



Daily News and Press Summaries

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JUNE 5, 1975 2030 HRS. EDT
LATE NEWS ROUND-UP

I. FINANCIAL

SCHMIDT AND STATE DEPARTMENT LINKED IN ATTACK ON INTERNATIONAL DEVELOPMENT

JUNE 5 (IPS) — WEST GERMAN FEDERAL CHANCELLOR HELMUT SCHMIDT, FLANKED BY A HANDFUL OF WEST GERMAN MEMBERS OF THE TRILATERAL COMMISSION, ATTACKED INTERNATIONAL DEVELOPMENT PROGRAMS OF THE TYPE SUPPORTED BY ALGERIA LAST NIGHT BEFORE AN AUDIENCE OF 150 TOP CORPORATE AND BANKING EXECUTIVES.

SCHMIDT'S SPEECH, A VIRTUAL REPETITION OF U.S. SECRETARY OF STATE KISSINGER'S ATTACK ON ALGERIA AT THE INTERNATIONAL ENERGY MEETING LAST WEEK, PAINTED THE INTERNATIONAL ECONOMIC PICTURE IN THE BLACKEST COLORS TO COME FROM A WEST GERMAN OFFICIAL AND DID NOT MENTION THE EXPANSION OF EAST-WEST TRADE AS A STABILIZING FACTOR FOR THE GERMAN ECONOMY, A FREQUENT THEME OF GERMAN BUSINESS CIRCLES. OTHER SPEAKERS, INCLUDING OTTO WOLF VON AMERONGEN AND HANS-GUNTHER SOHL, CITED BRAZILIAN "DEVELOPMENT" AS THE ALTERNATIVE TO EXPANDED SOVIET EXCHANGES AND FULL-FLEDGED DEVELOPMENT OF THE THIRD WORLD. IT BROUGHT A MIXED RESPONSE FROM THE BUSINESS AUDIENCE, MANY OF WHOM ARE DEEPLY ENGAGED IN COOPERATIVE DEVELOPMENT EFFORTS WITH COUNTRIES LIKE IRAQ AND ALGERIA. IN AN UNPRECEDENTED SHOW OF HOSTILITY, ONE THIRD OF THE COLOGNE BANQUETERS SAT WITH THEIR ARMS FOLDED WHILE THE REST ROSE TO GIVE THE CHANCELLOR POLITE APPLAUSE WHEN HE ROSE TO SPEAK.

IN ADDITION TO HIS ATTACK ON DEVELOPMENT, SCHMIDT INCLUDED AS A SOP A BROAD HINT TO THE EXPORT-HUNGRY WEST GERMAN BUSINESSMEN THAT WEST GERMANY MIGHT STRIKE A DEAL WITH THE UNITED STATES ON A RETURN TO FIXED EXCHANGE RATES ON INTERNATIONAL MONEY MARKETS, A LEADING DEMAND OF MANY WEST GERMAN BUSINESS LAYERS. FLOATING EXCHANGE RATES, WHICH PERMIT CURRENCIES' RESPECTIVE VALUES TO SWING BY SEVERAL PER CENT PER DAY, MAKE INTERNATIONAL TRADE DIFFICULT BY WIPING OUT PROFIT MARGINS ON EVEN SHORT-TERM CONTRACTS.

U.S. BACKS UP SCHMIDT BY REAPPRAISING PRO-FLOATING POLICY

AN AMERICAN FRIEND OF CHANCELLOR SCHMIDT FROM THE OLD NATO CIRCUIT, WHITE HOUSE CHIEF OF STAFF AND FORMER U.S. NATO AMBASSADOR DONALD RUMSFELD, GAVE SCHMIDT A CRITICAL MARGIN OF CREDIBILITY YESTERDAY, BY PERSUADING PRESIDENT FORD TO INSTRUCT THE U.S. TREASURY TO CONDUCT A GENERAL REAPPRAISAL OF AMERICA'S PRO-FLOATING POLICY. THIS REAPPRAISAL, WHICH TREASURY SOURCES SAY IS UNPRECEDENTED SINCE THE U.S. FLOATED THE DOLLAR AGAINST OTHER LEADING CURRENCIES AUG. 15, 1971, HAS BEEN ASSIGNED TO TREASURY UNDERSECRETARY JACK BENNETT. SOURCES SAY THAT TREASURY SECRETARY WILLIAM SIMON WAS "UPSET" AT THE

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WHITE HOUSE SOURCES VIGOROUSLY DENIED THAT RUMSFELD ORDERED THE STUDY IN ORDER TO AID CHANCELLOR SCHMIDT AGAINST DOMESTIC OPPOSITION. THE SOURCES ADMITTED, HOWEVER, THAT NO SIMILAR STUDY HAD EVER BEEN UNDERTAKEN BY THE FORD ADMINISTRATION, AND THAT THE ORDER FOR THE REAPPRAISAL AND SCHMIDT'S COLOGNE SPEECH FELL WITHIN 18 HOURS OF EACH OTHER.

WHAT THE SCHMIDT-RUMSFELD TACTIC WILL ACCOMPLISH FOR THE BELEAGUERED CHANCELLOR IS QUESTIONABLE, HOWEVER. IN A RECENT INTERVIEW, KRAUS-MAFFEI CHAIRMAN BROSCHELL TOLD IPS THAT THE UPCOMING DEVELOPMENT DEBATE, CENTERING AROUND 44 QUESTIONS TO THE PRESENT DEVELOPMENT MINISTER EGON BAHR, WOULD BE THE BASIS FOR A HUGE EXPANSION OF WEST GERMAN ECONOMIC RELATIONS WITH IRAQ, ALGERIA, AND OTHER COUNTRIES IN THE UNDERDEVELOPED SECTOR.

IT IS EQUALLY QUESTIONABLE WHETHER THE SUGGESTION COMING FROM SCHMIDT AND THE WHITE HOUSE REGARDING EXCHANGE RATES IS MORE THAN PSYCHOLOGICAL WARFARE, AS THE INTERNATIONAL MONETARY SYSTEM ENTERS AN UNPRECEDENTED LIQUIDITY CRISIS AROUND THE JUNE 30 INTERNATIONAL PAYMENTS DEADLINE. RUMSFELD'S DECISION TO TOSS A BONE TO SCHMIDT, DESIGNED TO ALLAY INDUSTRIALISTS' FEARS CONCERNING INTERNATIONAL MONETARY CHAOS, IS LIKELY TO CONVINCING NO ONE. NEXT WEEK'S MEETING OF THE INTERNATIONAL MONETARY FUND, ACCORDING TO ALL THE PRINCIPALS, WILL BE INCAPABLE OF MAKING ANY DECISIONS OF RELEVANCE TO THE PRESENT CRISIS.

EAST GERMAN FOCUS ON EAST-WEST TRADE

JUNE 5 (IPS) — THE EAST GERMAN PARTY PAPER NEUES DEUTSCHLAND GAVE FAVORABLE COVERAGE TODAY TO A LICENSING AGREEMENT SIGNED BETWEEN THE USSR AND THE WEST GERMAN FIRM SALTZGITTER AG, THEREBY ENCOURAGING THE GROWING FACTIONAL MOTION AMONG WEST GERMAN INDUSTRIALISTS TOWARD EXPANDED EAST-WEST TRADE. NEUES DEUTSCHLAND QUOTES A SALTZGITTER OFFICIAL ON THE PARTICULAR USEFULNESS OF THE TREATY, SINCE IT ALLOWS THE COUNTRIES TO DEVELOP THE MOST ADVANCED MODERN TECHNOLOGY FOR THE BENEFIT OF ALL CONCERNED. "PERHAPS THE FACTORY WILL BE BUILT IN THE FRG (WEST GERMANY)," HE SUGGESTS, "PERHAPS IN THE GDR (EAST GERMANY) OR THE USSR OR EVEN IN A THIRD COUNTRY. HERE IS THE ACTUAL WAY FOR COOPERATION TO MOVE FORWARD. GREAT WORDS ARE ALWAYS SPOKEN AT GREAT MEETINGS, BUT HERE THEY HAVE BEEN PUT INTO ACTION!"

RESS, GOVERNMENT OFFICIALS CONTINUE PROVOCATIONS AIMED TOWARD NEW OIL HOAX

JUNE 5 (IPS) — FURTHER AGGRAVATING THE ANXIETY OF OIL-PRODUCING COUNTRIES, THE NEW YORK TIMES TODAY RUNS A TAUNTING OP-ED COLUMN WHICH ATTEMPTS TO SPLIT THE NON-OIL-PRODUCING UNDERDEVELOPED SECTOR FROM THE OPEC NATIONS.

WRITTEN BY ROBERT L. ROTHSTEIN OF PRINCETON UNIVERSITY'S WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS, THE COLUMN ARGUES IN UNCTUOUS, GOADING TONES THAT THE NON-OIL-PRODUCING POOR COUNTRIES HAVE SUFFERED MORE FROM OIL PRICE INCREASES THAN THE ADVANCED COUNTRIES, BUT THAT "THE VICTIMS HAVE BARELY PROTESTED. ONE REASON, OF COURSE, IS FEAR."

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OPEC, ROTHSTEIN CONTINUES, IS NOT ACTUALLY INTERESTED IN ECONOMIC DEVELOPMENT AT ALL, BUT ONLY IN FATTENING OPEC THROUGH ARRANGEMENTS WITH THE ADVANCED CAPITALIST COUNTRIES. AFTER DETAILING THE ALLEGEDLY HOPELESS ECONOMIC POSITION OF COUNTRIES SUCH AS INDIA AND BANGLADESH, ROTHSTEIN CONCLUDES WITH A THREAT: "WE SEEM TO BE HEADING TOWARD A CONFRONTATION TO SEE WHETHER THE ABOVE JUDGMENTS ARE TRUE OR FALSE. FOR THE UNDERDEVELOPED COUNTRIES, THIS REFLECTS A MISJUDGMENT ABOUT THEIR REAL POWER, PERHAPS EVEN ABOUT THEIR REAL INTERESTS."

THE TIMES FEATURES THE ROTHSTEIN PROVOCATION ON THE SAME DAY THAT A NATIONAL IRANIAN OIL COMPANY FULL-PAGE ADVERTISEMENT APPEARS. THE AD CITES PRESIDENT FORD'S RECENT IMPOSITION OF AN OIL-IMPORT SURCHARGE AS A POSSIBLE REASON TO ALLOW THE PRICE OF OPEC OIL TO INCREASE AT THE END OF SEPTEMBER.

AT THE SAME TIME, FEDERAL ENERGY ADMINISTRATOR FRANK ZARB WARNED THAT IF CONGRESS DOES NOT ALLOW GRADUAL DECONTROL OF DOMESTIC OIL PRICES, THE U.S. WOULD BE AT THE MERCY OF THE OPEC COUNTRIES WHEN EXISTING OIL PRICE CONTROL REGULATIONS EXPIRE SEPT. 1.

IN A RELATED DEVELOPMENT, THE WALL STREET JOURNAL REPORTS TODAY THAT SAUDI ARABIA NO LONGER OPPOSES AN INCREASE IN THE PRICE OF OPEC OIL. THE JOURNAL QUOTES FAROUK M. AKHDAR, AN ECONOMIC ADVISOR IN THE SAUDI GOVERNMENT. "IF THE PRICE OF OIL IS TOO HIGH, WHY DO YOU INCREASE THE PRICE OF OIL IN YOUR OWN COUNTRY?"

SIMON SAYS CLASS WAR

JUNE 5 (IPS) — THE WALL STREET JOURNAL TODAY REPORTS THAT TREASURY SECRETARY WILLIAM SIMON STATED AT A JOINT ECONOMIC COMMITTEE HEARING, "I'D LIKE TO DEAL WITH THE UNEMPLOYED WITH A RIFLE." IN AN UNCONVINCING EXPLANATION, THE JOURNAL ATTRIBUTES THE COMMENT TO A SLIP OF THE TONGUE.

II. THE GREAT DEBATE

LEBER CRITICIZES GISCARD ON NUCLEAR WEAPONS POLICY

WIESBADEN, BRD, JUNE 5 (IPS) — WEST GERMAN DEFENSE MINISTER LEBER, AN ARDENT ADVOCATE OF LIMITED NUCLEAR WARFARE, HAS SEVERELY CRITICIZED FRENCH PRESIDENT GISCARD D'ESTAING'S TACTICAL RETREAT ON THE QUESTION OF JOINT FRENCH-WEST GERMAN CONTROL OF NUCLEAR WEAPONS ACQUIRED UNDER THE COVER OF A EUROPEAN DEFENSE COMMUNITY, ACCORDING TO TODAY'S FRANKFURTER ALLGEMEINE ZEITUNG. REFERRING TO PRESIDENT GISCARD'S EARLIER STATEMENT THAT DISCUSSION OF A EUROPEAN DEFENSE COMMUNITY WAS UNNECESSARY BECAUSE THE SOVIET UNION WAS NOT A THREAT TO WESTERN EUROPE, LEBER SAID, "BUT WE CANNOT ABSTAIN FROM WHAT WE CONSIDER TO BE OUR OWN INTERESTS, JUST BECAUSE WE EXPECT APPREHENSION FROM THE SOVIET UNION."

LEBER DID NOT ACKNOWLEDGE THAT IT WAS MASSIVE FRENCH COMMUNIST PARTY (PCF) AND GAULLIST ORGANIZING AGAINST A EUROPEAN DEFENSE COMMUNITY THAT PROMPTED GISCARD TO MAKE HIS STATEMENT.

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SCOOP JACKSON'S "NEW OFFENSIVE" AGAINST SOVIET UNION

JUNE 5 (IPS) -- IN A COLUMN ENTITLED, "SEN. JACKSON'S NEW OFFENSIVE," SYNDICATED CIA COLUMNIST VICTOR ZORZA TODAY HINTS THAT THE SOVIET UNION MIGHT BE FORCED TO MAKE KEY POLITICAL CONCESSIONS IN RETURN FOR ADVANCED TECHNOLOGY FROM THE U.S. ACCORDING TO ZORZA, MAOIST JACKSON WILL SOON LAUNCH A SERIES OF HEARINGS AS CHAIRMAN OF THE SENATE INVESTIGATIONS SUBCOMMITTEE, WHICH COULD PLAY HAVOC WITH THE EXPECTED SALES OF U.S. TECHNOLOGY TO THE SOVIET UNION. THE SENATE INVESTIGATORS HAVE UNCOVERED A NUMBER OF "HORRORS" WHICH, ACCORDING TO SEN. JACKSON'S AIDES, "SHOW HOW THE KREMLIN IS EXTRACTING INDUSTRIAL AND MILITARY SECRETS FROM THE UNITED STATES WHILE GIVING VIRTUALLY NOTHING IN RETURN."

ACCORDING TO ZORZA, THE SUBCOMMITTEE IS ACCUSING THE SOVIETS OF USING INDUSTRIAL TECHNOLOGY OBTAINED FROM THE U.S. FOR MILITARY PURPOSES. ZORZA CONTINUES, "THE QUESTION POSED BY JACKSON IS WHETHER THE WEST SHOULD HELP IT (I.E., THE SOVIETS THROUGH SELLING THEM TECHNOLOGY - ED.) MERELY IN EXCHANGE FOR PROMISES, OR WHETHER IT SHOULD EXTRACT SOMETHING MORE CONCRETE FROM IT" SUCH AS CONCESSIONS THAT "COULD ENDANGER THE TOTALITARIAN STRUCTURE OF THE SOVIET SYSTEM." IN OTHER WORDS, JACKSON INTENDS TO DEMAND SOVIET CONCESSIONS TANTAMOUNT TO DISMANTLING KEY ELEMENTS OF ITS SOCIALIST POLITICAL AND ECONOMIC STRUCTURE.

JACKSON, A SELF-ADMITTED MAOIST, HAS CANCELLED ALL HIS PRESIDENTIAL CAMPAIGN APPEARANCES AFTER THE U.S. LABOR PARTY WIDELY EXPOSED HIS ROLE AS THE MANCHURIAN CANDIDATE.

SOVIET LEADER AFFIRMS HISTORICAL OFFENSIVE OF SOCIALISM

JUNE 5 (IPS) -- THE ELECTION SPEECH OF SOVIET CANDIDATE MEMBER OF THE POLITBURO BORIS PONOMAREV YESTERDAY PRESENTED A STIRRING CHALLENGE TO THE INTERNATIONAL WORKING CLASS. STATING THAT "THIS IS A PERIOD OF THE GROWING AND IRREVERSIBLE HISTORICAL OFFENSIVE OF SOCIALISM," PONOMAREV WARNED THAT THE STRUGGLE WILL NOT BE AN EASY ONE: "...SOVIET FOREIGN POLICY IS CHARACTERIZED BY THE UNBREAKABLE CONNECTION BETWEEN WORD AND DEED. THE COMMUNIST PARTY OF THE SOVIET UNION (CPSU) OPERATES (ON THE PRINCIPLE THAT) EVERY FOREIGN POLICY DECLARATION, EVERY AGREEMENT IN PRACTICE, IS BASED ON CONCRETE FACTS.... HOWEVER INCONTESTABLE AND IMPORTANT THE SUCCESSES OF SOCIALIST PEACE POLICY, STILL THIS IS NO REASON FOR SELF-CONGRATULATION. THE REACTIONARIES AND MILITARY CIRCLES OF IMPERIALISM HAVE NOT LAID DOWN THEIR WEAPONS. THIS WAS CONFIRMED WITH URGENCY AT THE LATEST NATO MEETING. EVERY NEW POINT FOR STRENGTHENING DETENTE, EVERY NEW STEP IN THIS IRREVERSIBLE PROCESS WILL BE ACHIEVED IN STRUGGLE."

CHICAGO DAILY NEWS HITS SCHLESINGER'S NUCLEAR MADNESS

CHICAGO, JUNE 5 (IPS) -- YESTERDAY'S CHICAGO DAILY NEWS EDITORIAL ENTITLED "SCHLESINGER'S LOOSE TALK," DENOUNCES THE DEFENSE SECRETARY'S STRIDENT NUCLEAR THREATS AGAINST THE USSR. THE EDITORIAL POINTS OUT THAT SOVIET ACTIONS DO NOT JUSTIFY SUCH STATEMENTS AND AGREE WITH THE-OFFICIAL SOVIET NEWSPAPER PRAVDA THAT SCHLESINGER'S REMARKS WERE "CONTRARY TO THE SPIRIT OF THE TIMES."

(MORE)

III. INTERNATIONAL

CLASS LINES FORM IN EUROPE OVER PORTUGAL ISSUE

JUNE 5 (IPS) — THE LEAD COMMENTARY IN TODAY'S EAST GERMAN COMMUNIST PARTY NEWSPAPER, NEUES DEUTSCHLAND, CARRIES A SCATHING ATTACK ON THE SECOND INTERNATIONAL, SPECIFICALLY THE WEST GERMAN SOCIAL DEMOCRATIC PARTY (SPD), OVER THE PORTUGAL ISSUE. THIS FOLLOWS SIMILAR SHARP ATTACKS BY THE FRENCH COMMUNIST PARTY. THE COMMENTARY CONDEMNS THE PLANNED VISIT TO PORTUGAL OF AN INVESTIGATING COMMITTEE OF SOCIAL DEMOCRATIC OFFICIALS FROM ALL THE EUROPEAN ECONOMIC COMMUNITY (EEC) NATIONS. "NEITHER THE PORTUGUESE PEOPLE OR THE REVOLUTIONARY COUNCIL" HAVE INVITED THEM, "THE ARTICLE STATES, AND THUS, THE VISIT REPRESENTS A FORM OF "GROSS INTERFERENCE INTO THE INTERNAL AFFAIRS OF ANOTHER COUNTRY — WHICH EVERY SOVEREIGN COUNTRY ON EARTH REJECTS SHARPLY."

INDICATIVE OF THE SHARPENING FACTIONAL LINES, THE ITALIAN SOCIALIST PARTY (PSI) PAPER AVANTI TODAY REPORTS, THAT LEADING PSI'ER CRAXIS HAS CALLED FOR ALL EUROPEAN COMMUNIST PARTIES TO TAKE AN OFFICIAL POSITION AGAINST THE PORTUGUESE COMMUNIST PARTY (PCP) WHOM CRAXIS TERMED "STALINIST." HOWEVER, AVANTI REPORTS, GALLUZZI OF THE ITALIAN COMMUNIST PARTY (PCI) HAS OPTED FOR A PSI/PCI JOINT APPEAL TO THE "PORTUGUESE COMRADES."

STRIKES BREAK OUT AGAIN IN WEST GERMANY

WIESBADEN, BRD, JUNE 5 (IPS) — FOLLOWING MONTHS OF ATTACKS ON WORKING-CLASS LIVING STANDARDS AND A VIRTUALLY STRIKE-FREE PERIOD, A NEW WAVE OF FACTORY RESISTANCE TO LAYOFFS AND WAGE REDUCTIONS IN WEST GERMANY BROKE OUT THIS WEEK. NINE GARMENT LANTS IN THE NORTHERN PART OF THE RUHR LAST NIGHT VOTED 9 TO 1 TO GO OUT ON STRIKE IN RELATION TO STALLED WAGE-NEGOTIATIONS IN THE INDUSTRY. WORKING-CLASS RESISTANCE IN THE TEXTILE INDUSTRY SURFACED FIRST TUESDAY AFTERNOON IN FOUR PLANTS, FOLLOWING AN EARLY STRIKE VOTE; BY WEDNESDAY, THE STRIKE HAD SPREAD TO 14 PLANTS WITH ABOUT 1,500 EMPLOYEES.

IN THE CENTRAL RUHR CITY OF DUESSELDORF, 600 WORKERS AT THE MAN-NESMANN/DEMAG HEAVY MACHINERY PLANT DECIDED TUESDAY TO STRIKE TO PREVENT THE CLOSING DOWN OF THE PLANT. THE WEST GERMAN COMMUNIST PARTY NEWSPAPER UNSERE ZEIT REPORTS THAT SHORT DEMONSTRATIONS AND WALK-OUTS HAVE SPONTANEOUSLY ERUPTED IN THIS PLANT CONSISTENTLY OVER PAST MONTHS.

UPSWING AN IMPOSSIBLE PROMISE, SPD'S KUEHN SAYS

WIESBADEN, BRD, JUNE 5 (IPS) — WHEN HEINZ KUEHN, SOCIAL DEMOCRATIC PRIME MINISTER OF THE WEST GERMAN STATE OF NORTH RHINE WEST-PHALIA YESTERDAY CONFESSED THAT THE GOVERNMENT OF SOCIAL DEMOCRATIC PARTY CHANCELLOR HELMUT SCHMIDT DID NOT HAVE THE POWER TO FULFILL THEIR PROMISE OF AN "UPSWING," THE STATE PARLIAMENT CHRISTIAN DEMOCRATIC DELEGATES BURST INTO LAUGHTER. ACCORDING TO THE LOCAL RHEINISCHE POST NEWSPAPER, KUEHN LASHED OUT AT THE LAUGHING CDU PARLIAMENTARIANS — WHO HAVE TERMED THE "UPSWING" A DELIBERATE LIE TO THE WORKING CLASS — ANYONE WHO REACTS IN THAT WAY EVIDENTLY DOESN'T EVEN WANT THE UPSWING."