

FINANCIAL

NEW YORK CITY BROKE; ROCKY'S RED-SCARE ATTEMPT TO SHORE UP DOLLAR

March 17 (IPS)--According to reliable financial sources on Wall Street, the city which houses the world's financial center has run out of money. In an exclusive interview today, a highly informed municipal bond trader at the Investment House of White, Weld stated that in the next several weeks, New York City will not be in a position to pay its bills. Service cuts, payless paydays, or a massive default are what this source predicts.

The immediate cause of this crisis, according to this source, is the inability of New York City to lengthen its tremendous short-term debt by offering its own notes in the long-term bond market. The failure of the Urban Development Corporation, against the background of the U.S. Bond Market collapse, has virtually eliminated the option of further city debt-rolling.

REPORT CHARGES BANKS "THREATEN STABILITY" OF U.S. ECONOMY

March 18 (IPS)--This morning the Journal of Commerce covered the release yesterday of a study by the Public Interest Economics Center (PIE-C) which charges that the power of banks and bank holding companies pose "a threat to the stability and competitiveness of the American economy." The report makes no specific policy recommendations, but Dr. Allen Ferguson, who heads PIE-C, mentioned the House and Senate Banking Committees and Justice Department's Antitrust Division as places which could "profitably spend some time and effort" examining the study.

In the past week, the Rockefeller faction of finance capital has launched "anti-corruption" investigations of non-Rockefeller companies, including Gulf Oil, American Airlines, and Braniff Airlines, in an effort to resolve U.S. corporate liquidity problems by eliminating a few of the heads in the trough.

KUWAIT SEVERS ITS CURRENCY FROM THE DOLLAR

March 18 (IPS)--Yesterday Kuwait severed its currency from the U.S. dollar, following Saudi Arabia and Iran, who took the lead on this, their latest Rockefeller directive, last week.

New York Times coverage of the event, a UPI release, noted that the announcement cited the dollar's continuing decline on international money markets as the reason for the move, and that financial experts said a de facto revaluation of the dinar against the dollar was probable. The Wall Street Journal noted that, following the announcement, European foreign exchange traders stayed on the sidelines as they tried to assess the growing movement

away from the dollar.

STATE DEPARTMENT ADMITS TO ARM-TWISTING OF BRD TO DELAY COLLAPSE OF DOLLAR

NEW YORK, March 18 (IPS)--A highly-placed State Department spokesman admitted that the U.S. was indeed pressuring the BRD to force the West Germans to offer their currency as a "buffer" reserve currency in order to delay the final collapse of the U.S. dollar.

"You are right. The dollar has collapsed and the Germans don't want to have their currency used as a reserve currency. But the U.S. would like them to take the pressure off of the dollar," admitted a State Department German Desk economist.

SIMON IMPLIES U.S. INSOLVENT

WASHINGTON, D.C., March 18 (IPS)--Speaking before the Senate Budget Committee, Treasury Secretary William Simon deeply implied that the U.S. is approaching technical insolvency. Simon revised upward by almost \$40 billion the combined 1975 and 1976 fiscal year deficits. In the most gloomy assessment to date, Simon observed that these prospective deficits "mean that the financing demands of the Federal Government and the private sector combined will seriously threaten to exceed the capacity of our financial system." The danger, Simon warned, would be the crowding out of mortgage borrowers and medium to lower-rated business borrowers by Treasury financing needs which would impede recovery and increase unemployment to higher levels.

DOLLAR DOWN; SWISS MOVE TO JOIN EEC MINI-SNAKE

NEW YORK, March 19 (IPS)--The dollar continued to sink on international currency markets yesterday, according to reports in all the major financial press. In a related development, the European Common Market, "agreed in principle" to admit the Swiss franc into the "little snake" group of European countries whose currencies float jointly against the dollar, according to a Journal of Commerce special from Brussels.

The mini-snake" includes West Germany, the Netherlands, Belgium, Luxembourg, Sweden, Norway, Austria and Denmark, who support each others' currencies reciprocally within a 4 per cent range around a basic rate. The Journal of Commerce cites a market source: "It is important that a solid monetary zone be created in Europe."

USLP PRESIDENTIAL CANDIDATE STATEMENT ON THE EMERGENCY FINANCIAL AND U.S. FOREIGN POLICY CRISIS

NEW YORK, March 19 (IPS)--U.S. Labor Party presidential candidate

Lyndon H. Larouche announced today that he is "prepared to fully brief the United States Congress on the necessary emergency measures which, while within the limitations of toleration and ideological sensibilities of the USLP's Democratic and Republican opponents, will constitute the appropriate crisis action to reverse the present crisis in government."

Mr. Larouche noted that, while he is willing to brief Congress on these measures, "I have begun my presidential campaign with a political commitment to a global rapid development policy, commencing with a collaboration with such oil producers as Iraq toward the end of a giant agricultural development project in both the Middle East Fertile Crescent region and the Ganges-Brahmaputra delta in Bangladesh and India."

Mr. Larouche reiterated that "the incompetent mentality so massively displayed recently in various sections of the Executive Branch is directly associated with explicit zero growth and triage policy commitments best represented by Vice President Nelson Rockefeller's efforts toward these directions."

NEW YORK TIMES ANNOUNCES CREDIT CRISIS

March 20 (IPS)--Following the lead of the Wall Street Journal, the New York Times today, outlined the Federal deficit-induced crisis in the US bond market. Chief financial writer Yartan noted that the combined borrowings of the Federal Government and corporations coming against a backdrop of sagging prices and rising rates "have crystallized into fears over where the money will come from in future financings."

TIMES COLUMNISTS WARN GERMANY CANNOT SUPPORT THE CRUMBLING US DOLLAR

March 20 (IPS)--With the United States economy in crisis and the State Department attempting to force Germany to back up the dollar or become a new reserve currency, a major Op-Ed column in today's New York Times, by James Sattler and Jonathan Story, warns that Germany will not accept U.S. blackmail. "America wants Germany as the paymaster, but Germany balks at being the "Europayer." Worried about the total devastation of their economy that would result from caving into U.S. demands, "Bonn proposes that Washington take into account West Germany's trade interests when devising policies to combat inflation."

OIL COMPANIES CUT PRICES TO LIQUIDATE INVENTORIES

March 21 (IPS)--Discounts up to 5 per cent are being given by oil companies in an attempt to move fuel oil stocks, according to a front-page feature by staff reporter Peggy Willard in today's

Journal of Commerce.

In a related development, also reported in today's Journal of Commerce, the Irving Trust bank has completed a study showing that if oil consumption by the major importers is limited to 3 per cent marginal OPEC crude oil--the amount which OPEC can produce or not produce as it chooses without affecting member countries' development plans--will fall to zero by 1977.

NEW YORK TIMES TRIES TO COVER UP ENERGY STRATEGY SETBACK

March 21 (IPS)--In a front-page story by Clyde Farnsworth, today's New York Times touts an alleged agreement reached between the major oil-consuming nations, members of the International Energy Agency, "on an American-inspired concept of keeping oil prices high enough to encourage the development of alternative sources of energy." Farnsworth adds that such an agreement was the condition for U.S. participation in the French-proposed meeting of producers and consumers scheduled for April 17.

NEW YORK CITY BEGS TREASURY FOR \$\$\$

NEW YORK, March 23 (IPS)--"We're not talking budget gap here or stuff like that....We're talking cash flow. We need cash and we need it in 30 days," New York City Controller Harrison J. Goldin told Undersecretary of the Treasury Jack M. Bennett Friday, according to the New York Times.

The city, as IPS has reported, has been blackmailed by Rockefeller controlled banking interests who have demanded massive cuts in social services to guarantee the city's debt service on municipal bonds. In a related development, Mayor Beame will announce tomorrow how he intends to restore investor confidence.

STRAINING FOR SIGNS OF THE "UPTURN"

March 23 (IPS)--According to a Commerce Department report Friday new orders for durable goods rose in February by \$704 million. The "fairly small" rise, the New York Times reports, comes after seven consecutive months of decline, during which time durable goods have declined at an annual rate of nearly 56 per cent. The bulk of the February increase in orders--\$363 million--was accounted for by defense sector orders. New orders for capital goods continued to decline.

NOTE TO SUBSCRIBERS

March 17 (IPS)--The self-admitted falsehoods reported by the Associated Press and the blatant lies printed in the New York Times on the Portugal situation in the past two days leave no doubts about Rockefeller's managed news. The so-called free press--

wire services, major newspapers and media--is in the cabal's control, printing what the Rockefeller forces deem to sway public opinion. The wartime CIA tactics of "black" and "white" propaganda are in full swing against the working class.