS PERMANENTLY REDUCED PRODUCTION RATES AT SOME PLANTS.

HUMPHREY PUSHES FEDERAL BIG MAC

OCT. 11 (IPS)--SENATOR HUBERT HUMPHREY (D-MIN) HAS TAKEN THE FIRST STEPS TO PUT NEW YORK CITY UNDER FEDERAL CONTROL BY INTRODUCING THE INTERGOVERNMENTAL EMERGENCY ASSISTANCE ACT INTO CONGRESS OCT. 9.

THE MEASURE, WHICH ESTABLISHES A 5-MEMBER EMERGENCY INTERGOVERNMENTAL ASSISTANCE BOARD, PROVIDES THAT AN ELIGIBLE APPLICANT FOR ASSISTANCE MUST BE PROVIDED WITH A GUARANTEE OF A TAXABLE STATE OR LOCAL GOVERNMENT GENERAL OBLIGATION BOND BY THE TREASURY.

(MORE)

AN APPLICANT IS ELIGIBLE IF THERE ARE NO PRIVATE OR STATE REMEDIES AVAILABLE TO A MUNICIPALITY.

IN RETURN, THE CITY, OR STATE, FORFEITS ITS SOVEREIGNTY AND MUST DRAFT A 3-YEAR FINANCIAL AUSTERITY PLAN AND BALANCE ITS BUDGET. AS HUMPHREY POINTED OUT, NO STATE OR LOCAL GOVERNMENT WOULD ACCEPT THIS PROPOSAL UNLESS BACKED AGAINST THE WALL.

U.S. GRAIN SALES TO RESUME

OCT. 11 (IPS)--PRESIDENT FORD ANNOUNCED YESTERDAY THE RESUMPTION OF AMERICAN GRAIN SALES TO POLAND AND INDICATED THAT THE U.S. IS ABOUT TO CONCLUDE A GRAIN DEAL WITH THE SOVIET UNION, ACCORDING TO TODAY'S BALTIMORE SUN. THE PRESIDENT SAID THE RUSSIAN AGREEMENT "POSSIBLY" WILL BE REACHED BY NEXT WEEK, AND MIGHT INCLUDE A PLAN TO TRADE U.S. GRAIN FOR SOVIET OIL, A SCHEME DRAFTED BY THE NATIONAL SECURITY COUNCIL WHICH WAS ATTACKED BY SOVIET PREMIER KOSYGIN IN TALKS WITH DEMOCRATIC PRESIDENTIAL CONTENDER SARGENT SHRIVER LAST WEEK.

FORD TO ATTEND PARIS PARLEY IN NOVEMBER

OCT. 11 (IPS)--PRESIDENT FORD AND THE LEADERS OF FRANCE, WEST GERMANY, BRITAIN, JAPAN, ITALY AND CANADA, WILL MEET IN PARIS NOVEMBER 15 TO 17 "TO CHART LONG-RANGE ECONOMIC POLICY," ACCORDING TO TODAY'S BALTIMORE SUN. FOR MONTHS, FRENCH PRESIDENT GISCARD HAS URGED SUCH A MEETING TO PREPARE A NEW MONETARY POLICY FOR THE CAPITALIST SECTOR, BUT THE U.S. HAS REFUSED. U.S. OFFICIALS EXPLAINED THE CHANGE OF HEART BY SAYING THAT THE TIME HAD COME FOR A SEARCHING LOOK AT THE PERFORMANCE OF THE CAPITALIST SYSTEM AND WHERE IT WAS GOING.

III. INTELLIGENCE

GERMAN BANKERS SAY NEW YORK BUST  
WILL COLLAPSE DOLLAR

FRANKFURT, OCT. 11 (IPS)--GERMAN BANKERS BELIEVE THAT THE DOLLAR WILL COLLAPSE IF NEW YORK CITY DEFAULTS ON ITS DEBT.

THE CHIEF FOREIGN EXCHANGE TRADER AT ONE OF GERMANY'S BIG THREE BANKS SAID YESTERDAY THAT, "THE DOLLAR WILL COME UNDER PRESSURE, AND THE ARABS MIGHT PULL THEIR MONEY OUT OF NEW YORK. THE LIQUIDITY OF THE NEW YORK BANKS IS EXTREMELY BAD; THEY CANNOT ABSORB A DEFAULT OF A MORATORIUM UNLESS (FED CHAIRMAN ARTHUR) BURNS IN UNDATES THEM WITH BILLIONS."

ANOTHER FOREIGN EXCHANGE TRADER AT A LEADING MERCHANT BANK ADDED, "THE NEW YORK SITUATION IS A DISASTER - INTERNATIONAL MARKETS COULD BE DISRUPTED. IT'S ALREADY A REASON FOR THE WEAKNESS OF THE DOLLAR AGAINST THE GERMAN MARK AND SWISS FRANC. I'M AMAZED THAT EUROPEAN BANKS DID NOT REACT EARLIER."

LONDON TELEGRAPH: 'MAJOR AMERICAN BANKING CRASH'

OCT. 11 (IPS)--LONDON'S DAILY TELEGRAPH SAID OCT. 9 THAT "TOO MANY NEW YORK BANKS ARE TOO DEEP IN NEW YORK PAPER FOR THERE TO BE OTHER THAN A MAJOR AMERICAN BANKING CRASH AND BREAKDOWN OF FINANCIAL CONFIDENCE IF NEW YORK CITY DEFAULTED."

(MORE)

THE TELEGRAPH REPORTED A SAYING IN SOME LONDON CIRCLES: "DAVID LENT IT; NELSON SPENT IT."

### IPS ANALYSIS

#### SIMON: BANKS MUST BITE BULLET TOO IN NYC CRISIS

OCT. 11 (IPS)--TREASURY SECRETARY WILLIAM SIMON TOLD THE SENATE BANKING COMMITTEE THAT "THE FEDERAL GOVERNMENT AND THE FEDERAL RESERVE ARE NOT IN THE BUSINESS OF BAILING OUT THE BANKS, JUST IN PROTECTING DEPOSITORS," IN TESTIMONY ON THE NEW YORK CITY CRISIS TWO DAYS AGO. AT THE SAME TIME, SIMON REITERATED HIS CALL FOR A NEW YORK CITY DEBT MORATORIUM, STATING THAT CITY BOND HOLDERS MAY HAVE TO ACCEPT TEMPORARY MORATORIA PAYMENT ON BOTH INTEREST AND PRINCIPAL ON THEIR CITY HOLDINGS. SIMON ALSO REPEATED HIS CONTENTION THAT THE CITY SHOULD NOT RECEIVE TRANSFUSIONS OF FEDERAL CASH, AND CALLED FOR NEW, EVEN MORE MASSIVE AUSTERITY MOVES BY THE CITY.

SIMON'S STATEMENT PLACES HIM DIAMETRICALLY AT ODDS WITH FEDERAL RESERVE CHAIRMAN ARTHUR BURNS ON AN ISSUE THAT IS RAPIDLY SUBSUMING THE QUESTION OF THE NEW YORK CITY DEBT: WHETHER THE GOVERNMENT SHOULD BAIL OUT THE NATION'S FALTERING BANKS. BURNS HAS PLEDGED UNLIMITED GOVERNMENT CASH TO BAIL OUT THE BANKS. FOR THE MOMENT, SIMON APPEARS TO HAVE LINED UP WITH A GROUPING OF MIDWESTERN CONGRESSMEN AND INDUSTRIALISTS WHO TEND TO FELL THE BRUNT OF A NEW YORK CITY DEFAULT WILL FALL ON ROCKEFELLER FAMILY-DOMINATED BANKING INTERESTS, AND THAT FURTHER MOVES BY THE FEDERAL GOVERNMENT TO BAIL OUT THESE INTERESTS WILL SIMPLY RUIN THE TREASURY'S ALREADY SHAKY CREDIT RATING.

IN AN APPARENT COUNTER-MOVE TO THIS SENTIMENT, THE HOUSE BANKING COMMITTEE HAS VOTED TO DEMAND THAT FEDERAL AGENCIES MAKE AVAILABLE TO IT THE NAMES OF 616 BANKS WHO HAVE 20 PER CENT OR MORE OF THEIR ASSETS IN NEW YORK CITY ISSUES, THE NEW YORK TIMES REPORTED YESTERDAY. UNDER THE LEADERSHIP OF REP. BENJAMIN ROSENTHAL, A SUPPORTER OF FEDERAL CASH AID TO BAIL OUT THE CITY, COMMITTEE MEMBERS WILL USE THE NAMES OF THE 616 BANKS IN AN EFFORT TO CONVINCE THE CONGRESS THAT BANKS ALL OVER THE NATION WILL BE HURT BY A DEFAULT. THE NAMES OF THE 616 BANKS WILL NOT BE MADE PUBLIC.

#### SENATORS CALL FOR STRATEGIC ARMS REDUCTION

WASHINGTON, D.C. OCT. 11 (IPS)--SIX U.S. SENATORS INTRODUCED A RESOLUTION TWO DAYS AGO CALLING ON CONGRESS TO HELP EFFECT A REDUCTION OF U.S. AND SOVIET STRATEGIC ARMS BY 20 PER CENT TO EXPEDITE THE NEXT STAGE OF THE SALT AGREEMENT. THE RESOLUTION, INTRODUCED BY SENATORS CRANSTON, MATHIAS, BROCK, HUMPHREY, MCGOVERN AND MCGEE, ALSO CALLS FOR A NEGOTIATED BAN ON UNDERGROUND NUCLEAR EXPLOSIONS, IPS WAS TOLD.

OBSERVERS SAY THAT SUCH AN ATTEMPT BY CONGRESS TO ASSERT CONTROL OVER ON-GOING TREATY NEGOTIATIONS IS "UNPRECEDENTED."

\*DELLUMS CHARGES FBI HAS WIRETAP ON DISTRICT OFFICE\*  
PIKE COMMITTEE IS TOLD FBI  
ASSISTS MASSIVE DOMESTIC WIRETAPPING

WASHINGTON, OCT. 10 (IPS)--REP. RON DELLUMS, CALIFORNIA DEMOCRAT, TOLD HEARINGS OF THE HOUSE INTELLIGENCE COMMITTEE YESTERDAY THAT HE

IPS/10.11.1400/6

HAD DISCOVERED AN ILLEGAL WIRETAP ON HIS DISTRICT OFFICE TELEPHONE IN 1972, AND CHARGED THE FBI WITH ILLEGAL SURVEILLANCE OF HIS OFFICE. DELLUMS MADE THE CHARGE AS THE CTTEE, OF WHICH HE IS A MEMBER, HEADED BY REP. OTIS PIKE (D-NY), BEGAN A SERIES OF HEARINGS ON U.S. INTELLIGENCE AGENCIES' DOMESTIC SPYING. BOTH DELLUMS AND A FORMER HOUSTON POLICE OFFICER, ANTHONY V. ZAVALA, TOLD THE COMMITTEE HEARING THAT THE FBI, FEDERAL DRUG ENFORCEMENT AGENCIES, AND THE AMERICAN TELEPHONE & TELEGRAPH CO. REGULARLY CONSPIRE TO PLACE ILLEGAL WIRETAPS.

END OF EARLY EVENING IPS FOR OCTOBER 11, 1975





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## NEW YORK FINANCIER FIELDS PLAN TO RESTRUCTURE NEW YORK DEBT AFTER DEFAULT

NEW YORK, OCT. 11 (IPS) — RYLAND CHASE, THE HEAD OF A LARGE NEW YORK CITY BOND TRADING FIRM, TOLD IPS THIS WEEK THAT THE MOST LIKELY AND RATIONAL GAMEPLAN TO DEAL WITH NEW YORK CITY'S FINANCIAL CRISIS IS TO FORCE NEW YORK CITY INTO DEFAULT, AND THEN USE THIS CRISIS AS A LEVER TO NEGOTIATE A RESTRUCTURING OF THE NEW YORK CITY DEBT FROM SHORT-TERM TO LONG-TERM (20 TO 30-YEAR) SINKING FUND DEBENTURES.

CHASE SAID THAT A COMBINATION OF STATE AND FEDERAL RECEIVERSHIP OVER THE CITY WOULD BE NECESSARY IN ORDER TO FORCE A LEVEL OF SERVICE AND EMPLOYMENT CUTBACKS WHICH WOULD OTHERWISE NOT BE POSSIBLE. IF THE UNIONS RESIST, HE STATED, THEN SIMPLY CALL IN THE NATIONAL GUARD.

TO CONTAIN THE EFFECTS OF THE "TEMPORARY DEFAULT," HE RECOMMENDED THE FOLLOWING REMEDIES: FIRST, IN LINE WITH THE POSITION TAKEN RECENTLY BY FEDERAL RESERVE CHAIRMAN ARTHUR BURNS, PERMIT THE BANKS TO CARRY THE DEFAULTED NOTES ON THEIR BOOKS AS CASH-ACCRUING ASSETS, AND, IF ANY CASH FLOW PROBLEMS OCCUR, HAVE THE FED BUY UP THE NEW YORK CITY NOTES AT PAR UNTIL THE DEBT RESTRUCTURING PROCESS IS CONCLUDED. SECOND, HAVE THE FEDERAL GOVERNMENT PROVIDE A FORM OF ASSISTANCE -- EITHER AID OR LOANS -- TO NEW YORK STATE TO FORESTALL A DEFAULT ON ITS OWN NOTES.

THESE MOVES, CHASE INDICATED, WOULD PROBABLY TAKE SEVERAL MONTHS. CHASE'S SCENARIO CLOSELY PARALLELS A GAMEPLAN OUTLINED BY A FINANCIAL COMMUNITY SOURCE CLOSE TO BIG MAC LEADER FELIX ROHATYN.

## RUMSFELD HITS ROCKEFELLER WHITEWASH OF DEA

OCT. 11 (IPS) — WHITE HOUSE CHIEF OF STAFF DONALD RUMSFELD DELAYED THE RELEASE OF A DOMESTIC COUNCIL REPORT ON THE OPERATIONS OF THE DRUG ENFORCEMENT ADMINISTRATION (DEA). THE NEW YORK POST REPORTS THAT SEVERAL GOVERNMENT OFFICIALS HAVE TERMED THE REPORT, DONE UNDER THE AUSPICES OF THE DOMESTIC COUNCIL'S DE FACTO HEAD, VICE PRESIDENT NELSON ROCKEFELLER, A COMPLETE "WHITEWASH."

RUMSFELD, AN OUTSPOKEN CRITIC OF THE VICE PRESIDENT AND MOOTED IN THE PRESS AS A POSSIBLE SUCCESSOR TO ROCKEFELLER ON THE 1976 REPUB-

(MORE)

## 10.11 PRIORITIES/2

LICAN TICKET, HAS BEEN CRITICAL OF THE DEA ACTIVITIES. AS AN ILLINOIS CONGRESSMAN IN 1968, RUMSFELD WAS ONE OF A GROUP OF HOUSE REPUBLICANS WHO DECLARED, "WE DO BELIEVE THAT (THE) JUSTICE (DEPARTMENT) IS THE PLACE TO LOCATE THESE (NARCOTICS) BUREAUS." ROCKEFELLER IS REPORTED TO HOLD A DIRECTLY CONTRARY VIEW WHICH WAS SUPPORTED BY HIS DOMESTIC COUNCIL.

THIS WHITE HOUSE FLAP IS THE FIRST MAJOR INDICATION OF HIGH-LEVEL OPPOSITION WITHIN THE ADMINISTRATION TO ROCKEFELLER, THE SECRETARY OF STATE HENRY KISSINGER, AND ATTORNEY GENERAL LEVI'S CONTROL AND PUSHING OF DRUGS.

THE DEA HAS COME UNDER FIRE FOR CORRUPTION AND A REFUSAL TO LOCK UP DRUG PUSHERS. MARTIN POWERS, AN OFFICIAL UNDER MAYOR DALEY IN CHICAGO, HAS CHARACTERIZED THE DEA AS THE BIGGEST PROBLEM IN STOPPING THE FLOW OF DRUGS SINCE THE DEA ALERTS DRUG RUNNERS TO IMPENDING ARRESTS BY HONEST LAW ENFORCEMENT OFFICIALS.

### ANTUNES MEETS WITH U.S. NATIONAL SECURITY COUNCIL TO PLAN PORTUGUESE BLOODBATH

OCT. 11 (IPS) — PORTUGUESE FOREIGN MINISTER MAJ. ERNESTO DE MELO ANTUNES MET YESTERDAY IN WASHINGTON, D.C. WITH TOP OFFICIALS OF THE NATIONAL SECURITY COUNCIL (NSC) TO PLAN A NATO BLOODBATH AGAINST THE COMMUNIST PARTY (PCP)-LED PORTUGUESE WORKING CLASS. ANTUNES MET SIMULTANEOUSLY WITH U.S. PRESIDENT FORD, NOMINAL HEAD OF THE NSC, SECRETARY OF STATE HENRY KISSINGER, ASSISTANT TO THE PRESIDENT FOR NATIONAL SECURITY AFFAIRS AND ACTUAL COORDINATOR OF THE NSC FOR THE ROCKEFELLER FAMILY; AND BRIG. GEN. BRENT SCOWCROFT, THE OFFICIAL WHO MANAGES THE DAY-TO-DAY ACTIVITIES OF THE NSC FOR KISSINGER. THE MAIN ITEM DISCUSSED WAS THE PROBLEM OF BREAKING THE RESISTANCE OF THE PCP-ALLIED "SOLDIERS UNITED TO WIN" MOVEMENT.

THE ACTUAL NATURE OF THE MEETING WAS UNDERLINED BY DAVID BINDER'S COVERAGE IN TODAY'S NEW YORK TIMES. BINDER DELIBERATELY OMITTED FROM HIS ARTICLE THE FACT THAT SCOWCROFT HAD BEEN PRESENT, IN AN ATTEMPT TO CONCEAL THE FACT THAT ANTUNES MET WITH THE NSC. PRESS CALLERS SEEKING INFORMATION FROM THE PORTUGUESE EMBASSY IN WASHINGTON, THE U.S. STATE DEPARTMENT, AND EVEN THE PRESIDENT'S PRESS BUREAU WERE ALL PEREMPTORILY REFERRED WITHOUT COMMENT TO THE KISSINGER-ROCKEFELLER NSC.

### ASSAD SUMMONED TO MOSCOW IN LEBANON CRISIS

OCT. 11 (IPS) — SYRIAN PRESIDENT AND CIA COLLABORATOR HAFEZ ASSAD WAS SUDDENLY AND UNEXPECTEDLY SUMMONED TO MOSCOW YESTERDAY, WHERE HE ARRIVED AT THE HEAD OF A HIGH-LEVEL SYRIAN DELEGATION. THE SYRIANS MET WITH SOVIET PARTY CHAIRMAN BREZHNEV, DEFENSE MINISTER GRECHKO, FOREIGN MINISTER GROMYKO, AND PRESIDENT PODGORNYY, ACCORDING TO NEUES DEUTSCHLAND, NEWSPAPER OF THE EAST GERMAN COMMUNIST PARTY.

ASSAD'S VISIT TO MOSCOW FOLLOWS A RENEWED EXPLOSION OF CIVIL WAR IN LEBANON, AND THE REPORTED MOVEMENT OF SYRIAN TROOPS TOWARD POSITIONS NEAR THE LEBANESE BORDER. IT IS BELIEVED THAT THE SOVIET LEADERS

(MORE)

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WARNED ASSAD NOT TO INTERVENE IN LEBANON, A MOVE WHICH COULD TRIGGER A FULL-SCALE MIDDLE EAST WAR. SUCH AN INTERVENTION BY SYRIAN TROOPS IS A LIKELY PRELUDE TO THE DISMEMBERMENT OF LEBANON, ORDERED BY U.S. SECRETARY OF STATE HENRY KISSINGER TO BREAK LEBANESE RESISTANCE TO HIS SINAI PACT.

### FIAT CREATES EMBROGLIO OVER CO-PARTICIPATION; SEEKS HEAD OFF WAGE DISPUTE

OCT. 11 (IPS) — FIAT, THE GIANT ITALIAN AUTOMAKER, BROKE OFF NEGOTIATIONS WITH THE ITALIAN METALWORKERS UNION (FLM) YESTERDAY, ON THE PRETEXT THAT FIAT MANAGEMENT CANNOT ACCEPT UNION CO-PARTICIPATION IN DECISIONS ON LABOR MOBILITY, INVESTMENTS, AND OTHER AREAS OF RESPONSIBILITY. ALONG WITH THE ABRUPT FIAT MOVE, L'ESPRESSO, THE LEADING NEWSPAPER OF FIAT BOSS GIANNI AGNELLI, HAS DECLARED THAT INDUSTRIALISTS DO NOT FEAR WAGE INCREASES, BUT "ARE DEMANDING INSTEAD TO REGAIN THEIR 'POWER' AT THE PLANT LEVEL."

THESE MOVES COME AS THE CIA AGENT LEADERS OF ITALY'S MAJOR UNIONS, INCLUDING THE FLM, HAVE VOICED FEAR THAT THEY CANNOT CONTAIN ITALIAN WORKERS' DEMANDS FOR WAGE INCREASES. THE UNION LEADERS HAVE SO FAR THIS FALL REFUSED TO ASK FOR ANY WAGE INCREASES.

OBSERVERS REGARD THE FIAT MOVE AND THE AGNELLI PRESS CAMPAIGN AS SOLELY DESIGNED TO GIVE CREDIBILITY TO THE UNION AGENTS' INSISTENCE THAT THEY WILL ONLY DEMAND MORE "CO-PARTICIPATION," AND TO HELP SIDETRACK WORKERS' DEMANDS FOR RAISES. THEY NOTE THAT UNTIL RECENTLY, FIAT, LED BY ROCKEFELLER ALLY AGNELLI, HAD BEEN CALLING FOR MORE WORKER CO-PARTICIPATION IN MANAGEMENT DECISIONS.

### GOTBAUM HOLDS BRAINWASH SESSION TO PREPARE UNION LEADERS FOR LAYOFFS

NEW YORK, OCT. 11 (IPS) — THE SECONDARY LEADERSHIP OF NEW YORK CITY'S AFSCME DISTRICT COUNCIL 37 WAS SENT TO A CRASH "LEADERSHIP" CONFERENCE AT A SECLUDED TAMMIMENT, PA. RETREAT OCT. 5-10, IPS HAS LEARNED. THE SESSION WAS ORDERED BY AFSCME LEADER AND CIA AGENT VICTOR GOTBAUM, AMID FEVERISH PLANS FOR NEW MASSIVE LAYOFFS AND BUDGET CUTBACKS BY THE BANKING COMMUNITY.

THE BRAINWASHING SESSION FEATURED A "SESSION OF THE ECONOMY" LED BY GOTBAUM, NEW YORK CITY BUREAU OF LABOR STATISTICS HEAD HERBERT BIENSTOCK, AND MICHAEL HARRINGTON, HEAD OF THE FASCIST, CIA-LINKED DEMOCRATIC SOCIALIST ORGANIZING COMMITTEE. DC 37 LEADERS WERE ALSO TOLD HOW THEY SHOULD "UNDERSTAND THE CITY BUDGET," THE CETA SLAVE LABOR PROGRAM, AND "HOW TO RUN A UNION MEETING."

### SOUTHERN JUDGE RULES WORKERS MUST ACCEPT POTHEAD AS THEIR CANDIDATE

CHARLOTTE, N.C., OCT. 11 (IPS) -- JUDGE FRANK SNEPP TODAY UPHELD A BOARD OF ELECTIONS DECISION CERTIFYING CREEP (COMMITTEE TO RE-ELECT THE PRESIDENT) MARK ENGLANDER AS THE U.S. LABOR PARTY CANDIDATE FOR MAYOR OF CHARLOTTE IN NOVEMBER. ENGLANDER, POTHEAD LEADER OF THE "RED HORNET" DRUG CULT, "DEFEATED" U.S. LABOR PARTY MAYORAL CANDIDATE STAN EZROL IN A FRAUDULENT "PRIMARY" ELECTION LAST MONTH.

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RED HORNET ENGLANDER APPEARED IN COURT DECKED OUT WITH NECK-LACES AND BRACELETS AND TESTIFIED INCOHERENTLY THAT HE WAS A USLP MEMBER IN "GOOD FAITH." IN THE PAST, ENGLANDER HAS MADE PUBLIC PRONOUNCEMENTS THAT HE SEEKS TO "SMASH THE LABOR PARTY."

JUDGE SNEPP ACCEPTED ENGLANDER'S TESTIMONY AT FACE VALUE AND RULED THAT HE COULD REMAIN ON THE BALLOT AS THE LABOR PARTY CANDIDATE.

THE PREVIOUS DAY, BOARD OF ELECTIONS EXECUTIVE SECRETARY BILL CULP, WHO IS SAID BY LOCALS TO BE A CLOSE ASSOCIATE OF ENGLANDER'S DRUG CULT, EVADED QUESTIONS FROM A REPORTER WHO WAS ATTEMPTING TO ASCERTAIN WHETHER ENGLANDER WAS A BOARD OF ELECTIONS EMPLOYEE.

END OF LATE PRIORITIES, 10/11/75.



# NEW SOLIDARITY International Press Service

Daily News and Press Summaries

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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE (IPS)  
LATE EVENING WORLD PRESS ROUND-UP  
OCTOBER 11, 1975 2300 HOURS EDT.  
NON-PRIORITIES

## I. INTERNATIONAL NEWS

### HISTORIC SUV DEMO IN COIMBRA

OCT. 11 (IPS) -- THE DEMONSTRATION OF THE PORTUGUESE COMMUNIST PARTY-BACKED "SOLDIERS UNITED TO WIN" (SUV) MOVEMENT IN COIMBRA, OCT. 9, WAS "THE LARGEST DEMONSTRATION IN THE HISTORY OF THIS OLD UNIVERSITY TOWN," WRITES YESTERDAY'S LEADING EAST GERMAN NEWSPAPER, NEUES DEUTSCHLAND. TEN THOUSAND WORKERS AND SOLDIERS MARCHED SIDE BY SIDE, WITH NUMEROUS WINGS OF THE MILITARY TAKING PART, AND WITH SOLDIER DELEGATIONS COMING FROM AS FAR AWAY AS LISBON AND PORTO.

COIMBRA IS THE HEADQUARTERS CITY OF PORTUGAL'S CENTRAL MILITARY REGION, WHOSE COMMANDER, GEN. CHARAIS, IS A LEADING SUPPORTER OF PORTUGUESE FOREIGN MINISTER MAJOR MELO ANTUNES. ANTUNES, WHO WAS MEETING WITH THE U.S. NATIONAL SECURITY COUNCIL YESTERDAY, WAS A KEY FIGURE IN THE TOPPLING OF THE PRO-REVOLUTIONARY GOVERNMENT OF GEN. VASCO GONCALVES.

IN REPORTING IN THE COIMBRA SUV DEMONSTRATION, EAST GERMAN RADIO YESTERDAY EMPHASIZED: "THE REVOLUTIONARY MOVEMENT IS NOW GOING ON-TO THE OFFENSIVE, LEAVING ITS RECENT DEFENSIVE CHARACTER BEHIND."

### PSP MERGING WITH SPINOLA

OCT. 11 (IPS) -- EXILED PORTUGUESE GENERAL ANTONIO DE SPINOLA'S FASCIST "DEMOCRATIC MOVEMENT FOR THE LIBERATION OF PORTUGAL" (MDLP) HAS MEMBERS OF MARIO SOARE'S'S CIA-SUBSIDIZED PORTUGUESE SOCIALIST PARTY (PSP) IN IT, SPINOLA TOLD TO THE RIO DE JANEIRO CORRESPONDENT OF THE PARIS DAILY LE MONDE. SPINOLA'S STATEMENT APPEARS IN YESTERDAY'S LE MONDE.

### ISRAEL'S WARNING: WILL NOT "STAND IDLY BY" IF ARAB COUNTRIES INTERVENE IN LEBANON

OCT. 11 (IPS) -- BEFORE ANY ARAB LEADERS DECIDE TO "EMBARK ON ANY ADVENTURES INTO LEBANON TO SATISFY THEIR SPECIAL POLITICAL OR STRATEGIC PURPOSES," THE OCT. 9 JERUSALEM POST INSISTS, "THEY WOULD BE WELL-ADVISED TO HEED ISRAEL'S WARNING THAT IT WOULD NOT STAND IDLY BY SHOULD THE POLITICAL AND MILITARY STATUS QUO IN LEBANON BE CHANGED."

(MORE)

## 10.11 LATE NON-PRIORITIES/2

THE POST, IN AN EDITORIAL TITLED, "EYES ON LEBANON," STRONGLY IMPLIES THAT THREATENED SYRIAN INTERVENTION INTO LEBANON HAS BEEN SET-UP BY PRIOR EGYPTIAN-SYRIAN ARRANGEMENT. NOTING FREQUENT EGYPTIAN CALLS FOR AN "ARAB SUMMIT INITIATIVE" TO INTERVENE IN LEBANON, THE POST NOTES THAT: "(SYRIAN) PRESIDENT (HAFFEZ) ASSAD'S REGIME WOULD OBVIOUSLY STAND MOST FROM SUCH A DECISION." "DAMASCUS HAS FOR SOME TIME BEEN CONTEMPLATING THE TAKE-OVER OF LEBANON'S MOSLEM AREAS AND WOULD EAGERLY SEIZE ON THE OPPORTUNITY FOR DOING SO UNDER COVER OF AN ARAB SUMMIT INITIATIVE," THE POST WRITES. ASSAD'S REGIME GENERALLY SERVES THE INTERESTS OF THE U.S. STATE DEPARTMENT.

"IT IS HARDLY LIKELY," THE POST CONTINUES, THAT EGYPTIAN PRESIDENT SADAT "WILL HAVE OVERLOOKED SUCH A CONTINGENCY:" SADAT WOULD PREFER SYRIAN CONTROL OF LEBANON OVER THAT OF THE PALESTINIANS AND "MAY EVEN REGARD THE SACRIFICE OF LEBANON TO ASSAD'S REGIME AS REASONABLE PRICE" FOR WINNING SYRIA OVER TO U.S. SECRETARY OF STATE HENRY KISSINGER'S SHUTTLE DIPLOMACY, THE POST CONCLUDES.

THE POST, OF COURSE, OMITTS MENTION OF ISRAELI PARTICIPATION IN ANY SUCH PRIOR ARRANGEMENTS OVER LEBANON AS THE IRAQIS, U.S. LABOR PARTY, AND OTHERS HAVE CHARGED.

### CP LEADERS SET NEW MEETING

OCT. 11 (IPS) -- EUROPEAN COMMUNIST PARTY LEADERS DECIDED AT THEIR JUST-CONCLUDED EAST BERLIN MEETING TO RECONVENE FOR ANOTHER MEETING IN NOVEMBER TO WORK OUT A FINAL DISCUSSION DOCUMENT FOR THE CONFERENCE OF EUROPEAN CP'S PLANNED FOR LATER THIS YEAR, ACCORDING TO TODAY'S NEUES DEUTSCHLAND, THE EAST GERMAN PAPER.

PCF LEADER ATTACKS FORD/GISCARD CONFERENCE: CALLS FOR INCREASING COOPERATION WITH SOCIALIST AND UNDERDEVELOPED COUNTRIES

OCT. 11 (IPS) -- J.P. GAUDARD, LEADING ECONOMIST FOR THE FRENCH COMMUNIST PARTY'S NEWSPAPER L'HUMANITE, TODAY ATTACKED THE NOVEMBER CONFERENCE ON INTERNATIONAL ECONOMIC AFFAIRS ANNOUNCED YESTERDAY BY U.S. AND FRENCH PRESIDENTS FORD AND GISCARD D'ESTAING, CALLING IT YET ANOTHER "GREAT MANEUVER" OF IMPERIALISM IN RETREAT.

GAUDARD REFERENCED PREVIOUS ATTEMPTS BY THE U.S.-LED ADVANCED SECTOR COUNTRIES TO BREAK UP THE OIL CARTEL, OPEC, AND FOMENT INTERNECINE WARFARE BETWEEN THE OIL-PRODUCING AND UNDERDEVELOPED COUNTRIES AROUND THE ENERGY ISSUE. THESE ATTEMPTS HAD FAILED JUST AS MUCH AS THE WIDELY-TOUTED RECOVERY OF THE AMERICAN ECONOMY, GAUDARD

POINTS

GAUDARD CALLS FOR THE IMMEDIATE IMPLEMENTATION OF THE PCF'S TRANSITIONAL PROGRAM, EXPLICITLY STATING THAT THIS WOULD LAY THE PRECONDITIONS FOR GREATER COOPERATION BETWEEN FRANCE, THE SOCIALIST COUNTRIES, AND THE UNDERDEVELOPED COUNTRIES "TO CONSTRUCT A NEW WORLD ECONOMIC ORDER." THE PCF PROGRAM CALLS FOR THE NATIONALIZATION OF CERTAIN KEY INDUSTRIAL SECTORS, PRIMARILY THOSE CONTROLLED BY ROCKEFELLER ALLIED INTERESTS.

### LONDON TIMES PUSHES DEVELOPMENT WITH LATIN AMERICA

OCT. 11 (IPS) -- IN KEEPING WITH EFFORTS WITHIN CERTAIN FACTIONS

(MORE)

## 10.11 LATE NON-PRIORITIES/3

IN BRITAIN TO PROMOTE INCREASING TRADE AND PRODUCTION WITH THE THIRD WORLD, THE LONDON FINANCIAL TIMES YESTERDAY HIGHLIGHTED ATTEMPTS BY THE BRITISH GOVERNMENT TO REKINDLE TRADITIONAL TRADING TIES WITH LATIN AMERICA. THE TIMES NOTED THAT LATIN AMERICA IS "ANXIOUS TO ESCAPE FROM EXCESSIVE DEPENDENCE ON THE U.S."

PRAISING "THE INTELLECTUAL CONTRIBUTION WHICH LATIN AMERICANS HAVE MADE TO THINKING ABOUT DEVELOPMENT," THE FINANCIAL TIMES QUOTES EDWARD ROWLANDS, PARLIAMENTARY UNDERSECRETARY AT THE FOREIGN AND COMMONWEALTH OFFICE WHO IS MEETING WITH REPRESENTATIVES FROM BRAZIL AND VENEZUELA THIS WEEK. "WE NEED TO LOOK FOR NEW TRADING LINKS AND FREER INTERNATIONAL POLICIES," SAID ROWLAND. "EQUALLY, LATIN AMERICA IS FREEING ITSELF FROM ITS FORMER CLOSE NORTH-SOUTH RELATIONSHIP WITH THE U.S."

### BRITISH LIVING STANDARDS REGISTER BIGGEST DROP IN TWENTY YEARS

OCT. 11 (IPS) — LIVING STANDARDS OF THE BRITISH WORKING CLASS HAVE REGISTERED THE MOST SEVERE DROP IN TWENTY YEARS, ACCORDING TO GOVERNMENT FIGURES PUBLISHED IN YESTERDAY'S LONDON TIMES. NOTING THAT THE DROP IN REAL PERSONAL DISPOSABLE INCOME — DOWN 12% ON YEARLY BASIS IN THE LAST QUARTER — "MAY LEAD TO A HARDENING IN TRADE UNION ATTITUDES TO THE GOVERNMENT'S PAY POLICY," THE TIMES CONCLUDES: "THERE CAN NOW BE NO DOUBT THAT THE SEVERITY OF PRESENT ECONOMIC RECESSION WILL BE FAR GREATER THAN ANYTHING IN THE PAST 35 YEARS."

## II. CONTINENTAL NEWS

### CIA-AUTHORED DIARY CLAIMS HEARST WASN'T BRAINWASHED

OCT. 11 (IPS) — COPIES OF AN ALLEGED DIARY OF CAPTURED SYMBIONESE LIBERATION ARMY (SLA) MEMBERS EMILY AND BILL HARRIS WERE RELEASED TO THE PRESS YESTERDAY IN A TRANSPARENT EFFORT TO DISCREDIT CLAIMS THAT PATRICIA HEARST WAS BRAINWASHED OR COERCED INTO JOINING THE SLA.

EXCERPTS OF THE MANUSCRIPTS PUBLISHED IN TODAY'S CHICAGO TRIBUNE AND ELSEWHERE CLAIM THAT MISS HEARST WAS "A STRONG KIDNAP VICTIM" AND "AN INSPIRATION TO OTHER SLA MEMBERS." "THERE ARE MANY PEOPLE WHO STILL CANNOT COMPREHEND TANIA'S SWIFT EVOLUTION FROM SHELTERED BOURGEOIS TO FREEDOM FIGHTER," THE DIARY STATES. "WE WISH TO END ALL METAPHYSICAL SPECULATION ABOUT BRAINWASHING AND SEXUAL INVOLVEMENT...THIS IS NOT THE CASE."

THE MANUSCRIPTS WERE ALLEGEDLY UNCOVERED TWO WEEKS AGO DURING AN FBI SEARCH OF THE HARRIS'S APARTMENT. AT THAT TIME, U.S. LABOR PARTY SPOKESMEN HAD WARNED THAT THE DIARY WAS SIMILAR IN STYLE TO THE CIA-AUTHORED PENTAGON PAPERS WRITTEN BY THE HARRISES OR OTHER GOVERNMENT AGENTS AIMED AT FRAMING MISS HEARST AS A "WITTING" SLA MEMBER.

AN AFFIDAVIT SUBMITTED ON MISS HEARST'S BEHALF CLAIMED THAT SHE HAD BEEN BRAINWASHED DURING THE PERIOD OF TIME SHE WAS HELD

(MORE)

## 10.11 LATE NON-PRIORITIES/4

CAPTIVE BY THE SLA. HEARST'S DEFENSE TEAM, HEADED BY F. LEE BAILEY, IS NOW REPORTED TO BE SEEKING WAYS TO WITHDRAW THAT AFFIDAVIT AND MAKE A DEAL WITH FEDERAL PROSECUTORS. INFORMED OBSERVERS INDICATE THAT THE TIMING OF THE RELEASE OF THE "MANUSCRIPTS" WAS INTENDED TO ENCOURAGE THIS EFFORT.

### CO-OP CITY TENANTS BLOCK HFA BAIL-OUT

OCT. 11 (IPS) -- THREE MEMBERS OF THE NEW YORK CITY BOARD OF ESTIMATE YESTERDAY BLOCKED THE COMPLICATED STATE PLAN TO SAVE THE STATE'S HOUSING FINANCE AGENCY FROM DEFAULT NEXT WEDNESDAY. RESPONDING TO THE OPPOSITION TO THE PLAN FROM STRIKING TENANTS OF THE MAMMOTH CO-OP CITY HOUSING PROJECT, BRONX BOROUGH PRESIDENT ROBERT ABRAMS, MANHATTAN BOROUGH PRESIDENT PERCY SUTTON, AND CITY COUNCIL PRESIDENT PAUL O'DWYER VETOED THE BAILOUT PLAN, WHICH INVOLVES A TRANSFER OF \$20 MILLION FROM THE STATE TO THE CITY TO RIVERBAY (TENANTS') CORPORATION TO THE HFA.

THE NEW YORK TIMES COMMENTED THAT THE DEVELOPMENT WAS A SHOW OF POLITICAL POWER BY "TWO GROUPS OF PEOPLE WHO HAVE BEEN NOTABLY LACKING IN LEVERAGE IN RECENT MONTHS -- THE ELECTED OFFICIALS OF A CITY THAT IS NOW ESSENTIALLY REDUCED TO THE FINANCIAL WARD OF THE STATE, AND PROTESTING TENANTS WHO FEEL THEY HAVE BEEN UNABLE TO GET A HEARING."

### ROCKY SNEAKS ENERGY BOONDOGGLE INTO CONGRESS AS RECESS BEGINS

OCT. 11 (IPS) -- ON THE FIRST DAY OF THE CONGRESSIONAL COLUMBUS DAY RECESS YESTERDAY, PRESIDENT FORD SUBMITTED VICE PRESIDENT NELSON ROCKEFELLER'S \$100 BILLION ENERGY DEVELOPMENT PROPOSAL, THE ENERGY INDEPENDENCE AUTHORITY, TO CAPITOL HILL. THE AUTHORITY, DESIGNED TO UNDERWRITE PRIVATE OIL SECTOR PROJECTS WITH FEDERAL MONEY AND GUARANTEES, FACES STIFF OPPOSITION ON THE HILL. WHILE FEDERAL ENERGY ADMINISTRATOR FRANK ZARB SAID YESTERDAY THE WHITE HOUSE HOPES FOR CONGRESSIONAL APPROVAL BY EARLY NEXT YEAR, CONGRESSIONAL AIDES WHO SPECIALIZE IN ENERGY LEGISLATION SAID THE PROGRAM AS IT STANDS HAS VIRTUALLY NO CHANCE OF BEING ENACTED, ACCORDING TO TODAY'S BALTIMORE SUN. ALL OF FORD'S SENIOR ECONOMICS ADVISERS AND ALL POLITICAL COMMENTATORS HAVE DESCRIBED THE PROPOSAL AS "ABSURD." ONLY FORD, ROCKEFELLER, AND THE OIL COMPANIES SUPPORT IT.

### IPS ANALYSIS: REVOLUTIONARY FORCES IN PORTUGAL MUST EXPAND THEIR OFFENSIVE

OCT. 11 (IPS) -- A PRELIMINARY ASSESSMENT OF THE PORTUGUESE MILITARY AND POLITICAL SITUATION PREPARED BY THE EXECUTIVE OF THE INTERNATIONAL CAUCUS OF LABOR COMMITTEES LAST NIGHT STATED THAT WHILE THE PORTUGUESE COMMUNIST PARTY AND ITS ALLIED FORCES APPEAR TO HAVE THE UPPER HAND FOR THE MOMENT, THERE IS A CLEAR DANGER THAT PORTUGAL'S NATO-ALLIED FASCIST FORCES WILL ATTEMPT TO CONFINE PRO-REVOLUTIONARY TROOPS TO FIXED "MAGINOT LINE" POSITIONS. IF THEY SUCCEED IN THIS, THE FASCISTS WILL REGROUP THEIR FORCES FOR A PRE-EMPTIVE "PEARL HARBOR" STYLE STRIKE ON THE POSITIONS HELD BY REVOLUTIONARY FORCES.

(MORE)



10.11 LATE NON-PRIORITIES/5

THE ICLC ESTIMATE, PREPARED ON THE BASIS OF PRELIMINARY REPORTS ON THE PCP'S COUNTEROFFENSIVE, CALLED ON THE REVOLUTIONARY FORCES TO MOVE OUT, IN FLEXIBLE DEPLOYMENTS, SUPPORTED BY AUXILIARY BATTALIONS OF ARMED WORKERS. THE NATO-INFLUENCED AZEVEDO GOVERNMENT IS ALREADY RESPONSIBLE FOR FASCIST VIOLENCE BY THE PPD AND OTHER RIGHT-WINGERS, THE ICLC CONCLUDED, AND ANY DELAY IN LAUNCHING A COUNTER-OFFENSIVE WILL RESULT IN NEEDLESS CASUALTIES AND THE POSSIBLE LOSS OF AN ADVANTAGEOUS STRATEGIC POSITION.

END OF LATE IPS, NON-PRIORITIES, 10/11/75.



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IPS COMBINED PRIORITIES  
OCTOBER 12, 1975 2100 EDT

## TASS SUGGESTS DEBT MORATORIUM FOR NEW YORK CITY

OCT. 12 (IPS) -- THE OFFICIAL SOVIET NEWS AGENCY, TASS, HAS SUGGESTED THAT NEW YORK DECLARE A DEBT MORATORIUM AS THE SOLUTION TO ITS PRESENT FINANCIAL CRISIS, ACCORDING TO A U.P.I. DISPATCH ISSUED YESTERDAY.

POINTING OUT THAT NEW YORK CITY FACED "A FINANCIAL DISASTER" THAT "REFLECTS A DEEP SOCIAL AND ECONOMIC PROBLEM IN ALL AMERICAN CITIES," TASS SUGGESTED THAT "NEW YORK CAN STILL DIVERT A DEFAULT BY DECLARING A MORATORIUM ON OUTSTANDING LOAN PAYMENTS." TASS THEN NOTES THE IMPEDIMENT TO SUCH A SOLUTION BY ASKING THE QUESTION, "BUT WHO CAN DARE ENCROACH ON THE OMNIPOTENT FINANCIERS?"

## VENEZUELAN NEWSPAPER IMPLIES ROCKEFELLER BEHIND FORD ASSASSINATION ATTEMPTS

OCT. 12 (IPS) -- A COLUMN IN YESTERDAY'S CARACAS DAILY EL NACIONAL NAMES VICE PRESIDENT NELSON ROCKEFELLER AS THE "REAL FIRST IN CHARGE" OF THE U.S. GOVERNMENT, ADDING THAT "THERE IS NO DOUBT THAT THE PRESIDENT (FORD) IS BEING VICTIMIZED AT PRESENT BY A CONSPIRACY... IN WHICH ELEMENTS OF THE FORMIDABLE SECURITY SYSTEM THAT SURROUNDS THE CHIEF OF STATE SURELY MUST BE PARTICIPATING."

THE COLUMN SAYS "INGENUINE TERRORISTS WHO BELIEVE MR. FORD REPRESENTS THE REAL POWER IN THE UNITED STATES" ARE USED IN THE ASSASSINATION ATTEMPTS, POSSIBLY BY A "MEDIocre" PRESIDENTIAL CANDIDATE.

## ROCKEFELLER CALLS FOR SWIFT CONGRESSIONAL ACTION TO AID NEW YORK CITY

NEW YORK, OCT. 12 (IPS) -- AT A COLUMBUS DAY DINNER HERE LAST NIGHT VICE PRESIDENT NELSON ROCKEFELLER CALLED ON CONGRESS TO TAKE SWIFT ACTION TO AID NEW YORK CITY ONCE MAYOR BEAME AND THE NEW EMERGENCY FINANCIAL CONTROL BOARD ENACT A PLAN FOR ELIMINATING THE CITY BUDGET DEFICIT BY 1978.

"IT WILL BE A TRUE TEST OF THE RESPONSIVENESS OF OUR CONGRESSIONAL SYSTEM AS TO WHETHER THE CONGRESS CAN ACT IN TIME TO AVOID CATASTROPHE," ROCKEFELLER SAID.

AT A PRESS CONFERENCE OCT. 9 PRESIDENT GERALD FORD COMMENTED THAT HE SAW NO NECESSITY FOR THE FEDERAL GOVERNMENT TO GET INVOLVED IN THE CITY'S FINANCIAL PROBLEMS AND HE COULD NOT SEE ANY JUSTIFICATION

(MORE)

IPS COMBINED/10.12/2

FOR CONGRESSIONAL ACTION NOW, ALTHOUGH HE AVOIDED SAYING THAT HE WOULD VETO ANY BILL THAT CONGRESS MIGHT PASS. UNTIL LAST NIGHT, ROCKEFELLER LIKE FORD, HAD VEHEMENTLY OPPOSED FEDERAL AID TO NEW YORK. APPARANTLY HIS BROTHER DAVID'S NEED FOR CASH TO PROP UP CHASE MANHATTAN AND SUBSIDIARY BANKS, PROMPTED ROCKEFELLER'S SUD-DEN SHIFT IN POLICY.

#### MEXICAN OFFICIAL CALLS FOR DEPOPULATING MEXICO CITY

MEXICO CITY, OCT. 12 (IPS) -- A HIGH OFFICIAL OF THE MEXICAN FEDERAL ELECTRICITY COMMISSION (CFE), MANUEL MORENO TORRES, HAS CALLED FOR THE DEPOPULATION OF MEXICO CITY BY "FORCING CITY DWELLERS TO SUFFER SO THAT THEY HAVE TO MOVE OUT TO THE PROVINCES." AMONG HIS PROPOSALS FOR REDUCING THE 8 MILLION IN "EXCESS" POPULATION OF THE CITY--MORENO DEMANDED "RAISE TAXES, RAISE THE COST OF LIVING... RATION WATER AND ELECTRICITY AND FORCE THEM TO SUFFER..."

IN THE CONTEXT OF RECENT DISCUSSIONS ON URBANIZATION, MORENO PRE-SENTED HIS "FINAL SOLUTION" TO THE PROBLEM OF "OVERPOPULATION" OF MEXICO CITY BY CALLING FOR "DECENTRALIZATION"--"WE HAVE TWO MILLION SQUARE KILOMETERS OF ABANDONED LAND IN THE COUNTRY. WE COULD LIVE THERE WITH OUR EFFORT, A REAL HUMAN EFFORT," STATED MORENO.

MORENO'S COMMENTS WERE CARRIED IN AN INTERVIEW TWO DAYS AGO IN EXCELSIOR, THE LEADING MEXICAN DAILY.

#### HENRY: CHINESE AND U.S. THINK ALIKE

OCT. 12 (IPS) -- SECRETARY OF STATE HENRY KISSINGER SAID TODAY THAT CURRENT U.S. POLICY TOWARDS THE PEOPLES REPUBLIC OF CHINA IS THE RESULT OF A "CONVERGENCE OF OUR PERCEPTIONS ABOUT THE PRESENT INTERNATIONAL POLITICAL SITUATION." THE SECRETARY OF STATE MADE HIS REMARKS ON THE NBC SHOW, MEET THE PRESS.

IN A RECENT SPEECH BEFORE THE UNITED NATIONS GENERAL ASSEMBLY, THE CHINESE FOREIGN MINISTER HAD STATED THAT CHINA THOUGHT IT LIKELY THAT THERE WOULD BE A THIRD WORLD WAR IN THE FORESEEABLE FUTURE RESULTING IN THE DESTRUCTION OF MOST OF THE WORLD BY NUCLEAR WEAPONS.

#### KKK DEPLOYED AGAINST LABOR PARTY

BALTIMORE, OCT. 12 (IPS) -- FIFTEEN PSYCHOTIC MEMBERS OF THE FBI-CONTROLLED KU KLUX KLAN WERE DEPLOYED YESTERDAY TO HARASS LABOR PARTY ORGANIZERS AT THE DUNDEE SHOPPING CENTER HERE. THE KKKERS WANDERED ABOUT THE SHOPPING CENTER TELLING PEOPLE NOT TO BUY COPIES OF THE LABOR PARTY'S NEWSPAPER NEW SOLIDARITY BECAUSE IT'S "COMMUNIST." IN ADDITION, THE KLAN MEMBERS CARRIED A SIGN TO INDICATE THEIR HAR-ASSMENT OF THE USLP WAS AN "ORGANIZATIONAL ACTIVITY."

THE ACTIVE MOBILIZATION OF AT LEAST SOME SECTORS OF THE KLAN TO HARASS THE LABOR PARTY FOLLOWS AFTER A SPLIT IN THE NATIONAL OR-GANIZATION THIS WEEK IN WHICH SEVERAL CHAPTERS WERE EXPELLED FOR DEMANDING "STRONGER POLITICAL ACTION." THE MARYLAND CHAPTER WAS

(MORE)

COMBINED IPS/10.12/3

AMONG SIX CHAPTERS EXPELLED.

IT IS WELL KNOWN THAT APPROXIMATELY 75 PER CENT OF ALL KLAN MEMBERS ARE FBI AGENTS AND INFORMERS.

LEFT DEFENDS CHRISTIAN VILLAGES IN LEBANON'S NORTH

OCT. 12 (IPS) -- LEFT-WING MILITIA HAVE BEGUN PATROLS TO DEFEND CHRISTIAN VILLAGES IN THE LEBANESE NORTH, IN THE VICINITY OF AKKAR, REPORTS THE OCT. 10 L'HUMANITE, NEWSPAPER OF THE FRENCH COMMUNIST PARTY. AKKAR WAS THE SCENE EARLIER THIS WEEK OF A PROVOCATION IN WHICH FOURTEEN PEOPLE, INCLUDING FIVE COMMUNISTS, WERE KILLED.

THE ACTION TAKEN BY THE PROGRESSIVE FORCES REVEALS THE TRUE NATURE OF THE LEBANESE FIGHTING, L'HUMANITE REPORTS, AS NOT A "SECTARIAN" CONFLICT BUT A CLASS BATTLE PITTING PRO-SOCIALIST FORCES AGAINST FEUDAL AND REACTIONARY ELEMENTS. ACCORDING TO MOST BOURGEOIS REPORTS, THE LEBANESE "LEFT" IS EXCLUSIVELY PRO-MOSLEM, WHILE THE RIGHT IS PORTRAYED AS BEING CHRISTIAN-ALIGENED.

METHADONE USED IN SAN JOSE SCHOOL

SAN JOSE, CALIF., OCT. 12 (IPS) -- HARD DRUGS ARE SPREAD THROUGHOUT THE HIGH SCHOOLS AND JUNIOR HIGH SCHOOLS HERE, AND JUNIOR HIGH STUDENTS USE METHADONE REGULARLY, ACCORDING TO REPORTS FROM TEACHERS SYMPATHETIC TO THE U.S. LABOR PARTY ANTI-DRUG CAMPAIGN. ONE SOURCE REPORTED THAT WHEN TEACHERS CALLED THE LOCAL POLICE TO REPORT A HEROIN PUSHER, THE POLICE REFUSED TO ACT, CLAIMING THEY WERE OVERLOADED WITH CASES. THE SAME PUSHER IS STILL PLAYING HIS TRADE.

SOVIETS REJECT KISSINGER'S OIL FOR GRAIN BARTER

OCT. 12 (IPS) -- SOVIET NEGOTIATORS HAVE REJECTED A JOINT NATIONAL SECURITY COUNCIL/U.S. STATE DEPARTMENT OFFER TO BARTER SOVIET OIL FOR U.S. GRAIN. THE U.S. PROPOSAL, WHICH WOULD HAVE CALLED FOR THE SOVIETS TO OFFER THEIR OIL AT A SUBSTANTIAL DISCOUNT FROM OPEC-CONTROLLED MARKET PRICES. THE U.S. STATE DEPARTMENT HAS IN RECENT WEEKS ACCELERATED EFFORTS TO BREAK UP THE OIL PRODUCERS CARTEL OPEC WHICH HAS BEGUN TO DRIFT AWAY FROM THE CONTROL OF THE ROCKEFELLER FAMILY.

PROSPECTS FOR AN OIL AGREEMENT OF SUBSTANCE ARE NOW DIM, REPORTS TODAY'S NEW YORK TIMES QUOTING U.S. OFFICIALS. "I WOULDN'T LIKE TO BE IN ROBINSON'S PLACE," SAID ONE OFFICIAL REFERRING TO UNDER SECRETARY OF STATE CHARLES W. ROBINSON, THE MAN WHO HAD BEEN ASSIGNED TO NEGOTIATE THE DEAL. SECRETARY OF STATE HENRY KISSINGER IS KNOWN TO HAVE PLACED A "HIGH PRIORITY ON THE SUCCESSFUL CONCLUSION" OF THE MOSCOW NEGOTIATIONS.

END OF IPS COMBINED PRIORITIES FOR OCTOBER 12, 1975.



# NEW SOLIDARITY International Press Service

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LATE EVENING EDITION  
NON-PRIORITIES  
OCTOBER 12, 1975 2400 HOURS EDT.

## I. WORLD PRESS ROUND-UP: INTERNATIONAL NEWS

### EUROPEAN CP LEADERS TO MEET AGAIN NEXT MONTH

OCT. 12 (IPS) -- TWENTY-SEVEN EUROPEAN COMMUNIST PARTY LEADERS MEETING IN EAST BERLIN HAVE ADOPTED THE OUTLINE OF A COMMON DOCUMENT TO BE SUBMITTED TO THE EUROPEAN CP CONFERENCE SCHEDULED FOR LATER THIS YEAR. THE DOCUMENT WILL BE FILLED OUT AT A MEETING NEXT MONTH, REPORTED YESTERDAY'S NEUES DEUTSCHLAND, THE EAST GERMAN DAILY. HERMAN AXEN, HEAD OF THE RULING EAST GERMAN SOCIALIST UNITY PARTY (SED) HAS BEEN PLACED IN CHARGE OF THE PREPARATIONS FOR THE MEETING.

THE LEADERSHIP OF THE CIA-CONTROLLED ITALIAN COMMUNIST PARTY (PCI) IS REPORTED TO BE UPSET BY THESE DEVELOPMENTS. YESTERDAY'S L'UNITA, THE PCI DAILY, INDICATES THAT "CHANGES MUST BE MADE (IN THE DOCUMENT) BEFORE ANYTHING CAN BE ACCEPTED."

### DIE WELT AIRS SPD DIRTY LAUNDRY

WIESBADEN, BRD, OCT. 12 (IPS) -- THE RIGHT-WING WEST GERMAN DAILY DIE WELT REPORTED OCT. 10 THAT SOCIAL DEMOCRATIC PARTY (SPD) CHAIRMAN WILLY BRANDT ADMITTED THAT THE SPD GAVE "INDIRECT" AID TO PARTIES IN ITALY THE SAME WAY THAT IT AIDS SOCIAL DEMOCRATS IN PORTUGAL AND FINLAND.

DIE WELT WAS THE ONLY BOURGEOIS WEST GERMAN PAPER TO ACCURATELY COVER THE OCT. 10 PRESS CONFERENCE IN FRANKFURT OF BRANDT AND HIS FELLOW SECOND INTERNATIONAL AGENTS BRUNO KREISKY OF AUSTRIA AND OLAF PALME OF SWEDEN. A CORRESPONDENT FROM THIS PRESS SERVICE HAD QUESTIONED BRANDT AT THE PRESS CONFERENCE ABOUT HIS CONDUITING OF FUNDS TO SOCIAL DEMOCRATIC PARTIES IN PORTUGAL AND FINLAND TO FIGHT COMMUNISM. ALL THREE AGENTS DISCLAIMED KNOWLEDGE OF THE FUNDS.

AFTER REPRINTING KREISKY'S COMMENT THAT SUCH LAUNDERING OF FUNDS "FUNDAMENTALLY WAS A NOBLE VIRTUE AND OBLIGATION," DIE WELT QUIPPED, "THUS A NOBLE MATTER WHICH NO ONE WANTS ANYTHING TO DO WITH."

### COLOMBIAN EX-PRESIDENT HEATS UP CONFLICT WITH VENEZUELA

OCT. 12 (IPS) -- COLOMBIAN EX-PRESIDENT MISAEL PASTRANA BLAMED THE VENEZUELAN "POLITICAL INTERESTS" FOR SABOTAGING NEGOTIATIONS OVER THE GULF OF VENEZUELA, A DISPUTED BORDER AREA BETWEEN THE TWO COUNTRIES. PASTRANA FURTHER STATED THAT THE AREA WAS KNOWN TO BE RICH

(MORE)

## 10.12 NON-PRIORITIES/2

IN OIL, CITING THE PRESIDENT OF STANDARD OIL AS HIS SOURCE. PRIOR TO THIS, NO LEADING STATESMAN FROM EITHER COUNTRY HAS PUBLICLY STATED THAT THEY BELIEVED THE AREA RICH IN OIL.

PASTRANA'S PROVOCATIVE COMMENTS WERE GIVEN MAJOR PRESS COVERAGE TWO DAYS AGO IN THE COLOMBIAN PRESS. THEY HAVE REVIVED THE RECENTLY QUIETED BUT STILL POTENTIALLY EXPLOSIVE CONFLICT BETWEEN THE TWO COUNTRIES.

THE RAND CORPORATION HAS IDENTIFIED THE COLOMBIAN-VENEZUELAN BORDER DISPUTE AS ONE OF THE POTENTIAL "HOT-SPOTS" ON THE SOUTH AMERICAN CONTINENT WHICH MAY REQUIRE THE INTERVENTION OF THE UNITED STATES AS A "FRIENDLY MEDIATOR" IF CONFLICT BREAKS OUT.

## II. CONTINENTAL

### U.S. BACKS DOWN ON EAST-WEST TRADE SABOTAGE

OCT. 12 (IPS) -- PRESIDENT FORD ANNOUNCED YESTERDAY THAT THE STATE DEPARTMENT BAN ON GRAIN SALES TO POLAND HAD BEEN RESCINDED, ACCORDING TO TODAY'S NEW YORK TIMES.

THE POLISH EMBARGO WAS INSTITUTED FOLLOWING A SIMILAR MORATORIUM ON GRAIN SALES TO THE SOVIET UNION IN AN ATTEMPT TO SABOTAGE THE PROLIFERATION OF EAST-WEST TRADE AGREEMENTS.

FORD TOLD REPORTERS THAT THE MORATORIUM ON SOVIET SALES WOULD BE RETAINED, HOWEVER, BECAUSE, "THE U.S. SHOULD NEGOTIATE FROM STRENGTH WITH MOSCOW IN THE BEST INTEREST OF THIS COUNTRY." MOMENTS LATER, FORD ADMITTED THAT THE ADMINISTRATION WOULD PROBABLY FAIL TO MEET ITS OWN DEADLINE OF OCT. 15 FOR SECURING A COMMITMENT FOR LONG-TERM GRAIN PURCHASES FROM THE SOVIET UNION -- THE OSTENSIBLE PURPOSE OF THE EMBARGO.

GRAIN TRADERS AND FARMERS -- OUTRAGED AT THE EMBARGO -- FEAR THAT THE SOVIETS, RATHER THAN TOLERATE SUCH BULLYING, WILL SIMPLY BUY THEIR GRAIN ELSEWHERE.

### KISSINGER REFUSES TO SEND PIKE COMMITTEE CYPRUS DOCUMENT

OCT. 12 (IPS) -- SECRETARY OF STATE HENRY KISSINGER IS SENDING A FORMAL LETTER TO HOUSE INTELLIGENCE COMMITTEE CHAIRMAN OTIS PIKE REFUSING TO COMPLY WITH A SUBPOENA FOR STATE DEPARTMENT DOCUMENTS CONCERNING THE 1974 CYPRUS COUP, ACCORDING TO JEREMIAH O'LEARY WRITING IN TODAY'S WASHINGTON STAR. PIKE HAD INDICATED PRIOR TO THIS REFUSAL THAT HE WOULD ASK THE HOUSE FOR A CONTEMPT CITATION AGAINST "SOMEONE" IF THE DOCUMENTS WERE NOT FORTHCOMING.

### TIMES BLASTS SIMON FOR NYC STAND

OCT. 12 (IPS) -- THE LEAD EDITORIAL IN TODAY'S NEW YORK TIMES BLASTS TREASURY SECRETARY WILLIAM SIMON FOR ACTIONS WHICH WOULD "WRECK THE FISCAL FOUNDATIONS OF MOST AMERICAN CITIES AND STATES AND JEOPARDIZE

(MORE)

10.12 NON-PRIORITIES/3

THE NATIONAL AND EVEN THE WORLD ECONOMY."

THE TIMES' ATTACKS SIMON FOR HIS REPORTED WILLINGNESS TO ALLOW NEW YORK CITY TO SINK INTO BANKRUPTCY AND DEFAULT RATHER THAN SUPPORT FEDERAL AID.

ONLY LAST WEEK IN AN INTERVIEW PUBLISHED ON THE FRONT PAGE OF THE TIMES, SIMON HAD PROPOSED THAT MAJOR BANKS ALLOW NEW YORK TO DECLARE A MORATORIUM ON ITS DEBT SERVICE. THE TIMES EDITORIAL MADE NO MENTION OF SIMON'S DEBT MORATORIUM PROPOSAL.

THE BANKERS' CHOICE: PAYLESS PAYDAYS OR NO CITY HOSPITAL SERVICES

OCT. 12 (IPS) -- PAYLESS PAYDAYS FOR NEW YORK CITY HOSPITAL WORKERS WILL OCCUR WITHIN A MONTH UNLESS AN UNDISCLOSED NUMBER OF HOSPITALS UNDER THE CITY'S HEALTH AND HOSPITAL CORPORATION ARE SHUT DOWN, WARNED NEW YORK CITY BUDGET DIRECTOR MELVIN N. LECHNER IN TODAY'S NEW YORK TIMES.

LECHNER POSED ONE ALTERNATIVE TO THIS DEPRESSION DICTUM: "A DEGRADATION OF ALL MUNICIPAL HOSPITAL SERVICES."

ROCKY TO TESTIFY AT HEARINGS ON NEW YORK UDC COLLAPSE;  
HEARINGS TO FOCUS ON STATE DEBT

OCT. 12 (IPS) -- VICE PRESIDENT NELSON ROCKEFELLER IS SCHEDULED TO TESTIFY AT MORELAND ACT COMMISSION HEARINGS ON THE BANKRUPTCY OF THE URBAN DEVELOPMENT CORPORATION, THE FINANCING APPARATUS FOR NEW YORK STATE HOUSING, WHICH BEGINS IN NEW YORK CITY ON TUESDAY. THE HEARINGS WILL FOCUS ON THE STATE'S OVER-ALL DEBT AS WELL AS THE GROWTH OF SO-CALLED MORAL OBLIGATION FINANCING WHICH ROCKEFELLER DEVELOPED WHILE GOVERNOR, TODAY'S NEW YORK TIMES REPORTS.

DELLUMS, NCLC SPOKESMAN ADDRESS SPOOK CONFERENCE

SAN FRANCISCO, OCT. 12 (IPS) -- RON DELLUMS (D-CAL.), HEAD OF THE CONGRESSIONAL BLACK CAUCUS, TOLD A "COUNTERSPY" CONFERENCE HERE LAST NIGHT THAT THE PIKE COMMITTEE'S INVESTIGATION OF THE CIA LEFT LITTLE DOUBT THAT AMERICANS HAVE ABSOLUTELY NO CONTROL OVER THE CIA AND ITS FAR-FLUNG ACTIVITIES.

DELLUMS POINTED TO THE INTERNATIONAL FLASHPOINTS OF CYPRUS AND PORTUGAL AS CRITICAL EXAMPLES OF WHERE THE CIA'S ACTIVITIES ARE WIDELY KNOWN BUT NOT OFFICIALLY DISCLOSED. "WE HAVE TO KNOW WHAT'S GOING ON THERE," DELLUMS SAID. DELLUMS CONTINUED HIS CRITICISM, ASSERTING THAT THE CIA'S BUDGET HAS BEEN UNWISELY KEPT A SECRET FROM THE PEOPLE WHO ARE ELECTED TO RUN THE GOVERNMENT.

GLANCING AT THE SPOOK CONFERENCE PANEL, WHICH CONSISTED OF NOTABLES LIKE "EX" CIA AGENTS MORTON HALPERIN, PHILLIP AGEE, AND DANIEL ELLSBERG, DELLUMS CHARGED, "THERE IS NO SUCH THING AS AN 'EX'-CIA AGENT."

(MORE)

## 10.12 NON-PRIORITIES/4

PAT DOLBEARE, NATIONAL COMMITTEE MEMBER OF THE NATIONAL CAUCUS OF LABOR COMMITTEES, GAVE AN UNSCHEDULED TEN-MINUTE BRIEFING TO THE CONFERENCE ON THE REAL CIA AND ITS DRUG TRAFFICKING. "YOU WANT TO CONTROL THE CIA, YOU HAVE TO STOP ROCKEFELLER, KISSINGER, AND THE NATIONAL SECURITY COUNCIL," DOLBEARE SAID.

THE THREE-DAY CONFERENCE, WHICH DREW 350 PERSONS, WAS SPONSORED BY THE COUNTERCULTURE RADIO STATION KPFA.

### PSYCHOTIC VIETNAM VET ATTACKS KRESGE PICKET LINES

INDIANAPOLIS, OCT. 12 (IPS)--A CRAZED VIETNAM VETERAN ATTACKED U.S. LABOR PARTY ORGANIZERS AT TWO K-MART PICKET LINES HERE YESTERDAY. THE VET, KNOWN AS FREENEY, ASSAULTED AN ORGANIZER AT THE EAST WASHINGTON K-MART AND THEN WENT TO THE NORTHEAST K-MART WHERE HE MADE A SECOND ATTACK.

POLICE CALLED TO THE SCENE REFUSED TO FILE CHARGES. INSTEAD, POLICE THREATENED TO BREAK UP THE USLP PICKET LINES.

THE LABOR PARTY IS INVESTIGATING FREENEY'S CONNECTIONS TO THE VETERAN'S ADMINISTRATION HOSPITAL PROGRAMS, WHICH ARE HEAVILY INVOLVED IN METHADONE MAINTENANCE AND OTHER ZOMBIE CONTROL PROGRAMS.

### DENVER LEAA OPERATIVE ADMITS HE RUNS A NAZI PROGRAM

DENVER, OCT. 12 (IPS)--RICHARD PEREZ, DIRECTOR OF THE LAW ENFORCEMENT ASSISTANCE ADMINISTRATION (LEAA) NEIGHBORHOOD ACTION PROGRAM HERE TOLD LABOR PARTY ORGANIZERS THAT HIS BLOCKWATCHING PROGRAM IS "BASICALLY NO DIFFERENT" FROM SIMILAR PROGRAMS IN HITLER'S GERMANY. LEAA BLOCKWATCHING OPERATIONS NOW, LIKE THOSE IN NAZI GERMANY, USE A NETWORK OF NEIGHBORHOOD INFORMANTS TO SPY ON OTHER RESIDENTS, ESPECIALLY THOSE WHO PROTEST SUCH POLICE STATE MEASURES.

THE LABOR PARTY LAUNCHED A DRIVE TO SHUT DOWN PEREZ' NAZI OPERATION. ALREADY DOZENS OF WORKERS APPRISED OF PEREZ' SELF-INCRIMINATION, CALLED PEREZ TO INDICT HIM AS A NUREMBERG CRIMINAL GUILTY OF CRIMES AGAINST HUMANITY.

### III. IPS ANALYSIS

#### ROCKEFELLER FLIES TO TURIN FOR SECRET TRILATERAL COMMISSION MEETING

OCT. 12 (IPS)--DAVID ROCKEFELLER, CHAIRMAN OF THE BOARD OF CHASE MANHATTAN BANK, SUDDENLY FLEW INTO TURIN YESTERDAY FOR A MEETING WITH ITALIAN INDUSTRIALIST GIANNI AGNELLI AND TEN OF THE WORLD'S TOP BANKERS AT THE AGNELLI FOUNDATION HEADQUARTERS, ACCORDING TO YESTERDAY'S GAZETTA DE POPULO, AN ITALIAN DAILY. YESTERDAY'S IL MESSAGGERO REPORTED THAT THE MEETING WAS AN INFORMAL GATHERING OF THE TRILATERAL COMMISSION, THE ROCKEFELLERS' SUPRANATIONAL PLANNING APPARAT. CHARACTERIZED AS AN "ECONOMIC YALTA" BY THE MESSAGGERO

(MORE)



10.12 NON-PRIORITIES/5

CORRESPONDENT, THE "SUPER-SECRET" MEETING WAS PUT TOGETHER IN LESS THAN SIX HOURS, FOLLOWING AGNELLI'S RETURN FROM CHINA.

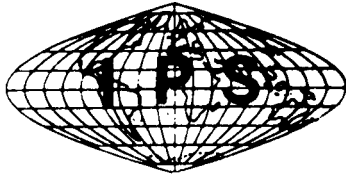
THE AGNELLI FOUNDATION IS SIMULTANEOUSLY REPORTED TO BE THE SCENE OF ANOTHER MAJOR MEETING WHICH BRINGS TOGETHER THE AGNELLI BROTHERS UMBERTO AND GIANNI, INDUSTRIALISTS FROM THE PIEDMONT REGION OF ITALY, AND REPRESENTATIVES OF TRADE UNIONS AND POLITICAL PARTIES THE PIEDMONT. ACCORDING TO ITALIAN PRESS REPORTS, THE MEETING WAS CALLED TO DISCUSS EMPLOYMENT, INVESTMENT POLICY AND ECONOMIC DEVELOPMENT OF THE PIEDMONT.

INFORMED POLITICAL OBSERVERS HOWEVER INDICATE THAT THE ACTUAL CONTENT OF THE PIEDMONT MEETING IS TO DISCUSS FURTHER DECENTRALIZATION PLANS FOR THE REGION, AND BROADER EFFORTS TO BAIL OUT AGNELLI'S OPERATIONS, AS WELL AS ORGANIZING TO DESTROY THE MONT-EDISON CORPORATION, CONTROLLED BY THE AGNELLI'S INDUSTRIAL OPPONENTS, THE CEFIS.

THE PIEDMONT HAS BECOME A PILOT PROJECT FOR DECENTRALIZED GOVERNMENT THAT AGNELLI AND OTHER ROCKEFELLER-LINKED POLITICAL AND INDUSTRIAL FIGURES WOULD LIKE TO IMPOSE ON ALL OF ITALY. IT IS THE FIRST REGION TO HAVE AN "OPEN GIUNTA"-TYPE GOVERNMENT IN WHICH THE AGENTS OF THE CIA-CONTROLLED COMMUNIST AND SOCIALIST PARTIES ARE LUMPED TOGETHER WITH NATO-CONTROLLED FASCIST AGENTS ON THE RIGHT WING OF THE CHRISTIAN DEMOCRACY.

THE OBVIOUSLY PLANNED COINCIDENCE OF THE TWO MEETINGS IN THE SAME BUILDING HAS LED TO SPECULATION THAT DAVID ROCKEFELLER MAY BE ASSISTING THE AGNELLI BROTHERS IN THEIR POLITICAL EFFORTS TO BRING THE PCI INTO THE NATIONAL GOVERNMENT.

END OF NON-PRIORITIES IPS FOR OCTOBER 12, 1975.



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EARLY EDITION  
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## I. INTERNATIONAL

### CALLAGHAN TRYING TO WRECK PARIS CONFERENCE TO HEAD OFF DEBT MORATORIA

OCT. 13 (IPS) — DEMANDS BY BRITISH FOREIGN SECRETARY JAMES CALLAGHAN FOR A SEPARATE BRITISH REPRESENTATIVE AT THE CURRENT PARIS PREPARATORY MEETING ON ENERGY AND DEVELOPMENT BETWEEN THIRD WORLD AND INDUSTRIALIZED COUNTRIES "WOULD ALMOST CERTAINLY WRECK THE CONFERENCE" AND HEAD OFF MOVES TOWARD THIRD WORLD DEBT MORATORIA, YESTERDAY'S SUNDAY TIMES OF LONDON CHARGES. CALLAGHAN HAS ALLEGED THAT EUROPEAN ECONOMIC COMMUNITY REPRESENTATIVES CANNOT BE TRUSTED TO SAFEGUARD BRITAIN'S INTERESTS.

NOTING THAT THE CONFERENCE AIMS TO ESTABLISH THE FIRST APPROXIMATIONS OF A "PERMANENT STRUCTURE WORKING TOWARDS THE SO-CALLED NEW INTERNATIONAL ORDER IN THE WORLD," THE TIMES STRESSES THAT "FAR-REACHING CHANGES IN WORLD COMMODITY AND FINANCIAL AND TRADING PATTERNS" WILL BE DISCUSSED, AMONG THEM "RELIEF OF THE THIRD WORLDS'S PRESENT CRIPPLING BURDEN OF COMMERCIAL DEBT" AND CREATION OF "A NEW OPEC-FUNDED FINANCIAL INSTITUTION TO LEND TO THEM IN THE FUTURE." FEARS OF THE EFFECTS THESE MOVES ON LONDON'S EURODOLLAR MARKETS ARE WHAT IS BEHIND CALLAGHAN'S SABOTAGE ACTS, THE TIMES CHARGES. CALLAGHAN'S GREATEST FEAR IS THAT THE CONFERENCE MIGHT NOT FAIL IN ITS AIMS, THE PAPER NOTES.

THE ARTICLE CONCLUDES BY DEFENDING THIRD WORLD ATTEMPTS TO WORK OUT "A HALT TO THE SLIDE IN THEIR TERMS OF TRADE WITH THE INDUSTRIALIZED COUNTRIES" WITH THE ASSISTANCE OF OPEC. IT WELCOMES THE PARIS MEETING AS A CONTINUATION OF THE "PROCESS OF RAPPROCHEMENT" WORKED OUT AT THE RECENTLY FINISHED UN SPECIAL SESSION AND LABELS CALLAGHAN'S DEMANDS "PERVERSE."

### NEW YORK TIMES REVEALS GROWTH OF TRIANGULAR TRADE DEALS

OCT. 13 (IPS) — EAST-WEST TRADE EXPERTS IN WESTERN EUROPE NOW SEE AN INCREASING NUMBER OF ARAB OIL PRODUCER INVESTMENTS IN DEVELOPMENT PROJECTS IN "COMMUNIST COUNTRIES," ACCORDING TO TODAY'S NEW YORK TIMES.

ACCORDING TO THE TIMES, DR. WILHELM HENDRICKS, A VIENNA BASED FINANCIER, PREDICTS AN UPSWING IN TRIANGULAR TRADE DEALS BETWEEN THE ARABS AND THE ADVANCED SECTOR. "IT MAKES PERFECT BANKING AND FINANCIAL SENSE FOR THE OIL STATES TO PLACE SOME OF

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MONEY IN EASTERN EUROPEAN COUNTRIES, SINCE THERE IS LITTLE POLITICAL RISK," ADDS A PROMINENT PARISIAN LAWYER.

#### AXEN STRESSES "INTERNATIONALISM" OF CP MEETING

OCT. 13 (IPS)-- HERMANN AXEN, HEAD OF THE EAST GERMAN DELEGATION TO LAST WEEK'S MEETING OF EUROPEAN COMMUNIST PARTIES IN BERLIN, EMPHASIZED THE "INTERNATIONAL SPIRIT" WHICH HE SAID DOMINATED THE MEETING, IN AN INTERVIEW WITH THE EAST GERMAN PRESS AGENCY ADN TODAY. THE MEETING, HE SAID, WAS "AN EXCHANGE OF OPINION ABOUT THE PRESENT SITUATION IN EUROPE AND THE RESULTING INCREASED RESPONSIBILITY OF THE COMMUNIST AND WORKERS PARTIES."

IN A MOVE WHICH WAS INTERPRETED AS A BLOW TO NATO AGENTS IN THE COMMUNIST MOVEMENT, NOTABLY THE LEADERS OF THE ITALIAN AND SPANISH COMMUNIST PARTIES, AXEN'S PARTY WAS DELEGATED TO PREPARE A DOCUMENT WHICH WILL FORM THE BASIS FOR THE UPCOMING EUROPEAN CP CONFERENCE.

THE EAST GERMAN COMMUNISTS ARE AMONG THE LEADING HARD-LINE PARTIES WHICH HAVE SUPPORTED THE SOVIET UNION'S DESIRE FOR A DOCUMENT WHICH IS BINDING ON ALL COMMUNISTS. TH AGENT PARTIES ARE RESISTING THIS DEMAND.

#### U.S. OFFICIAL SEES SYRIA-ISRAEL WAR IN LEBANON

OCT. 13 (IPS) -- A STATE DEPARTMENT MIDDLE EAST SPECIALIST WARNED YESTERDAY THAT THE CIVIL WAR IN LEBANON, UNLESS CONTAINED, COULD RAPIDLY INVOLVE SYRIA AND ISRAEL IN A NEW MIDDLE EAST WAR. THE OFFICIAL, ACCORDING TO TODAY'S BALTIMORE SUN, CALLED SUCH AN EVENTUALITY THE "ULTIMATE NIGHTMARE" FOR THE FORD ADMINISTRATION.

THE SUN REPORTS THAT THE STATE DEPARTMENT HAS GIVEN "GOOD MARKS" TO SYRIA AND YASSER ARAFAT'S PALESTINE LIBERATION ORGANIZATION FOR EXERCISING "RESTRAINT" IN THE LEBANESE CRISIS.

EXPERTS INTERPRET THE ARTICLE AS A STATE DEPARTMENT THREAT THAT UNLESS SYRIA AND THE PLO ARE ABLE TO POLICE LEBANON'S PALESTINIAN COMMUNITY, WHILE CIA-BACKED RIGHT-WING MILITIA ATTACK LEBANON'S LEFT-WING BA'ATHIST AND COMMUNIST FORCES, OUTSIDE INTERVENTION--BY SYRIA AND ISRAEL--WILL BE REQUIRED.

#### RECRUITMENT BEGINS FOR RIGHTWING SHOCK-POLICE IN PORTUGAL

OCT. 13 (IPS) -- THE PORTUGUESE ARMED FORCES RIGHTIST-DOMINATED REVOLUTIONARY COUNCIL ANNOUNCED YESTERDAY THAT IT IS BEGINNING A DRIVE TO RECRUIT A NEW SECURITY FORCE WHICH WILL SPECIALIZE IN REPRESSING CIVIL AND MILITARY DISORDERS. THE RECRUITMENT DRIVE WAS ANNOUNCED AFTER IT WAS REVEALED THAT "ONLY THE RIGHT-WING COMMANDOES" HAVE THUS FAR VOLUNTEERED TO FORM PART OF THIS NEW FORCE.

(MORE)

"THE NEW RECRUITING DRIVE WILL CONCENTRATE ON CAREFULLY TRAINED EX-SOLDIERS. A POLICY INDICATING THAT THE AUTHORITIES WILL TURN TO MEN WHO HAD SERVED WITH ELITE UNITS" REPORTS TODAY'S BALTIMORE SUN. THE PORTUGUESE COMMUNIST PARTY AND OTHER LEFTWING ORGANIZATIONS HAVE ALREADY CONDEMNED THE FORMATION OF THE NEW SECURITY FORCE AS AN ATTEMPT TO CREATE A RIGHTWING SHOCK-POLICE TO ENFORCE UNPOPULAR MEASURES OF THE PRESENT NATO-DOMINATED PORTUGUESE CABINET.

#### CIA-SOCIALIST FUNDING SCANDAL SPREADS TO INDIA

OCT. 13 (IPS) — GEORGE FERNANDEZ, THE SECOND (SOCIALIST) INTERNATIONAL-LINKED LEADER OF THE RAILWAY WORKERS UNION IN INDIA, HAS BEEN RECEIVING MONEY FROM WESTERN SOURCES CONDUITED THROUGH BANKS IN TOKYO AND AMSTERDAM, INDIAN PRIME MINISTER INDIRA GANDHI TOLD AN INTERVIEWER FROM THE LONDON DAILY TELEGRAPH. GANDHI ALSO SAID THAT FERNANDEZ IS SEEKING MONEY FROM MAOIST CHINA.

THE COMMUNIST PARTY OF INDIA (CPI) HAS PREVIOUSLY ATTACKED FERNANDEZ, A BITTER OPPONENT OF THE LEFT-LEANING GANDHI REGIME, AS A CIA AGENT FUNDED FROM THE U.S. THE CPI ALSO DENOUNCED FERNANDEZ' FERVENT ADMIRATION OF MAO TSE TUNG.

GANDHI'S EXPOSE OF FERNANDEZ FOLLOWS WIDESPREAD REPORTS THAT THE CIA HAS CONDUITED MONEY TO FASCIST ORGANIZATIONS IN PORTUGAL AND RIGHT WING TRADE UNIONS THROUGHOUT EUROPE THROUGH THE SOCIALIST PARTIES IN WEST GERMANY AND SWEDEN.

## II. CONTINENTAL

#### SCHLESINGER URGES HIGHER DEFENSE BUDGET; CONGRESSIONAL DEMS MOBILIZE OPPOSITION

OCT. 13 (IPS) — DEFENSE SECRETARY JAMES R. SCHLESINGER'S CONTINUING PUSH FOR A HIGHER DEFENSE BUDGET IS MEETING WITH SIGNIFICANT RESISTANCE FROM DEMOCRATS IN CONGRESS, ACCORDING TO TODAY'S NEW YORK TIMES. SCHLESINGER, WHO IS VICE-PRESIDENT ROCKEFELLER'S KEY MOUTHPIECE FOR HIS ANTI-DETENTE POLICY, HAS URGED THE SENATE TO APPROVE A DEFENSE BUDGET \$2.6-BILLION HIGHER THAN THE \$90.2-BILLION MEASURE APPROVED BY THE HOUSE.

THE TIMES SEES THE "IMPENDING BATTLE" AS A "POLITICAL TEST BETWEEN SENATE DEMOCRATS AND PRESIDENT FORD OVER WHERE FEDERAL SPENDING SHOULD BE CUT." CITING LEADERS OF THE OPPOSITION AS SENATORS MUSKIE, EAGLETON AND MATHIAS, THESE AND OTHER SENATE DEMOCRATIC LEADERSHIP ARE CIRCULATING THE FINDINGS OF A PUBLIC OPINION POLL WHICH SHOWS THAT DEFENSE SPENDING IS THE NUMBER ONE CONCERN AMONG VOTERS.

#### RUMORS FLY THAT CALLOWAY WILL BE REPLACED

OCT. 13 (IPS) — SOURCES CLOSE TO VICE-PRESIDENT ROCKEFELLER REPORT THAT HOWARD "BO" CALLOWAY WILL SOON BE REPLACED AS PRESIDENT FORD'S CAMPAIGN COMMITTEE CHAIRMAN, ACCORDING TO YESTERDAY'S

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WASHINGTON STAR. CALLOWAY, SCION OF A WEALTHY CONSERVATIVE SOUTHERN FAMILY AND FORMER SECRETARY OF THE ARMY, HAS BEEN AN OUTSPOKEN CRITIC OF ROCKEFELLER SINCE TAKING OVER THE FORD CAMPAIGN.

THE STAR IDENTIFIED CALLOWAY'S LEADING CRITICS AS TWO ROCKEFELLER ALLIES: DAVID PACKARD, FINANCE CHAIRMAN OF FORD'S CAMPAIGN, AND FORMER SECRETARY OF DEFENSE MELVIN LAIRD.

SECRETARY OF TRASURY MADE NATIONAL SECURITY COUNCIL  
MEMBER IMPLEMENTING MURPHY COMMISSION REPORT

OCT. 13 (IPS) — IN AN ATMOSPHERE OF SECRECY, THE SENATE LAST WEEK PASSED A BILL MAKING THE SECRETARY OF THE TREASURY A MEMBER OF THE NATIONAL SECURITY COUNCIL. THE BILL HAD BEEN SWIFTLY PASSED OUT OF COMMITTEE, AFTER ONE UNANNOUNCED DAY OF HEARING ATTENDED ONLY BY THE BILL'S AUTHOR SENATOR STUART SYMINGTON (D-MISS) AND AN IPS REPORTER.

THE BILL IS A STEP TOWARD IMPLEMENTATION OF THE MURPHY COMMISSION REPORT, DRAFTED ON BEHALF OF VICE-PRESIDENT NELSON ROCKEFELLER, WHICH SEEKS TO GIVE THE NATIONAL SECURITY COUNCIL DICTATORIAL CONTROL OVER ALL ECONOMIC POLICY. THE MURPHY COMMISSION DEMANDED THAT THE SECRETARY OF THE TREASURY, AND LATER THE SCRETARIES OF AGRICULTURE AND COMMERCE BE MADE PART OF THE NSC, CREATING A TOP-LEVEL CONTROL APPARATUS. THE HOUSE WILL NOW CONSIDER THE SYMINGTON BILL. THE NEW YORK TIMES OF OCT. 11 REPORTED THE SENATE ACTION IN A ONE-SENTENCE BLURB ON THE SPORTS PAGE.

END OF NEW SOLIDARITY INTERNATIONAL PRESS SERVICE  
EARLY EVENING NEWS.



# NEW SOLIDARITY International Press Service

Daily News and Press Summaries

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LATE EVENING PRIORITIES  
MONDAY, OCTOBER 13, 1975

## I. INTERNATIONAL

### PCF Condemns PCE/PCI Sabotage of Berlin Preparations

OCT. 13 (IPS)--IN A STATEMENT IN TODAY'S L'HUMANITE, FRENCH COMMUNIST PARTY (PCF) POLITBURO MEMBER JEAN KANAPA DECLARES THAT THE JOINT COMMUNIQUE WHICH WAS APPROVED BY LEADERS OF 27 EUROPEAN COMMUNIST PARTIES WHO MET IN BERLIN THIS WEEKEND WAS TOO "LIMITED". THE JOINT STATEMENT WAS A COMPROMISE WITH THE AGENT LEADERSHIPS OF THE ITALIAN AND SPANISH COMMUNIST PARTIES WHO REFUSED TO SIGN ANYTHING MORE THAN A VAGUE DECLARATION IN SUPPORT OF DETENTE AND PEACEFUL COEXISTANCE.

KANAPA, WHO LED THE FRENCH DELEGATION TO THE TALKS, STATES THAT THE PCF WILL NOT ALLOW THE STRUGGLE FOR DETENTE TO IMPLY "THE MAINTENANCE OF THE SOCIAL AND POLITICAL STATUS QUO," AN OBVIOUS REFERENCE TO THE PCI'S HISTORICAL COMPROMISE STRATEGY.

KANAPA ALSO STRESSES THAT THE PCF WILL NOT ACCEPT ANY IMPLICATION THAT "OUR ACTIVITIES SHOULD HENCEFORTH BE LIMITED TO ACTIVITIES IN SUPPORT OF PEACEFUL COEXISTANCE." "IT SEEMED USEFUL TO US TO OPPOSE TO THE REACTIONARY AND OVER-ARMED EUROPE OF GISCARD, SCHMIDT AND KISSINGER ANOTHER EUROPE, A EUROPE OF WORKERS, A EUROPE WHOSE FUTURE BELONGS TO SOCIALISM," HE SAYS.

### ITALIAN PAPER BLASTS BILDERBERGERS

OCT. 13 (IPS)--IN A BLAST AT THE "SUSPICIOUS" BILDERBERG GROUP OF ROCKEFELLER-ALLIED FINANCIERS AND POLITICIANS, THE LATEST ISSUE OF THE ITALIAN WEEKLY EUROPEO NOTES THAT "THE MEETINGS OF THE CLUB ALWAYS TAKE PLACE IN MOMENTS WHICH ARE VERY SENSITIVE FOR THE INTERNATIONAL SITUATION. ONE NEED BUT THINK OF LAST YEAR AT THE MEETING IN FRANCE WHICH TOOK PLACE ON THE EVE OF THE BRANDT FALL IN GERMANY...FOR THE GERMANS THERE WAS SCHMIDT: TWO WEEKS LATER HE BECAME CHANCELLOR." THE EUROPEO ARTICLE, TITLED "THE SHADOW GOVERNMENT," ALSO QUESTIONS THE BILDERBERGERS' "SECRECY" AND THEIR "SOURCES OF FINANCING...IN THE U.S. THE MEETINGS HAVE ALWAYS TAKEN PLACE IN HOTELS WHICH ARE THE PROPERTY OF THE ROCKEFELLERS."

AMONG THE BILDERBERGS, EUROPEO SAYS, ARE CHANCELLOR-OF-THE EXCHEQUER HEALEY, DAVID ROCKEFELLER, AND GIANNI AGNELLI, HEAD OF FIAT. AGNELLI, A TOP ITALIAN ROCKEFELLER AGENT, IS A LEADING RIVAL OF INDUSTRIALIST EUGENIO CEFIS, WHO CONTROLS EUROPEO. AN INDUSTRIALIST FACTION CENTERED AROUND CEFIS HAS SOUGHT TO PRE-

(MORE)

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SERVE ITALIAN INDUSTRY FROM ROCKEFELLER LOOTING BY EXPANDING TRADE RELATIONS WITH THE SOVIET BLOC.

LONDON TIMES EXPOSES ISSUE AT ECONOMIC SUMMIT:  
DEBT MORATORIA

OCT. 13 (IPS)--LONDON TIMES COLUMNIST PETER WILSHER BLOWS THE LID OFF ROCKEFELLER'S FIVE NATION ECONOMIC SUMMIT BETWEEN THE LEADERS OF THE U.S., BRITAIN, WEST GERMANY, FRANCE AND JAPAN, SLATED TO TAKE PLACE AT A SECRET CHATEAU IN FRANCE NOV. 15-17. IN AN ARTICLE YESTERDAY ENTITLED, "HEY, YOU GUYS, WHAT GOES ON?", HE SAYS THAT THE DEVELOPING SECTOR COUNTRIES WILL HAVE THEIR NOSES PLANTED SUSPICIOUSLY AGAINST THE WINDOW PANES, BECAUSE THE MEETING WILL UNDOUBTEDLY DEAL WITH "THE TOWERING DEBT POSITIONS, NOT ONLY OF BRITAIN, BUT THE WHOLE THIRD WORLD, AND THE POSSIBILITY OF MASSIVE REPUDIATION AND MORATORIA ON A SCALE WHICH MIGHT THREATEN THE WHOLE INTERNATIONAL FINANCIAL MARKET."

ROCKEFELLER DEPLOYS GEORGE SCHULTZ TO EUROPE  
TO SABOTAGE EURO OPPOSITION AT ECONOMIC SUMMIT

CHICAGO, OCT. 13 (IPS)--THE WHITE HOUSE HAS DEPLOYED FORMER U.S. TREASURY SECRETARY GEORGE P. SCHULTZ TO WESTERN EUROPE TO ACT ON BEHALF OF ATTEMPTS BY SECRETARY OF STATE KISSINGER AND VICE-PRESIDENT ROCKEFELLER TO WRECK THE SWELLING EUROPEAN OPPOSITION TO THE U.S.-DOMINATED "ATLANTICIST" ECONOMIC POLICY, ACCORDING TO CHICAGO DAILY NEWS COLUMNIST PETER LISAGOR YESTERDAY. ACCORDING TO LISAGOR, THE U.S. ADMINISTRATION IS EXTREMELY ANXIOUS ABOUT THE EFFECTS OF ANTI-ATLANTICIST PRESSURE UPON WEST GERMAN CHANCELLOR HELMUT SCHMIDT, WHICH HAS FORCED SCHMIDT TO HELP PREPARE EUROPEAN OPPOSITION AT THE UPCOMING EUROPEAN ECONOMIC SUMMIT, TO BE HELD IN NOVEMBER IN PARIS. THE ROCKEFELLER-ALLIED "ATLANTICISTS" ARE ATTEMPTING TO AUCTION OFF EUROPE'S INDUSTRY TO SUPPORT MASSIVE HOLDINGS OF ILLIQUID DOLLAR-DENOMINATED DEBT. THEIR OPPONENTS SEEK TO EXPAND PRODUCTION AND EAST-WEST TRADE.

HEALEY'S ECONOMIC POLICY UNDER ATTACK

OCT. 13 (IPS)--WITH THE REAL EFFECT OF ROCKEFELLER'S AUSTERITY POLICIES IN BRITAIN NOW BEING FELT IN A 3% DROP IN LIVING STANDARDS AND 1.2 MILLION UNEMPLOYED, BOTH RIGHT AND LEFT WING FORCES HAVE ATTACKED CHANCELLOR OF THE EXCHEQUER DENIS HEALEY'S ECONOMIC STRATEGY AS RUINOUS TO THE FUTURE OF BRITAIN'S INDUSTRY. URGING IMMEDIATE RELATION OF THE ECONOMY, RON HAYWARD GENERAL SECRETARY OF THE LABOUR PARTY, WARNED THIS WEEKEND OF "THE RISKS TO OUR MOVEMENT, AND TO THIS COUNTRY, IS WE FAIL TO STOP THE ROT, IF WE ALLOW OUR INDUSTRY TO BE FURTHER WEAKENED."

IN A FINANCIAL TIMES OP ED ON SATURDAY, COLUMNIST ANTHONY HARRIS, SPEAKING FOR CITY OF LONDON FINANCIAL INTERESTS, ASSAILED HEALEY'S PRO-U.S. "FINANCIAL ORTHODOXY," WHICH THOUGH PROCLAIMED AS ANTI-RECESSIONARY, HAD ACTUALLY PRODUCED FINANCIAL CONSEQUENCES THREATENING TO MAKE BRITAIN'S RECESSION "LONGER AND MORE OBSTINATE THAN IN ANY OTHER DEVELOPED COUNTRY."

(MORE)

## LONDON OBSERVER SAYS THAT NEW YORK SHOULD DEFALUT

OCT. 13 (IPS)--REVIEWING THE NEW YORK CITY FINANCIAL CRISIS, LONDON'S SUNDAY OBSERVER ARGUES THAT NOW THAT VIRTUALLY ALL FINANCIAL MANIPULATIONS HAVE BEEN EXHAUSTED, "DEFALUT SEEMS ALMOST INEVITABLE." IN CONTRAST TO OTHER BAIL-OUT PROPOSALS, WHICH ASK MASSIVE WORKING CLASS AUSTERITY, THE OBSERVER ARGUES THAT DEFAULT IS "PREFERABLE TO THE PUNITIVE CONDITIONS WHICH THE FORD ADMINISTRATION WOULD IMPOSE IF IT DID TRY TO RESCUE THE CITY."

## IS OLOF PALME ON THE VERGE OF MENTAL COLLAPSE?

STOCKHOLM, OCT. 13 (IPS)--TWO DAYS AFTER SWEDISH SOCIAL DEMOCRATIC PRIME MINISTER OLOF PALME WAS MADE THE LAUGHING STOCK OF THE INTERNATIONAL PRESS FOR HIS HYSTERICAL RESPONSES TO INTERNATIONAL PRESS SERVICE REPORTERS AT A FRANKFURT PRESS CONFERENCE WHERE QUESTIONS FOCUSED ON HIS RECENTLY EXPOSED FUNNELLING OF FOREIGN CURRENCIES FROM A SECRET SWISS BANK ACCOUNT INTO THE POCKETS OF THE FINNISH SOCIAL DEMOCRACY, THE LEADING SWEDISH SOCIAL DEMOCRAT PAPER, AFTONBLADET, HAS RESPONDED WITH A PIECE OF JOURNALISTIC SLANDER RIVALLING H.G. WELLS "WAR OF THE WORLDS" FARCE OF THE 1930'S.

THE FRONT PAGE OF TODAY'S STOCKHOLM PAPER HAS TWO INCH HIGH BANNER HEADLINES ANNOUNCING 'U.S. CONTROLLED ESPIONAGE AGAINST PALME'. THE ARTICLE FEATURES PALME'S CHARGE THAT "IPS SPREADS SHIT OVER THE ENTIRE WORLD," AND PROCEEDS WITH: "INFILTRATORS UNDER COMMUNIST COVER REPORT TO COMPUTERS IN NEW YORK...CIA PAYS?"

EVERY NEWSSTAND SELLING THE PAPER WAS GIVEN AN ADVERTISING POSTER WITH THIS BANNER HEADLINE. THE SLANDER COVERS A FULL THREE PAGES OF THE PALME-CONTROLLED PAPER, INCLUDING THE CENTERFOLD OF THE ISSUE WHICH AMONG OTHER THINGS DISCUSSES THE IPS 'LUXURIOUS NEW YORK OFFICE WHERE ORDERS GO OUT...' A SECOND ARTICLE IS TITLED 'CHILDREN OF GOD POLITICS', ANOTHER, 'HERE GO THE REPORTS ON PALME TO THE U.S.'.

THE INTERNALLY CONTRADICTIONARY ARTICLE ANNOUNCES THAT THE EUROPEAN LABOR COMMITTEES, EUROPEAN CO-THINKERS OF THE NATIONAL CAUCUS OF LABOR COMMITTEES, IS COLLABORATING WITH SWEDISH 'INTELLIGENCE AGENCIES AND POLITICAL SABOTAGE', THE ARTICLE STATES IN THE NEXT LINE THAT NO LESS AUTHORITIES THAN THE SAME SWEDISH INTELLIGENCE AGENCIES "CONFIRM THAT THE ELC HAS BEEN UNDER INVESTIGATION."

PALME WAS SO RATTLED BY INTERNATIONAL PRESS EXPOSURE OF HIS ACTIVITIES AS A CIA FUNDING CONDUIT, THAT HE TOLD SWEDISH SECURITY THAT HE DID NOT WANT TO SPEAK WITH THE PRESS, DURING HIS RETURN TRIP TO SWEDEN FOLLOWING THE FRANKFURT FIASCO. PRESS SOURCES TOLD IPS THAT THIS WAS THE FIRST TIME PALME HAS REFUSED SUCH CHATS WITH THE SWEDISH PRESS.

## IS PALME A HOMOSEXUAL??

STOCKHOLM, OCT. 13 (IPS)--SPEAKING AT A RELIGIOUS SERMON IN PALMA DE MALLORCA YESTERDAY IN HONOR OF SPANISH POLICEMEN WHO WERE SLAIN BY TERRORISTS, SPANISH GOVERNOR CARLOS DE MEER SAID THAT "THE SPANISH PEOPLE CAN AGREE TO A LOT, BUT IN ANY CASE NOT THE CRITI-

(MORE)



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ISM FROM SWEDEN, WHEN THE PRIME MINISTER (OLOF PALME -ED.) IS HOMOSEXUAL. THE REPORT WAS CARRIED IN THE DANISH DAILY POLITIKEN.

ITALIAN DAILY RAKES AGNELLI  
FOR ACTING LIKE ELECTED OFFICIAL

OCT. 13 (IPS)--YESTERDAY'S EDITION OF THE ITALIAN DAILY CORRIERE D' INFORMAZIONE ATTACKED ITALIAN INDUSTRIALIST GIANNI AGNELLI, HEAD OF FIAT AND LEADING ROCKEFELLER AGENT, FOR PARADING AS IF HE WERE AN OFFICIAL OF THE GOVERNMENT. NOTING THAT AGNELLI HAS JUST RETURNED FROM CHINA TO PARTICIPATE IN A TOP SECRET TRILATERAL COMMISSION MEETING IN TURIN, CORRIERE STATES THAT "THE ROLE OF THE FIAT PRESIDENT IS MORE THAN JUST WITHIN THE LIMITS OF HIS INDUSTRY AND CONFINDUSTRIA (THE ITALIAN INDUSTRIALISTS' ASSOCIATION WHICH AGNELLI HEADS). AGNELLI, OVER THE PAST FEW DAYS, LED A MISSION TO CHINA, AND ON HIS ARRIVAL THERE DECLARED THAT THE SIGNIFICANCE OF THE VISIT WAS PRIMARILY POLITICAL. AND HE ACTED LIKE A FOREIGN MINISTER, EXPLAINING TO MAO'S GOVERNMENT THE ITALIAN POLITICAL SITUATION SINCE JUNE 15....SOME PEOPLE GO EVEN FURTHER WITHOUT REALLY INTRUDING INTO THE WORLD OF FANTASY: GIOVANNI AGNELLI, PRESIDENT A LA KENNEDY; HE ALREADY HAS THE KENNEDY IMAGE."

DIE WELT LAMPOONS ROCKY'S \$100 BILLION ENERGY BILL

OCT. 13 (IPS)--TODAY'S ISSUE OF THE RIGHT-WING WEST GERMAN DAILY, DIE WELT, RIDICULES NELSON ROCKEFELLER'S PROPOSED \$100 BILLION ENERGY INDEPENDENCE AUTHORITY AS AN ATTEMPT "TO CATAPULT THE UNITED STATES INTO A NEW ENERGY AUTARCHY." NOTING THAT PRESIDENT FORD HAS SUBMITTED THE PROPOSAL TO CONGRESS, DIE WELT PROMINENTLY IDENTIFIES ROCKEFELLER AS THE ORIGINATOR OF THE PROPOSAL.

FRENCH FOREIGN MINISTER ATTACKS BRITISH SABOTAGE  
OF NORTH-SOUTH CONFERENCE

OCT. 13 (IPS)--FRENCH FOREIGN AFFAIRS MINISTER JEAN SAUVAGNARGUES LAST WEEK ATTACKED EFFORTS BY HIS BRITISH COUNTERPART JAMES CALLAGHAN TO SABOTAGE THE NORTH-SOUTH CONFERENCE ON ENERGY AND RAW MATERIALS WHICH OPENED IN PARIS TODAY. SATURDAY'S LE MONDE REPORTS THAT SAUVAGNARGUES CRITICIZED THE BRITISH DECISION AS BEING "NON EUROPEAN." THIS STATEMENT WAS MADE BEFORE THE FOREIGN AFFAIRS COMMISSION OF THE FRENCH PARLIAMENT AND THE DIPLOMATIC PRESS.

CALLAGHAN HAS REFUSED TO PERMIT THE COMMON MARKET (EEC) DELEGATION TO REPRESENT BRITAIN, REPORTEDLY BECAUSE HE FEARS THAT THE EEC CANNOT BE TRUSTED TO BLOCK A THIRD WORLD DEBT MORATORIUM AND THE FORMATION OF A NEW THIRD WORLD LENDING FACILITY.

II. CONTINENTAL

WHAT'S THE MATTER WITH ROCKEFELLER?

OCT. 13 (IPS)--"NELSON ROCKEFELLER SHOULD BE RETIRED FROM PUBLIC LIFE BECAUSE HE AND THE POLITICAL STYLE HE REPRESENTS - A STYLE WHICH BROUGHT THIS COUNTRY TO THE BRINK OF COMING UNHINGED IN THE LATE SIXTIES - IS PART OF THE PAST THAT WE OUGHT TO PUT BEHIND US," FORMER NIXON WHITE HOUSE AIDE DOUGLAS HALLETT CHARGED IN YESTER-

(MORE)

## DAY'S LIMITED EDITION OF THE WASHINGTON POST.

DISMISSING THE DEBATE WHICH RAGES OVER WHETHER ROCKEFELLER IS A LIBERAL OR CONSERVATIVE AS TOTALLY "IRRELEVANT" BECAUSE HE IS AN "ANTI-IDEOLOGICAL" PERSON WHOSE ONLY CONCERN IS IMPOSING HIS SOLUTIONS ON EVERY PROBLEM, HALLETT CONTINUED: "WHERE NIXON SUCCEEDED... WAS IN HELPING AN ELECTORAL MAJORITY TO UNDERSTAND THAT THE CLASS OF PEOPLE WHO LED THE COUNTRY INTO AN OVEREXTENDED FOREIGN AND DOMESTIC POLICY IN THE POST-WORLD WAR II YEARS IS INTELLECTUALLY AND MORALLY BANKRUPT. HIS POLITICS WERE SUCCESSFULLY DIRECTED AT ENCOURAGING A POLITICAL REALIGNMENT...WHICH WOULD REPLACE WHAT HE SAW RIGHTLY AS THE DISSOLUTION OF THE POST-WAR CONSENSUS THAT JOHN J. MCCLOY, DAVID ROCKEFELLER, AND CYRUS VANCE SOMEHOW KNOW BEST AND SHOULD AS A MATTER OF BIRTHRIGHT, BE HANDED THE REINS OF GOVERNMENT."

"PRESIDENT FORD, PATHETICALLY, EVEN COMICALLY, IS NOW TRYING TO REVIVE THAT CONSENSUS. THAT IS THE SYMBOLIC IMPORTANCE OF NELSON ROCKEFELLER AT HIS SIDE. THAT IS WHY, WHILE MAKING RHETORICAL BOWS TO THE GOP RIGHT WING, HE TAKES HIS SUBSTANTIVE COUNSEL FROM THE LIKES OF DONALD RUMSFELD, EDWARD LEVI, WILLIAM SCRANTON, JOHN DUNLOP, CARLA HILLS, AND, OF COURSE, THE EVER PRESENT HENRY KISSINGER."

REPUBLICAN CONGRESSMAN ATTACKS KISSINGER ON  
E-W TRADE SABOTAGE

CHICAGO, OCT. 13 (IPS)--REPRESENTATIVE JOHN B. ANDERSON (R-ILL.) TOLD A MEETING OF THE INTERNATIONAL TRADE CLUB OF CHICAGO HERE OCT. 10 THAT THEY MUST STOP SECRETARY OF STATE HENRY KISSINGER'S TAKEOVER OF U.S. TRADE AND ECONOMIC POLICY IF TRADE BETWEEN EAST AND WEST IS TO CONTINUE. "THE U.S. DOES NOT HAVE A COHERENT AND COMPREHENSIVE FOREIGN ECONOMIC POLICY," ANDERSON TOLD THE GROUP OF LEADING CHICAGO AND MIDWEST INDUSTRIALISTS, ACCORDING TO THE CHICAGO SUN-TIMES.

THE INTERNATIONAL TRADE CLUB IS HEADED BY BORG-WARNER VICE PRESIDENT JAMES H. INGERSOLL, A KEY ORGANIZER FOR MIDWEST CAPITALISTS WHO OPPOSE ROCKEFELLER'S ATTEMPTS TO LIQUIDATE U.S. PRODUCTION.

CONGRESSMAN ANDERSON, A REPUBLICAN AND MEMBER OF THE ROCKEFELLER-LED TRILATERAL COMMISSION, VOICED HIS BREAK WITH THE KISSINGER-ROCKEFELLER SABOTAGE OF TRADE AND PRODUCTION BY SPECIFICALLY ATTACKING KISSINGER'S ATTEMPTS TO PEG U.S. GRAIN SALES TO THE U.S.S.R. TO SOVIET WILLINGNESS TO SELL LOWER PRICED OIL TO THE U.S. ANDERSON ACCUSED KISSINGER OF SECRETLY ATTEMPTING TO "NATIONALIZE THE U.S. EXPORT BUSINESS" WITHOUT PRESIDENT FORD'S KNOWLEDGE. HE ALSO CALLED ON DEMOCRATIC SENATOR ADLAI STEVENSON III TO REVERSE HIS CAPITULATION TO THE KISSINGER POLICY OF USING "U.S. FOOD EXPORTS AS A POLITICAL WEAPON" AGAINST THE SOVIET UNION AND THE THIRD WORLD."

ROCKEFELLER, KISSINGER NAMED AS KEY PROTECTORS OF  
INTELLIGENCE APPARATUS;  
PUSHING SCHULTZ AS COLBY REPLACEMENT

CHICAGO, OCT. 13 (IPS)--VICE PRESIDENT NELSON ROCKEFELLER AND SECRETARY OF STATE HENRY KISSINGER ARE THE KEY FIGURES BEHIND THE

(MORE)

NOTORIOUS "40 COMMITTEE", WHICH RUNS CIA-NATIONAL SECURITY COUNCIL COVERT INTELLIGENCE OPERATIONS, ACCORDING TO AN ARTICLE IN TODAY'S CHICAGO SUN-TIMES BY WASHINGTON CORRESPONDENT THOMAS B. ROSS. THE ARTICLE NAMES ROCKEFELLER AND KISSINGER AS THE CHIEF PROTECTORS OF THE CIA, AND SAYS THEY ARE PROMOTING FORMER TREASURY SECRETARY AND BECHTEL CORP. PRESIDENT GEORGE P. SCHULTZ AS A POSSIBLE REPLACEMENT FOR PRESENT CIA DIRECTOR WILLIAM COLBY.

KISSINGER AND ROCKEFELLER ARE REPORTEDLY FLOATING THE SCHULTZ APPOINTMENT WHILE ACCUSING COLBY OF BEING INCAPABLE OF HANDLING CIA MANAGEMENT, IN ORDER TO PUSH THE "REORGANIZATION" OF INTELLIGENCE AGENCIES RECOMMENDED BY THE ROCKEFELLER AND MURPHY COMMISSIONS. SCHULTZ, NOW IN EUROPE ATTEMPTING TO UNDERMINE EUROPEAN OPPOSITION TO THE KISSINGER-ROCKEFELLER ATLANTICISTS, IS REPORTEDLY NOT INTERESTED IN THE POST.

### III. INTELLIGENCE

#### LEVI ASKS MENTICIDE FOR FRANKHOUSER

READING, PA. OCT. 13 (IPS)--IPS HAS LEARNED THROUGH PRIVILEGED AND RELIABLE SOURCES THAT FORMER TREASURY AGENT ROY FRANKHOUSER HAS RECEIVED A LETTER FROM THE JUSTICE DEPT. REQUESTING HIM TO REPORT TO THE SPRINGFIELD, MISSOURI FEDERAL PRISON, A NOTORIOUS LAW ENFORCEMENT ASSISTANCE ADMINISTRATION BEHAVIOUR MODIFICATION CENTER PROGRAM, FOR A PSYCHOLOGICAL "CHECKUP".

FRANKHOUSER RECENTLY PLEADED GUILTY TO ILLEGAL WEAPONS CHARGES STEMMING FROM HIS PARTICIPATION IN NATIONAL SECURITY COUNCIL-RUN GUN-RUNNING OPERATIONS. FRANKHOUSER RECEIVED A "DEAL" ARRANGED BY ATTORNEY GENERAL EDWARD LEVI, WHO SOUGHT TO SILENCE FRANKHOUSER'S EXPOSES OF THE NSC'S ROLE IN INTERNATIONAL TERRORISM.

THE SPRINGFIELD FEDERAL PENITENTIARY IS THE SAME PLACE WHERE CHARLES SIMMS, AN FBI AGENT WHO WAS PRIMARILY RESPONSIBLE FOR THE PONTIAC BUS BOMBINGS FOR WHICH FRANKHOUSER WAS ACCUSED, WAS SILENCED BY HAVING HALF OF HIS BRAIN LOBOTOMIZED AFTER "AN ACCIDENT". HE WAS SUBSEQUENTLY UNABLE TO TESTIFY ON ANY ASPECT OF THE CASE. FRANKHOUSER, WHO IS WELL ACQUAINTED WITH LEAA BEHAVIOR MODIFICATION TECHNIQUES, IS REPORTEDLY ADAMANT ABOUT REFUSING THE REQUEST AND WILL FIGHT THE DECISION IN COURT.

#### MITCHELL CONDEMNS METHADONE BUT REFUSES TO ENDORSE USLP TEN-DAY DETOXIFICATION PROPOSAL

BALTIMORE, OCT. 13 (IPS)--REP. PARREN MITCHELL (D-MD.) DECLARED YESTERDAY AT A CONSTITUENCY MEETING IN BALTIMORE THAT, "I HAVE BEEN AGAINST METHADONE SINCE 1972". REFERRING TO ADDICTS AS "ZOMBIES", MITCHELL NONETHELESS REFUSED TO SIGN THE U.S. LABOR PARTY'S TEN-DAY DETOXIFICATION PROPOSAL WHICH WAS PRESENTED TO HIM BY USLP MAYORAL CANDIDATE BILL SALISBURY.

POINTING LATER TO THE ALREADY EXISTING INFRASTRUCTURE FOR A POLICE STATE IN THE U.S., MITCHELL COMMENTED "WHO'S GOT THAT HELICOPTER OVER THE BLACK COMMUNITY? IT'S THE LEAA." (LAW ENFORCEMENT ASSISTANCE ADMINISTRATION) STILL LATER, HE WARNED THE 20 PERSONS ASSEMBLED THAT IN TIMES OF CAPITALIST COLLAPSE LIKE THE PRESENT, THE BLACK COMMUNITY WOULD BE USED AS A SLAVE LABOR POOL. MITCHELL NAMED FEDERAL RESERVE CHAIRMAN ARTHUR BURNS AS

(MORE)

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THE AUTHOR OF A PROGRAM WHICH WOULD EMPLOY BLACKS BELOW THE MINIMUM WAGE.

USLP ASSURED VICTORY IN SOUTH PHILADELPHIA  
COMMUNITY MENTAL HEALTH BOARD ELECTION TOMORROW

OCT. 13 (IPS)—USLP CANDIDATES TONY ESPOSITO AND MARY WOODWARD APPEAR TO BE ASSURED VICTORY IN TOMORROW'S ELECTION FOR THE 12-MEMBER HALL MERCER COMMUNITY MENTAL HEALTH BOARD OF SOUTH PHILADELPHIA, WHICH WOULD GIVE THE USLP ITS FIRST OFFICIAL VICTORY TO DATE IN A PUBLIC ELECTION. ESPOSITO, A MEMBER OF COMPRESSED AIR AND TUNNEL WORKERS LOCAL 126 AND WOODWARD, A MEMBER OF TEAM-STER LOCAL 126, HAVE CAMPAIGNED ON A PROGRAM CALLING FOR SHUTTING DOWN ALL METHADONE CENTERS INCLUDING THOSE TO WHICH THE HALL MERCER COMMUNITY MENTAL HEALTH CENTER REFERS ADDICTS. THE USLP CANDIDATES ARE CALLING FOR A TEN-DAY DETOXIFICATION PROGRAM.

ESPOSITO IS RUNNING UNOPPOSED AND WOODWARD HAS RUN ONE OF THE MOST ACTIVE CAMPAIGNS IN THE CITY'S HISTORY FOR A COMMUNITY OFFICE.



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## I. WORLD PRESS ROUND-UP -- INTERNATIONAL NEWS

### SCHMIDT ATTACKS DOLLAR EMPIRE

WIESBADEN, BRD OCT. 14 (IPS) -- SPEAKING BEFORE THE ANNUAL CONGRESS OF THE GERMAN EMPLOYEES' ASSOCIATION (DAG) HERE, WEST GERMAN CHANCELLOR HELMUT SCHMIDT HINTED IN THE DIRECTION OF A BREAK WITH THE ROCKEFELLER-DOLLAR MACHINE, CALLING FOR EXPANDED EAST-WEST TRADE AND STATING: "I DO NOT WANT TO BE MISUNDERSTOOD. I DO NOT THINK THAT I HAVE NEGATIVE INTENTIONS WHEN I STRESS THAT THERE WAS ONE COUNTRY WHICH SPENT A LOT OF MONEY FOR PRODUCTION WHICH DID NOT PRODUCE WEALTH, BUT RATHER FOR MEANS OF DESTRUCTION, FOR THE WAR IN SOUTH-EAST ASIA."

ACTING UNDER EXTREME PRESSURE FROM WEST GERMANY'S ANTI-DOLLAR FACTIONS IN ALL PARTIES, SCHMIDT DREW THUNDEROUS APPLAUSE FROM THE ASSEMBLED TRADE UNIONISTS WHEN HE SHOUTED, "LOOK AT POLAND, GODDAMMIT! IF WE WANT TO GUARANTEE AND INCREASE OUR EMPLOYMENT HERE, THEN WE HAVE TO GIVE THEM THE CREDIT SO THAT THEY CAN ORDER AND PAY FOR INDUSTRIAL GOODS FROM WEST GERMANY."

FLATLY REJECTING THE NATO POLICY OF TRADE WAR AGAINST THE EAST BLOC PUT FORWARD BY THE U.S. AT MEETINGS IN COPENHAGEN TWO WEEKS AGO, SCHMIDT MAINTAINED THAT "IF YOU WANT TO SECURE PEACE, YOU ARE FORCED TO MAKE COMPROMISES WITH YOUR NEIGHBORS."

### SOVIETS/PCF CALL ON GISCARD TO CONCRETIZE FRANCO-SOVIET COOPERATION

OCT. 14 (IPS) -- ON THE EVE OF FRENCH PRESIDENT GISCARD D'ESTAING'S TRIP TO THE SOVIET UNION, SOVIET PRESS AND THE FRENCH COMMUNIST PARTY (PCF) HAVE CALLED ON GISCARD TO ONCE AND FOR ALL "CONCRETIZE" HIS MUCH-TOUTED COMMITMENT TO COOPERATION BETWEEN THE TWO NATIONS.

YESTERDAY'S L'HUMANITE, NEWSPAPER OF THE PCF, SUGGESTS THAT THE PRESIDENT DEMONSTRATE HIS "GOOD INTENTIONS" BY SIGNING THE TREATY PROHIBITING NUCLEAR TESTING, AND PARTICIPATE IN THE VIENNA ARMS CONTROL TALKS. IN ADDITION, THE PCF DEMANDS THAT GISCARD OPPOSE WEST GERMAN CALLS FOR THE REINTEGRATION OF BERLIN INTO THE FEDERAL REPUBLIC.

SIMULTANEOUSLY, THE SOVIET NEWSPAPER PRAVDA ON OCT. 10 PRAISED

(MORE)

"THE VITAL INTEREST" THAT FRANCE HAS IN DEVELOPING "MUTUALLY BENEFICIAL COOPERATION WITH THE SOVIET UNION. PRAVDA, HOWEVER, THEN COUNTERPOSES THIS TO PRESENT REALITY, COMMENTING THAT "IT IS KNOWN THAT FRANCE LAGS BEHIND VARIOUS OTHER CAPITALIST COUNTRIES IN VOLUME OF ECONOMIC EXCHANGE WITH THE SOVIET UNION."

PCP WARNS GOVERNMENT AGAINST RIGHTWING COURSE

OCT. 14 (IPS) -- THE POLITICAL COMMISSION OF THE PORTUGUESE COMMUNIST PARTY (PCP) HAS RELEASED A COMMUNIQUE BLASTING THE GOVERNMENT FOR NOT TAKING MEASURES AGAINST THE POPULAR DEMOCRATIC PARTY FOR THE VIOLENCE THAT IT INSTIGATED LAST WEEKEND IN THE NORTHERN CITY OF OPORTO. THE PCP COMMUNIQUE WARNED THE GOVERNMENT THAT SUCH POLICY ON ITS PART "IS NOT DIRECTED AGAINST THE REACTION, AS FORESEEN IN THE PLATFORM FOR THE FORMATION OF THE 6TH PROVISIONAL GOVERNMENT," AND IS THEREBY ILLEGAL. THE COMMUNIQUE WAS PUBLISHED IN YESTERDAY'S NEUES DEUTSCHLAND, NEWSPAPER OF THE EAST GERMAN COMMUNIST PARTY.

ECONOMIST ADMITS POLICE CONTROL  
OF SPAIN'S LEFT TERRORIST GROUPS

OCT. 14 (IPS) -- "THERE ARE GROUNDS FOR BELIEVING THAT PSEUDO-LEFT GROUPLETS IN SPAIN HAVE ON OCCASION BEEN SPONSORED BY THE POLICE FOR POLITICAL REASONS AND IN ORDER TO INFILTRATE A MORE IMPORTANT ORGANIZATION," THE LATEST ISSUE OF THE INFLUENTIAL BRITISH MAGAZINE "THE ECONOMIST" HAS NOTED. THE ARTICLE ADDS THAT "ONE SUCH GROUPLET, HAVING OBTAINED ADVICE FROM ETA (THE BASQUE TERRORIST ORGANIZATION) AND ARMS FROM A MAFIA SUPPLIER, WENT INTO BUSINESS ON ITS OWN ACCOUNT AND CARRIED OUT AN EMBARRASSING OPERATION."

AGENTS STRENGTHENED IN SPANISH MILITARY RESHUFFLE

OCT. 14 (IPS) -- WHEN HALF OF SPAIN'S EIGHT MAINLAND REGIONAL ARMY COMMANDERS WERE RESHUFFLED INTO OTHER POSITIONS LAST FRIDAY, ONE OF THE MOST SIGNIFICANT CHANGES WAS THE REPLACEMENT OF ULTRA-RIGHT LT. GEN. ANGEL CAMPANE OF THE CRUCIAL MADRID MILITARY REGION BY LT. GEN. ALVAREZ-ARENAS PACHECO, A FORMER REPUBLICAN OFFICER WHO, ACCORDING TO THE OCT. 10 NEW YORK TIMES "HAS TAKEN COURSES AT FORT BENNING, GEORGIA." AT THE SAME TIME, GEN. MANUEL DIEZ-ALEGRIA, WHO IS KNOWN TO BE CLOSELY LINKED TO THE DEPUTY DIRECTOR OF THE CIA, VERNON WALTERS, "IS DUE TO ASSUME TWO KEY CONSTITUTIONAL AND POLITICAL ROLES AT THE BEGINNING OF NEXT YEAR" WHEN HE WILL TAKE SEATS ON THE COUNCIL OF THE REGENCY AND THE COUNCIL OF THE REALM, REPORTS THE OCT. 10 FINANCIAL TIMES. THESE CHANGES HAVE BEEN EFFECTED DURING A STEPUP IN THE ACTIVITY OF THE CLANDESTINE, SO-CALLED "MILITARY DEMOCRATIC UNION," A GROUP OF SPANISH MILITARY OFFICERS THAT IS CALLING FOR THE OVERTHROW OF THE FRANCO REGIME.

FRENCH INDUSTRY SPOKESMAN BACKS NEW ECONOMIC ORDER

OCT. 14 (IPS) -- CHRISTIAN STOFFAES, AN ENGINEER FROM THE FRENCH

(MORE)

MINING CORPS, STATED IN THE OCT. 11 ISSUE OF LE FIGARO THAT IT IS POSSIBLE TO "FIND A DEFINITION OF A NEW ECONOMIC WORLD ORDER WHICH WOULD BE BENEFICIAL TO EVERYONE, AND WOULD NOT, AS HERMAN KAHN (LEADING ROCKEFELLER THINK-TANKER AND ZERO-GROWTH ADVOCATE) PRETENDS TO BELIEVE, SIMPLY BE A SITUATION IN WHICH ONE WOULD TAKE FROM SOME TO GIVE TO OTHERS." STOFFAES ARGUES THAT IF DEVELOPING COUNTRIES WERE GIVEN MORE THAN THE PRESENT "TRANSFERS" FROM PUBLIC AID AND MULTINATIONAL FIRMS INVESTMENTS, THIS WOULD MEAN "THE EXPANSION OF WORLD TRADE AND WORLD PRODUCTIVITY OF LABOR, THE ACCESSION OF ENORMOUS MASSES OF MANPOWER TO AN INDUSTRIAL ECONOMY AND THE ACCELERATION OF THE INTERNATIONAL SPECIALIZATION OF TASKS."

STOFFAES' ARTICLE APPEARED IN A SPECIAL SUPPLEMENT ON PROBLEMS OF THE PARIS CONFERENCE ON ENERGY AND RAW MATERIALS WHICH BEGAN TODAY.

LES ECHOS DECLARES "INEVITABLE BANKRUPTCY"  
OF NEW YORK CITY, CALLS FOR BAILOUT

OCT. 14 (IPS) -- THE FRENCH FINANCIAL DAILY, LES ECHOS, WARNED ON OCT. 10 THAT THE "INEVITABLE BANKRUPTCY" OF NEW YORK CITY WOULD RUIN THE POSSIBILITY OF AN ECONOMIC UPTURN IN THE UNITED STATES. THE ARTICLE EMPHASIZED THE DISASTROUS IMPACT OF A NEW YORK CITY BANKRUPTCY ON THE INTERNATIONAL FINANCIAL MARKETS, AND STATED THAT IT COULD HAVE "A DOMINO EFFECT" AND CREATE "A CRISIS OF CONFIDENCE" SIMILAR TO THAT FOLLOWING WEST GERMANY'S HERSTATT BANK FAILURE LAST SPRING. LES ECHOS CONCLUDED BY CALLING ON THE FEDERAL RESERVE TO ENGAGE IN MAJOR BAILING-OUT OPERATION FOR SHAREHOLDERS IN NEW YORK CITY DEBT.

II. CONTINENTAL NEWS.

MEXICAN CORRESPONDENT EXPOSES NEW YORK TIMES  
AS TOOL OF U.S. IMPERIALISM

MEXICO CITY, OCT. 14 (IPS) -- IN RESPONSE TO A SERIES OF RECENT ATTACKS AGAINST MEXICAN PRESIDENT LUIS ECHEVERRIA BY THE "PRESTIGIOUS" NEW YORK TIMES, THE U.N. CORRESPONDENT OF THE PROGRESSIVE MEXICAN DAILY EL DIA, FRIDA MODAK, WROTE THAT "CERTAIN POSITIONS OF THE NEW YORK TIMES (ATTACKS AGAINST PINOCHET, THE CIA, ETC.,) ...MAY LEAD SOME PEOPLE TO BELIEVE THAT IT IS A PROGRESSIVE NEWSPAPER. BUT WHEN INTERNATIONAL EVENTS ARE NO LONGER TO THE ADVANTAGE OF IMPERIALIST NORTH AMERICAN INTERESTS, THE GREAT NEWSPAPER STANDS BY THOSE INTERESTS." THE COLUMN APPEARED IN EL DIA OCT. 11.

KRAFT: FORD'S "BAD ADVISORS"  
MEAN "GUERRILLA WARFARE" WITH KISSINGER

OCT. 14 (ISP) -- PRESIDENT FORD MAY ENCOUNTER ROUGH SAILING AT THE NOVEMBER WESTERN ECONOMIC SUMMIT MEETING IN PARIS, SAYS COL- (MORE)

UMNIST JOSEPH KRAFT TODAY, DUE TO THE "WEAKNESS" IN THE ADMINISTRATION'S POLICYMAKING APPARATUS. FORD "DOES NOT HAVE A CHIEF ECONOMIC ADVISOR TO WHOM HE CAN TURN WITH CONFIDENCE," KRAFT WRITES IN A COLUMN FEATURED IN THE BALTIMORE SUN. "HE HAS TO THRASH OUT ISSUES IN A KIND OF GUERILLA WARFARE WITH HIS SECRETARY OF STATE AND HIS SECRETARY OF TREASURY."

EXPERTS QUOTED ON HEARST BRAINWASHING

OCT. 14 (IPS) -- PATTY HEARST ACTS LIKE GI'S WHO WERE BRAINWASHED DURING THE KOREAN WAR AND "DOESN'T UNDERSTAND ENORMITY OF THE PROBLEMS OR CHARGES AGAINST HER," SAYS JOHN A. JOHNSON, LAW PARTNER TO F. LEE BAILEY IN AN INTERVIEW REPORTED IN THE BOSTON HERALD TODAY. BAILEY IS NOW IN CHARGE OF MISS HEARST'S DEFENSE TEAM.

JOHNSON, WHO IS LOOKING INTO LEGAL PRECEDENTS FROM CASES THAT CAME OUT OF THE KOREAN EXPERIENCE, WILL BE VIEWING A PRIVATE SCREENING OF A FILM WHICH SHOWS HOW "A PERFECTLY NORMAL PERSON IS TURNED INTO A REVOLUTIONARY AFTER BEING SUBJECTED TO AN ORDEAL SIMILAR TO WHAT PATTY HEARST UNDERWENT," THE PAPER SAYS.

IN A RELATED DEVELOPMENT, RONA FIELDS, SOCIAL PSYCHIATRIST AT CLARK INSTITUTE IN WORCESTER, MASS., AND SPECIALIST IN BRITISH ARMY BRAINWASHING OF IRISH REPUBLICAN ARMY MEMBERS, DESCRIBES MISS HEARST AS BEING IN A STATE OF "TOTAL DISORIENTATION" SIMILAR TO BRAINWASHED IRA MEMBERS IN A CHICAGO SUN TIMES ARTICLE TODAY.

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## I. INTERNATIONAL PRESS

### FORMER EGYPTIAN MINISTER PROPOSES "WORLD CENTRAL BANK"

OCT. 14 (IPS) — FORMER EGYPTIAN FINANCE MINISTER ISMAIL SABRI ABDULLAH HAS PROPOSED THE CREATION OF AN "INTERNATIONAL CENTRAL BANK" AND A NEW WORLD CURRENCY THAT WOULD REPLACE THE DOLLAR. THE PROPOSAL CAME IN AN INTERVIEW WITH THE LEFT-WING EGYPTIAN WEEKLY ROSE AL-YOUSEF.

SPLASHED ACROSS THE COVER OF ROSE AL-YOUSEF WAS THE TITLE OF THE ARTICLE: "DUMP THE DOLLAR!"

ABDULLAH STATED THAT THE PROPOSED NEW INSTITUTION, WHOSE DESCRIPTION CLOSELY PARALLELS THE INTERNATIONAL DEVELOPMENT BANK PROPOSAL ORIGINALLY CIRCULATED BY THE INTERNATIONAL CAUCUS OF LABOR COMMITTEES, WOULD FUNCTION TO GUARANTEE WORLD TRADE AND DEVELOPMENT. CREDIT FROM THE INSTITUTION, HE SAYS, WOULD BE GUARANTEED BY THE "NATURAL RESOURCES AND LABOR FORCE" OF THE DEVELOPING COUNTRIES.

"I PROPOSE THE CONVENING OF A CONFERENCE BETWEEN THE CREDITORS AND THE INDEBTED COUNTRIES," ABDULLAH ADDED, "WHERE THE PROBLEM OF DEBT CAN BE SOLVED BY RENOUNCING SOME DEBT AND REVIEWING THE INTEREST RATES OF THE REST."

### ITALIAN MINISTER CALLS FOR MILITARIZATION OF THE ECONOMY

OCT. 14 (IPS) — THE ITALIAN MINISTER FOR SCIENTIFIC RESEARCH, MARIO PEDINI, STATED YESTERDAY THAT "SCIENTIFIC RESEARCH AT THE MILITARY LEVEL" AND PRODUCTION OF ARMAMENTS IS THE WAY OUT OF THE COUNTRY'S ECONOMIC CRISIS. "IT IS NECESSARY TO GET RID OF FALSE MODESTY: ITALY MUST DEVELOP A POLICY OF WEAPONS EXPORT," HE STATED IN AN INTERVIEW PUBLISHED IN THE DAILY CORRIERE DELLA SERA. TO ACCOMPLISH THESE AIMS, PEDINI PROPOSED THE FORMATION OF A SUPER-MINISTRY FOR TECHNOLOGICAL AND SCIENTIFIC RESEARCH WHICH WOULD NOT ONLY RECEIVE CARTE BLANCHE STATUS FROM THE COUNCIL OF MINISTERS, BUT WOULD ALSO HAVE UNLIMITED FUNDS FOR THIS ACTIVITY."

(MORE)

PCI MOVES TO SUPPORT NATO MILITARIZATION POLICY

OCT. 14 (IPS) — ITALIAN COMMUNIST PARTY SPOKESMAN GIOVANNI BERLINGUER, THE BROTHER OF PCI GENERAL SECRETARY ENRICO BERLINGUER, TODAY CALLED FOR "DISCUSSION" OF THE "RELATIONSHIP BETWEEN TECHNICAL-SCIENTIFIC DEVELOPMENT AND THE ARMAMENTS RACE, ON THE PREMISE THAT FASCISM WAS BORN FROM THE MILITARIZATION OF THE ECONOMY." BERLINGUER WAS RESPONDING TO A DEMAND BY MARIO PEDINI, MINISTER OF SCIENTIFIC RESEARCH, FOR A SUPER-GOVERNMENTAL ARMAMENTS MINISTRY WITH UNLIMITED SPENDING POWERS TO END ITALY'S ECONOMIC CRISIS.

"IT IS TRUE," BERLINGUER WRITES IN A STATEMENT PRINTED IN TODAY'S UNITA, ORGAN OF THE PCI, "THAT MILITARY RESEARCH HAS BEEN, UNFORTUNATELY, A STIMULATING FACTOR FOR THE ECONOMY, PARTICULARLY FOR THE UNITED STATES." HE ALSO NOTES THAT ADOPTION OF AN ARMS SPENDING POLICY WOULD UNFORTUNATELY MEAN THE END OF DETENTE.

THE ITALIAN SOCIALIST PARTY (PSI) AND THE NATO ALLIANCE HAVE ALSO CALLED FOR INCREASED ARMS SPENDING IN RECENT WEEKS. THE PCI IS SEEKING TO JOIN A GOVERNMENT WITH THE PSI ON A PROGRAM WHICH INCLUDES SUPPORT FOR THE NATO ALLIANCE. FORMAL ADOPTION OF A MILITARIZATION POLICY BY THE PCI WOULD COMPLEMENT A LIST OF EXPLICITLY FASCIST PROGRAMS ALREADY SUPPORTED BY THE PCI, INCLUDING AUSTERITY AND WORKER "CO-PARTICIPATION" IN FACTORY MANAGEMENT.

PORTUGAL'S PRIME MINISTER CALLS FOR AUSTERITY

OCT. 14 (IPS) — IN A SPEECH ON PORTUGAL'S NATIONWIDE TELEVISION LAST NIGHT, PRIME MINISTER PINHEIRO DE AZEVEDO CALLED FOR AUSTERITY AND SACRIFICE BY THE PORTUGUESE POPULATION, TODAY'S NEW YORK TIMES REPORTS. CALLING ON THE PORTUGUESE PEOPLE TO "PRODUCE MORE AND CONSUME LESS," AZEVEDO BLAMED THE IMPACT OF REVOLUTIONARY DEMANDS FOR THE DETERIORATION OF THE ECONOMY AND CALLED FOR MORE EMPHASIS ON PRIVATE INITIATIVE AND SMALL BUSINESS.

SUV DISAVOWS LINKS TO MFA;  
CALLS FOR FORMATION OF MASS REVOLUTIONARY ARMY

OCT. 14 (IPS) — A SPOKESMAN FOR THE PORTUGUESE COMMUNIST PARTY-BACKED "UNITED SOLDIERS WILL WIN" (SUV) MOVEMENT DISAVOWED ANY LINKS BETWEEN HIS ORGANIZATION AND THE RULING ARMED FORCES MOVEMENT (MFA) AT A MEETING IN THE SOUTHERN CITY OF BEJA YESTERDAY.

"THE SUV DOES NOT INTEND TO OPERATE AS A LEFTWING CURRENT OF THE MFA, NOR TO PLACE REVOLUTIONARY MILITARY MEN ON THE (RULING) REVOLUTIONARY COUNCIL," THE SPOKESMAN SAID, ACCORDING TO YESTERDAY'S LISBON O SEculo. "WHAT THE SUV IS DOING IS FIGHTING ALONGSIDE ALL OF THE WORKERS FOR THE PREPARATION OF THE CONDITIONS THAT WILL PERMIT THE DESTRUCTION OF THE BOURGEOIS STATE AND THE CREATION OF THE ARMED BRANCH OF THE POWER OF THE WORKERS: THE POPULAR REVOLUTIONARY ARMY."

(MORE)

WALL STREET JOURNAL CHARGES CALLAGHAN  
WITH "WASHINGTON-INSPIRED PLOY"  
TO WRECK PARIS CONFERENCE

OCT. 14 (IPS) — "THE CALLAGHAN 'BOMBSHELL'" — THE DEMAND BY BRITISH FOREIGN SECRETARY JAMES CALLAGHAN FOR BRITAIN TO RECEIVE ITS OWN REPRESENTATIVE AT THE PARIS ENERGY, DEVELOPMENT AND FINANCE TALKS — "MIGHT BE A WASHINGTON-INSPIRED PLOY TO KEEP THE WHOLE EFFORT FROM GETTING OFF THE GROUND, ACCORDING TO SOME EUROPEAN DIPLOMATS," TODAY'S WALL STREET JOURNAL CHARGES.

ONE UNNAMED "FRENCH SOURCE" TOLD THE JOURNAL, "I WOULDN'T RULE OUT THE POSSIBILITY THAT MR. CALLAGHAN IS WRECKING IT ON BEHALF OF THE U.S."

THE JOURNAL REPORTS THAT U.S. HYSTERIA ABOUT THE PARIS TALKS CENTERS AROUND THE PROPOSED DISCUSSIONS OF MONETARY MATTERS, WHICH U.S. OFFICIALS WOULD PREFER TO HAVE TAKE PLACE THROUGH MORE CONTROLLABLE CHANNELS LIKE THE INTERNATIONAL MONETARY FUND.

MEXICAN AGRICULTURAL FEDERATION CALLS FOR  
DEBT MORATORIA, INT'L DEVELOPMENT BANK

MEXICO CITY, OCT. 14 (IPS) — THE PRESIDENT OF THE MEXICAN FEDERATION OF AGRICULTURAL PRODUCERS (FEDEMOA), ALBERTO SALINAS RAMOS, YESTERDAY ENDORSED EVERY KEY FEATURE OF THE INTERNATIONAL CAUCUS OF LABOR COMMITTEES' INTERNATIONAL DEVELOPMENT BANK PROPOSAL. IN AN INTERVIEW PRINTED IN THE MEXICAN DAILY EL NACIONAL, SALINAS CALLED FOR "MORATORIUM ON THE DEBT, TRIANGULAR TRADE, A NEW MONETARY SYSTEM BASED ON GOLD AND THE CREATION OF AN ADEQUATE INTERNATIONAL BANK TO FINANCE DEVELOPMENT." THESE MEASURES, SAID SALINAS, ARE THE "ONLY CONCEPTS THAT CAN MAKE IT POSSIBLE FOR THE COUNTRIES OF THE THIRD WORLD TO GET OUT OF THE PRESENT CRISIS." SALINAS ADDED THAT FEDEMOA, WHICH GROUPS SEVERAL THOUSANDS OF GOVERNMENT LAND-HOLDERS FROM THROUGHOUT THE COUNTRY, "SUPPORTS THE RESOLUTIONS OF THE FORUM OF THE THIRD WORLD PRESENTED BY MEXICO AT THE MEETING OF THE NON-ALIGNED IN LIMA, PERU, WHICH EMPHASIZED MORATORIA ON NATIONAL DEBTS, THE CREATION OF AN INTERNATIONAL CENTRAL BANK AND THE NEED FOR EXPANDED TRADE WITH ALL THE COUNTRIES OF THE WORLD." HE NOTED THAT TO ACHIEVE A "MASSIVE EXPANSION OF THE MEANS OF AGRICULTURAL AND INDUSTRIAL PRODUCTION... IT IS NECESSARY TO OBTAIN BENEFITS FROM THE ADVANCED SECTOR, SINCE THE THIRD WORLD NATIONS DON'T HAVE THE ECONOMIC INFRASTRUCTURE AND THE SKILLED LABOR TO IMPLEMENT DEVELOPMENT ON THEIR OWN."

BRANDT MOVES TO CENSOR IPS

BONN, WEST GERMANY, OCT. 14 (IPS) — THE INTERNATIONAL PRESS SERVICE WAS EXPELLED FROM THE BONN FOREIGN PRESS ASSOCIATION (VAP) TODAY.

IPS HAS LEARNED FROM HIGHLY INFORMED PRESS SOURCES HERE THAT  
(MORE)

THE EXPULSION COMES AT THE PERSONAL INSTIGATION OF WEST GERMAN SOCIAL DEMOCRATIC PARTY CHAIRMAN WILLY BRANDT.

OFFICIALS OF THE VAP YESTERDAY REFUSED TO SPECIFY THE CHARGES AGAINST IPS OR REVEAL THE SOURCE OF THE COMPLAINT.

THE VAP ACTION FOLLOWS AN OCT. 9 PRESS CONFERENCE AT THE FRANKFURT BOOKFAIR HALD BY BRANDT AND HIS FELLOW SECOND INTERNATIONAL AGENTS BRUNO KREISKY OF AUSTRIA, AND OLOF PALME OF SWEDEN IN WHICH THE FOREIGN PRESS USED IPS REPORTERS' QUESTIONS TO RIDICULE BRANDT. THE QUESTIONS CONCERNED BRANDT'S ROLE AS A LAUNDERER OF CIA FUNDS. DURING THE COURSE OF THE QUESTIONING, PALME HAD SCREAMED, "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."

BRANDT IS SCHEDULED TO DELIVER A MAJOR ADDRESS THIS WEEK AT THE VAP. IPS HAS BEEN INFORMED THAT ITS REPORTERS WILL BE ARRESTED FOR TRESPASSING IF THEY TRY TO ATTEND.

LAWYERS FOR IPS HERE ARE NOW PREPARING LEGAL ACTION AGAINST THE VAP.

IPS ANALYSIS:  
PARIS PRODUCERS-CONSUMERS MEETING IN BREAKUP

OCT. 14 (IPS) — ALL SIGNS POINT TO A BREAKUP OF THIS WEEK'S PARIS CONFERENCE OF REPRESENTATIVES OF OIL-PRODUCING AND CONSUMING COUNTRIES, FOLLOWING A SPLIT TODAY BETWEEN THE UNITED STATES AND ALGERIA ON PROCEDURAL QUESTIONS. AS WORRIED U.S. POLICY-MAKERS HAD PREDICTED LAST WEEK, THE THIRD WORLD COUNTRIES AND EIGHT OPEC (ORGANIZATION OF PETROLEUM-EXPORTING COUNTRIES) NATIONS LINED UP UNANIMOUSLY BEHIND THE ALGERIANS WHO ALSO GATHERED SIGNIFICANT EUROPEAN SUPPORT.

NEGOTIATIONS BROKE DOWN TODAY WHEN THE U.S. REFUSED TO CONCEDE TO ALGERIAN DEMANDS FOR THE CONSTITUTION OF A COMMISSION ON MONETARY AFFAIRS, IN ADDITION TO EXISTING COMMISSIONS ON ENERGY, RAW MATERIALS, AND DEVELOPMENT. SAUDI ARABIA HAD INITIALLY DEMANDED THE FORMATION OF SUCH A COMMITTEE IN SEPTEMBER AS A PRE-CONDITION FOR A SUCCESSFUL MINISTERIAL-LEVEL MEETING LATER IN THE YEAR. IN ADDITION, A SPLIT AROSE OVER THE MINISTERIAL MEETING'S AGENDA, TENTATIVELY SLATED FOR DEC. 6. ALGERIA AND OTHER THIRD WORLD NATIONS WANTED AN AGENDA PINPOINTING SUBSTANTIVE ISSUES, WHILE THE U.S. REFUSED TO ADOPT ANYTHING BUT A VERY GENERAL AGENDA.

ACCORDING TO RELIABLE REPORTS, BOTH WEST GERMANY AND JAPAN BROKE RANKS AND BACKED THE ALGERIANS ON THE MONETARY ISSUE. UNCONFIRMED REPORTS SAY THAT BRITAIN BROKE RANKS AS WELL. ONE

(MORE)

WASHINGTON FOREIGN POLICY OBSERVER SAID, "IF THE SAUDIS INSIST ON THIS, IT WILL BE THE END," SINCE THE U.S. HAS NOTHING CONCRETE TO OFFER IN THE WAY OF INTERNATIONAL MONETARY REFORM.

U.S. GOV'T OFFICIALS DON'T KNOW  
WHO SENT SCHULTZ TO PARIS?

WASHINGTON, D.C. OCT. 14 (IKPS) — CONFUSION ABOUNDED IN OFFICIAL WASHINGTON TODAY OVER THE NATURE OF THE EUROPEAN ECONOMIC MISSION OF FORMER TREASURY SECRETARY GEORGE SCHULTZ. REPRESENTATIVES OF THE ASSISTANT SECRETARY OF STATE FOR ECONOMIC AFFAIRS THOMAS ENDERS DENIED KNOWING ANYTHING ABOUT THE MISSION, AND REFERRED REPORTERS TO THE OFFICE OF WHITE HOUSE ASSISTANT TO THE PRESIDENT FOR ECONOMIC AFFAIRS, WILLIAM SEIDMAN. REPORTERS WHO CONTACTED THE OFFICE OF SEIDMAN, WHO HAS HAD NOTHING TO SAY ABOUT ANY ASPECT OF ECONOMIC MATTERS FOR THE PAST SIX MONTHS, FOUND IT STAFFED BY A LONE SECRETARY WHO SAID SHE DID NOT KNOW ANYTHING.

MEANWHILE, OTHER INFORMED SOURCES SAID THAT TREASURY UNDERSECRETARY EDWIN YEO III, WHO ARRIVED IN PARIS TODAY TO JOIN THE SCHULTZ TEAM, WAS DISPATCHED TO "WATCH SCHULTZ" AND REPORT BACK TO TREASURY SECRETARY WILLIAM SIMON.

OBSERVERS SAW THE CONFUSION AS A CONTINUATION OF WHAT COLUMNIST JOSEPH KRAFT HAS DESCRIBED AS "GUERRILLA WARFARE" BETWEEN ADMINISTRATION OFFICIALS ALIGNED WITH SIMON, PRESIDENTIAL CHIEF OF STAFF DONALD RUMSFELD, AND MIDWESTERN INDUSTRIALISTS, AND THOSE WHO REPORT DIRECTLY TO VICE PRESIDENT ROCKEFELLER. TODAY'S DEVELOPMENTS, IT IS FELT, PROVE CONCLUSIVELY THAT SCHULTZ WAS DIRECTLY DISPATCHED BY ROCKEFELLER AND SECRETARY OF STATE HENRY KISSINGER, AND THAT SCHULTZ IN FACT HAS NO OFFICIAL AUTHORITY TO NEGOTIATE ANYTHING. THE QUESTION FACING WESTERN EUROPEANS AND OTHERS WHO ARE ATTEMPTING TO NEGOTIATE TERMS OF A NEW ECONOMIC ORDER WITH THE U.S., THE OBSERVERS FEEL, IS WHO DOES SPEAK FOR U.S. GOVERNMENT ECONOMIC POLICY.

SHRIVER REPORTED AGAINST EIA,  
BACKS TRIANGULAR TRADE

OCT. 14 (IPS) — AN AIDE TO DEMOCRATIC PRESIDENTIAL HOPEFUL R. SARGENT SHRIVER TOLD IPS TODAY THAT SHRIVER IS "100 PER CENT OPPOSED TO VICE PRESIDENT NELSON ROCKEFELLER'S CREATING THE \$100-BILLION ENERGY BOONDOGGLE, THE SO-CALLED ENERGY INDEPENDENCE AGENCY." THE AIDE SAID SHRIVER FAVORS INSTEAD, MASSIVE TECHNOLOGY TRANSFERS FROM THE UNITED STATES AND WESTERN EUROPE IN EXCHANGE FOR OIL AND OTHER RAW MATERIALS FROM THE EAST BLOC AND THIRD WORLD COUNTRIES.

IN DISCUSSING THE U.S. LABOR PARTY'S PROGRAM FOR ECONOMIC RECONSTRUCTION, SHRIVER'S AIDE SAID HE FOUND THE PROPOSAL FOR A DEBT MORATORIUM "VERY ENTICING." THE AIDE SAID THAT ALTHOUGH HE DIDN'T THINK "WE'D (SHRIVER) GO WITH IT RIGHT AWAY," HE WOULD PROBABLY KEEP IT IN THE FIRE AS A "FUTURE OPTION."

(MORE)

GOV'T GAINS FRAME-UP OF NCLC MEMBER SAWICKY

NEWARK, N.J. OCT. 14 (IPS) — A JURY IN ESSEX COUNTY COURT HERE FOUND LABOR COMMITTEE MEMBER MAX SAWICKY GUILTY ON ALL COUNTS OF A SERIES OF CHARGES STEMMING FROM THE SEPT. 1973 FBI-DIRECTED RIOT IN THE NEWARK CITY COUNCIL CHAMBERS. SAWICKY, WHO FACES A POSSIBLE FOURTEEN YEARS IN JAIL, WILL BE SENTENCED NOV. 5. HIS ATTORNEYS ARE ALREADY MAPPING PLANS FOR AN APPEAL. FOLLOWING A THREE-DAY RECESS, THE JURY RETURNED TO DELIBERATIONS THIS MORNING AND READ ITS GUILTY VERDICT TO THE COURT AT 4:00 P.M. THE RECESS WAS ORDERED BY JUDGE STANLEY BEDFORD AFTER THE JURY REPORTED ON FRIDAY THAT IT WAS HOPELESSLY DEADLOCKED.

SAWICKY HAD BEEN CHARGED WITH ASSAULT AND BATTERY OF A POLICE OFFICER, POSSESSION OF NUNCHAKAS (A COMMON KARATE WEAPON) WITH INTENT TO USE, AND POSSESSION OF NUNCHAKAS.

PROCEEDINGS BEGAN THIS MORNING WITH A REQUEST FROM THE JURORS TO REHEAR TESTIMONY FROM OFFICERS ROBESON AND SCARPONE OF THE NEWARK TACTICAL SQUAD. ROBESON IS THE OFFICER SAWICKY IS ACCUSED OF ASSAULTING.

TESTIMONY FROM BOTH OFFICERS HAD BEEN EXTREMELY CONTRADICTORY DURING THE COURT PROCEEDINGS. NEITHER WAS ABLE TO PLACE SAWICKY ON THE SIDE OF THE ROOM WHERE POLICE PHOTOS OF THE MELEE SHOW HIM TO BE. THEY COULD NOT RECOUNT THEIR OWN APPEARANCE OR EXPLAIN HOW SAWICKY MOVED SO QUICKLY FROM ONE SIDE OF THE ROOM TO THE OTHER.

SAWICKY'S LAWYER, MYRON SMERODSKY, MOVED FOR A "JUDGMENT NOTWITHSTANDING THE VERDICT" AFTER HEARING THE JURY'S DECISION. THIS MOTION IS MADE IN CASES WHERE IT IS ASSUMED THAT ANY REASONABLE JURY WOULD HAVE REACHED THE OPPOSITE VERDICT AND PROVIDES THE JUDGE WITH THE OPTION OF OVERRIDING THE JURY'S DECISION. JUDGE BEDFORD DENIED THE MOTION.

SAWICKY'S CONVICTION IS ONLY THE SECOND IN TWELVE ATTEMPTED FRAME-UP CASES STEMMING FROM THE NEWARK CITY COUNCIL MELEE ON SEPT. 5, 1973. TESTIMONY IN PREVIOUS TRIALS REVEALED THAT THE LEAA-DIRECTED NEWARK POLICE TACTICAL SQUAD STAGED A RIOT IN ORDER TO DISRUPT THE SCHEDULED TESTIMONY OF LABOR COMMITTEE SPOKESMAN DENNIS SPEED ON LEAA-CIA CONTROL OF NEWARK. FOUR LABOR COMMITTEE MEMBERS HAVE BEEN ACQUITTED OF MISDEMEANOR CHARGES STEMMING FROM THE RIOT, WHILE SIX OTHERS WERE ACQUITTED OF ALL FELONY CHARGES.

DOMESTIC COUNCIL PANICKED OVER CHICAGO PRESS ATTACKS  
ON GOVERNMENT DRUG PUSHING

WASHINGTON, D.C. OCT. 14 (IPS) — RICHARD PARSONS, STAFF MEMBER FOR DRUG CONTROL ON VICE PRESIDENT NELSON ROCKEFELLER'S DOMESTIC COUNCIL AND AUTHOR OF THE COUNCIL'S JUST-RELEASED REPORT LAUDING THE DRUG ENFORCEMENT ADMINISTRATION (DEA), TERMED RECENT EXPOSES OF DEA PROTECTION OF DRUG PUSHERS BY THE CHICAGO PRESS THE WORK OF "WILD MEN."

(MORE)

"HO, HO, HO. THOSE ARE SOME OF MY FAVORITE PEOPLE, THE (CHI-CAGO) SUN TIMES, THE DAILY NEWS. THERE ARE WILD MEN OUT THERE. THEY ARE CRAZY. THIS DRUG STUFF IS THEIR FAVORITE STUFF. THEY HAVE GIVEN THIS WHOLE QUESTION MORE COVERAGE THAN ANYONE ELSE AND IT IS NOT COHERENT NOR FAVORABLE. IT AMELES ALONG TELLING WHAT'S WRONG, BUT IT'S INACCURATE IN PINPOINTING WHAT TO DO."

PARSONS DISMISSED AS "TOTALLY MADE UP" A REPORT BY THE NEW YORK POST THAT WHITE HOUSE CHIEF OF STAFF DONALD RUMSFELD HAD ASSAILED HIS DOMESTIC COUNCIL REPORT AS A WHITEWASH AND HAD HELD UP PRESIDENTIAL APPROVAL OF THE REPORT.

PARSONS REFUSED TO COMMENT ON CHARGES RAISED BY FORMER TREASURY AGENT ROY FRANKHAUSER THAT THE NATIONAL SECURITY COUNCIL AND THE STATE DEPARTMENT WERE OVERSEEING DRUG RUNNING. "I HAVE HEARD TOF THOSE CHARGES THOUGH THERE HAS BEEN NOTHING IN PRINT," HE MUMBLED BEFORE HE HASTILY HUNG UP THE PHONE.

W. GERMAN UNIONISTS COLD-SHOULDER  
TAVISTOCK'S "MITBESTIMMUNG"

WIESBADEN, WEST GERMANY OCT. 14 (IPS) — A WEST GERMAN TRADE UNION CONFEDERATION (DGB) SPOKESMAN TOLD WORKERS AT A DGB CONFERENCE THIS WEEKEND THAT "MITBESTIMMUNG," THE POLICY OF WORKERS' MANAGEMENT CO-PARTICIPATION, WAS "VERIFIED" BY THE NOTORIOUS TAVISTOCK INSTITUTE, THE ROCKEFELLER-FUNDED, BRITISH-BASED PSYCHOLOGICAL THINK-TANK. THE DGB LEADERSHIP STRONGLY SUPPORTS MITBESTIMMUNG.

THE EXPERT, A DR. FLEISCHMANN, MADE HIS REMARKS IN THE KEY-NOTE ADDRESS AT THE SPECIAL CONFERENCE CALLED BY THE DGB TO SELL WORKERS ON THE CONTINUED "MERITS" OF CO-PARTICIPATION. FLEISCHMANN TOLD HIS AUDIENCE THAT THE TAVISTOCK PROGRAM WAS WARMLY RECEIVED BY WORKERS IN SWEDEN, GREAT BRITAIN, AND HERE IN WEST GERMANY.

AFTER WORKERS FAILED TO "WARMLY RECIEVE" HIS REMARKS, FLEISCHMANN DECIDED TO CHANGE HIS TACTICS. HE DROPPED HIS SOFT-SALES PITCH AND WARNED HIS AUDIENCE, "EVEN IF YOU ARE NOT A FOLLOWER OF ZERO GROWTH, YOU STILL HAVE TO ADMIT THAT WE CAN'T HAVE THE HIGH LEVEL OF SATISFACTION IN THE FUTURE THAT WE HAD IN THE PAST." AS A SILENT ACKNOWLEDGEMENT OF REAL WEST GERMAN WORKING-CLASS FEELING ABOUT CO-PARTICIPATION AND SIMILAR SCHEMES TO ENFORCE AUSTERITY, NOT ONE WEST GERMAN PAPER DARED TO COVER THE CONFERENCE IN YESTERDAY'S EDITIONS.

END LATE IPS FOR TUESDAY OCT. 14, 1975



# NEW SOLIDARITY International Press Service

Daily News and Press Summaries

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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE (IPS)  
EARLY EVENING WORLD PRESS ROUND UP  
OCTOBER 15, 1975 1400 HOURS EDT

## I. INTERNATIONAL NEWS

### SOVIETS AID SRI LANKA AS WORLD BANK MOVES TO FORCE TRIAGE

OCT. 15 (IPS) -- THE SOVIET UNION HAS GRANTED A 40 MILLION RUBLE LOAN TO SRI LANKA AS PART OF THE NECESSARY FOREIGN EXCHANGE FOR A 600 MILLION RUPEE AGRICULTURAL DEVELOPMENT PROJECT. THE REPORT WAS CARRIED IN THE SEPTEMBER 25 ISSUE OF FOREIGN BROADCAST INFORMATION SERVICE.

TWO WEEKS AGO, THE WORLD BANK HAD RENEWED PRESSURE ON THE SRI LANKAN GOVERNMENT OF PRIME MINISTER SIRIMAVO BANDARANAIKE TO END ALL RICE RATIONS TO THE POPULATION IN AN EFFORT TO MAKE THE COUNTRY MORE CREDIT WORTHY. IN ADDITION THE PAKISTAN TIMES REPORTED THAT THE WORLD BANK ALSO DEMANDED THAT THE GOVERNMENT REVALUE ITS CURRENCY WHILE SHOWING ITS INTENTIONS TO STOP "WASTEFUL" GOVERNMENT SPENDING BY SHUTTING DOWN \$KLL FREE EDUCATION --FROM PRIMARY SCHOOL ON UP.

### ALLON ATTACKS U.S. AMBASSADOR TO ISRAEL'S CALL FOR ISRAELI AUSTERITY

OCT. 15 (IPS) -- ISRAELI FOREIGN MINISTER YIGAL ALLON YESTERDAY REPORTED WIDESPREAD INDIGNATION IN ISRAEL AT REMARKS MADE BY U.S. AMBASSADOR MALCOM TOON ADVISING ISRAEL TO "TIGHTEN ITS BELT" AND "RESTRAIN ITS APPETITE," ACCORDING TO TODAY'S NEW YORK DAILY NEWS.

WHILE ALLON'S PUBLISHED RESPONSE TO TOON WENT NO FURTHER THEN TO DEFEND ISRAEL'S ALREADY IMPLEMENTED COST-CUTTING MEASURES AS ADEQUATE, HIS STATEMENTS INDICATE LIMITS TO AUSTERITY BEING SET BY ISRAEL'S INCREASINGLY RESTIVE WORKERS, WHO HAVE CARRIED OUT A WIDESPREAD SERIES OF STRIKES OVER THE PAST FEW WEEKS.

### VICTORY FOR PRO-DEVELOPMENT SENTIMENT IN ELECTIONS IN TURKEY, NYT IMPLIES

OCT. 15 (IPS) -- COMMENTING ON THE ELECTORAL GAINS MADE IN THIS WEEKEND'S TURKISH ELECTIONS BY THE SOCIAL DEMOCRATIC REPUBLICAN PARTY, THE NEW YORK TIMES SHOWS THAT THE QUESTION OF NATIONAL DEVELOPMENT WAS THE CENTRAL ISSUE IN NATIONAL ELECTIONS TWO DAYS AGO.

"POLITICAL CONCERNS HAVE PROMPTED ALL PARTIES TO PROMISE MORE GOVERNMENT SERVICES AND PROGRAMS, WITHOUT RAISING TAXES OR COMMODITY PRICES." TIMES REPORTER STEVEN ROBERTS WRITES.



THE REPUBLICAN PARTY SCORED HUGE MARGINS IN THE CITIES OF ISTANBUL AND ANKARA. THE RIGHT-WING JUSTICE PARTY OF THE CURRENT PREMIER DEMIREL SCORED ONLY 41 PER CENT, MAINLY IN RURAL AREAS. SPLINTER PARTIES OF THE ISLAMIC FASCIST RIGHT DECLINED SIGNIFICANTLY FROM THEIR PREVIOUS VOTE TALLIES.

THE GAINS OF THE REPUBLICAN PARTY ARE TIED UP TO THE INCREASING URBANIZATION AND EDUCATION OF THE COUNTRY'S WORKING LAYERS, THE TIMES REPORTS. "THE REPUBLICANS MAINTAIN THAT AS THE COUNTRY BECOMES MORE URBANIZED AND BETTER EDUCATED, TURKS WILL BECOME MORE OPEN TO THEIR SOCIAL DEMOCRATIC IDEAS, AND THEIR STRONG SHOWING IN THE CITIES SEEMS TO SUPPORT THAT THESIS."

#### TIMES ADMITS CRISIS IN DETENTE MEANS NUCLEAR THREAT

OCT. 15 (IPS) -- IN AN ARTICLE ENTITLED "CRISIS IN DETENTE" ON THE NEW YORK TIMES EDITORIAL PAGE YESTERDAY, TIMES EDITORIAL BOARD MEMBER ROBERT KLEIMAN STATES THAT THE SECOND STAGE OF THE STRATEGIC ARMS LIMITATIONS TALKS (SALT II) ARE "IN SERIOUS TROUBLE" AND "WITH IT, THE FUTURE OF EAST-WEST DETENTE." ACCORDING TO KLEIMAN, U.S. SECRETARY OF STATE HENRY KISSINGER REPORTEDLY TOLD A RECENT MEETING THAT BOTH SIDES "COULD SURVIVE A SALT FAILURE POLITICALLY BY RETURNING TO A POLICY OF EAST-WEST CONFRONTATION--IF THEY WERE PREPARED TO FACE THE DANGERS THIS WOULD MEAN IN THE PRESENT NUCLEAR ERA."

#### LEBANESE CP WARNS OF CIVIL WAR, RIGHTWING PLOTS IN LEBANON

OCT. 15 (IPS) -- "THE THREAT OF ARMY INTERVENTION INTO THE LEBANESE INTERNAL SITUATION POSES A HORRIBLE DANGER AND MIGHT LEAD TO CIVIL WAR, MORE DISASTROUS THAN ANYTHING SO FAR," THE LEBANESE COMMUNIST PARTY (PCL) WARNS IN A SEPT. 29 COMMUNIQUE CARRIED BY THE HUNGARIAN NEWS SERVICE, MTI.

THE ARMY DANGER OF CIVIL WAR COMES FROM A SPLIT THAT HAS DEVELOPED IN THE RANKS OF THE LEBANESE ARMY, THE PCL STATES. "CONTROVERSIES BETWEEN CERTAIN GROUPS OF OFFICERS... (ARE) GROWING SHARPER... IT MUST BE FEARED." THE COMMUNIQUE GOES ON, "THAT IN THE END THE ARMY MIGHT TAKE SIDES IN THE CONFLICT INSTEAD OF DOING WHAT IT OUGHT TO DO: ASSERT ITSELF IN FAVOR OF NATIONAL RECONCILIATION AND PEACEFUL CONSOLIDATION."

ALTHOUGH THE LEBANESE CONFLICT IS A "CLASS STRUGGLE..." THE PCL CHARGES, "PART OF THE LEBANESE BOURGEOISIE THAT HAS SOME COMMON SENSE, TOGETHER WITH SOME OF THE CHRISTIAN AND RIGHTIST PARTIES, HAS NOW DRAWN A LINE BETWEEN THEMSELVES AND THE ULTRA-RIGHTISTS WHO ARE KILL-CRAZY."

#### HEALEY VISIT TO TEHERAN A "SUCCESS"

OCT. 15 (IPS) -- THE VISIT BY BRITISH CHANCELLOR OF THE EXCHEQUER DENNIS HEALEY TO TEHERAN WAS DESCRIBED BY THE OCT. 13 FINANCIAL TIMES OF LONDON AS A "SUCCESS."

IN RETURN FOR THE DISBURSEMENT OF THE SECOND THIRD OF A \$1.2 BILLION IRANIAN LOAN TO BRITAIN, HEALEY REPORTEDLY ARRANGED FOR CITY OF LONDON BANKING EXPERTS TO HELP TURN TEHERAN INTO A MAJOR FINANCIAL AND BANKING CENTER AND FOR EXPANDED IRANIAN COOPERATION WITH THE EUROPEAN ECONOMIC COMMUNITY (EEC).

SEVERAL SOURCES HAVE SPECULATED THAT HEALEY'S VISIT MAY HAVE HAD A SOMEWHAT DIFFERENT FOCUS--DISCUSSIONS WITH THE SHAH ABOUT POSSIBLE BRITISH MEMBERSHIP IN THE OIL PRODUCERS CARTEL OPEC.

#### OAU BLOCKS KISSINGER/UN PARTITION OF ANGOLA

OCT. 15 (IPS) -- THE ORGANIZATION OF AFRICAN UNITY (OAU) LAST WEEK REJECTED THE IDEA OF SENDING A UNITED NATIONS PEACEKEEPING FORCE INTO ANGOLA. U.S. SECRETARY OF STATE HENRY KISSINGER IS KNOWN TO BE LOBBYING STRONGLY FOR UN INTERVENTION, DESPITE THE FACT THAT THE DOMINANT POLITICAL FORCE IN ANGOLA, THE PRO-SOVIET POPULAR MOVEMENT (MPLA) HAS ALREADY FLATLY REJECTED THE IDEA.

SPEAKING FOR HIS ORGANIZATION, OAU UNDER-SECRETARY GENERAL, NOURREDDINE DJOURI LAST WEEK TOLD THE PRESS THAT THE OAU REJECTED UN INTERVENTION SINCE EXPERIENCE WITH THE UN IN SIMILAR OPERATIONS REVEALED ITS WEAKNESS. UN INTERVENTION WOULD RESULT IN BALKANIZATION OF ANGOLA--I.E. PARTITION OF THE COUNTRY, HE ADDED.

UN INTERVENTION IN THE EARLY 1960'S INTO THE CONGO HAD PRODUCED A PARTITION. DJOURI IS REPORTED BY THE WEST GERMAN DAILY SUEDEUTSCHE ZEITUNG, TO BE HEADING UP THE MISSION OF THE OAU'S ANGOLA CONCILIATION COMMISSION NOW VISITING ANGOLA.

## II. CONTINENTAL NEWS

#### CORPORATE TREASURER: SPECULATE AGAINST THE DOLLAR

OCT. 15 (IPS) -- THE TREASURER OF ROCKWELL INTERNATIONAL, A MAJOR MULTI-NATIONAL CORPORATION, HAS ADVISED FINANCIAL OFFICERS OF MULTI-NATIONAL CORPORATIONS TO BORROW IN DOLLARS, BECAUSE HE EXPECTS THAT CURRENCY TO WEAKEN OVER THE LONG-RUN. AS REPORTED IN YESTERDAY'S JOURNAL OF COMMERCE, TREASURER ROBERT DEPALMA SPECULATED THAT A NEW YORK CITY DEFAULT WOULD PROVIDE THE "INITIAL SHOCK" TO THE DOLLAR, AND THAT THE DOLLAR'S COLLAPSE WOULD BE AGGRAVATED BY HUGE FEDERAL DEFICITS AND RENEWED INFLATION.

#### BOSTON GLOBE AND SAN FRANCISCO EXAMINER PICK UP CHICAGO SUN TIMES ARTICLE BLASTING ROCKEFELLER

OCT. 15 (IPS) -- THE OCT. 12 CHICAGO SUN-TIMES ARTICLE, NAMING VICE PRESIDENT NELSON ROCKEFELLER AND SECRETARY OF STATE HENRY

KISSINGER AS THE KEY FORCES CONTROLLING THE U.S. INTELLIGENCE COMMUNITY, WAS REPRINTED IN FULL ON THE FRONT PAGES OF THE OCT. 12 BOSTON GLOBE AND SAN FRANCISCO EXAMINER. THE SAN FRANCISCO EXAMINER RAN BANNER HEADLINES ACCUSING SECRETARY KISSINGER OF BEING BEHIND A "SECRET PLOT" TO REORGANIZE THE CIA.

THE ARTICLE, WHICH NAMES NELSON ROCKEFELLER AS "KISSINGER'S ORIGINAL PATRON," ALSO IDENTIFIES THE SECRETARY OF STATE AS THE CULPRIT BEHIND THE "CIA'S OPERATION THROUGH THE SUPER SECRET '40 COMMITTEE' THROUGHOUT BOTH HELMS' AND COLBY'S DIRECTORSHIP (OF THE CIA)." KISSINGER HAS MADE IT "PERFECTLY CLEAR IN PRIVATE" THAT HE AGREES WITH THE VICE PRESIDENT THAT BOTH THE CIA REVELATIONS AND INVESTIGATIONS HAVE GONE FAR ENOUGH," SUN-TIMES WRITER THOMAS ROSS CHARGED.

#### WHITEHOUSE STAFF DEMORALIZED AS FEUDS CONTINUE

OCT. 15 (IPS)--BECAUSE OF A "CONTINUING RIFT BETWEEN PRESIDENT FORD'S TWO TOP AIDES, DONALD RUMSFELD AND ROBERT HARTMAN," THE OCT. 13 CHICAGO TRIBUNE REVEALS, FORD'S MOST IMPORTANT SPEECH IN MONTHS, HIS RECENT TAX CUT ANNOUNCEMENT, WAS NOT EVEN WRITTEN BY THE WHITEHOUSE SPEECHWRITERS. INSTEAD, THE SPEECH WAS DRAFTED BY A FORMER AIDE TO TREASURY SECRETARY SIMON WHO WAS CALLED TO THE WHITE HOUSE TO DISCUSS IT WITH ROCKEFELLER-RIVAL RUMSFELD.

ONLY ON THE DAY OF DELIVERY WAS THE SPEECH SHOWN TO THE WHITE HOUSE SPEECHWRITERS, THE TRIBUNE REVEALS AND DEMORALIZATION AMONG THE STAFF IS SO GREAT THAT ONE AIDE WHINED "THE PRESIDENT HIMSELF IS BORED BY THE SPEECHES."

ANOTHER AIDE COMPLAINING ABOUT THE INABILITY OF THE ADMINISTRATION TO COME UP WITH ANY MEANINGFUL PROGRAM MOANED THAT THE "OFFICE OF MANAGEMENT AND BUDGET COULD HAVE PROVIDED A POSITIVE COST ANALYSIS ON DACHAU."

#### FORD "DISMAYED" OVER ROCKY'S ABOUT-FACE ON AID TO NYC

OCT. 15 (IPS) -- PRESIDENT GERALD FORD, WHO SAID AT A NEWS CONFERENCE ON THURSDAY THAT HE OPPOSED FEDERAL AID TO NEW YORK CITY, WAS "DISMAYED" OVER VICE PRESIDENT ROCKEFELLER'S RECENT CALL FOR CONFESSORIAL ACTION TO ASSIST NEW YORK CITY, ACCORDING TO A BANNER HEAD-LINE ARTICLE APPEARING IN THE OCT. 13 NEW YORK POST. THE VICE PRESIDENT'S ABOUT FACE, REFLECTIVE OF THE GENERAL CHAOS OVERTAKING THE ADMINISTRATION, LEFT MR. FORD "UNHAPPY" AND "SURPRISED." FORD ALSO COMPLAINED THAT ROCKEFELLER HAD NOT CONSULTED HIM BEFORE ISSUING THE STATEMENT.

#### DETROIT FREE PRESS PLUGS FOR LEAA

OCT. 15 (IPS) -- MAINTAINING THEIR STRONG PRO-LAW ENFORCEMENT ASSISTANCE ADMINISTRATION (LEAA) STAND, THE OCT. 13 DETROIT FREE PRESS EDITORIALIZED IN FAVOR OF RETAINING THE WAYNE COUNTY ORGANIZED

CRIME TASK FORCE--A BODY ORIGINALLY FUNDED BY THE LEAA.

THE WAYNE COUNTY BOARD OF COMMISSIONERS WANTS TO ELIMINATE THE ORGANIZED CRIME TASK FORCE FOR BUDGETARY REASONS. THE US LABOR PARTY HAD EXPOSED THE LEAA TAKEOVER OF WAYNE COUNTY AT RECENT POLICE COMMISSION HEARINGS.

#### BLACK BUSINESSMEN PUSH DRUGS

OCT. 15 (IPS) -- THE CONSERVATIVE NORTHWEST BLACK BUSINESSMEN'S ASSOCIATION YESTERDAY PASSED A RESOLUTION URGING THE MICHIGAN STATE LEGISLATURE TO LEGALIZE HEROIN AND OTHER ADDICTIVE DRUGS.

THE DIRECTOR OF THE ASSOCIATION, REVEREND RAY SHOULDERS, WAS QUOTED IN TODAY'S DETROIT FREE PRESS AS SAYING "IF THE GOVERNMENT WOULD LEGALIZE IT (HEROIN) THE PROFIT MOTIVE WOULD BE ELIMINATED. I DON'T SEE WHY ANYONE NOT GETTING A PROFIT FROM ILLEGAL DRUGS WOULD OPPOSE LEGALIZING THEM."

#### FBI INFILTRATED CONGRESS

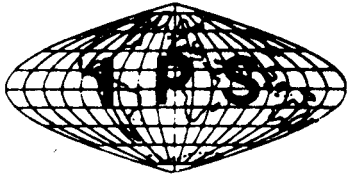
OCT. 15 (IPS) -- THE FBI ASSIGNED ONE OF ITS ASSISTANT DIRECTORS TO INFILTRATE THE SENATE PERMANENT INVESTIGATIONS SUBCOMMITTEE, ACCORDING TO YESTERDAY'S WASHINGTON POST. "THE IDEA WAS THE INFILTRATION OF CONGRESS," THE POST'S SOURCE SAID. HE ALSO SAID THAT THERE ARE 30 FBI AGENTS ASSIGNED ON A TEMPORARY BASIS TO THE HOUSE APPROPRIATIONS COMMITTEE.

THE AGENT, COURNEY A. EVANS, WAS ASSIGNED TO JACKSON'S COMMITTEE ON A PART-TIME BASIS. TOLD TO PASS ALONG INFORMATION ON SENATOR'S SEX-LIVES AND DRINKING HABITS, FBI DIRECTOR J. EDGAR HOOVER BECAME "SUSPICIOUS" OF EVANS, ACCORDING TO A SOURCE. BECAUSE HE DID NOT REPORT DEROGATORY INFORMATION ON SENATOR ROBERT F. KENNEDY. EVANS, WHO IS NO LONGER WITH THE FBI, DENIED THESE CHARGES BUT ADMITTED TO FBI LOBBYING EFFORTS SAYING THAT "OBVIOUSLY, YOU CREATE A FAVORABLE ATTITUDE WHEN YOU'RE COOPERATING."

#### FBI ACTIVATING KKK WITH NEW "SPLIT"

OCT. 15 (IPS) -- A NEW KKK, GOING UNDER THE OLD TITLE OF THE "INVISIBLE EMPIRE OF THE KKK" HAS BEEN FORMED AS ANNOUNCED YESTERDAY BY OHIO GRANDDRAGON DALE REUSCH. AT A MINIMUM, HALF OF THE KKK IS COMPOSED OF FBI AGENTS OR INFORMERS AND 75 PER CENT OF NEW KKK RECRUITS ARE ALSO FBI OPERATIVES, INFORMED OBSERVERS INDICATE THAT THE FBI WILL ACTIVATE THE TWO GROUPINGS AROUND "CONTROLLED DIFFERENCES."

THREE DAYS AGO APPROXIMATELY A DOZEN KKK'ERS FROM THE "NEW GROUP" HARASSED A BALTIMORE LABOR PARTY PICKET LINE AGAINST SS KRESGE CO. AND SHOUTED ANTI-COMMUNIST SLOGANS.



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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE  
THURSDAY, OCT. 16, 1975  
1400 HOURS EDT  
EARLY REPORT

## I. WORLD PRESS SUMMARY; INTERNATIONAL NEWS

### GISCARD GOES HOME EARLY; MEETING WITH BREZHNEV CANCELLED

OCT. 16 (IPS) -- THE FINAL SCHEDULED MEETING BETWEEN SOVIET PARTY HEAD LEONID BREZHNEV AND FRENCH PRESIDENT GISCARD D'ESTAING WAS CANCELLED TODAY, AND GISCARD WILL LEAVE MOSCOW EARLIER THAN PLANNED. TALKS BETWEEN LOWER-LEVEL FRENCH AND SOVIET OFFICIALS WERE ALSO CANCELLED. TODAY'S LE MONDE REPORTS THAT THE EXPLANATION GIVEN BY THE FRENCH DELEGATION FOR THIS SUDDEN JOINT DECISION WAS THE "EXCELLENT WEATHER IN MOSCOW."

THE FRENCH COMMUNIST PARTY NEWSPAPER L'HUMANITE TODAY OFFERS A DIFFERENT EXPLANATION. THE GISCARD GOVERNMENT, SAYS L'HUMANITE, IS CONDUCTING A "FOREIGN POLICY BASED ON ATLANTICISM...A POLICY BASED ON AN INTEGRATED MILITARY EUROPE, INSPIRED BY THE EDC (EUROPEAN DEFENSE COMMUNITY - ED.) AND FOUNDED ON THE DEVELOPMENT OF ARMS SUPPLIES TO THE FOUR CORNERS OF THE WORLD....GISCARD'S GOVERNMENT CANNOT, HOWEVER, IGNORE THE IMPERATIVES OF THE HOUR, THE PRESSURE OF PUBLIC OPINION AS WELL AS THE DANGERS OF A PROLIFERATION OF NUCLEAR ARMS..."

### PORTUGUESE WORKERS IN SOUTH MOBILIZE TO FORCE THROUGH AGRARIAN REFORM

OCT. 16 (IPS) -- "THE WORKERS OF THE SOUTH OF THE COUNTRY WILL PARALYZE ALL OF THEIR ACTIVITY WITHIN A FEW DAYS IF THE MEASURES OF TECHNICAL AND FINANCIAL AID FOR AGRARIAN REFORM ARE NOT IMMEDIATELY CONCRETIZED" BY THE GOVERNMENT, DECLARED THE OFFICIAL STATEMENT OF THE FIRST MEETING OF METAL AND AGRICULTURAL WORKERS OF THE SOUTH SUNDAY IN EVORA, PORTUGAL. AT THIS UNPRECEDENTED MEETING, THE METAL WORKERS ANNOUNCED THAT THEY WOULD DELIVER THE UNSOLD INVENTORY OF AGRICULTURAL MACHINERY STOCKPILED IN METAL COMPANY WAREHOUSES DIRECTLY TO THE AGRICULTURAL COOPERATIVES AND "SEND THE BILL TO THE STATE ORGANISMS." MOTIONS WERE ALSO APPROVED CONDEMNING THE MANNER IN WHICH THE SO-CALLED NATIONALIZED BANKS ARE ALLOCATING HUGE LOANS TO LARGE LANDOWNERS FOR THEIR MORTGAGE PAYMENTS, WHICH ARE THEN SENT OUT OF THE COUNTRY, REPORTS THE LISBON DAILY "DIARIO DE NOTICIAS" OCT. 13.

10.16 EARLY IPS/2

SECTOR OF FIAT-ALLIS HAVE BEEN TEMPORARILY LAID OFF FOR FIVE DAYS. THE DECISION BY FIAT CHIEF GIANNI AGNELLI, WHICH AFFECTS WORKERS IN TURIN, LECCE, AND GRUGLIASCO (IN THE PIEDMONT REGION) CAME SEVERAL DAYS AFTER CONTRACT NEGOTIATIONS BETWEEN THE TRADE UNIONS AND FIAT WERE BROKEN OFF IN TURIN. THE MAJOR ISSUE OF DISAGREEMENT WAS THE FIAT DEMAND FOR FULL "LABOR MOBILITY," WHILE THE UNIONS HAVE STATED THEIR OPPOSITION UNLESS FIAT GUARANTEES CONTINUED EMPLOYMENT AND INVESTMENTS.

SO FAR, THE NATIONAL TRADE UNION LEADERS -- PARTICULARLY THOSE RELATED TO THE ITALIAN COMMUNIST PARTY (PCI) -- THOUGH AGREEING WITH AGNELLI'S PROPOSALS, HAVE BEEN UNABLE TO FORCE WORKERS TO SUBMIT TO THEM.

#### THE POLISH ROAD TO CONTROLLED FUSION

OCT. 16 (IPS) -- IPS HAS NOW LEARNED FROM PAPERS PRESENTED AT THE 7TH EUROPEAN CONFERENCE ON CONTROLLED FUSION THAT SCIENTISTS WORKING AT THE POLISH INSTITUTE OF NUCLEAR RESEARCH AT SWIERK NEAR WARSAW, UNDER THE LEADERSHIP OF DR. S. KALISKI HAVE BEEN ABLE TO ENHANCE THE THERMONUCLEAR REACTION YIELD OF THE PLASMA FOCUS APPROACH TO FUSION POWER BY A FACTOR OF THREE THROUGH THE UTILIZATION OF LASER BEAM HEATING.

THE FOCUS SYSTEM IS BASED ON THE PRODUCTION OF SHORT BURSTS OF HOT, DENSE TURBULENT PLASMAS WHOSE TORNADO TYPE VORTEX MOTION PRODUCES SELF-CONFINING MAGNETIC FIELDS. DR. WINSTON BOSTICK OF THE STEVENS INSTITUTE OF TECHNOLOGY AND MEMBER OF THE FEF EDITORIAL BOARD, TOGETHER WITH HIS CO-WORKERS AT THE LIVERMORE LAB IN THE U.S. AND THE FRASCATI LAB IN ITALY, HAS ALSO ACHIEVED SIGNIFICANT EXPERIMENTAL SUCCESS WITH THE PLASMA FOCUS APPROACH TO CONTROLLED FUSION.

"AN EXTENSION OF THIS EXPERIMENT ON A MILLION JOULE FOCUS AND THOUSAND JOULE LASER MAY ENABLE A CRITICAL CONDITION TO BE REACHED, I.E., ASSURE 10 TO THE 15TH OR 16TH POWER NEUTRONS PER DISCHARGE," THE POLISH CONFERENCE PAPER REPORTS. WHILE THE FOCUS SYSTEM MAY NOT BE ABLE TO CONSTITUTE THE BASIS FOR ACTUAL CTR POWER REACTORS, THIS APPROACH WOULD PROVIDE A CHEAP MEANS OF PRODUCING THE ESSENTIAL THERMONUCLEAR CONDITIONS FOR MATERIALS TESTING FOR ENGINEERING SUCH POWER REACTORS. RESEARCH ON THIS LASER-FOCUS SYSTEM IS ALSO BEING CARRIED OUT UNDER DR. BASOV AT THE MOSCOW LEBEDEV INSTITUTE. DR. BOSTOCK'S AND OTHER WORK ALONG THESE LINES IS NOT BEING FUNDED BY THE U.S. FEDERAL ENERGY AGENCY, ERDA, IN THE UNITED STATES, HOWEVER.

#### EXPERIMENTAL MISTAKE LEADS TO POSSIBLE BREAKTHROUGH IN FUSION RESEARCH

OCT. 16 (IPS) -- IN JULY OF THIS YEAR, RESEARCHERS AT THE LAWRENCE LIVERMORE LAB REPORTED A "MAJOR EXPERIMENTAL BREAKTHROUGH" WITH THE "MIRROR MACHINE" MAGNETIC CONFINEMENT SYSTEM, IN WHICH

(MORE)

10.16 EARLY IPS/3

THE CONFINEMENT TIME OF PLASMA WAS FOUND TO INCREASE WITH THE INCREASING ENERGY INPUT OF INTENSE BEAMS OF "NEUTRAL" ATOMS INJECTED INTO THE CONFINED PLASMA. BUT THESE INITIAL RESULTS WERE MISTAKEN, IPS LEARNED YESTERDAY. SCIENTISTS AT LIVERMORE HAVE RECENTLY DISCOVERED THAT THE 80KEV NEUTRAL BEAM INJECTOR EMPLOYED IN THE EXPERIMENT HAD BEEN ACCIDENTALLY IONIZED.

BUT THE EXPERIMENTAL ERROR OF INJECTING "NEGATIVE" DEUTERIUM MOLECULES WAS ACTUALLY QUITE FORTUITOUS. MOLECULAR BEAMS CAN BE EASILY AND EFFICIENTLY ACCELERATED TO HIGH ENERGIES AND THUS CONSTITUTE THE OPTIMUM SYSTEM FOR HEATING OR FORMING THERMONUCLEAR GRADE PLASMAS. BUT PREVIOUS EXPERIMENTS HAD LED PLASMA PHYSICISTS TO BELIEVE THAT INJECTION OF CHARGED MOLECULES WOULD MAKE THE RESULTING PLASMA UNSTABLE. THE LIVERMORE RESULTS ACCIDENTALLY EMPLOYING NEGATIVELY CHARGED MOLECULES DEMONSTRATE THAT THIS IS POSSIBLY NOT TRUE!

#### STOLTENBERG TO DISCUSS ECONOMICS IN JAPAN

NEW YORK, OCT. 16 (IPS) -- GERHARD STOLTENBERG, A LEADER OF THE WEST GERMAN CHRISTIAN DEMOCRATIC UNION NOW IN JAPAN FOR A TEN-DAY VISIT, IS TO MEET WITH BOTH GOVERNMENT AND LIBERAL-DEMOCRATIC PARTY LEADERS, IT WAS DISCLOSED OCT. 11 IN THE ASAHI EVENING NEWS. STOLTENBERG WILL ALSO ADDRESS A MEETING JOINTLY SPONSORED BY THE JAPAN EXTERNAL TRADE ORGANIZATION AND THE KEIDANRAN, THE LEADING BUSINESSMEN'S ORGANIZATION, ON THE SUBJECT OF THE ECONOMIC SITUATION IN THE BRD AND ON BRD-JAPAN ECONOMIC RELATIONS.

STOLTENBERG IS THE ACKNOWLEDGED LEADER OF PRO-DEVELOPMENT GERMAN INDUSTRIALISTS, AND IS ONE OF THE MOST INFLUENTIAL PERSONS IN WEST GERMANY.

#### JAPANESE PRIME MINISTER HAS LOWEST POPULARITY SINCE WWII

NEW YORK, OCT. 16 (IPS) -- A PUBLIC OPINION SURVEY RELEASED LAST WEEK BY THE JAPANESE DAILY MAINICHI SHOWED THAT LIBERAL DEMOCRATIC (LDP) PRIME MINISTER TAKEO MIKI'S POPULARITY HAS FALLEN TO A POST-1949 LOW OF 23 PERCENT, WITH AN ASTOUNDING LOW OF ONLY 40 PERCENT POPULARITY AMONG LDP VOTERS THEMSELVES. MIKI'S POPULARITY PLUNGE, FROM 47 PERCENT WHEN HE TOOK OFFICE IN DECEMBER OF 1974, IS CREDITED TO INFLATION, RECESSION, AND HIS ALL AROUND LACK OF POLICY.

## II. CONTINENTAL NEWS

#### "IS ROCKEFELLER AN ASSET?" NO, SAYS SYNDICATED COLUMN; SUGGESTS RESIGNATION

OCT. 16 (IPS) -- SYNDICATED COLUMNIST GEORGE F. WILL, WRITING IN YESTERDAY'S WASHINGTON POST AND BALTIMORE SUN, CAME OUT WITH ONE OF THE STRONGEST DENUNCIATIONS TO DATE OF VICE PRESIDENT NELSON ROCKEFELLER. BLASTING THE \$100-BILLION ENERGY BOONDOGGLE AS "THE BRAIN-

(MORE)

10.16 EARLY IPS/4

CHILD OF VICE PRESIDENT ROCKEFELLER," WILL CHARGES, IN HIS COLUMN "IS ROCKEFELLER AN ASSET?" THAT MR. ROCKEFELLER "WANTS TO TRY AT THE FEDERAL LEVEL THE PRACTICES THAT HELPED MAKE NEW YORK WHAT IT IS TODAY." MR. WILL EARLIER PINNED THE BANKRUPTCY OF NEW YORK ON ROCKEFELLER, WHO AFTER SEEING "THE WRITING ON THE STATE'S CRUMBLING WALL...PRUDENTLY RESIGNED IN 1974 ONE JUMP AHEAD OF THE RUIN THAT HIS REIGN HAD GUARANTEED." BROTHER DAVID'S FINANCIAL OBLIGATIONS WERE IDENTIFIED BY WILL AS A KEY CAUSE OF THIS RUIN.

#### TIMES BLASTS ROCKY

OCT. 16 (IPS) -- IN HIS SECOND BLAST AT NELSON ROCKEFELLER THIS WEEK, NEW YORK TIMES COLUMNIST WILLIAM SAFIRE SAYS THAT THE VICE PRESIDENT, "MR. FORD'S FIRST BIG ALBATROSS," IS LIKELY TO BE DUMPED BY FORD BECAUSE "SOME REPUBLICANS ARE OFFENDED AT HIS BIG-SPENDING ENERGY SCHEME, SOME ARE DISMAYED AT HIS FLIP-FLOPPING ON BAILING OUT NEW YORK, SOME ARE VENGEFUL AT HIS DECISION TO LET THE STEAMROLLER ROLL IN THE SENATE, SOME ARE WORRIED ABOUT THE PERVERSIVE KISSINGER CONNECTION, SOME ARE LEERY OF HIS TENDENCY TO FORGET THAT HE'S ONLY NUMBER TWO." SAFIRE ALSO LABELS ROCKEFELLER'S PROPOSED \$100 BILLION FEDERAL ENERGY AUTHORITY "AN AMERICAN FORM OF FASCISM POPULAR HERE IN THE THIRTIES AND FORTIES" WHICH "MAY BE EFFICIENT BUT IS HARDLY IN TUNE WITH EITHER CONSERVATIVE OR PROGRESSIVE REPUBLICAN PRINCIPLES."

#### CIA AND FBI ARE LAWLESS, DECLARES CHICAGO SUN-TIMES

OCT. 16 (IPS) -- THE CHICAGO SUN-TIMES, MOUTHPIECE FOR LEADING CHICAGO AREA U.S. INDUSTRIALISTS, CONTINUED ITS BROADSIDE AGAINST NELSON ROCKEFELLER'S INTELLIGENCE AGENCY GESTAPO APPARATUS YESTERDAY IN A FRONT-PAGE ARTICLE ENTITLED, "NO BIG BROTHER HERE." "THE DISCLOSED LAWLESSNESS BY THE CIA, FBI, AND A HOST OF OTHER FEDERAL AGENCIES CLEARLY DEMONSTRATES THESE AGENCIES CANNOT BE TRUSTED TO OBEY THE LAW, MUCH LESS ENFORCE IT WITHOUT EFFECTIVE OVERSIGHT FROM ELECTED OFFICIALS," DECLARED THE SUN-TIMES. THE PAPER CHARGED THAT THE "GOVERNMENT HAS BUILT UP MASSIVE POLICE FORCES AND INTELLIGENCE GATHERING THAT AT LEAST IN NUMBERS RESEMBLES A NATIONAL POLICE FORCE."

#### HOUSE PANEL STUDIES FBI LINKS TO OSWALD, RUBY

OCT. 16 (IPS) -- REPRESENTATIVE DON EDWARDS (D-CAL.) ANNOUNCED OCT. 13 THAT HIS HOUSE CIVIL AND CONSTITUTIONAL RIGHTS SUBCOMMITTEE IS NOW INVESTIGATING THE FBI'S RECENTLY UNCOVERED RELATIONSHIP TO LEE HARVEY OSWALD AND JACK RUBY, BOTH OF WHOM DIED IN THE AFTERMATH OF PRESIDENT KENNEDY'S ASSASSINATION. HEARINGS TO BE HELD MONDAY, OCT. 20, AND TUESDAY, OCT. 21, BY THE EDWARDS SUBCOMMITTEE, WILL HEAR TESTIMONY FROM FBI AGENTS ON THREE TOPICS: 1) THE RECENT DISCLOSURE OF A LETTER WRITTEN BY OSWALD TO THE FBI THREE DAYS PRIOR TO THE KENNEDY ASSASSINATION THREATENING TO BLOW UP A DALLAS POLICE STATION -- A LETTER THE FBI DESTROYED; 2) DOCUMENTS UNCOVERED RECENTLY WHICH REVEAL THAT JACK RUBY WAS A PAID FBI INFORMANT; 3) THE DISCLOSURE BY A FORMER FBI EMPLOYEE IN NEW ORLEANS THAT THE BUREAU INFORMED ITS SOUTHERN FIELD OFFICE THAT THE KENNEDY ASSASSINATION WAS COMING IN DALLAS FIVE DAYS BEFOREHAND.

(MORE)



10.16 EARLY IPS/5

### CONGRESS MOVING TO PHASE OUT MILITARY GRANT PROGRAMS

OCT. 16 (IPS) -- SUBSTANTIAL MAJORITIES IN THE SENATE FOREIGN RELATIONS COMMITTEE AND THE HOUSE INTERNATIONAL RELATIONS COMMITTEE HAVE DECIDED TO PHASE OUT THE MILITARY AID PROGRAM UNDER WHICH THE U.S. HAS GIVEN AWAY \$40 BILLION IN ARMS SINCE 1949, AND TO IMPOSE STRINGENT CONTROLS ON THE ENTIRE MILITARY SALES PROGRAM, NEW YORK TIMES COLUMNIST LESLIE GELB REPORTS TODAY. A BILL BEFORE BOTH COMMITTEES WOULD GO BEYOND PRESENT CONGRESSIONAL CONTROL OF THE SALES PROGRAM TO ACTUAL POLICE CONTROL OF ALL ARMS SALES, INCLUDING COMMERCIAL SALES. THE CONGRESSIONAL MOVE COINCIDES WITH GROWING ANTAGONISM BY CONGRESSMEN, ESPECIALLY LIBERAL DEMOCRATS, TO SECRET MILITARY AGREEMENTS MADE BY SECRETARY OF STATE KISSINGER DURING HIS MIDDLE EAST "SHUTTLE."

### CANADIAN OFFICIAL ANNOUNCES CRISIS MANAGEMENT LEGISLATION

OCT. 16 (IPS) -- CANADIAN SOLICITOR GENERAL WARREN ALLMAND ANNOUNCED SATURDAY THAT TOUGH LEGISLATION IS BEING PREPARED TO SUPPLEMENT THE WAR MEASURES ACT IN DEALING WITH "CRISIS SITUATIONS," ACCORDING TO A UPI RELEASE IN THE OCT. 14 MONTREAL GAZETTE. ALLMAND SAID THAT THE WAR MEASURES ACT, USED IN 1970 DURING THE QUEBEC FLQ TERRORIST INCIDENTS, WOULD BE RETAINED BUT THAT ANOTHER LAW WAS NEEDED TO "COPE WITH PROBLEMS THAT MIGHT CROP UP DURING THE 1976 SUMMER OLYMPICS IN MONTREAL."

ALLMAND ESTIMATED THERE WOULD BE ABOUT 1,300 RCMP OFFICERS, 2300 MONTREAL URBAN COMMUNITY POLICE, 900 MEMBERS OF THE QUEBEC POLICE FORCE AND ABOUT 5,000 MEMBERS OF THE ARMED FORCES PRESENT FOR THE GAMES. "I DON'T THINK IT WOULD LOOK LIKE AN ARMED CAMP, BUT THE MEMBERS OF THE ARMED FORCES WILL BE NOTICEABLE," ALLMAND COMMENTED.

### III. LABOR PARTY INTELLIGENCE AND ORGANIZING REPORT

#### NEW JERSEY PRESIDENTIAL CANDIDATE BUILDING SUPPORT FOR JORDAN SIMMS

OCT. 16 (IPS) -- MICHAEL EATON, U.S. LABOR PARTY MEMBER AND CANDIDATE FOR PRESIDENT OF USWA LOCAL 5030 AT THE FAIRLESS STEEL WORKS IN TRENTON, N.J., HAS WIRED A SUPPORT STATEMENT SIGNED BY 150 TRENTON WORKERS TO JORDAN SIMMS, PRESIDENT OF THE DETROIT ELDON GEAR AND AXLE UAW LOCAL. THE STATEMENT READS IN PART: "KNOW THAT YOU HAVE THE SUPPORT OF WORKERS AROUND THE COUNTRY; WORKERS WHO WANT PRODUCTION, NOT COLLAPSE; A PRODUCTIVE FUTURE FOR THEIR CHILDREN AND NOT METHADONE. THE EAST COAST HAS BEEN ELECTRIFIED BY THIS FIGHT. WE DON'T INTEND TO LOSE." SIMMS' LOCAL HAS BEEN PLACED IN TRUSTEESHIP BY LEONARD WOODCOCK BECAUSE OF HIS PUBLIC SUPPORT FOR SEVERAL LABOR PARTY POLICIES, INCLUDING THE EFFORT TO CRUSH IN-PLANT DRUG-PUSHING.

#### TRUDEAU WAGE AND PRICE CONTROLS REJECTED IN BY-ELECTION; NALP GIVEN LOW VOTE IN SUSPECTED FRAUD

OCT. 16 (IPS) -- IN A RESOUNDING CONDEMNATION OF THE POLICY OF WAGE

(MORE)

10.16 EARLY IPS/6

AND PRICE CONTROLS ANNOUNCED BY THE TRUDEAU GOVERNMENT ON OCTOBER 13, NEWLY-APPOINTED CANADIAN FEDERAL CABINET MINISTER PIERRE JUNEAU FAILED TO GAIN A SEAT IN THE HOUSE OF COMMONS IN YESTERDAY'S FEDERAL BY-ELECTION IN MONTREAL'S HOCHELAGA RIDING. THE DEFEAT MARKS THE FIRST SINCE 1921 FOR THE LIBERAL PARTY IN THAT DISTRICT. PROGRESSIVE-CONSERVATIVE PARTY CANDIDATE JACQUES LAVOIE WAS ELECTED TO THE SEAT IN PARLIAMENT.

NORTH AMERICAN LABOR PARTY CANDIDATE LOUIS OUMET DREW UNDER ONE PERCENT OF THE OFFICIAL VOTE WITH ABOUT 60% OF THE POLLS REPORTING. NALP ORGANIZERS, WHO HAD COME UNDER CONSIDERABLE HARASSMENT DURING THE CLOSING STRETCH OF THE CAMPAIGN, REPORT SUSPICION OF FRAUD. DURING THE LAST WEEKEND OF ELECTION ORGANIZING, RALLIES ACROSS THE CITY WERE DISRUPTED BY POLICE AND COUNTER-GANGS. IN HOCHELAGA ITSELF, POLICE WERE CALLED BY PROGRESSIVE-CONSERVATIVE PARTY ORGANIZERS TO HALT THE HIGHLY EFFECTIVE USE OF A BULLHORN BY OUMET. ZOMBIES FROM THE COUNTER-GANG "WORKERS' LEAGUE" WERE ALSO DEPLOYED INTO THE AREA FOR THE FIRST TIME.

K-MART SENDS PROFESSIONAL GOONS TO BUST LABOR PARTY STRIKE

INDIANAPOLIS, OCT. 16 (IPS) -- A PROFESSIONAL THUG, WHO CROSSED STATE LINES THIS WEEK TO ATTACK A KRESSE K-MART PICKET LINE OF THE U.S. LABOR PARTY HERE, WAS DEPLOYED FOR THAT PURPOSE FROM KRESSE HEAD-QUARTERS IN TROY, MICHIGAN, IPS LEARNED YESTERDAY. THE "MUSCLE-BOY," A MR. FEENEY, HAS BEEN CHARGED WITH FOUR COUNTS OF ASSAULT STEMMING FROM THE ATTACK.

BURGLARY HITS U.S.L.P. ATTORNEY

OCT. 16 (IPS) -- TERRY WATKINS, A LAWYER REPRESENTING THE U.S. LABOR PARTY AND THE NATIONAL CAUCUS OF LABOR COMMITTEES (NCLC), IN A \$400,000 LEGAL ACTION AGAINST THE MAOIST REVOLUTIONARY UNION, FOUND HIS APARTMENT BURGLARIZED OCT. 13 IN SEATTLE, WASH. THE WATKINS BURGLARY FOLLOWS A NATIONAL PATTERN OF BURGLARIES OVER THE PAST MONTH, INCLUDING 7 REPORTED BURGLARIES AGAINST LABOR COMMITTEE AND USLP MEMBERS' HOUSES IN NEW YORK CITY ALONE.

WATKINS HAD SUCCESSFULLY ARGUED LAST WEEK AGAINST A "PROTECTIVE ORDER" SOUGHT BY THE R.U. AGAINST THE NCLC AND USLP IN THE COURSE OF THE SEATTLE SUPERIOR COURT ACTION. IN HIS ARGUMENTS, WATKINS POINTED OUT THAT THE R.U. DEFENDANTS IN THE SUIT BELONGED TO A "SECRET TERRORIST ORGANIZATION...WITH PROBABLE CONNECTION TO POLICE AGENCIES."

ESPOSITO WINS PHILADELPHIA ELECTION TO MENTAL HEALTH BOARD

PHILADELPHIA, OCT. 16 (IPS) -- U.S. LABOR PARTY CANDIDATE TONY ESPOSITO WON THE UNCONTESTED ELECTION IN DISTRICT 9 OF THE HALL-MERCER COMMUNITY MENTAL HEALTH BOARD HERE YESTERDAY. THE 9TH DISTRICT HAS JURISDICTION OVER THE JEFFERSON HOSPITAL METHADONE MAINTENANCE CENTER -- THE TARGET OF THE "OPERATION COLD TURKEY" CAMPAIGN TO SHUT DOWN THE DRUG CENTERS.

U.S. LABOR PARTY CANDIDATE FOR DISTRICT 5, MARY WOODWARD, RECEIVED TWO VOTES. WOODWARD, RUNNING AGAINST TWO OTHER CANDIDATES, HAD COLLECTED THREE AFFIDAVITS FROM USLP VOTERS AT THE TIME OF THE ELECTION.

(MORE)

10.16 EARLY IPS/7

OF 148 VOTES CAST IN THE ELECTION, ONLY 130 VOTES HAVE BEEN REPORTED. THE U.S. LABOR PARTY IS INVESTIGATING THE EVIDENCE OF VOTE FRAUD.

IV. ADDITIONAL ITEMS:

PAKISTAN PREPARES PROVOCATION VS. AFGHANISTAN

OCT. 16 (IPS) — INFORMED SOURCES HAVE INDICATED THAT THE PAKISTANI GOVERNMENT HAS MILITARILY EQUIPPED FORCES PLOTTING THE OVERTHROW OF PRO-SOVIET AFGHANISTANI PRESIDENT DAUD. IN ADDITION, SOURCES INDICATE THAT PAKISTAN IS ESCALATING PROVOCATIVE MILITARY ACTIVITIES ALONG ITS BORDERS WITH AFGHANISTAN.

ABOUT THREE WEEKS AGO, THE AFGHANISTAN GOVERNMENT PREEMPTED MOTION TOWARD A COUP BY OUSTING NUMEROUS ARMY OFFICIALS WHILE DETAINING STUDENTS AND INTELLECTUALS WHO LATER ADMITTED THEIR RELATIONS WITH PAKISTAN.

THE PAKISTANI PRESS HAS GIVEN MAJOR COVERAGE TO AFGHANISTAN INTERNAL POLITICS PARTICULARLY LABELLING IT ANTI-PAKISTANI IN ATTEMPTS TO DIVERT ATTENTION FROM CONCERN WITH DEVELOPMENT STRATEGIES TO WAR TENSIONS. PAKISTAN-AFGHANISTANI RELATIONS ARE PARTICULARLY DELICATE DUE TO THE LARGE AFGHAN AND OTHER TRIBAL MINORITIES IN BORDER STATES OF BOTH COUNTRIES.

PAKISTAN PRIME MINISTER BHUTTO IS KNOWN TO BE UNDER STRONG PRESSURE FROM CIA-CONTROLLED RIGHT-WING ELEMENTS IN THE PAKISTANI MILITARY TO HALT HIS RECENT DRIFT TOWARD FAVORABLE RELATIONS WITH PRO-SOVIET AFGHANISTAN AND INDIA. IT IS BELIEVED THAT THESE FORCES ARE BEHIND THE ANTI-AFGHANISTANI INTRIGUES.

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GOVERNMENT IN PORTUGAL BACKS DOWN BEFORE COMMUNIST MILITARY

OCT. 16 (IPS) — GENERAL CARLOS FABIAO, CHIEF OF STAFF OF THE PORTUGUESE ARMY, ORDERED THE LEFTIST TRANSPORT UNIT IN OPORTO TO BE REOPENED, ACCORDING TO TODAY'S NEW YORK TIMES. ANTI-COMMUNIST BRIG. GENERAL ANTONIO PIRES VELOSO HAD ORDERED THE CLOSING OF THE UNIT A FEW WEEKS AGO, AFTER SOME OF ITS MEMBERS HAD PARTICIPATED IN A DEMONSTRATION OF THE PRO-COMMUNIST SOLDIERS UNITED FOR VICTORY (SUV). IN RETALIATION, THE SOLDIERS HAD OCCUPIED AN ARTILLERY BASE. THE TIMES COMMENTS THAT FABIAO'S CONCESSION "TO THE REBELS WAS SEEN AS A BLOW AGAINST VELOSO'S DISCIPLINARY DRIVE" AND "THOSE MODERATE OFFICERS IN THE GOVERNMENT WITH WHOM HE IS ASSOCIATED."

BREZHNEV: CONCRETIZE YOUR DETENTE; WE WON'T CALL OFF PCF

OCT. 16 (IPS) — SOVIET COMMUNIST PARTY LEADER LEONID BREZHNEV

(MORE)

10.16 EARLY IPS/3

STRESSED IN HIS MOSCOW MEETING WITH FRENCH PRESIDENT GISCARD D'ESTAING YESTERDAY THAT DECLARATIONS OF GOOD WILL FOR DETENTE MUST NOW BE "MATERIALIZED" AND THAT THIS IN NO CASE MEANS AN END TO "THE BATTLE OF IDEAS."

THESE REMARKS, REPORTED IN TODAY'S L'HUMANITE, THE NEWSPAPER OF THE FRENCH COMMUNIST PARTY (PCF) EXPLICITLY BACK THE PCF POLITBURO, WHICH RELEASED A STATEMENT ON MONDAY WARNING THAT GISCARD MUST NOT BE ALLOWED TO USE HIS VISIT TO MOSCOW TO PUT PRESSURE ON THE PCF. THE POLITBURO STATEMENT DECLARED THAT "THE PCF CAN IN NO WAY CONSIDER PEACEFUL COEXISTENCE AS THE PRESERVATION OF THE SOCIAL AND POLITICAL STATUS QUO." THE POLITBURO CALLED ON GISCARD TO "CONCRETIZE" HIS PRO-DETENTE STATEMENTS.

FRENCH RADIO, FRANCE-INTER, REPORTS THIS AFTERNOON THAT GISCARD'S SCHEDULED MEETING WITH BREZHNEV TODAY HAS BEEN POSTPONED UNTIL FRIDAY. NO EXPLANATIONS WERE GIVEN.

#### PCF/DKP HOLD JOINT MEETING ON NUCLEAR WAR THREAT

OCT. 16 (IPS) — THE FRENCH AND WEST GERMAN COMMUNIST PARTIES (PCF AND DKP) HELD A JOINT MEETING AND DEMONSTRATION IN MARBURG, WEST GERMANY THIS WEEK TO DEMOUNCE THE THREAT POSED BY THE PROJECTED TRANSFER OF THE ATOMIC WARHEAD-BEARING FRENCH PLUTON MISSILES TO WEST GERMANY'S EASTERN BORDER.

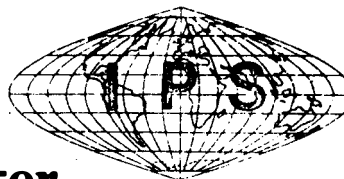
ADDRESSING THE MEETING, PCF POLITBURO MEMBER RENE PIQUET WARNED: "A NUCLEAR PLOT IS BEING PLANNED HERE AGAINST OUR PEOPLES. FRANCE IS GETTING READY TO PUT ITS ATOMIC ARMS, EACH OF WHICH IS EQUIVALENT TO THE POWER OF THE HIROSHIMA BOMB, AT THE DISPOSAL OF THE BRD AND THE ATLANTIC ALLIANCE...THE LEADERS OF OUR COUNTRY ARE PRACTICING A POLICY WHICH IS OPPOSED TO HISTORICAL EVOLUTION."

ACCORDING TO L'HUMANITE, THE NEWSPAPER OF THE PCF, PIQUET CALLED FOR A UNITED FRONT BETWEEN WEST GERMAN COMMUNISTS AND SOCIALISTS AGAINST THE POLICIES OF THE SOCIAL-DEMOCRATIC GOVERNMENT. THE MEETING WAS ALSO ATTENDED BY DKP PRESIDUM MEMBER JUPE AUGENFORD.

END OF EARLY IPS, 10/16/75.

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## IPS Weekly Financial Newsletter

### International Market News

#### **Europe, Third World, NY Banks Betting Against the Dollar**

Oct. 17 (IPS) -- The less than 1 per cent appreciation of continental currencies against the dollar and the \$3.50 per ounce increase in the price of gold this week hide the real significance of the general lack of confidence in the dollar that became apparent later in the week.

While European, Arab, and Japanese capital flowed into the high interest dollar sector in billions, the forward market in currencies reflected exactly the reverse. Knowledgeable forex traders indicated that non-U.S. investors who were depositing their money in short-term dollar instruments were at the same time buying continental currencies in huge amounts more than sufficient to compensate for the expected depreciation of the dollar.

The lure of short-term dollar instruments is obvious. While 30-day deposits earned 5 and 7/8 per cent in New York, and even more in the Eurodollar market, they earned only 1.25 per cent in Switzerland. At the beginning of the week, the three-month forward cover for the Swiss Franc against the dollar was at a premium of 4.1 per cent, while that on Deutsch Marks was 3.9 per cent.

Although on Thursday, major New York banks were still accumulating cash funds to meet their immediate obligations and cover for loan defaults, they were also contracting for millions of dollars worth of forward Deutsch Marks and Swiss Francs. In other words, the banks are betting that the forward premiums on continentals will not cover the actual expected depreciation of the dollar internationally subsequent to either a direct U.S. government bailout of New York City or the more likely bailout of the banks through the Federal Reserve's discount window in the event of a default by the city on its obligations. This accumulation of funds in dollars, accompanied by substantial interventions by European central banks on behalf of the dollar, was the only reason the dollar has stayed as relatively stable on the surface as it has.



### The Dollar's Balancing Act

The precariousness of the dollar became much more evident today when the threatened default by New York City virtually closed international foreign exchanges worldwide. The three-month forward premium on the Deutsch Mark jumped to 4 per cent, and traders increased the spreads between their bid and asked prices by as much as 100 per cent to deter both sales of continentals and purchases of dollars. This latter action on the part of forex traders, unprecedented in foreign exchange trading history, all but brought trading to a standstill. With no foreign exchange changing hands, international trade financing also came to a grinding halt.

The dramatic drop in short-term Eurodollar rates, resulting in a 1 per cent drop over the last two weeks (.7 per cent over last week alone) on 6-month interbank money, was suddenly reversed today. The six-month Eurodollar CD rate, which had fallen to 7 per cent by this morning, shot up by  $\frac{3}{8}$  of a percentage point in the aftermath of a desperate hunt for funds by the European subsidiaries of U.S. banks who were awaiting news about New York City. The interest rates had initially started their fall due to premature judgment on the part of these banks that they were sufficiently liquid to face the default. European banking sources who thought differently report that interbank lending activity on the Eurocollar market came to a virtual halt. An identical development occurred at the time of the Herstatt bankruptcy last year.

### Why Gold Isn't Rising

The only reason the price of gold has not gone higher is because of the existing possibility for investors to make tidy profits in short-term dollar instruments. Meanwhile, the Soviet Union and the Comecon bloc, who have taken out \$1.6 billion in Eurocurrency loans in the first half of this year and are expected to take out even more in the second half for purchases of Western grain and technology, have been avoiding sales of Soviet gold so as not to disrupt the market price of gold.

Reportedly, the IMF board of directors have been holding serious discussions about the remonetization of gold this week. Nobody has taken the proposal to demonetize gold and issue highly inflationary gold-backed SDRs made by Jacques De Groot, the IMF director for Belgium, very seriously at all. Rep. Henry Reuss' (D-Wisc.) proposed congressional bill aimed at annulling the European-Mexican gold-for-development plan which was agreed to



by the IMF members in Washington last month, will do little to stop the pro-gold motion in Europe. Europe is moving towards the remonetization of gold and fixed parities with the Soviet transfer ruble - irrespective of what the U.S. does or doesn't do.

Europe Bolts U.S.

The Europeans openly sided with the Algeria-led Third World bloc at this week's producers-consumers meeting in Paris. The uppermost thing in the minds of Europeans and Third World nations is a restructured international monetary system centered around the Soviet transfer ruble and a new International Central bank.

West German Chancellor Helmut Schmidt and Bundesbank Vice President Ottmar Emminger have both blasted the unstable dollar in major speeches this week. Newspapers allied with the Eugenio Cefis-led Italian pro-development and East-West trade faction have demanded new monetary and economic orders free of the bankrupt dollar. The Cefis-allied daily Il Globo today covers French proposals made by Jacques Reuff, monetary spokesman for the French Gaullists, for a gold standard favorably, and advocates going beyond it so that real production, development and trade can be carried on. The current issue of the West German Social Democratic Party monthly, Neue Gesellschaft carries a major article on the transfer ruble by former Finance Minister Alex Moeller, which all but advocates a new monetary system centered around the transfer ruble.



## Domestic Market News

### Permanent Crisis Ahead

Oct. 17 (IPS) -- The near default by New York City on \$453 million of short-term notes today has irreparably shaken confidence in the entire U.S. banking system. The city's near default has pointed up the huge proportion of rotten debt sitting in bank portfolios, of which New York City securities are only one component.

Despite the last minute bailout of the city at 2:30 PM when United Federation of Teachers President Albert Shanker agreed to purchase \$150 million of Municipal Assistance Corp. bonds with funds from the Teachers' Retirement System, New York political and financial leaders warned that this was the last time that such fiscal jugglery could avert default by the city. The municipal bond market reacted to Shanker's announcement with "resounding silence" according to a trader at a top investment firm here. Throughout the day, trading on the municipal market came to a virtual standstill, as traders tuned into the radio for the latest developments.

Shanker himself aptly commented that today's bailout was "just prolonging the agony a little bit more." The next time the city faces default is early December when the state rescue package runs out; however the package could fall apart again before then, possibly forcing default as early as Nov. 10.

Today's near default also signals the start of an all-out effort by Rockefeller and his allies to ram a federal bailout of the city through the Congress, despite the objections of President Ford and Treasury Secretary Simon.

Today's events followed a week in which municipal, corporate, and government bonds and notes all rallied in response to easier credit conditions. The collapse of production, combined with modest credit infusion, are temporarily propping up the credit markets. Yesterday the market reaction to the Federal Reserve's announcement that it was reducing reserve requirements was euphoric. Municipal, corporate and government bond and note prices all rose by 1/2 to 1 point.





### Fed Eases Refinancing Job

Faced with a massive amount of Government refinancing, the Fed moved yesterday to reduce reserve requirements on time and savings deposits of 4 years or more maturity by an amount that will release roughly \$350 million. While the amount itself is not great, it is a symbolic gesture indicating that the Fed has decided to ease up. The chief economist at Irving Trust gave the following interpretation: "The move is designed to push the banks to take on other assets such as Government debt. The Fed wants the banks to increase their footing and at the same time buy the Treasury debt." This economist made it clear that the credit will not be used for commercial and industrial loans, since banks will only take on risk free assets.

In his view the Fed will increase bank reserves; this will drive down the Federal funds rate, which banks will then purchase to buy Treasury bills at higher yields. Yesterday, Federal funds were trading a 5.82 per cent, while the three-month Treasury bill rate was 6.13 per cent, offering a nice spread to the banks doing such arbitrage operations.

### Illusory Recovery

The August inventory-sales figures released by the Commerce Department on Wednesday show the other side of the picture: the downturn of the real economy. While the rise in inventories in August, for the first time in 7 months, is being viewed by the White House and the New York Times as a sign of strength, the opposite is true. The overall rise in inventories was \$1.29 billion, of which fully \$1.2 billion reflected an accumulation of unsaleable autos at the dealer level. The breakdown of the inventory figures indicates that the disaccumulation at the manufacturing level reappeared as accumulation at the wholesale and retail levels. At the same time, virtually the entire increase in sales was related to the sale of goods from manufacturers to wholesalers and retailers. In sum, we are seeing a production spurt fueled by an inventory bubble at the retail level which is about to burst.

The 1.9 per cent rise in industrial output in September, the fifth consecutive month of increases according to a Federal Reserve announcement yesterday, was hailed as the largest gain in 11 years. But, far from confirming that the recovery is stronger than expected, the increased output is merely clogging inventories. German bankers were bewildered by the figures, remarking that they must have been doctored!

# Drug Detoxification Act of 1975

**WHEREAS** the proliferation of dangerous and addictive drugs, a symptom of social decay and a product of purposeful social control through barbaric means, represents a serious threat to the present and future ability of the population to function productively in the solution of the critical problems now facing society;

**WHEREAS** the narcotics crisis is itself a social crisis which can only be reversed and overcome through attacking the environment which tolerates massive drugging and destruction of the population, including government and privately funded programs of official drug addiction;

**WHEREAS** the epidemic proportions of this crisis requires emergency measures and programs to rehabilitate the addicted portion of the population, who themselves form an extension of the drug-controlled environment, and to vigorously press investigation and prosecution of those individuals and groups which conduct, foster and protect the flow of destructive drugs, including such "low-cost introductions" to the mainline culture as marijuana, psychedelics and amphetamines;

**BE IT RESOLVED** by the House and Senate of the United States of America assembled that the following measures be implemented:

**I.** Congress shall establish a Joint Committee on Drug Addiction which alone will be empowered to report out to Congress any new legislation relating to narcotics. The Joint Committee shall have the power to subpoena all intelligence related to drugs, hold hearings, and review all existing legislation relating to drugs. The Joint Committee shall immediately commence to review all existing legislation, create new emergency legislation proportionate to the dimensions of the present crisis after examining the failures and abuses of various current programs in the treatment of narcotics addiction. The Joint Committee shall also hold public hearings and solicit scientific testimony on new and-or more effective methods of treatment, both medical, psychiatric and social which may offer success in this area where current methods have been tremendous and costly failures.

An independent Special Prosecutor's Office, under the authority of Congress, is hereby established. The Special Prosecutor shall have the power to investigate, offer indictments and conduct prosecution of persons established to be complicit and active in the propagation of drugs.

The Joint Committee and the Special Prosecutor shall in concert set forth guidelines for the investigation of drug distribution and propagation and for the enforcement of the laws relating to drugs for state and local law enforcement authorities.

## **II. National Policy and Guidelines**

Congress, through its control of Federal Funds and appropriations, shall act to end all programs which license or perpetuate narcotics addiction as matters of social policy or through ineffective or criminal lack of enforcement of existing statutes. Specifically, all recipients of Federal Funds must act to end all programs which license or perpetuate narcotics addiction (as matters of policy), as condition of receipt of further Federal funds and appropriations. Nor shall any employer require participation in any such program as a condition of employment, nor any school

require participation as a condition for education, nor any union enjoying the right to exclusive representation under the RLA or the NLRA require such participation or condition any element of fair representation upon such participation. The policy of subsidized and often mandated or coercive addiction to a dangerous and dulling narcotic is socially and medically dangerous and regressive. It has led to the burgeoning traffic and human destruction in an agent unknown prior to its introduction by government agencies. Its use is now explicitly destructive of the cognitive and moral powers of the population.

Congress shall undertake measures consonant with a social policy of detoxification of those addicted to drugs. Toward this policy of detoxification, all funds presently directed to programs of "methadone maintenance" shall be diverted into programs establishing decent detoxification facilities, under competent medical and psychiatric supervision, which will begin to implement detoxification of the population currently addicted to drugs such as heroin and methadone in the most rapid medically and socially feasible ways. Presently funded "methadone maintenance" programs must accomplish conversion, where judged desirable and feasible, within 90 days to qualify for continued Federal funding.

In furtherance of this policy, the following guidelines shall provide the effective basis for a national detoxification program:

1) Detoxification, wherever possible, shall be carried out in in-patient facilities. About 100,000 to 150,000 bed units nationally are to be set aside in existing hospital facilities and in other facilities which can quickly be converted and equipped for detoxification.

2) Medical personnel, adequately trained and supervised, shall be used with the minimal ratio of one physician per 50 hospitalized patients, one nurse per 20, and one ward person per five patients.

3) Adequate outpatient follow-up clinics and testing to give support and necessary supplementary treatment in the post-detoxification period shall be established. These can be located attached to the detoxification facilities and also located in currently existing and new clinics suitably converted from their previous purposes and staffed with competent personnel.

4) The problem of drug recidivism shall be dealt with by the subsequent detoxification of persons detoxified and later relapsing into drug use or addiction. Firm and un-remitting but humane treatment must be used to cure the disease of drug addiction.

5) Every effort shall be made to free persons undergoing detoxification and post-detoxification treatment from the destructive effects of the environment. While actually therapeutic psychoanalytical therapy should be used along with efforts to begin programs of positive education and intellectual development during and after detoxification, those so-called therapies which reduce patients' sense of positive human identity and force a fixation on the infantile and easily distorted aspects of their personality shall be prohibited.

6) Workers who have become victims of the drug epidemic shall not lose their jobs during detoxification. Persons leaving detoxification programs shall be supplied with

productive employment at decent wages or educational programs which will continue the intellectual development begun during detoxification and prepare them for productive employment.

7) In the detoxification programs, adequate basic medical services shall be provided to screen and treat the addicted population for underlying diseases such as tuberculosis, venereal diseases, hepatitis, malnutrition, heart disease, etc., many of which form public health hazards for the rest of the population.

8) An independent Commission on Drug Detoxification is hereby established under the authority of Congress to direct and review appropriations implementing the policy of Congress with regard to drug detoxification treatment and research.

9) The Congress shall appropriate no less than \$2.5 billion annually for two years for salaries, facilities and research programs to eradicate the drug problem in the U.S. sector. The following funds shall be appropriated in the first year for the named purpose:

- a) \$600 million for salaries of necessary personnel.
- b) \$1 billion for hospital and clinic facilities
- c) \$400 million for medical supplies, laboratory and clinical equipment.
- d) \$500 million for appropriate research and develop-

ment programs toward the goal of complete and lastingly effective drug detoxification

### III. Research

Task forces of medical personnel and officials shall be established in order to immediately begin research and testing of more effective methods of drug detoxification and treatment than presently exist. This shall include pursuit of basic research into the nature and treatment of addiction and clinical trials of newly developed methods as soon as they are judged to be safe.

A number of presently partially developed programs, such as the so-called "metabolic" treatment of drug and alcohol addiction, shall be freed from the current restraints placed on them, and appropriate laboratory and clinical trials shall be carried out to determine if these methods are as effective as early indications make them appear.

Adequate research into actually beneficial humanist methods of psychiatric treatment for drug addicted persons shall also be undertaken.

### IV. International Coordination

The United States Congress also calls upon the United Nations to establish an Emergency International Commission whose duties would include the investigation of the flow of narcotics and the enforcement of internationally established regulations designed to halt the flow of narcotics.

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