

## FINANCIAL

### HEALEY WILLING TO LET POUND COLLAPSE

April 21 (IPS) -- Following his announcement last week of a budget which will gut the British economy to pay back international debts to Rockefeller, Chancellor of the Exchequer Denis Healey has announced his willingness to let the Pound Sterling drop an additional 4 to 5 per cent vis a vis other collapsing currencies. This was reported in the London Sunday Times by Economics Editor Malcolm Craw.

### BRITISH "COLONIALISTS" FEAR WEIMAR HYPERINFLATION

April 21 (IPS) -- The London Sunday Telegraph, spokesman for the ranks of old "colonial" type industrialists and military men, yesterday broadcast their fear that the new British budget, announced last week by Chancellor of the Exchequer Denis Healey, will lead to Weimar-style hyperinflation. The Sunday Telegraph is calling for open, old-style fascist repression to stave off economic collapse.

### THE POUND PLUNGES, ALONG WITH BRITISH LIVING STANDARD

April 22 (IPS) -- The financial press attributed the dramatic fall of the British Pound on the international currency markets yesterday to "renewed anxiety over the state of the British economy," in the words of Terry Robards in today's New York Times. Robards suggests that the loss of 1.5 cents against the dollar followed a decision of the government to let the Pound slip to make British export prices more attractive.

### WHAT HAPPENED TO RECOVERY?

April 22 (IPS) -- The news of a 3.5 per cent drop in factory orders in the U.S. in March, in a report released by the Commerce Department yesterday, sharply contradicts capitalist fantasies about imminent economic recovery. The preliminary report indicated that the \$1.35 billion decline in March orders was not attributable to the auto industry; there were sizeable drops in orders for primary metals, such as steel and for machinery. New orders for household durables and autos were reportedly stable; the drastic decline in orders for these goods over the last half year leveled off for the month.

The recovery myth was also punctured yesterday by Charles Woodruff, Vice Chairman of the Board of Manufacturers Hanovers Bank. The Journal of Commerce reported that Woodruff indicated that the banks are going to have to finance the upcoming recovery out of their own retained earnings or profits.

## HUMPHREY UPS ATTACK ON TREASURY SECRETARY SIMON

April 22 (IPS) -- Senator Hubert Humphrey, Nelson Rockefeller's Democratic stalwart, continued his attack today against Treasury Secretary William Simon for Simon's non-adherence to Rockefeller's policy of massive deficit spending. Thursday, Friday and Saturday Humphrey read into the Congressional Record statements claiming that the U.S. market could handle the deficit of \$7 billion despite Simon's claims to the contrary.

Reached for comment today, Humphrey's chief economic aide raved that Simon was "exaggerating, creating fears that are not well founded." Asked whether Humphrey would call for Simon's resignation, the aide, obviously thinking of someone else, said frantically: "We have criticisms of him (Simon) but I don't think they are grounds for impeachment."

## OPERATION PHOENIX OFFICIAL: NYC BUDGET CUTS ONLY "BEGINNING"

April 22 (IPS) -- Roderick O'Connor, President of the Citizens Budget Commission which represents the major New York banks and investment houses, said today in an interview that "Mayor Beame has taken a courageous stand," in calling for 30,000 jobs to be cut from the municipal payroll. O'Connor stressed, however, "this is only a small beginning" of the necessary cuts.

Formerly in charge of the agency for international development in East Asia, O'Connor oversaw the U.S. operation of the Secret Police Forces during the CIA's "Operation Phoenix" assassination of Vietnamese rebel supporters.

## TIMES PUSHES AUSTERITY, SLAVE LABOR

April 23 (IPS) -- In an editorial today the New York Times called for "painful, drastic additional cuts" in the New York City budget, beyond those proposed by Mayor Abe Beame. "The Mayor's axe is far from ready for the sheath," the Times concluded, after turning down additional borrowing by the city to add to "the mountain of debt."

## DOLLAR COLLAPSES IN EUROPE

April 23 (IPS) -- The dollar opened today in complete chaos, marking the end of the false confidence about the U.S. economy. According to UPI, "a sudden wave of selling sent the U.S. dollar into a slide today on all major European money markets" and "there was no immediate explanation why." The wire service quoted a Belgian banker who declared, "Everyone is selling dollars." A foreign exchange trader at Bankers Trust in New York told IPS that the French had started the wave of dollar selling.

While most foreign exchange traders were unsure why the dollar was suddenly falling so precipitously, IPS correspondents in New York and Europe briefed them on the major reason: general Euro-

pean recognition that economic recovery is not around the corner and that the U.S. dollar is a piece of waste paper, coinciding with the press conference of the U.S. Labor Party Presidential candidate in Bonn tomorrow, in which we will call for the replacement of the IMF and the World Bank by an International Development Bank and elimination of the dollar-denominated debt which is strangling the world economy.

FRENCH INDUSTRIALIST ATTACKS AUSTERITY POLICIES: CALLS FOR "SUSTAINED EXPANSION"

April 24 (IPS) -- In an interview in the April 21 French weekly Le Point, Francois Ceyrac, President of the largest association of French industrialists (CNPF), stated bluntly that he was opposed to the Giscard government's austerity economic policies and that only "sustained expansion" of the economy could provide the real solution to the rapidly rising unemployment.

Ceyrac attacked the notion of a Zero-Growth economy, adding that the "redistribution" of the wealth scheme being planned by certain circles is a fraud: "without growth, France would have only shortages to share."

U.S. EMBASSY, STATE DEPT. ATTEMPT TO SABOTAGE LA ROUCHE PRESS CONFERENCE

April 24 (IPS) -- The U.S. Labor Party has obtained unimpeachable evidence that the U.S. Embassy in Bonn and the U.S. State Department engaged in a massive arm-twisting operation to dissuade journalists from attending the Bonn press conference of Lyndon H. LaRouche today.

According to highly placed sources, U.S. Embassy officials engaged in hazardous self-exposure, slanderous activity and outright lies regarding Mr. LaRouche. One reporter was advised that "Mr. LaRouche is not the chairman of the U.S. Labor Party, he's just the chairman of the Labor Caucus."

The extent and openness of these unsuccessful efforts show that the U.S. Embassy and State Department consider this press conference a major blow to the viability of the U.S. Rockefeller Administration.

USLP PRESIDENTIAL CANDIDATE LA ROUCHE HOLDS BONN PRESS CONFERENCE CALLING FOR INTERNATIONAL DEVELOPMENT BANK, DEBT MORATORIUM

BONN, West Germany (IPS) -- At a press conference attended by 18 representatives of major international news media here today, U.S. Labor Party Presidential candidate Lyndon H. LaRouche (Lyn Marcus) outlined the only solution to the economic chaos portended by the imminent collapse of the dollar -- international debt moratoria and the formation of an International Development Bank to replace the IMF.

"There is no other alternative -- no human alternative, everything else is nuclear confrontation, which is seriously considered

by several leading people in Washington and Schachtian economics. Nuclear war would indeed stop the monetary crisis."

LaRouche, who has just returned from a two-week visit to the Mideast said: "The dollar system is on the verge of collapse. The dollar and everything that depends on it is bankrupt -- when the collapse will occur is entirely a political question." He noted that the best example of this is the current New York budget crisis which, La Rouche said, could trigger the collapse.

He concluded that capitalists have only two choices: they can adopt this proposal, put forward by a revolutionary socialist organization or -- jump.

#### BRITISH INDUSTRIALISTS PUSH EAST-WEST TRADE

April 24 (IPS) -- As the British Pound Sterling continues to collapse, British industrialists are vying for critical contracts for trade with East Bloc countries. The first trade mission to the East Bloc dealing specifically with consumer goods returned to London reporting "surprisingly good" responses.

#### ROCKEFELLER DEFENDS SELF AGAINST ATTACKS BY BRITISH FINANCIERS

April 25 (IPS) -- Delivering the "Chairman's Lecture" at the Manchester Stock Exchange located in the heart of Britain's collapsing industrial belt, David Rockefeller stoutly defended his "beleaguered multinationals" before a group of top British industrialists yesterday. Rockefeller said multinationals had become the targets of "new demonology" and called these bloodsucking conglomerates "the most important instruments in the unprecedented expansion that has taken place in the world."

#### UNDERUTILIZATION OF U.S. INDUSTRY

April 25 (IPS) -- This morning's UPI wire service reports that a McGraw Hill survey shows that only 65.5 per cent of the capacity of U.S. industrial firms was in use last month, a one per cent decline from February.

#### JAPAN SHIPBUILDERS LOOK TO EAST BLOC TRADE

April 25 (IPS) -- Reflecting both general collapse of production activity and in particular, the squeezing of industry out of borrowing markets in order to finance the runaway federal debt, reports in this morning's Financial Press indicate that commercial and industrial loans declined by \$279 million at the major New York banks last week, bringing to almost \$3.16 billion the decline in outstanding loans since January first.

#### JAPAN SHIPBUILDERS LOOK TO EAST BLOC TRADE

April 25 (IPS) -- Masashi Isano, the head of the Japan Ship Exporters Association, announced that Japanese shipbuilders would "make strenuous efforts" to sell ships to the East Bloc countries

as well as the developing nations to make up for the collapsing worldwide shipbuilding market, according to the Journal of Commerce.

#### VW SCHEDULED FOR MILITARY PRODUCTION

April 25 (IPS) -- Indications are mounting that the 25,000 layoffs at the giant Volkswagen auto firm in West Germany are a signal for a larger effort to shift the economy to military production. Yesterday, Cold Warrior Defense Minister Georg Leber published an article in a local Braunschweig newspaper calling for VW to increase its military contracts. The same day, the Federal occupation Cabinet reached a decision to provide emergency "economic assistance" to areas hardest hit by the VW layoff plan.