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IPS DAILY REPORTS FOR AUGUST 5, 1975 THROUGH AUGUST 11, 1975

New E-W Trade Deals: Europe Moves Toward IDB

Aug. 5 (IPS) — European capitalists moved with dispatch this week to take advantage of the opportunity for expanded trade and cooperation with the Soviet bloc provided by the successful conclusion of the Conference on European Security and Cooperation. Coming on the heels of an Iraqi call for a "new monetary system which would be rid of the domination of the American dollar," and of the virtual consolidation of Third World nations behind a program of debt moratoria and development, these European actions bring the establishment of an International Development Bank based on expanded trade and the gold-backed Soviet ruble only a step away from reality.

Leading the European rush for salvation from Dollar Empire bankruptcy was West German Chancellor Helmut Schmidt, who completely astonished his RAND controllers over the weekend by concluding comprehensive economic agreements with the Communist countries Poland and the German Democratic Republic (DDR). The unprecedented Polish deal included a 1.3 billion Deutschmark cash "reparations" payment from the West German government, as well as a 1 billion DM loan with twenty year maturity and a mere 2.5 per cent interest — conditions until now only granted to underdeveloped countries. Simultaneously West German Finance Minister Hans Friederichs just returned from former Rockefeller stronghold Iran to announce a whole package of deals solely directed toward building up infrastructural capacities for West German "triangular deals" with the Soviet Union and Iran.

The European capitalists have begun to act not a moment too soon. Over the past week the accumulated results of capitalism's worst crisis since the 16th century has resulted in an escalating rush of economic disasters which threaten the world with total chaos and devastation over the next few weeks:

* The U.S. Treasury, the institution

for which all areas of productive investment worldwide have been gutted over the past year, was forced to turn to the World Bank, in order to maintain its solvency. With U.S. banks strapped for every penny, and Europe already drained of its reserves, the Treasury now has \$40 billion dollars worth of notes to sell in the weeks ahead, with no hope of covering them.

* Brazil has been required to implement import controls which will reduce its volume of trade by 50 per cent over the next few weeks.

* Argentina's cash crisis resulted in the layoff of 200,000 workers last weekend, approximately 5 per cent of the workforce.

* The United States has been flooded by price rises which portend a hyperinflationary spiral which will rapidly result in total breakdown of production.

The European moves represent the silent, but forceful motion by West German industrialist layers represented by Christian Democratic economics spokesman Gerhard Stoltenberg. In other European countries, Stoltenberg's counterparts are much more vocal in their push for expanded East-West trade.

French Gaullist Michel Debre has vehemently called for a new monetary order which would contribute to world peace and which would be realized with "participation of the socialist and oil-producing countries." In Italy there is virtual unanimity among the Italian bourgeoisie around a perspective of vastly expanded East-West trade. Informed sources have verified that excerpts of the Labor Committees' IDB proposal are currently circulating broadly among the country's industrialists.

There is one policy issue, however, which the European bourgeoisie has yet to deal with: how are they to pay for an expansion of East-West trade, coupled with various "triangular" agreements with Third World countries, without either starting the world's most rapid inflation ever seen, or else immediately collapsing the dollar-based inter-

national monetary and trade system, or both? Even Schmidt's relatively modest agreement with Poland is financially tenuous in the present circumstances. The 1 billion DM loan is planned to be financed over West Germany's bond market by the Kreditanstalt für Wiederaufbau (Reconstruction Bank); the bond market, however, collapsed last week, and had to be massively bailed out by West Germany's central bank. Every other East-West or triangular agreement will sooner or later run into an insurmountable lack of liquidity, as long as they are even indirectly linked to the dollar.

The West German deals indicate that Schmidt is coming under the control of a de facto alliance between the Stoltenberg faction of the CDU and the party machine of Herbert Wehner, Vice-Chairman of Schmidt's Social Democratic Party.

Although the details of the DDR deal are not finalized, Der Spiegel reports that they include total West German agreement to a set of demands originally made by the DDR in January. The DDR called upon the West German government to pay the entire costs of a major construction project to improve rail, canal and road transit between West Germany and the divided city of Berlin. At the time Schmidt's government refused to take any position on the issue; now Schmidt is, reportedly willing to agree, in exchange for a few "human" concessions such as loosening restrictions on DDR citizens' transit into the West.

The solution to the limitations inherent in the current East-West deals is clearly outlined in the proposal fielded in the Iraqi government's official English-language newspaper last week, the Baghdad Observer. The Iraqi proposal indicated that necessity of industrial expansion coming in the context of "a new monetary system which would be rid of the domination of the American dollar and have sufficient room for the socialist countries and

others which are still outside its membership." The only way that the Third World can be freed to purchase needed materials for rapid development and that the industrialized countries can break the fetters on their productive capacity is by "getting rid of the dollar" — i.e. through selective debt moratoria against the Rockefeller interests, and its replacement by the only appropriate gold-backed currency, the ruble.

Similarly the Iraqi proposal calls for the expansion of multilateral, as opposed to bilateral, trade deals. Three-way deals are the prerequisite for a

world economic order which will expand production and living standards as rapidly as possible. The key to successful arrangement, as outlined in the Labor Committees' IDB proposal now circulating through world government circles, is the utilization of Third World natural resources in return for supplies of food and capital equipment from the industrialized and socialist sector. Only trilateral deals provide the market and range of resources required for full productive employment and immediate elimination of starvation and disease.

The Iraqi offensive represents only

the most forceful of the steps being taken by the hardcore of Iraq, Algeria and Yugoslavia to put the issue of development and debt moratoria before the United Nations special session on development proposed by the "Group of 77" developing nations. The agenda currently includes international monetary reform, and the transfer of real resources for financing development, industrialization and international trade. It will be up to the various European, Japanese, and U.S. capitalist factions to coordinate themselves toward that same solution within the very near future, or to collapse.

Iraq Calls For New Monetary System Minus Dollar Debt

Aug. 5 (IPS) — An article in the July 29 issue of the Baghdad Observer, the semi-official daily of the Iraqi government called for a "new world monetary system which would be rid of the domination of the American dollar." This call to reconstitute the disintegrated world financial system, with "sufficient room for the socialist countries" and the Third World, is the latest effort in the Iraqi campaign to unify the Arab sector behind a policy of development.

Combined with the July 17 call by Iraqi President Ahmed Hassan al-Bakr for an Arab joint military defense against Israel and a series of Iraqi proposals for Arab "economic integration," the article, by Dr. Abdul Sagban crowns efforts by Iraq to consolidate a united Arab bloc participation in International Development Bank-type trade arrangements.

The Iraqi regional organizing drive is provoking intense reactions in the two pivotal Arab countries: Syria and Egypt. In Syria, the shaky CIA-run regime of Hafez Assad has become desperately isolated and escalated its attacks on Iraq, including armed incursions across the Iraq-Syrian border.

This week Egyptian Economics Minister Zaki Shafii announced that Egypt may declare a three-year moratorium on its outstanding debt. "I will not ask the people to tighten their belts anymore," declared Dr. Shafii, according to the Aug. 2 issue of Akhbar el-Yom, a right-wing Cairo weekly.

The political extermination of the CIA Assad dictatorship in Syria and the reorientation of Egypt toward the pro-development nonaligned bloc — both objectives of the Iraqi campaign — would create the conditions for the rapid coalescing of the crucial Arab sector of the IDB. Iraq and Algeria are already coordinating their actions to this effect.

The preliminary proposal stated in the Observer was linked to two key

points; First, the development of labor power in the Arab world, and second, multilateral trade arrangements between the Arab sector as a whole with the Comecon and the European Common Market (EEC).

Hitting the "lack of coordination between the development plans of the Arab countries," the article demands the "acceleration of economic development in the Arab countries, through a rapid and steady increase in real income per capita throughout an extensive period of time."

Once development motion is achieved, long-term trade accords can be established in order to secure capital equipment and raw materials necessary for Arab development. "These agreements can be made between Arab blocs, such as the Council for Arab Economic Unity and its Common Arab Market, on the one hand, and the EEC, African states, and the Socialist countries, on the other."

Complementing the Iraqi drive for Arab economic integration, the Baghdad press is recording the response to the July 17 Bakr speech on Arab political and military cooperation from Arab press and political figures. While favorable responses from Lebanese, Kuwaiti, and Palestinian sources is reported, the most important positive responses cited are those by Egypt.

Favorable coverage of the Bakr speech appeared in several Egyptian newspapers, and Rose al-Yousef, a pro-socialist Egyptian weekly, published a three-page spread praising the Iraqi initiative.

By calling for a solid Arab front, Iraq has exposed the sordid ties between Syrian Intelligence and Assad's clique, on the one hand, and the CIA and Israel's Shin Beth on the other. Since the Bakr speech, simmering unrest in the often-purged Syrian military has begun to crest.

Attacking Syria's "false leftist auctioneering," Baath writer Sabah Salaam charges: "The illegitimate birth of the Syrian regime is an indication of the immoral style of the renegades...and their rightist reality." Salman then recounts how Assad's fellow conspirators staged the CIA coup in 1966 against the Baathist regime in Syria.

"A coup against the coup is the expected consequence," warns Salman, "against the origin of the crime that has been committed" against the Baath.

In Syria itself, an "atmosphere of tension" now prevails in Damascus, according to the Iraqi party daily Thawra. Amid constant repression and mass arrests, Syrian Intelligence has even seized three issues of Falastin ath-Thawra, weekly organ of the Arafat-controlled Palestine Liberation Organization — for attacking the hated, pro-imperialist King Hussein's Jordan!

With almost no allies in the Arab world except Jordan and unreliable Libya, the Assad regime is on the brink of collapse. Continued paranoid deployments of Syrian troops to the Iraqi border are certain to trigger a mutiny by Syrian pro-socialist officers.

With Iraq concentrating maximum political effort on toppling the pro-war agent Syrian regime, Iraqi approaches toward Egypt are designed to nudge Egyptian President Anwar Sadat into a pro-Soviet Arab nationalist stance — under pressure from the Egyptian working class and pro-socialist layers.

The Egyptian Finance Minister ended an extended stay in Moscow earlier this week with an invitation for the Soviet deputy foreign minister to visit Cairo and continue negotiations on Soviet-Egyptian economic cooperation. According to all sources, the Egyptian press has halted a long anti-Soviet campaign, indicating that an accord may be reached during the Soviet delegation's visit to Egypt.

Capitalists Are Balking At 'Biting the Bullet'

by David Goldman

Aug. 5 (IPS)—If Third World countries, residents of U.S. cities, and other victims of financiers' debt were not prepared to do it for them, capitalists would postpone biting the bullet on debt moratoria, preferring to let the economy slide into economic chaos. In particular, the U.S. capitalists' "alternative slate" to the miserable Rockefeller-Ford-Kissinger clique in Washington — old-time Democratic Party insiders — want to appease the menacing economic crisis by shovelling bales of money into its jaws.

Bankers were disheartened, during the past month, at the ease with which corporations declared moratoria on their debts to each other. By free-for-all selection, between 40 to 50 per cent of banks' loans are now or are about to become the subject of debt moratoria — including a moratorium by Chase Mortgage Investors against its parent, Chase Manhattan Bank. This disorderly domino-style collapse of credit relations between capitalists, left to its own momentum, would shut down the economy within weeks.

Prof. Richard Cooper of Yale and the Trilateral Commission, the New York Times editors, Washington Post columnist Hobart Rowan, and a gaggle of economic leftovers of Democratic administrations all agree on a general re-financing of these debts. The immediate effect of this crackpot policy would be to unleash what economists call "inflationary pressures" onto what is left of production and trade.

Specifically: each of the pathetic increases in certain categories of industrial orders and sales traces directly to fear of hyperinflation. This emphatically includes the modest upturn in auto sales. According to the National Association of Purchasing Managers, which surveys deliveries of semi-finished goods and raw materials "No one is planning to produce anything. But there is a list of materials to stockpile for two years, with a guaranteed rate of return of 100 per cent," due to expected inflationary mark-ups. Corporations suffering from a 40 per cent drop in revenues and "strung-out liquidity-wise," as one banker put it, are now "testing the water" for across-the-board price increases.

In these circumstances, a proposal to give the green light to price hikes is equivalent to putting up a "Free Lunch" sign — and inviting the guests to eat each other. Price increases for industrial raw materials like oil, rubber, steel, aluminum, and chemicals already in the pipeline scare the wits out of the industries one step farther down the production chain.

Last year, price increases came to a lump sum of \$180 billion. Corporations absorbed this whopping bill through operating revenues — then almost twice as high as now — and through \$20 billion in bank loans. But loans to corporations fell by \$20 billion during the first six months of this year alone, while revenues went through the floor. Bankers interviewed this week were unanimous: "Banks will not underwrite another inflationary spiral." According to one of New York's largest, "Even the de-control of oil prices — which would add about 2 per cent to the inflation rate — would put tremendous pressure on the banking system."

Accordingly, Cooper and Company have given up on the banking system: they want to mainline funds into the economy through increased government spending and tax cuts. This, Cooper told IPS, would solve the "main problem in today's world: too little spending power compared to our capacity to produce." This sounds simple: if debt-squeezed corporations need to push up prices by 20 per cent, why not have the government pass around enough folding money to circulate these goods?

But Where does the Government Get the Money?

The Federal government must raise \$40 billion on its own account by selling its debt-paper between now and Dec. 31. This record deficit is a by-product of revenue drops due to the collapse of production. Even current deficit levels — never mind what Cooper and the New York Times want — cannot be financed, except with disastrous consequences for the rest of the economy. "It's a mind-boggling exercise," said one specialist, who claimed that banks could buy up no more than one-quarter of Washington waste-paper. The Treasury expects them to buy half. Banking insiders confirm that banks must go after ultra-high-interest projects, to cover

for the zero-interest portion of their balance sheets. Safe, low-interest Treasury bills do not meet this requirement.

What Federal Reserve Chairman Arthur Burns — a terrified opponent of the inflationists — wants to avoid is a crisis in which the Fed is compelled to purchase the Treasury's debt, releasing funds directly into bank reserves, which can then turn into 2 to 3 times the original amount of bank loans. To this end, Burns engineered a rise in U.S. interest rates, now at a six-month high, to lure free cash from money markets in Western Europe. In a last grab for free funds, Burns last week borrowed \$1 billion from the Third World's coffer by selling securities to the World Bank — a desperate measure which bankers said was "not a bit surprising." The idiocy of Burns' effort is clear; the gaping hole in the U.S. Federal budget is so monstrous compared to the size of related credit sectors that the Fed could put off its own crisis only for an even month, despite its thorough wrecking job on other sectors of the world credit system.

Burns got his crisis this week, when potential buyers of his IOU's held onto their wallets instead. So much for deficit spending.

The magnitude of the crisis is so great that the bitterest opponents of tight-money Burns feel queasy at the prospect of an open fight. One of the newspaper columnists who led an attack on Burns last Spring for refusing to let funds into the banking system fast enough explained why he now keeps his mouth shut: Burns' vow to keep money supply growth at 7 and one-half per cent, very tight indeed compared to re-financing needs, is the same rate of increase that the hyperinflation dare-devils called for last April!

No Guarantees

Since the hyperinflationists here are keeping mum, we will let one of their Italian co-thinkers speak for them:

"Weimar's finance minister, Rudolf Hilferding, refused advice...to immediately print money to revive the economy. The result was that Hitler came to power because of the depression...the 'orthodox Marxist' in Hilferding revolted. This was his mistake. Then Hitler came in, and together with (Nazi

finance minister Hjalmar Schacht, did exactly this and saved the situation."

The writer is Leo Valiani, an old colleague of fascist Ugo LaMalfa, writing in L'Espresso. He concludes with a recommendation that the workers' movement do to itself now what Hitler and Schacht did to it during the 1930's. to save trouble all around.

Schacht, of course, would turn in his grave at the suggestion: he never issued paper except with the expectation that loot, courtesy of the SS, would be available to pay interest. Even Second International leader Hilferding

would choke at the title of "Orthodox Marxist," after his buffeting at the hands of Rosa Luxemburg, the authoritative Marxian economist.

But the cited view is the masturbation fantasy behind the "policy" of Cooper, et. al. The reality associated with their views can be inspected presently in Argentina where 200 per cent inflation has made it impossible for corporations to meet current bills — forcing 200,000 layoffs this week alone.

The alternative — all the principals are aware — is systematic penalization

of financiers' income on parasitical debt. There is no other means to revive the actual earnings of productive industry. Along with debt moratoria, interim credit measures are imperative to bypass the crumbling dollar credit mechanism, of a sort falling within the general framework of the International Development Bank proposal. Any capitalist faction which wants to survive the next few months must face up to reality and bite the bullet. Our own efforts to force debt moratoria in key sectors should give them adequate incentive.

Bundesbank Cash-In Spells Economic Warfare, Inflation

by Susan Cohen

Aug. 9 (IPS) — In a development that presages international economic warfare of the sort that triggered the 1931 world credit collapse, the West German central bank and other foreign governments have been quietly taking their revenge against the U.S. Treasury and Federal Reserve, IPS learned this week. In the month of July alone, the U.S. Treasury was presented with \$1.5 billion worth for foreign-held, non-marketable U.S. Treasury Securities for immediate cash redemption.

The action precipitated a cash crisis at the Treasury, forcing it to hastily borrow \$1 billion from the Fed early last week to meet payments. The Treasury's subsequent announcement of a substantial upward revision in its annual borrowing requirements, hoisted the spectre of massive inflation stateside and threw U.S. capital markets into a panic.

Acknowledging that the Treasury's cash flow problem was in large measure due to the unusual spate of foreign government redemptions, U.S. federal debt manager Ralph Forbes insisted that the Bundesbank's move was not an act of retaliation. "Why, we have a close working relation with the Bundesbank," he told IPS. The Bundesbank, for its part, gave IPS correspondents in Wiesbaden an "official denial" of their involvement in the operation, adding with defensive pique that "other central banks" were "also involved."

Well-placed financial sources in New

York told IPS that rumors of such an emphatically retaliatory move by the Bundesbank have been circulating for some time — to the horror of the money market, the source confessed. It is well known, this source argued, that the West Germans are thoroughly annoyed with U.S. foot-dragging on domestic reflation. In cashing in the bonds for dollars to support the recently devalued Deutschmark, the Bundesbank neatly threw the hot potato of hyperinflationary dollar debt back across the Atlantic. Bundesbank official Otmar Eminger underscored the point in an interview this week. "The financing of the U.S. deficit cannot be accepted by Europe," he told reporters.

The Bundesbank, in leading the charge to dump U.S. bonds, is merely returning Federal Reserve Chairman Arthur Burns a favor in kind. Their action is a direct response to U.S. moves at the end of June which pulled the rug out from under the West German bond market. At that time Fed chairman Burns hiked U.S. interest rates which, together with the tremendous demand for dollars created by the June 30 payments deadline, sucked liquidity out of Europe at a rate that produced an immediate, severe crisis in continental credit markets. The Bundesbank itself was forced to pump over 1 billion Deutschmarks into the German credit system in less than one week to finance otherwise unsaleable government bond issues.

The "weapons cache" the Bundesbank and other central banks are using

in this round of economic warfare is the more than \$20 billion of non-marketable U.S. Treasury securities they have been forced to swallow over the past ten years. Dubbed "Roosa bonds" for their inventor Robert V. Roosa, who came up with the gimmick during his term at the Treasury in the Kennedy administration, the securities issues were an outflanking maneuver to prevent the Europeans from "freely exchanging" the piles of greenbacks accumulating in their central bank vaults for gold at the U.S. Treasury — the prospect of which constituted the foremost nightmare of U.S. capitalists at the time.

Oil Countries to Cash In?

Europe is not the only party engaged in sending the chickens home to their roost in the U.S., nor are non-marketable securities the only medium of government debt at stake. Since the 1973 Oil Hoax U.S. government securities have become an opportune investment for oil producing countries, a relatively liquid means of investing the tide of petrodollars that flowed into that sector. Now, however, with the oil market glutted as a result of unprecedented industrial contraction and their dollar revenues declining rapidly, OPEC countries too may be cashing in their securities as was mooted in the latest issue of the weekly Money Manager.

The Fed's own weekly statistics show that in the past week it has been ordered to liquidate fully \$200 million in marketable Federal Agency bonds held on foreign account.

Price Spiral to Turn U.S. Into Banana Republic

by Ali Baz

Aug. 8 (IPS)—It is no exaggeration that unless immediate steps are taken to declare an orderly debt moratorium, the currently unfolding price increases in the U.S. will culminate, by early 1976 at the latest, in hyperinflation of a magnitude not encountered in the advanced sector since the dark days of Weimar Germany.

Despite Federal Reserve chairman Arthur Burns' publicly stated commitment to hold down monetary expansion to the 5 to 7.5 per cent range, the Federal Reserve will have to print upwards of \$50 billion greenbacks in 1975 to rescue Treasury bond issues from a dried up government bond market. The alternative, to date followed by the pipe-smoking Burns, is to batten the hatches and drive the economy right over the cliff into massive bankruptcies and the worst deflationary collapse in 400 years.

In the wake of eroding revenues from corporate and personal incomes, not to mention the mounting wave of cash redemptions of Treasury securities by foreign central banks, the Treasury's need for funds is multiplying geometrically. The nation's commercial banking network, the Treasury's traditional financing resource, is presently saddled with an unprecedented 50 per cent "soft" loans on its book and cannot begin to meet the Treasury's needs. Rather, the banks will commit every dollar they can get hold to financing an upward price spiral in the expectation of thereby recovering former losses. The government will be left with no other recourse than to crank up the Federal Reserve printing presses to finance at least \$50 to \$60 billion worth of the federal government's cumulative budget deficit for calendar year 1975.

The resulting 25-plus per cent rate of increase in the money supply—cash in circulation plus checking accounts—will simply blow the economy to bits via the hyperinflationary route. Internationally, the dollar will be cer-

tified as worthless scrap of paper instantaneously.

Hyperinflationary Drivewheel

Highlights from reported economic activity for this week alone underscore the seething tumult in the capital markets and throughout the economy. The 14.4 per cent per annum jump in the wholesale price index for July already outstrips the peak rate of inflation registered in 1974. The significance of this figure, however, lies in what it does not account for: it is simply a reflection of increases in the prices of pre-processed foods and petroleum distillates and does not include the dramatic hikes in the prices of industrial raw materials or, for that matter, the decontrol of petroleum prices. The announced and as yet unannounced price increases in Rockefeller-owned investments in gasoline, steel, aluminum, and industrial materials connected with the oil industry, will within a matter of days and weeks be followed by an avalanche of "me too" price hikes by other capitalists, as one capitalist's price increases become another's added costs.

Behind the price spiral is the unprecedented illiquidity of the corporate sector. By late 1974, the net earnings to sales ratio for all corporations was already down to 0.4 per cent. Over the past year the corporate liquidity to debt ratio has slumped to its nadir and short-term debt to long-term debt has reached historic highs. Armco Steel, only one of a number of steel companies to raise prices, declared a 9 per cent price rise for rolled steel effective this week, claiming losses of \$2 million a month since the beginning of the year. Under these circumstances, the corporate sector—which has, incredibly, been paying dividends to its stockholders from borrowed capital in lieu of non-existent earnings—is being denied access to the "quality-conscious" bond market, the source of long-term capital that is a pre-requisite for any productive investment to take place at all. This week New Jersey Bell, Consol-

idated Edison, Wisconsin Power and three other corporate bond issues were withdrawn from the market for lack of investor interest.

The central feature of this corporate squeeze, from the standpoint of the process of production, is the hundreds of billions of dollars worth of still-unsold inventories corporations are sitting on. Price hikes are a desperate corporate "alternative" to the prospect of liquidating these inventories at devastating losses. A course of action which the embattled auto industry's vaunted rebate sales campaigns proved an unqualified disaster. Raising prices will not, of course, make it possible for corporations to unload their inventories. On the contrary, by increasing the "book value" of their assets and thereby their nominal ability to get loans and float bond issues, it will simply allow them to continue and even accelerate the inventory stockpiling on a scale that will pale that of 1974.

Rockefeller's banks, for their part, are faced with a complementary dilemma. Saddled with uncollectable loans to the myriad New York Cities, the Argentinas and the Egypts, the North Sea and Alaskan energy boondoggles, the Continental and Chase Mortgage Investors (REITs) and the Chryslers, their only alternative to a massive write-off of this paper is to jump onto the hyperinflationary bandwagon themselves. This week's decision by the New York banks to roll over \$500 million in New York City debt coming due between October, 1975 and June, 1976, together with the \$51 million increase in commodity loans for the week ending Aug. 6—loans channeled to commodity futures market speculation—indicate the direction they're heading.

The Firestorm Effect

As this insanity unfolds and the competition for funds accelerates, the "favorable" rates offered by banks on their corporate deposits (technically, Certificates of Deposit) under conditions of a generalized skyrocketing of

interest rates, will result in a phenomenon broadly reminiscent of the "firestorm" effect associated with the U.S. bombing of Dresden during World War II. The banks will such nearly all available capital from insurance companies, Savings and Loan associations, corporations, and pension and trust funds to finance the hyperinflationary spiral—finally leaving the economy a mass of rubble.

In this game nobody will win, the banks least of all. The further stockpiling of unsaleable inventories on top of the yet-to-be-depleted stocks left from the 1974 vintage speculative binge, at a time when liquidity in the economy is stretched to the limit, when unemployment is soaring and prices are outstripping incomes, guarantees the rapid destruction of the U.S. economy as well as its dollar-based satraps.

As for the Treasury, a combination of factors will geometrically increase its financing needs between now and the end of the year. On top of its rapidly shrinking tax base, the approach of an election year, the multiplying need to bail out defense-related industries—illustrated by this week's \$250 million rescue of Litton Industries—the inevitability of directly bailing out the banks holding municipal bonds, or bailing out entire cities directly, will further the Treasury's appetite for cash. This week the Treasury announced that it will raise \$11 billion in new money in the next five weeks, compared to earlier estimates of \$8 billion—the process

NET ACQUISITIONS OF U.S. TREASURY SECURITIES FOR CALENDAR YEARS 1974 AND 1975 ESTIMATED IN BILLIONS OF DOLLARS

	1974	1975
Commercial Banks	-2.9	15
Non-bank Finance	2.6	3
Corporations	1.2	1.5
State and Local Governments	2.6	0
Households	3.4	6.5
Foreigners	3.9	4
Federal Reserve Bank	4.1	60
TOTAL ACQUISITIONS	14.9	90

This chart presents a breakdown of Treasury financing. The estimated distribution of Treasury security sales among the various traditional purchasers for calendar year 1975, as compared to calendar year 1974, is based on the analysis of these various sectors' current and projected capacity to expand their holdings of Treasury debt presented above. The inescapable conclusion is that, at current levels of production and general economic collapse compounded by an inflationary surge already underway, the Fed itself will be forced to crank up its printing presses to finance the overwhelming bulk of the soaring government debt.

Source: FRB, Flow of Funds, MHTCo. estimates, and NCLC Financial Intelligence estimates.

of upward revision which will push total second-half Treasury borrowing to \$50 to \$60 billion, compared to the \$40 billion raised in the first half of the year.

With a step-up commercial and industrial loan demand to finance inflated inventories and commodity speculation, the market for Treasury securities faces the prospect of implosion—Treasury securities may simply be "crowded out" of the market. Unless the Fed indeed opens the spigots of new credit, it will be increasingly impossible to control the

leapfrogging of interest rates as the Treasury competes with banks and corporations etc. for limited funds. The very anticipation of inflation precipitates and fuels this process, already underway as indicated by an across-the-board increase in short-term interest rates this week. Ironically, as interest rates are forced up on Treasury securities, the Treasury must sell more and more bonds at a higher and higher cost for less and less cash—feeding its own cash flow crisis, directly forcing the issue of a Federal Reserve hyperinflationary transfusion with renewed urgency.

North Sea Oil Pipe Dream Turns into Costly Nightmare

Aug. 2 — Britain's grand and foolish hopes for a New Klondike in the North Sea are evaporating as fast as the rest of the Rockefellers' mad schemes for a "new world order." The latest "rescue" operation for the North Sea Oil project, a scheme to force the British working class to foot the bill, promises to be as successful as the bankrupt project itself.

As the price of oil quadrupled in the fall of 1973, the influx of huge platforms, barges, pipelines, and thousands of construction workers to Scotland and the North Sea lured the British government into pipe-dreams. Britain would be self-sufficient in oil; Britain would reverse the last 25 years of balance-of-payments deficits. It was okay to mortgage now, because North Sea oil would pay later.

Two years and \$5.7 billion later, with the demand for high-priced \$13-a-barrel oil severely reduced by the world depression, all the North Sea drilling rigs are at least a year behind schedule, costs in most oil fields are running 50 to 100 per cent over original estimates, and sufficient skilled divers and iron-workers cannot be found at any price.

The projects themselves are death traps, on which men are worked 12 hours a day, seven days a week while on the rigs at sea. The death rates are particularly high among divers, who are sent down hundreds of feet in tiny work chambers for days at a time with little training.

Far Behind Schedule

As of now only one field out of 13, the relatively small Argyll, is actually pumping oil, and that at the miniscule, profitless rate of 20,000 barrels per day. The original wildly kited estimate for this summer was to have five fields in full operation.

Now the short "window" of clear weather is nearing its third and final month, and the fierce winds and tides between Scotland, Norway, and the Shetland Islands will preclude major

development work on the 14,000-ton concrete and steel platforms until next May.

The oil companies have spent about \$5.7 billion on the whole mess in the last two "boom" years, plus operating costs. The largest oil companies and their New York banker backers have laid out the largest share, but almost every oil company in the world, and most of the large and medium-sized banks in Europe, are locked into the hideously expensive and risky North Sea project in some way.

The inherent risk is that successful drilling is much more expensive in 500 feet of icy water than in the sands of Texas or Saudi Arabia. The production cost per barrel of oil in Saudi Arabia is 10 to 15 cents, and averages 88 cents in the United States. British Petroleum estimates that North Sea oil will cost between three and four dollars a barrel to get to shore, an estimate that will probably skyrocket like all other time and money guesses about the project.

A North Sea field that is dry is a bigger loser. Last week British Petroleum's Niniau field was recently re-evaluated down from 2 billion barrels recoverable to 840 million barrels, as section after section came up dry.

Sufficient profit in the North Sea depends on unusually high volume and high prices. As worldwide industrial demand for oil drops due to the depression, and prices stay stable or even threaten to decline, North Sea investors are the most exposed because they have laid out the most in start-up costs.

The financing arrangements, according to Morgan Stanley investment bankers in New York, call for the beginning of debt repayments only when the oil starts to flow. Therefore zero return is coming in on the huge outlay to date.

There is a so-called rescue plan for the doomed project, but it is almost as witless as the original scheme. The

British government and several oil companies have agreed in principle that Her Majesty will "participate" in the North Sea by buying up 51 per cent of the debt, in return for 51 per cent of the expected revenue. The most economically battered government in Western Europe, which just passed the 1 million mark in unemployment, who nationalized industries are for the most part already deep in deficit, is expected to load the oil companies' bad loans on the backs of British taxpayers — about \$3 billion worth!

The Houston representative of the Bank of Scotland, which has sunk millions into the North Sea, said flatly, "I don't know how the government could do it. They'd have to raise it over quite a few years, and I don't know who would lend it to them."

In a semi-private study by the Euro-finance group of Paris last spring, the largest oil companies and banks said quietly that they could accept a government tax rate as high as 70 per cent on the major fields, if the British Treasury would buy up enough of the investment already laid out. This incredibly high percentage shows the desperation of Rockefeller's "rugged free enterprise" oil giants, who are always yapping about how much they hate government regulation by Britain's "socialist" government.

The Labour Party government is probably planning brutal cuts in the workers' standard of living to finance the North Sea fantasy projects in the years ahead. Chancellor of the Exchequer Denis Healy announced last week that Britain's budget for 1977 is no longer projected to expand, but to contract by \$6.6 billion.

The nationalization scheme, which is expected to be haggled out by this fall, is only a mad attempt by the New York banks to gouge as much money as they can as quickly as possible, and run with it.

Soviets Seek Asian 'Collective Security' Pact

Aug. 5 —The appropriation by the U.S. Congress of monies for expanding the U.S. air and naval base on the Indian Ocean island of Diego Garcia constitutes a serious challenge to the Soviet Union and the Soviet-allied and non-aligned countries which fringe the Indian Ocean. Moscow had vehemently opposed the base, raising the issue repeatedly in negotiating sessions with the U.S. and other officials, and conducting a major press campaign against it in 1974. The Senate go-ahead, in a marginal 53-43 vote, followed concerted Pentagon publicity about a chimerical "Soviet build-up" in African Somalia and the Indian Ocean generally.

The Soviet Union, however, is by no means stuck with the single alternative of military escalation to match the strategic post on Diego Garcia. Fresh off their victory in carrying the Conference on Security and Cooperation in Europe (CSCE) to its summit conclusion in Helsinki last week, the Soviets have already relaunched their policy of actively seeking a collective security arrangement for Asia.

The real principle of Helsinki — intertwining of security agreements and economic cooperation — is now at the center of Moscow's Asian policy. The limitation of military, especially nuclear, base construction in Asia and East Africa and of naval deployments into the Indian Ocean will serve as the "inviolability of borders" did for the CSCE: as the principal security terms for the agreement. U.S. think-tank sources admit that a proposal for naval limitations in the Indian Ocean would now find "receptive ears."

The economic complement to these terms will be consolidation of the Eurasian development bloc, with subsumed regional development projects as the Ganges-Brahmaputra River basin.

Besides targeting Diego Garcia and other U.S. encroachments, the Asian collective security drive will go after the interlocking CIA and Chinese networks in Asia. Soviet news media

have already begun to step up exposure of Peking's insidious operations involving terror gangs, emigre mafiosos, and drug and gun running in African and Asian countries around the Indian Ocean.

Support from Non-Aligned

During the Helsinki summit, where Soviet bloc speakers said from the podium that the CSCE summit should be considered the prelude to further initiatives, Moscow began to give the Asian security idea broad publicity. Pravda in an August 3 commentary, as well as repeated Radio Moscow broadcasts, called the CSCE exemplary for other areas of the world, particularly Asia and Africa.

Moreover, there will be no long wait for endorsement of collective security in Asia by leading non-aligned countries. East German radio in its CSCE roundups highlighted Indian Prime Minister Indira Gandhi's favorable assessment of the European agreements. Conversely, the Helsinki meeting came up last week in bilateral talks between the Indian and Indonesian Foreign Ministers, who then issued a communique calling for the Indian Ocean to be a "zone of peace" — a concept from the lexicon of Soviet security proposals. Most immediately, Indian Ocean security and military expansion there have been put on the agenda of the conference of non-aligned countries scheduled this month in Lima, Peru.

The most recent detailed Soviet literature on Asian security declares a policy of supportive collaboration with the area's non-aligned countries. A. Segeev's "Problems of Collective Security in Asia" in the July issue of *International Affairs* (distributed world-wide in three languages), links the Soviet proposal to the basic tenets of the non-aligned movement, dating from its 1955 founding conference in Bandung. These principles, which in Segeev's presentation culminate in "broad development of economic and

other cooperation on the basis of full equality and mutual gain", are "by virtue of their universality, acceptable and attractive for all Asian states."

Defuse Chinese and CIA

For sane parties in the starved and debt-squeezed Indian Ocean countries, this attraction to development-security arrangements is irresistible. The political battle for collective security in Asia has now to be fought out against the increasingly rabid Chinese, the CIA, and governments deep under their influence. Here the Soviet Union's ability to supply preliminary economic aid and favorable trade terms is heavy ammunition.

Soviet maintenance of socialist Vietnam and aid to core non-aligned countries like India and Somalia is well known. Moving ahead, Moscow has begun to split Pakistan from the U.S. — with a \$500 million steel plant deal with provisions for training specialists — and deal with the Association of South East Asian (ASEAN) countries (Thailand, Philippines, Malaysia, and Indonesia).

The ASEAN countries, despite recent Thai and Chinese proposals to turn the group into a new military bloc, are extremely fertile ground for positive economic intervention by the Soviets. The Maoist Thai Communist Party has proposed by radio — as an attack on "Soviet social-imperialism" — that the Soviet Union has offered low-interest loans to Thai industry and helped finance new shipping lines for Thailand and Singapore. This represents powerful subversion of the Maoist and CIA operations in the region. The region's rapid acceleration towards collective security agreement will preclude Chinese-Japanese anti-Soviet military consolidation as an Asian option.

In the meantime, the Chinese are engaged in every effort to prevent the nascent Soviet initiative from taking shape. Thus Peking is supporting the most reactionary ASEAN governments, such as Thailand, for sake of maintaining the U.S. presence in Asia

to fend off the Soviet Union. Their intervention to block rapprochement between India and Pakistan has been exposed in Soviet papers, as has their arming and instigation of anti-Indian groups in Nepal and Bangladesh. In the latter case, as elsewhere in Asia and Africa, Peking follows the CIA modus operandi of cultivating and when possible detonating chauvinist and racist tendencies of national minorities in the countries where they want to

wreak havoc.

But Chinese, sensing that they haven't really a card to show against the Soviet and non-aligned initiatives, reacted to the European precedent with undiluted terror. Peking greeted the Helsinki summit with a wild-eyed press release linking it to the Soviet collective proposal for Asia and warning that the Soviets have already made diplomatic inroads in the area. True enough!

Soviets Counter Chinese Sabotage of Asian Collective Security Arrangements

by Daniel Sneider
USLP Nominee for Secretary of State

Aug. 9 (IPS) — The Soviet Union is countering the major opponent of its proposals for a development and security pact in Asia, the counter-revolutionary Chinese leadership, by stressing the tremendous economic and political advantages of the Soviets' proposed arrangement compared to the osenely pro-imperialist designs of the not-so-inscrutable Maoists.

Since the conclusion last week of the successful Conference on Security and Cooperation in Europe (CSCE) in Helsinki, Soviet press commentaries have posed the CSCE as a model for other regions of the world. The USSR's proposal for an Asian Collective Security pact is now the primary focus for extending the Helsinki process to other areas.

The Soviet trade union daily Trud motivated this proposal in an Aug. 5 article which called "collective security" détente arrangements particularly important because they provide for economic cooperation, resulting in employment for the

working class, further scientific and technological development, and the creation of "tremendous projects" to exploit natural resources.

Maoist Sabotage

As the Soviet government newspaper Izvestia pointed out yesterday, the growth of this détente process is forcing clarification of the real aims of Maoist policy in Asia. Writes Izvestia, "Peking attacks the idea of collective security in Asia and tries to convince a series of governments in the region of the necessity of the presence of U.S. troops in their countries."

The Maoists, who have in the past vociferously supported the U.S. presence in Asia as a counterweight to Soviet influence, are now attempting to expand their own hegemony there. Yesterday the Baltimore Sun reported that the Peking regime has made inquiries to the Philippine government concerning possible Chinese use of the huge U.S. naval and air bases in that country. Similarly, this week's U.S. News and World Report reveals that the Chinese are making "discreet over-

tures toward secret cooperation with the U.S. on military matters." These reports support Trud's charges that Chairman Mao's views on the necessity of Chinese expansion through Southeast Asia are similar to those of Chiang Kai-Shek. The only difference, commented Trud, is "Mao's appetite is bigger!"

Maoist sabotage of pro-Soviet security and cooperation in Asia are directed particularly at the Indian sub-continent. The Chinese have encouraged the Pakistani government to maintain a hostile attitude toward India, attacking in their press attempts by the two countries to normalize relations and peacefully settle outstanding disputes such as the Kashmir question. It is also well known that the Chinese have provided arms and other support to separatist rebels in the hill tribes in the northeast region of India which borders China. Similar operations are carried out in northeast Burma, where the Chinese-supported "Burmese Communist Party (White Flag)" is involved in raising and smuggling opium to finance its activities.

State Department Corroborates

Rocky-Allied Engelhard Behind Angola Massacre

by Peter Buck

Aug. 8 (IPS)—The U.S. State Department has corroborated ICLC and Soviet charges that Rockefeller-dominated multinational corporations and Rockefeller-allied interests in South Africa are directly aiding the CIA's attempt to destroy the economy and population of the Portuguese colony of Angola. Confirming that Gulf Oil, which exploits Angola's oil reserves, "is backing from Zaire" units of the National Front for the Liberation of Angola (FNLA)—the Chinese-armed gang now rampaging through the colony—the State Department specialist also deeply implicated several large South African corporations including the Rockefeller-allied Engelhard Industries in the attempted massacre.

At last reports, "groups of bandits terrorize, plunder and murder whole sections of the countryside," according to today's West German daily *Sueddeutsche Zeitung*. The report confirms that the FNLA invasion force — made up mostly of Zairean Army personnel led by European mercenaries — has broken down chaotically into smaller units and is carrying out the RAND Corporation scenario of randomly destroying lives and the Angolan economy.

The aim of the invasion is to obliterate the country — and massacre the pro-Soviet Popular Movement for the Liberation of Angola (MPLA) — leaving only depopulated rubble as a RAND lesson to Africa's working class. The only areas that are being preserved at

this time are the rich petroleum reserves in the Cabinda district and the strategic Benguela railroad which transports a better part of the world's copper supplies.

The armed gang which has been holding the Benguela railroad area for the CIA, the National Union for the Total Liberation of Angola (UNITA), has been forced to drop its years-long "neutralist" position on the fight between the MPLA and the FNLA and has joined the FNLA in its rampage.

Gulf Support

"Gulf Oil is backing the FNLA from Zaire, of course," a State Department Africa specialist told IPS yesterday. A source at the Export-Import Bank corroborated that "Gulf Oil is supporting the FNLA and the FLEC (the Front for the Liberation of Cabinda, a Zaire and Chinese-backed, ethnic subdivision of the FNLA).

The State Department source also corroborated IPS evidence that American Metals Climax, Engelhard Industries and the Anglo-American Mining Corporation — all large South African interests — have the same role as Gulf's: "Yeah, they all cooperate with (Zairean President) Mobutu (on this)... you can lump them all together."

Engelhard has been a conduit of Rockefeller policy in Africa for several years. Charles Engelhard served as an intelligence advisor to the U.S. government before his death in the early 1970s. He has been amply replaced by his wife, who served under Nelson Rocke-

feller as a member of the Murphy Commission to reorganize the Federal bureaucracy to fit a Rockefeller dictatorship. Anglo-American had Engelhard as a board member and the family still holds substantial Anglo-American stock.

The source also indicated that First National Bank, Bankers' Trust, Mobil Oil and Texaco "might like to comment, being heavily involved in the area."

While no African government has yet answered the ICLC's call for an immediate investigation of the Rockefeller and Rockefeller-allied South African complicity in the genocide, two African states have begun mobilizing support for the beleaguered MPLA. The People's Republic of the Congo this week launched "an appeal to all progressive forces in Africa and the world to draw attention to the ties between the puppet agent movements in Angola and their masters," according to the Algerian daily *El Moudjahid*. The new military government of Nigeria has denounced the Cabinda secession movement, FLEC, demanding that it cease its activity immediately, recalling for the public the enormous damage done by the attempted Biafran secession from Nigeria. The influential *Daily Times* of Nigeria has also accused Zaire of encouraging war in Angola.

These attacks complement those of Guinea, Guinea-Bissau and Mozambique, which recognize only the MPLA as the legitimate political leadership in Angola.

Mtn. Lakes Frameup: Fine, 2-Yr. Probation

MORRISTOWN, N.J., Aug. 6 — Two NCLC members, National Executive Committee member Costas Axios and Daniel Wasserman, were sentenced to a one year suspended sentence, two years' probation, and a \$1500 fine each by Judge Bertram Polow in Morris County court today, as a result of a 1973 weapons frame-up perpetrated by the FBI and the Law Enforcement Assistance Administration (LEAA). The third victim of the frameup, Elijah Boyd, was acquitted by a jury June 27.

Appeals of the convictions will be filed on at least three grounds: (1) the refusal of the judge to disqualify himself because of prejudice resulting from his extensive LEAA connections; (2) the judge's denial of a defense motion to suppress evidence resulting from the illegal search of the defendants' car; and (3) the rigged jury selection procedure, under which a New Jersey judge does all the questioning of potential jurors, and in which Judge Polow refused to question jurors about possible LEAA connections.

Before sentencing was pronounced today by Judge Polow, Axios reaffirmed the defendants' innocence before the court and charged that the case was the result of an FBI frameup. "This was a COINTELPRO operation," said Axios. "With the investigations being pursued by the Senate and House Select Committees, no one should be surprised that the CIA and the FBI engage in such operations.... In spite of the prosecutor's insinuations during the trial, our organization is not a violent or terrorist

organization. We are organizing the masses of working people around our program for expanded production and world trade; we are organizing people against the depression."

Polow, who was squirming uncomfortably during Axios' statement, could no longer control himself. Struggling to maintain his "cool," he uttered, "The greatest favor I could do for you would be to incarcerate you, so you could feel the martyrdom you desire so much." Polow was no doubt under orders not to impose a sentence too obviously out of line with prevailing practice; otherwise he would have liked nothing better than to send Axios off to prison for a couple of years. (Maximum sentence for this offense is seven years imprisonment.)

Polow then ranted on about his inability to "disabuse you (Axios) of the idea that this is an FBI conspiracy, that the police here are part of an FBI conspiracy, etc. etc."

Other Actions Planned

The NCLC will continue the fight to exonerate Axios and Wasserman and to expose the actual FBI-LEAA conspiracy as it operates in New Jersey. Two Federal Courts suits will be filed in coming weeks in New Jersey, one action against various local police departments, the State Police and the LEAA for violations of the U.S. Labor Party's civil and electoral rights, and the other a Federal suit against the FBI based on the FBI's use of brainwashed informer Anthony Banks against the USLP.

In addition, Axios, Wasserman, and Boyd will be taking steps to force disclosures of files and surveillance on them, by the New Jersey State Police LEAA units as well as by the CIA, FBI, LEAA, and other federal agencies. In a series which appeared recently in the Newark Star-Ledger, it was revealed that the Central Security Unit of the State Police maintains files on radicals which are so secret that not even the Governor is allowed to see them. The Security Unit uses "highly sophisticated surveillance methods" financed by the Federal government, according to the Star-Ledger, and coordinates closely with local police departments throughout New Jersey. In the probable event that the State Police will refuse disclosure, the suit will be filed by the three NCLC members to force disclosure.

At the time of the Mountain Lakes frameup in December 1973, the NCLC was exposing and publicizing illegal gun-running in ghettos by LEAA and LEAA-controlled youth gangs. With the recent exposures of FBI-LEAA operations in Reading, Pa., Hartford, Conn., and elsewhere, these charges have been fully confirmed. It was to discredit the NCLC's charges of LEAA gun-running that the LEAA set up the 'weapons possession' frameup in New Jersey.

Funds are urgently needed to appeal the Mountain Lakes conviction. Estimates are that the appeal will cost at least \$4,500 in attorney's fees and transcript costs.

Is Rocky's Warhawk Moshe Dayan Finished?

Aug. 5 (IPS) — Opposition to Israel's leading warhawk, former Defense Minister Moshe Dayan, is spreading throughout the entire spectrum of Israeli politics.

With a yearly inflation rate of more than 50 per cent and with the economy on the verge of a total collapse, few people are now paying attention to the psychotic Dayan's war ravings. While RAND's Middle East war plans stall, Dayan has become increasingly isolated from the main stream of the ruling Labor Party (Mapai) and thus is a sitting duck for an attack.

The open question is whether any of his opponents will go far enough to deliver a final knockout blow.

According to reliable Israeli sources, Prime Minister Yitzhak Rabin and Foreign Minister Yigal Allon, the leaders of the Mapai center, have resolved to break up the "Rafi" clique, a tight-knit core of CIA-connected warhawks controlled by Dayan. The key component of the Rabin-Allon strategy is an effort to split up the 25-year alliance between Dayan and his protege, Defense Minister Shimon Peres. Their plan is to enlist Peres' support for an interim settlement with Egypt — a move which Dayan adamantly opposes.

According to Israeli journalist Matti Golan, the Rabin-Allon moves could effectively "isolate Dayan and

...remove him from the party ranks to the political desert."

This strategy has already achieved some of its objectives. One of Rafi's eight leaders, Yitzhak Navon, endorsed the interim settlement last month. Peres meanwhile has at least once publicly done the same. He is forced by his position as a member of the government to either move with Rabin and Allon, or resign. So far, Peres has shown no sign of doing the latter.

No War

Pressure to move away from Dayan's warhawk policies is also coming from a faction in the military. Conservative Major-General Ezer Weizman announced July 17 that the army chief of staff, many senior officers, and himself were agreed on the necessity of both further concessions in the Sinai and of concrete moves toward peace on Israel's other borders.

The significance of Weizman's statements was highlighted the next day by the hurried denial from Peres' Defense Ministry — likely under Dayan's arm-twisting — that the "chief of staff either held such an opinion or would express it if he did."

While Rabin-Allon, currently have the upperhand on Dayan and his warhawks, their advantage could prove quite temporary.

The Mapai center offers no political program to deal with Israel's economic

measures. To establish the political climate necessary to enforce this non-program, the Rabin-Allon-led clique are committed to stalling on a peace settlement, keeping war tensions high. Such paralysis ensures Dayan's renewed hegemony if RAND succeeds in engineering a war crisis.

From The Left

The pro-socialist Mapam has also escalated its attacks on the Dayan clique. Through the party newspaper *Al Hamishmar*, Mapam spokesmen charged that Dayan's opposition to an interim settlement would necessarily lead to further deterioration of the Mideast situation and a unwanted new war.

Left-wing trade union officials within Mapam led a fight last week against government austerity measures, demanding a cost-of-living allowance of 12.9 per cent for Israel's workers and a general campaign against the Finance Ministry. At a meeting of works committees representing 60,000 Israeli industrial workers, the Mapam-led motions were unanimously supported. More significantly, the Mapam has failed to formulate any program for mutual collaboration between Israeli and Arab leftists. Their followers have thus been left with the same crippling feeling of isolation on which Dayan has always based his organizing and terror campaigns.



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INTERNATIONAL PRESS ROUND-UP

EGYPTIAN ECONOMICS MINISTER CALLS FOR THREE-YEAR DEBT MORATORIUM

AUGUST 5 (IPS)—DR. ZAKI SHAFEI, EGYPT'S ECONOMICS MINISTER HAS INFORMED EGYPTIAN GOVERNMENT OFFICIALS THAT EGYPT NEEDS A PERIOD OF DEBT MORATORIUM NOT EXCEEDING THREE YEARS, ACCORDING TO THE AUGUST 2 RIGHT-WING EGYPTIAN WEEKLY, AKHBAR EL-YAWM. SHAFEI ALSO DECLARED THAT HE WILL NOT ASK THE EGYPTIAN PEOPLE TO TIGHTEN THEIR BELTS DURING THIS PERIOD.

JUSOS DEMAND ECONOMIC AID FOR PORTUGAL

AUG 5 (IPS)—WEST GERMAN SOCIAL DEMOCRATIC PARTY YOUTH ORGANIZATION (JUSO) CHAIRWOMAN HEIDI ZEUL AND DEPUTY CHAIRMAN OTTMAR SCHREINER MET WITH PORTUGUESE SOCIALIST PARTY HEAD MARIO SOARES AT THE SECOND INTERNATIONAL MEETING IN STOCKHOLM, SWEDEN, AND DEMANDED WEST GERMAN AND COMMON MARKET AID TO PORTUGAL "WITHOUT POLITICAL CONDITIONS" ACCORDING TO THE SÜDDEUTSCHE ZEITUNG TODAY. THEY ALSO CRITICIZED "CERTAIN INDUSTRIAL CIRCLES WHO HAVE WARNED AGAINST INVESTING IN PORTUGAL."

AVANTE REPORTS MOBILIZATION AGAINST PORTUGUESE REACTION

AUG 5 (IPS)—ONLY 400 PEOPLE SHOWED UP FOR AN ATTACK ON THE PORTUGUESE COMMUNIST PARTY HEADQUARTERS IN THE MIDDLE SIZED PORTUGUESE TOWN OF TORRES VEDRA AFTER REACTIONARY ELEMENTS HAD ANNOUNCED A DEMONSTRATION OF 20,000 PEOPLE. IN TORRES VEDRA AND NEARBY SINTRA NEIGHBORHOOD COMMISSIONS WERE MOBILIZED TO DEFEND PORTUGUESE COMMUNIST PARTY CONTROLLED MUNICIPAL COUNCILS AND WERE JOINED IN TORRES VEDRA BY THE MOVEMENT OF THE SOCIALIST LEFT (MES) AND THE PORTUGUESE DEMOCRATIC MOVEMENT (MDP). THE REPORT COMES FROM THE LATEST EDITION OF THE PCP'S PAPER AVANTE.

CARVALHO DENOUNCES POLITICAL INTERFERENCE IN COPCON

AUG. 5 (IPS)—OTELO DE CARVALHO, MEMBER OF THE TRIUMVIRATE WHICH NOMINALLY RULES PORTUGAL, AND COMMANDING OFFICER OF PORTUGAL'S SECURITY FORCES (COPCON), DENOUNCED THE "INTERFERENCE OF POLITICAL GROUPS" AND THEIR "PERNICIOUS ACTION" WITHIN THE RANKS OF THE COPCON COMMANDOES' REGIMENT IN AMADORA (NEAR LISBON).

CARVALHO'S STATEMENTS REPORTED IN TOMORROW'S ISSUE OF LE MONDE ACCOMPANIED HIS DECISION TO REINSTATE COLONEL NEVES AS AMADORA COMMAND. NEVES WAS OUSTED BY HIS OWN TROOPS LAST WEEK.

CARVALHO SUPPORTS COUNTERREVOLUTIONARY NEVES

AUG 5 (IPS)—JAIME COSTA NEVES, THE RIGHT WING PORTUGUESE COLONEL OUSTED FROM THE HEAD OF A COMMANDO REGIMENT BY A LEFTIST REVOLT APPEARED TO BE RECEIVING SUPPORT FROM CARVALHO AND COPCON, ACCORDING TO TODAY'S WASHINGTON POST.

COLONEL NEVES HAS "OPENLY CHALLENGED THE LEFT-WING CONTROL OF THE ARMED FORCES MOVEMENT (MFA) AND ADMITTED HE WOULD BE PREPARED TO JOIN A COUNTER COUP," REPORTED YESTERDAY'S LONDON TIMES.

ANGOLAN REFUGEES ATTACK PCP

AUG 5 (IPS)—REFUGEE COLONISTS RETURNING FROM ANGOLA HAVE BEEN "ACCUSED OF INVOLVEMENT IN RIGHT-WING ACTIVITIES AIMED AT OVERTHROWING THE RADICAL OFFICERS OF THE ARMED FORCES MOVEMENT (MFA) AND IN THE RECENT WAVE OF ATTACKS ON THE PORTUGUESE COMMUNIST PARTY (PCP) OFFICES IN PORTUGAL," REPORTS TODAY'S WASHINGTON POST. THESE ANGOLAN REFUGEES ARE A NEW RESERVE FOR THE COUNTER-REVOLUTIONARIES, COMMENTS EAST GERMAN RADIO TODAY.

AVANTE BLASTS THE CIA NEW YORK TIMES

AUG 5 (IPS)—THE LATEST ISSUE OF THE PORTUGUESE COMMUNIST PARTY (PCP) PAPER AVANTE STATES THAT THE NEW YORK TIMES HAS "REVEALED ITSELF AS BEING EXCESSIVELY DEVOTED TO A RENEWED FIERCELY ANTI-COMMUNIST CRUSADE SPIRIT, REMINESCENT OF THE TIME OF THE COLD WAR OF THE INFAMOUS SENATOR JOSEPH MCCARTHY."

THE PAPER CITES THE TIMES CALLING FOR NATO INTERVENTION, AND ECONOMIC BLOCKADE AGAINST PORTUGAL. IT DESCRIBES THE SIGNERS OF THE "US SOCIAL DEMOCRATIC" APPEAL AS BEING "SOCIAL DEMOCRATS AND ... TRAITORS OF THE AFL-CIO, SOME OF WHOM ARE SUSPECTED OF HAVING TIES TO THE CIA." FURTHERMORE, IT BLASTS THE "THREATS OF RESTON, SULZBERGER AND THE CIA" AND THE "SLANDER OF THE INVOLVEMENT OF THE SOVIET UNION IN PORTUGAL."

VIETNAMESE SEND SUPPORT MESSAGE TO MFA, PCP IN PORTUGAL

AUG 5 (IPS)—THE VIETNAM PEACE COMMITTEE HAS SENT A MESSAGE OF SUPPORT TO THE PORTUGUESE COMMUNIST PARTY AND THE MOVEMENT OF THE ARMED FORCES (MFA), ACCORDING TO A VIETNAM NEWS AGENCY DISPATCH OF JULY 25.

THE MESSAGE, ADDRESSED TO YOUNG COMMUNISTS, STUDENTS AND ALL

(MORE)

PROGRESSIVE YOUTH ORGANIZATIONS IN PORTUGAL SAID IN PART: "WE STRONGLY SUPPORT THE FIRM STRUGGLE OF THE PORTUGUESE PEOPLE AGAINST THE COUNTERREVOLUTIONARY ACTIVITIES OF THE SOCIALIST PARTY, THE DEMOCRATIC PARTY, AND OTHER RIGHTIST FORCES."

IRAQ ATTACKS PCI-CARILLO SABOTAGE OF PORTUGUESE REVOLUTION

AUG 5 (IPS)—IRAQI JOURNALIST BAHI MUHAMMED HAS CHARGED THAT THE ITALIAN COMMUNIST PARTY AND THE SPANISH COMMUNIST PARTY ARE TRYING TO SABOTAGE THE REVOLUTION IN PORTUGAL AND ARE WORKING AGAINST THE OTHER COMMUNIST PARTIES OF EUROPE, WHICH SUPPORTS THE PORTUGUESE COMMUNIST PARTY (PCP).

WRITING IN THE IRAQ GOVERNMENT NEWSPAPER ATH-THARRA ON JULY 29 MUHAMMED CITES PCP LEADER ALVARO CUNHAL ADVISING SANTIAGO CARILLO, LEADER OF THE "SPANISH COMMUNIST PARTY," TO QUIT THE CIRCLE OF COMMUNIST PARTIES AND TO JOIN THE SECOND INTERNATIONAL.

CHINESE ATTACK PORTUGUESE REVOLUTION

UNITED NATIONS, N.Y., AUG 5 (IPS)—THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA ATTACKED THE PRO-WORKING CLASS FERMENT SWEEPING ITALY AND PORTUGAL AS SOVIET PLOTS TO WEAKEN THE SOUTH FLANK OF NATO IN A PRESS RELEASE ISSUED HERE TODAY.

THE OFFICIAL CHINESE NEWS AGENCY (HSIN HUA) RELEASE STATES THAT THE "SOVIET UNION GENERALLY IS ON THE OFFENSIVE WHILE ITS RIVAL THE U.S. MORE OFTEN THAN NOT IS IN A STATE OF PASSIVITY," AND SAID "IN ITALY AND PORTUGAL, THE SOVIET REVISIONISTS ARE FOSTERING PRO-SOVIET FORCES TO WEAKEN OR SQUEEZE OUT THE U.S. AND NATO."

BRITISH INTERNATIONAL SOCIALISTS SUPPORT MAOIST PRP-BR AND CARVALHO

AUG 5 (IPS)—THE BRITISH INTERNATIONAL SOCIALIST (IS) COUNTER-GANG, IS CAMPAIGNING TO GATHER FUNDS FOR THE REVOLUTIONARY PARTY OF THE PROLETARIAT-REVOLUTIONARY BRIGADES (PRP-BR), THE PORTUGUESE MAOIST GROUPS STRONGLY CONNECTED TO PORTUGUESE SECURITY (COPCON) CHIEF OTELO CARVALHO. THE JULY 5 IS PAPER, SOCIALIST WORKER, CONTAINED AN APPEAL FOR FUNDS AND ADVERTISED A TRIP TO PORTUGAL, ONE WEEK OF WHICH WOULD BE PLANNED FOR "POLITICAL ACTIVITY IN SUPPORT OF THE PRP..."

DIE WELT: ITALY IS THE KEY

AUG 5 (IPS)—THE LEAD EDITORIAL IN THE RIGHT WING DAILY DIE WELT STATES TODAY: "ITALY...TODAY, MORE THAN BEFORE, THIS COUNTRY ASSUMES THE KEY POSITION IN MEDITERRANEAN POLITICS. THE FATE OF THIS GEO-POLITICAL AREA, AND BEYOND THIS, THE FATE OF NATO AND

(MORE)

THE EUROPEAN UNION CAN BE DECIDED ON ITS CLASSICAL SOIL."

EVEN THOUGH DIE WELT CLAIMS THAT MOST ITALIANS ARE ON THE SIDE OF THE WEST, IT ADDS THAT THE COMMUNIST PARTY VICTORY IN THE RECENT PROVINCIAL ELECTIONS FORBODE OF CHANGES IN ROME.

CONTINENTAL PRESS ROUND-UP

TIMES EDITOR WARNS SOVIETS WILL DISREGARD CSCE TREATY

AUG 5 (IPS)—FEARFUL THAT THE SOVIET BELIEF "IN THE INEVITABLE VICTORY OF WORLD COMMUNISM" HAS BEEN STRENGTHENED BY THE HELSINKI CONFERENCE, HARRY SCHWARTZ, EDITORIAL BOARD MEMBER OF THE NEW YORK TIMES, WRITES ON TODAY'S OP ED PAGE OF THE TIMES, THAT THE KRUCHCHEV/BREZHNEV DOCTRINE OF NONCAPITULATION HAS NOT BEEN ABANDONED AND CAN BE USED TO REPUDIATE LAST WEEK'S HELSINKI DECLARATION "WHENEVER CONVENIENT."

SCHWARTZ CASTIGATES THE UNITED STATES FOR JOINING IN THE SIGNING OF THE HELSINKI DECLARATION WITH SOVIET LEADERS WHO BELIEVE THAT "THE NORMS OF LAW ARE SUBORDINATED TO THE LAWS OF THE CLASS STRUGGLE AND THE LAWS OF SOCIAL DEVELOPMENT."

BEAME MOVES AGAINST SANIT WORKERS

AUG 5 (IPS)—MAYOR BEAME ANNOUNCED TODAY THAT NEW PRODUCTIVITY QUOTAS WOULD SOON BE ANNOUNCED FOR THE CITY'S SANITATION WORKFORCE.

ACCORDING TO THE NEW YORK TIMES, THIS OCCURS CONCURRENTLY WITH THE INITIAL MEETING OF THE 51 NEIGHBORHOOD COUNCILS WHICH THE CITY HAS ORDERED TO COORDINATE VOLUNTARY COMMUNITY GARBAGE COLLECTION. SANITATION COMMISSIONER GROH STATES THAT THE QUOTAS WOULD BE HIGHER THAN THOSE THAT EXISTED BEFORE THE RECENT LAYOFFS.

MAC SPOKESMAN SPECULATES ON FEDERAL AID

AUG 5 (IPS)—AN UNNAMED OFFICIAL OF THE MUNICIPAL ASSISTANCE CORPORATION (MAC) REPORTS THAT MAC HAS APPEALED TO THE FEDERAL RESERVE FOR LOANS TO BAIL OUT NEW YORK CITY, ACCORDING TO YESTERDAY'S NEW YORK TIMES. ACCORDING TO THE MAC SPOKESMAN, NYC IS BADLY IN NEED OF FEDERAL FUNDS TO MEET CRISIS DEBT SERVICE PAYMENTS EXCEEDING \$450 MILLION DOLLARS A MONTH UNTIL THE END OF THIS YEAR.

THE OFFICIAL CLAIMS THAT "THEY (THE FED.) HAVE RULED IT OUT (LOANS)...BUT AFTER ALL WE'VE FORCED THE CITY TO DO—THE WAGE FREEZE, THE TRANSIT FARE INCREASE, THE BUDGET CUTS...THE FEDS HAVE TO BEGIN TO CHANGE THEIR MINDS."

DELURY REPLIES TO CITY

AUG 5 (IPS)—RESPONDING TO THE ORDER FROM THE CITY GOVERNMENT IMPOSING NEW PRODUCTIVITY QUOTAS ON HIS UNION MEMBERS, SANITATION WORKERS HEAD JOHN DELURY SAID: "WE HAVE BEEN WORKING ON SANITATION QUOTAS FOR THE PAST 10 YEARS."

"PRODUCTIVITY DECLINES WHEN MANPOWER AND EQUIPMENT ARE NOT AVAILABLE," CONTINUED DELURY. "THERE IS NO OTHER WAY THAT INGENUITY CAN BE DEvised TO COLLECT GARBAGE."

MAOIST TERRORISTS ASSASSINATE COMMUNIST

AUG 5 (IPS)—THE CIA-CONTROLLED PEOPLE'S REVOLUTIONARY ARMY (ERP) OF EL SALVADOR HAS CLAIMED RESPONSIBILITY FOR THE ASSASSINATION OF SALVADORIAN POET AND COMMUNIST ROQUE DALTON. ACCORDING TO MEXICAN PRESS TODAY, THE ERP, A SELF PROCLAIMED MAOIST COUNTERGANG MURDERED DALTON, LEADER OF THE EL SALVADOR COMMUNIST PARTY (PCS) ARMED FACTION, BECAUSE THEY DISCOVERED HE WAS A "CIA AGENT."

DURING THE PAST TWO MONTHS, THE PCS HAS CONSISTENTLY ATTACKED THE NATIONAL MAOIST GROUPLETS AND HAS TIED THEM TO THE SOARES-LED COUNTERREVOLUTIONARY PSP.

INTELLIGENCE AND ORGANIZING REPORTS:

VIETNAM SEEKS ADMISSION TO UN

UNITED NATIONS, AUG 5 (IPS)—THE HEADS OF THE RECENTLY ARRIVED DELEGATIONS TO THE UNITED NATIONS FROM THE DEMOCRATIC REPUBLIC OF VIETNAM AND THE PROVISIONAL REVOLUTIONARY GOVERNMENT OF SOUTH VIETNAM SPEAKING AT A JOINT PRESS CONFERENCE HERE TODAY, ANNOUNCED THEIR PLANS TO APPLY FOR ADMISSION TO THE UNITED NATIONS ON THE COMING GENERAL ASSEMBLY SESSION. THE VIETNAMESE REPRESENTATIVES DENOUNCED EFFORTS OF THE UNITED STATES TO BLOCK THEIR ADMISSION BY LINKING IT TO THE QUESTION OF THE ADMISSION OF SOUTH KOREA TO THE UN.

USLP ANNOUNCES SEATTLE, WASHINGTON STATE SLATE

SEATTLE, AUG 5 (IPS)—THE U.S. LABOR PARTY HAS ANNOUNCED A FULL SLATE FOR THE 1975 SEATTLE CITYWIDE ELECTIONS. LABOR PARTY CANDIDATES NOW ON THE BALLOT FOR THE SEPTEMBER 10 PRIMARIES ARE: PAT RUCKERT, NICK BRAUNE, MARIANNA STAPEL, ROBERT WILLIG, AND CHARLES KANE FOR CITY COUNCIL, CAROL RUCKERT FOR CITY TREASURER, BRIAN LAMPZ FOR CITY CONTROLLER, DAVE MCGARRY FOR PORT COMMISSIONER AND STEVE KANE FOR SCHOOL BOARD.

(MORE)

STATEWIDE, THE USLP SLATE WILL INCLUDE WILL WERTZ FOR U.S. SENATE, EVALYN OLAFSON FOR GOVERNOR OF WASHINGTON AND MIKE DUANE FOR SECRETARY OF WASHINGTON STATE.

AT THE FIRST CAMPAIGN APPEARANCE OF THE SEATTLE CANDIDATES LAST NIGHT, THREE INCUMBENT SEATTLE CITY COUNCILMEN DENOUNCED CREEP HARASSMENT OF LABOR PARTY CAMPAIGNS AFTER A BRIEFING FROM THE LABOR PARTY CANDIDATES.

USLP CANDIDATE PEYSER
WARNS FLINT ELECTORAL OFFICIALS OF VOTE FRAUD TODAY

AUG 5 (IPS)—USLP FLINT MAYORAL CANDIDATE TOM PEYSER, RUNNING IN TODAY'S PRIMARY ELECTION, HAS WARNED FLINT OFFICIALS THIS MORNING OF TWO CIRCUMSTANCES WHICH COULD RESULT IN SIGNIFICANT VOTE FRAUD.

THE FIRST DANGER IS THE HEAVY ELECTION DAY RAIN, WHICH HAS BEEN KNOWN BEFORE TO CAUSE GROSS MISCOUNTS OF THE COMPUTERIZED VOTE CARDS USED AT POLLING PLACES DUE TO STICKING.

THE USLP CANDIDATE ALSO NOTED THE ILLEGAL CAMPAIGNING OF MAYORAL CANDIDATE FLOYD "AUNT JEMIMA" MCCREE, WHO IN SEVERAL POLLING PLACES WAS ILLEGALLY CAMPAIGNING AT THE DOOR.

SAN FRANCISCO MAYORAL PETITIONING CAMPAIGN HARASSED

SAN FRANCISCO, AUG 5 (IPS)—IN A BLATANT ATTEMPT TO SABOTAGE THE PETITIONING DRIVE OF U.S. LABOR PARTY MAYORAL CANDIDATE NICK BENTON, TWO INSTANCES OF CREEP HARASSMENT WERE DIRECTED AT USLP CAMPAIGN SQUADS YESTERDAY, THE FIRST DAY OF PETITIONING.

IN ONE INCIDENT, MEMBERS OF THE POLICED-CONTROLLED MISSION HILL REBEL SOCIETY COUNTERGANG WERE DEPLOYED AGAINST A USLP RALLY. LABOR PARTY ORGANIZER DOUG MALLOK WAS CLUBBED OVER THE HEAD WITH A BULLHORN AND REQUIRED FOUR STICHES.

SAN FRANCISCO POLICE HAVE REFUSED TO PRESS CHARGES FOLLOWING THE INCIDENT AND PERSIST IN REFUSING TO PRESS CHARGES FOLLOWING A SIMILAR ATTACK AGAINST LABOR PARTY ORGANIZERS WHICH TOOK PLACE TWO WEEKS AGO. THE LABOR PARTY IS NOW INVESTIGATING THE LINKS BETWEEN LEAA-FUNDED ARMS OF THE SAN FRANCISCO POLICE DEPARTMENT, TWO "MENTAL HEALTH" BRAINWASHING CENTERS OPERATING IN SAN FRANCISCO AND THE NATIONAL CREEP CAMPAIGN HARASSMENT APPARATUS.

IN A SECOND INCIDENT YESTERDAY, A USLP BENTON-FOR-MAYOR CAMPAIGN WORKER PETITIONING IN FRONT OF THE SAN FRANCISCO HUMAN RESOURCES DEVELOPMENT CENTER WAS ARRESTED ON CHARGES OF DISTURBING THE PEACE.

THE USLP IS FILING CHARGES AGAINST THESE CREEP OPERATIONS IN

(MORE)

THE BAY AREA CHARGING CRIMINAL VIOLATIONS OF FEDERAL CIVIL RIGHTS UNDER TITLE 18 OF THE U.S. CODE. COMPLAINTS ARE BEING FILED WITH THE U.S. ATTORNEY GENERAL AND THE U.S. ATTORNEY IN SAN FRANCISCO.

BENTON'S CAMPAIGN STAFF WAS ONLY RECENTLY INFORMED THAT IN LIEU OF A \$1,000 FILING FEE, 4,000 SIGNATURES WERE REQUIRED TO SECURE A USLP LINE ON THE BALLOT IN THE MAYORAL ELECTION.

IRAN, WEST GERMAN, SOVIET TRADE DEAL EXPANDED

AUG 5 (IPS)—WEST GERMAN ECONOMIC MINISTER FRIDERICHS AND IRANIAN FINANCE MINISTER ANSARI COMPLETED A \$5.4 BILLION DOLLAR AGREEMENT LAST WEEK FOR JOINT INVESTMENT IN IRANIAN INDUSTRY AND INFRASTRUCTURE, ACCORDING TO TODAY'S JOURNAL OF COMMERCE. A MAJOR PART OF THE DEAL CALLED FOR FURTHER DEVELOPMENT OF A PREVIOUSLY NEGOTIATED TRIANGULAR DEAL BETWEEN IRAN, WEST GERMANY AND THE SOVIET UNION. UNDER THE TERMS OF THE THREE WAY DEAL, IRANIAN GAS IS DELIVERED TO THE SOVIET UNION BY PIPELINE FROM WHERE IT IS PIPED TO GERMANY.

FINANCIAL NEWS:

NEW YORK STATE TO FORECLOSE ON RENT-STROCK CO-OP CITY

AUG 5 (IPS)—YESTERDAY STATE HOUSING FINANCE AGENCY OFFICIALS INITIATED COURT ACTION TO FORECLOSE THE \$430 MILLION MORTGAGE ON CO-OP CITY IN THE BRONX, THE NATION'S LARGEST APARTMENT DEVELOPMENT AND THE "TIP OF THE ICEBERG" OF NEW YORK CITY'S CRUMBLING REAL ESTATE MARKET. SEVENTY-FIVE PER CENT OF THE TOTAL 15,372 FAMILIES IN CO-OP CITY HAVE BEEN REFUSING TO PAY A 25 PER CENT INCREASE IN MONTHLY MAINTENANCE CHARGES, ENDANGERING THE ABILITY OF THE STATE HOUSING FINANCE AGENCY TO PAY OFF THE NOTES AND BONDS IT SELLS TO FINANCE MIDDLE-INCOME HOUSING.

INTERVIEWED BY THE NEW YORK TIMES ABOUT WHAT STATE HOUSING FINANCE AGENCY HEAD BELICA TERMED "THE LARGEST SINGLE RESIDENTIAL FORECLOSURE ACTION IN HISTORY," RENT STRIKE LEADER CHARLES ROSEN SAID, "WE'LL DEFEND OUR HOMES — WHAT WILL THEY DO, BRING IN A PLATOON OF POLICE OR THE NATIONAL GUARD?"

JAPAN EXPORT INDICATOR PLUNGES IN JULY: 10% BELOW LAST YEAR

AUG 5 (IPS)—LETTERS OF CREDIT FOR EXPORTS IN JAPAN, WHICH PRECEDE SHIPMENTS BY TWO TO THREE MONTHS, PLUNGED IN JULY TO 10 PER CENT BELOW THE LEVEL OF JULY 1974, AND 4.0 PER CENT BELOW JUNE, ACCORDING TO LATEST FIGURES RELEASED BY JAPAN'S MINISTRY FOR INTERNATIONAL TRADE AND INDUSTRY. THIS IS THE FIRST ANNUAL DECLINE OF 10 PER CENT SINCE 1958. THE MINISTRY FIGURES NOTE THAT STEEL EXPORTS WERE DOWN 18 PER CENT, CHEMICALS 34 PER CENT AND TEXTILES 16 PER CENT.



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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE
COMBINED NEWS REPORT
AUGUST 6, 1975

INTERNATIONAL PRESS REPORT

GONCALVES RECEIVES VOTE OF CONFIDENCE FROM KEY MILITARY OFFICERS

AUGUST 6 (IPS) — AT A MEETING IN THE LISBON MILITARY COMMAND MONDAY, "GONCALVES RECEIVED A VOTE OF CONFIDENCE (FROM) 50 KEY MILITARY OFFICERS, MANY OF THEM FROM COPCON," REPORTS THE WASHINGTON POST TODAY. THE VOTE WAS BROADCAST OVER STATE TELEVISION AND THE COMMERCIAL RADIO STATION RADIO CLUBE PORTUGUES, NOTED THE POST.

PORTUGUESE COMMUNIST PARTY TARGETS CIA OPERATIONS

AUGUST 6 (IPS) — THE PORTUGUESE COMMUNIST PARTY (PCP) CRITICIZED THE PLUNDERING AND DESTRUCTION OF ITS HEADQUARTERS IN FAMILICAO, AND DENOUNCED THE PARTICIPATION OF SOME ARMED FORCE MOVEMENT (MFA) OFFICERS IN THE ATTACK WHICH OCCURRED YESTERDAY. ACCORDING TO TODAY'S UNITA, PAPER OF THE ITALIAN COMMUNIST PARTY, THE PCP ASSERTED THAT SUCH INSTANCES OF ANTI-COMMUNIST VIOLENCE ARE "ACTS OF FASCIST GOONERY FROM AGENTS TRAINED IN SPAIN AND COMMANDED BY MERCENARY GROUPS (REFUGEES FROM ANGOLA) PAID BY THE CAPITALISTS AND THE CIA AND COVERED BY THE PROPAGANDA OF THE PORTUGUESE DEMOCRATIC PARTY (PPD) AND THE CENTER DEMOCRATIC SOCIAL PARTY (CDS)."

CIA ADMITS ACTIVITY IN PORTUGAL

AUG. 6 (IPS) — FORMER CIA AGENT PHILIP AGEE, YESTERDAY STRONGLY CONTRADICTED PRESIDENT FORD'S RECENT STATEMENTS THAT THE CIA WAS NOT ACTIVE IN PORTUGAL.

AGEE SAID THAT HE HAD BEEN IN PORTUGAL RECENTLY AND THE CIA AGENTS THAT WERE ATTACHED TO THE AMERICAN EMBASSY THERE WERE THE SAME AGENTS HE HAD PERSONALLY WORKED WITH IN LATIN AMERICA. THESE AGENTS, ACCORDING TO AGEE, WERE CURRENTLY INVOLVED IN THE SAME KINDS OF ACTIVITIES IN PORTUGAL THAT THEY UNDERTOOK IN LATIN AMERICA, INCLUDING THE FUNDING OF RIGHT-WING GROUPS. THE REPORT WAS CARRIED YESTERDAY OVER THE LOCAL CBS TELEVISION AFFILIATE IN DETROIT.

ALGERIA DEFENDS PORTUGUESE REVOLUTION

AUG. 6 (IPS) — ALGERIA HAS STRONGLY CRITICIZED ATTEMPTS BY EEC COUNTRIES TO ISOLATE PORTUGAL FROM ITS ALLIES IN THE DEVELOPING WORLD.

AN ARTICLE ON PORTUGAL FROM THE OFFICIAL ALGERIAN PRESS SERVICE

(APS), PUBLISHED IN THE JULY 25 ISSUE OF THE ALGERIAN DAILY EL MOUDJAHID, IDENTIFIES THE PORTUGUESE ECONOMY AS THAT OF A STRUGGLING DEVELOPING COUNTRY AND STATES THAT "A P R I O R I, NOTHING PERMITS CHEYSSON (AN EEC SPOKESMAN -- ED.) TO INTRODUCE A GEOGRAPHICAL DIFFERENCE BETWEEN PORTUGAL AND THE DEVELOPING COUNTRIES."

APS NOTES THAT THE PRESENT EEC POSITION AGAINST THE PORTUGUESE GOVERNMENT, WHICH IS DEMOCRATICALLY SUPPORTED BY A MAJORITY OF THE PORTUGUESE PEOPLE RESEMBLES THE BLACKMAIL POLITICAL CONDITIONS OF U.S. AID TO EUROPE DURING THE MARSHALL PLAN AFTER WORLD WAR II.

HAIG CONTINUES NATO DEPLOYMENT FOR NUCLEAR CONFRONTATION

AUG. 6 (IPS) -- GENERAL ALEXANDER HAIG, SUPREME ALLIED COMMANDER OF NATO, IS CONTINUING TO IMPLEMENT THE SCHLESINGER DOCTRINE FOR NUCLEAR CONFRONTATION WITH THE SOVIET UNION REDEPLOYING U.S. FORCES TO THE NORTH GERMAN PLAIN, PUSHING NATO DEFENSIVE LINES AS FAR FORWARD AS POSSIBLE, AND INCREASING THE INTERNATIONAL CONTENT OF MAJOR TRAINING EXERCISES ACCORDING TO DREW MIDDLETON IN TODAY'S NEW YORK TIMES. THE TIMES NOTES THAT THE HAIG REDEPLOYMENT TAKES PLACE IN AN ATMOSPHERE OF WIDESPREAD OPPOSITION AND IS RISKY FOR NATO.

ISRAELI RAIDS, AIR STRIKES INTO LEBANON

AUG. 6 (IPS) -- A BLOODY ISRAELI COMMANDO RAID INTO LEBANON FOLLOWED BY AN AIR ATTACK BY SIX FIGHTER-BOMBERS NETTED TO DEAD, INCLUDING FOUR LEBANESE ARMY LIEUTENANTS EARLY YESTERDAY. ACCORDING TO THE WASHINGTON POST, 200-300 COMMANDOS WERE INVOLVED IN THE FIRST BEACH LANDING BY ISRAELI FORCES IN LEBANON.

COMMENTING ON THE RAIDS, ISRAELI DEFENSE MINISTER SHIMON PERES DECLARED THAT THEY WERE "PREVENTIVE AND NOT PUNITIVE."

THE ISRAELI ATTACKS WERE INTERSECTED BY A PALESTINIAN ROCKET ATTACK ON THE ISRAELI VILLAGE OF QIRYAT SHIMONA. THE NEW YORK TIMES DESCRIBED THE EVENTS AS "A DAY OF VIOLENT CROSS-EXCHANGES, WHICH HAVE BECOME ALMOST COMMONPLACE."

KISSINGER, SADAT BOTH SET TO FALL

AUG. 6 (IPS) -- U.S. SECRETARY OF STATE HENRY KISSINGER "HAS TO WORRY ABOUT (EGYPTIAN PRESIDENT) SADAT'S FALL -- EVEN IF HE HAS NOTHING ELSE ON HIS MIND, FOR INSTANCE HIS OWN FALL," WEST GERMAN EDITORIALIST DIETER CYCON WRITES TODAY IN THE RIGHT-WING DIE WELT NEWSPAPER.

ACCORDING TO CYCON, BITTER AND GROWING DOMESTIC OPPOSITION IN THE U.S. TO KISSINGER IS COMBINING WITH SOVIET DIPLOMATIC EFFORTS TO PARALYZE AMERICAN MIDDLE EAST POLICY. BUT, CYCON WARNS, THE CURRENT PERIOD "COULD WELL BE THE CALM BEFORE THE STORM."

(MORE)

CYCON CONCLUDES MOANING THAT THE SOVIETS "HAVE MORE ROOM TO MOVE THAN IN THE PREVIOUS TWO YEARS" IN EGYPT.

SYRIA-JORDAN JOINT MILITARY COMMAND ALREADY FORMED

AUG. 6 (IPS) -- DURING RECENTLY CONCLUDED TALKS BETWEEN SYRIA AND JORDAN, AGREEMENTS WERE MADE TO FORM A JOINT MILITARY COMMAND WITH HEADQUARTERS IN AMMAN, JORDAN, ACCORDING TO REVELATIONS BY THE BEIRUT LEFTIST PAPER AS-SAFIR PUBLISHED IN YESTERDAY'S LONDON DAILY TELEGRAPH.

THE RIGHT-WING TELEGRAPH ADDS THAT, AS PART OF THE AGREEMENTS, SYRIA WILL SET UP CONTACTS BETWEEN JORDAN AND THE PALESTINE LIBERATION ORGANIZATION AND WILL RELAY SOVIET SAM MISSILES TO JORDAN.

SYRIA AND JORDAN PLAN MERGER

AUG. 6 (IPS) -- "WE AND OUR BROTHERS IN JORDAN HOPE THAT, IN DUE COURSE, WE WILL NOT ONLY HAVE MILITARY UNITY, BUT AN OVERALL MERGER," SYRIA'S PRESIDENT HAFEZ ASSAD TOLD A GROUP OF LEBANESE NEWSMEN THIS WEEKEND, THE AUGUST 4 JERUSALEM POST REPORTS. THE POST INSISTS THAT ASSAD'S AIM IS TO MERGE JORDAN AND SYRIA IN ONE POLITICAL ENTITY AND THAT KING HUSSEIN OF JORDAN IS COOPERATING TOWARD THIS END.

EGYPTIAN COMMUNIST PARTY RECONSTITUTED

AUG. 6 (IPS) -- THE EGYPTIAN COMMUNIST PARTY (ECP) HAS PUBLISHED A LENGTHY MANIFESTO IN THE BEIRUT AS-SAFIR NEWSPAPER ANNOUNCING ITS RECONSTITUTION AS AN INDEPENDENT PARTY ORGANIZATION, ACCORDING TO TODAY'S WASHINGTON POST. THE ECP WAS DISSOLVED IN 1964.

"SOCIALIZED MEDICINE" MAINTAINS ZOMBIE POPULATION

AUG. 6 (IPS) -- ACCORDING TO REPORTS IN YESTERDAY'S LONDON DAILY EXPRESS, ONE OUT OF EVERY 10 BRITISH ADULTS GO THROUGH LIFE IN A PERMANENTLY DRUGGED STATE. OVER-WORKED AND UNDER-PAID DOCTORS ON THE NATIONAL HEALTH SYSTEM ARE INCREASINGLY AUTOMATICALLY PRESCRIBING LITHIUM, VALIUM AND OTHER TRANQUILIZERS TO CHRONICALLY DEPRESSED PATIENTS UNABLE TO DEAL WITH BRITAIN'S COLLAPSING LIVING STANDARDS. ACCORDING TO THE EXPRESS, SCHOOL OFFICIALS ARE BECOMING ALARMED AT INCREASING ADDICTION IN 14-AND 15-YEAR-OLD STUDENTS, AND IN SOME CASES, CHILDREN AS YOUNG AS FIVE OR SIX.

PRENTICE REJECTS CALL TO END AID TO INDIA

AUG. 6 (IPS) -- A CALL TO END ECONOMIC AID TO INDIA BECAUSE OF RECENT POLITICAL DEVELOPMENTS THERE, WAS REJECTED IN THE BRITISH PARLIAMENT YESTERDAY BY MINISTER FOR OVERSEAS DEVELOPMENT, REG PRENTICE.

PRENTICE, A NOTORIOUS RIGHT-WINGER RECENTLY UNDER PRESSURE FROM HIS LEFT-WING LABOUR PARTY CONSTITUENCY, CITED AID PROGRAMS AS A CONTRIBUTION WHICH THE AFFLUENT COUNTRIES "CAN AND SHOULD MAKE TO THE DEVELOPMENT PLANS OF THE THIRD WORLD" AND REPLIED: "I HOPE YOU DO NOT SUGGEST WE CUT OFF AID TO INDIA BECAUSE IT MAY BE PURSUING A POLICY (MORE)

8-6 IPS⁴

OF WHICH WE DO NOT APPROVE."

HEALTH EMERGENCY IN PALERMO

AUG. 6 (IPS) -- A "PRE-ALARM" STATE OF HEALTH HAS BEEN DECLARED BY THE PROVINCIAL COUNCIL IN PALERMO AS A RESULT OF GARBAGE PILE-UP AND LACK OF WATER, REPORTS THE ITALIAN COMMUNIST PARTY DAILY, UNITA TODAY. THROUGHOUT THE CITY, HUNDREDS OF FIRES HAVE BEEN STARTED ON PILES OF UNCOLLECTED GARBAGE, AND OFFICIALS ARE CONCERNED OVER THE POSSIBILITY OF A TYPHUS EPIDEMIC. "TENS OF INFECTIONS OF TYPHUS FEVER AND VIRAL HEPATITIS ARE ALREADY KNOWN PARTICULARLY AMONG THE CHILDREN OF THE GHETTOS," SAYS UNITA.

CONTINENTAL PRESS REPORT

MEXICAN PRESIDENT ECHEVERRIA PROPOSES FUND FOR DEVELOPMENT OF THIRD WORLD

AUG. 6 (IPS) -- PRESIDENT OF MEXICO LOIS ECHEVERRIA YESTERDAY PROPOSED THE FORMATION OF A "FINANCIAL FUND SPECIFICALLY ORIENTED TO THE...PERMANENT DEFENSE OF PRICES AND MERCHANDISING OF EXPORT PRODUCTS...AND TO GUARANTEE OPTIMAL LEVELS OF IMPORTATION OF GOODS, CAPITAL AND TECHNOLOGIES," BY THIRD WORLD COUNTRIES. ECHEVERRIA PROPOSED THE FORMATION OF THE FUND, DERIVED FROM THE CONTRIBUTIONS OF PARTICIPATING COUNTRIES, AS A "FUNDAMENTAL INSTRUMENT" OF THE SYSTEM FOR THE DEVELOPMENT OF THE THIRD WORLD WHICH HE HAS BEEN CAMPAIGNING FOR DURING HIS PRESENT TOUR OF 14 THIRD WORLD COUNTRIES.

SPEAKING AT A DINNER IN HIS HONOR HOSTED BY EGYPTIAN PRESIDENT ANWAR SADAT IN CAIRO, ECHEVERRIA EXPLAINED THAT THE FUND WOULD BE MANAGED UNDER "A GLOBAL AND LONG TERM STRATEGY, THAT WOULD OVERCOME ADVERSE CONJUNCTURES, MULTINATIONAL CORPORATIONS AND SPECIFIC TRANSNATIONALS."

ECHEVERRIA'S STATEMENTS WERE REPORTED BY TWO MEXICAN NEWSPAPERS, EXCELSIOR AND EL DIA.

DROUGHT IN HONDURAS THREATENS FAMINE

AUG. 6 (IPS) -- UP TO 80 PER CENT OF THE HONDURAN CORN CROP HAS BEEN DESTROYED BY A DROUGHT WHICH IS RAVAGING CENTRAL AMERICA AND THE CARIBBEAN. THE DROUGHT, WHICH FOLLOWS THE DESTRUCTION LEFT BY HURRICANE FIFI, LEAVES 700,000 PEOPLE FACING STARVATION. CHILDREN ARE ALREADY DYING OF HUNGER WHILE WAITING IN FOOD LINES, ACCORDING TO REPORTS IN THE MIAMI HERALD.

PATTY HEARST REPORTED IN BRAZIL

AUG. 6 (IPS) -- URUGUAYAN PRESS SOURCES REPORTED TODAY THAT PATRICIA

(MORE)

HEARST IS BELIEVED TO BE SOMEWHERE IN THE BORDER AREA OF SOUTHERN BRAZIL. PRESS DISPATCHES EMANATING FROM MONTEVIDEO, URUGUAY, REPORT THAT "ALL BRAZIL IS LOOKING FOR HER" AND THE BRAZILIAN FEDERAL POLICE UNITS ARE ON ALERT.

HEARST IS REPORTED TO BE IN THE SAME AREA WHERE DEVASTATING FROSTS OCCURRED LESS THAN TWO WEEKS AGO, CAUSING THE UNEMPLOYMENT OF HUNDREDS OF THOUSANDS OF RURAL LABORERS AND PRICE HIKES RESULTING FROM FOOD SHORTAGES.

HOUSE CIA COMMITTEE SUBPOENAS NSA DOCUMENT

AUG. 6 (IPS) -- BY A VOTE OF 11 TO 0, THE HOUSE INTELLIGENCE COMMITTEE YESTERDAY BACKED CHAIRMAN OTIS PIKE'S (D-NY) MOTION TO SUBPOENA DEFENSE DEPARTMENT NATIONAL SECURITY DOCUMENT NO. 0 -- THE 1952 WHITE HOUSE DIRECTIVE WHICH ESTABLISHED THE NATIONAL SECURITY AGENCY.

PIKE UPBRAIDED ASSISTANT SECRETARY OF DEFENSE ALBERT HALL DURING YESTERDAY'S COMMITTEE HEARING FOR THE ADMINISTRATION'S REFUSAL TO COOPERATE WITH THE COMMITTEE IN ITS INVESTIGATION OF THE ENTIRE FEDERAL INTELLIGENCE APPARATUS. THE NEW YORK TIMES REPORTS TODAY THAT AN UNIDENTIFIED "KEY INTELLIGENCE SOURCE" COMMENTED, "IF THAT COMMITTEE WAS ALL OTIS PIKE, I'D MOVE TO AUSTRALIA. THEY'D DISMANTLE THE INTELLIGENCE SYSTEM."

NSC SEEKS TO WITHHOLD DATA

AUG. 6 (IPS) -- IN RESPONSE TO A SUIT FILED AGAINST IT BY FORMER STAFFER-MEMBER MORTON HALPERIN, THE NATIONAL SECURITY COUNCIL (NSC) HAS FILED AN AFFIDAVIT WITH THE WASHINGTON U.S. DISTRICT COURT WHICH STATES THAT THE NSC'S WORK IS SO SENSITIVE THAT EVEN THE RELEASE OF THE TITLES OF ITS DOCUMENTS WOULD ENDANGER NATIONAL SECURITY.

HALPERIN IS SUING FOR ALL NSC DOCUMENTS WHICH HAVE BEEN USED TO ANALYZE FOREIGN POLICY SINCE 1969, INCLUDING MEMOS WHICH WOULD "IDENTIFY VARIOUS NUCLEAR POLICIES OR ACTIVITIES." THE REPORT COMES FROM TODAY'S WASHINGTON POST.

FINANCIAL NEWS

HYPERINFLATION URGED FOR EUROPE

AUG. 6 (IPS)--STATING THAT THE EUROPEAN RECOVERY WAS "MERELY A MIRAGE" AND "EUROPE COULD BE HEADED FOR STILL MORE HARD TIMES," VARIOUS EUROPEAN ECONOMIC THINK TANKS AND THE COMMON MARKET HAVE COME OUT IN SUPPORT OF HYPERINFLATIONARY POLICIES AS THE

(MORE)

8.6 IPS/6

"ONLY WAY OUT OF THE RECESSION."

ACCORDING TO A NEWSWEEK INTERNATIONAL EDITORIAL SERVICE ARTICLE, APPEARING IN TODAY'S CHICAGO TRIBUNE, THE COMMON MARKET'S EXECUTIVE COMMISSION RECOMMENDED LAST WEEK THAT SEVEN OF THE NINE MEMBERS (BRITAIN AND IRELAND EXEMPTED) EMBARK ON AN IMMEDIATE SPENDING SPREE. SIMILARLY, THE BRITISH NATIONAL INSTITUTE OF SOCIAL AND ECONOMIC RESEARCH SAID THAT "COUNTRIES LIKE GERMANY, WHICH HAVE TO REFLATE...WERE PREPARED TO ACCEPT A HIGH UNEMPLOYMENT RATE" AS A CONSEQUENCE. EARLIER THE ARTICLE CITED "GLOOMY FORECASTS" FROM THE GERMAN ECONOMIC INSTITUTE WHICH ANTICIPATES AN 8 PERCENT DROPOFF IN GERMAN EXPORTS AND A 7 PER CENT REDUCTION IN INDUSTRIAL PRODUCTION.

MAJOR BORROWINGS IN STORE FOR IRAN

AUG. 6 (IPS)—A RECENT IRANIAN LOAN FROM THE BERLINER HANDELS-GESELLSCHAFT FRANKFURTER BANK FOR 80 MILLION DOLLARS AND OTHER COMPARATIVELY SMALL LOANS TO IRANIAN VENTURES ARE ONLY "A PRELUDE TO MAJOR BORROWINGS BY OTHER IRANIAN ENTITIES," YESTERDAY'S FINANCIAL TIMES OF LONDON REPORTS. ONE-HALF OF THE FINANCING FOR PROPOSED \$1 BILLION JOINT IRAN-JAPAN VENTURES MAY BE SOUGHT ON THE EUROMARKETS, THE TIMES NOTES.

RESERVES HOAX RAISES FALSE CONFIDENCE

AUG. 6 (IPS)—CONTRARY TO ELATED REPORTS IN THE BRITISH PRESS OF A \$61 MILLION RISE IN THE UNITED KINGDOM'S OFFICIAL RESERVES, THERE WAS ALMOST NO NET CHANGE IN THE SIZE OF THE RESERVES OVER THE PAST MONTH.

ACCORDING TO THE LONDON DAILY EXPRESS, THE INCREASE IN THE RESERVES INCLUDED \$69 MILLION BORROWED ABROAD BY BRITAIN'S FAST-SINKING NATIONALIZED INDUSTRIES AND ITS DEBT-STRAPPED LOCAL AUTHORITIES (MUNICIPALITIES.) IF THESE LOANS ARE DISCOUNTED, RESERVES ACTUALLY FELL BY \$8.8 MILLION.

ORGANIZING AND INTELLIGENCE REPORT

AXIOS STATEMENT AT MOUNTAIN LAKES SENTENCING

MT. LAKES, N.J., AUG. 6 (IPS)—NATIONAL CAUCUS OF LABOR COMMITTEES (NCLC) MEMBER DANIEL WASSERMAN AND NCLC NATIONAL EXECUTIVE MEMBER COSTAS AXIOS WERE SENTENCED BY JUDGE BERTRAM POLOW TO ONE YEAR SUSPENDED SENTENCE TWO YEARS PROBATION AND \$1500 EACH IN FINES. BOTH NCLC LEADERS WERE CONVICTED OF POSSESSION OF A DEADLY WEAPON ON JUNE 27.

DURING A STATEMENT BEFORE THE SENTENCING AXIOS REITERATED HIS INNOCENCE AND LABELLED THE DECEMBER 1973 FRAMEUP ARREST OF

(MORE)

8.7 IPS/7.

HIMSELF, DANIEL WASSERMAN AND THEN USLP CANDIDATE FOR U.S. SENATE, ELIJAH BOYD (WHO WAS ACQUITTED OF CHARGES) AS A PLATANT EXAMPLE OF CIA/FBI DOMESTIC POLITICAL DESTABILIZATIONS MADE IT MORE OBVIOUS THAN EVER THAT THE ARREST AND PROSECUTION WAS PART OF A CAREFULLY PLANNED SET UP.

JUDGE POLOW SAID IN RESPONSE THAT HE WOULD NOT JAIL AXIOS FOR CONTEMPT OF COURT FOR FEAR HE WOULD CREATE A MARTYR.

THIS MORNING NCLC EXECUTIVE COMMITTEE MEMBER EDWARD SPANNAUS ANNOUNCED THAT APPEALS NOTICES WILL BE FILED BEFORE AUGUST 13 BY DEFENSE ATTORNEY THOMAS ASHLEY. THE FOCUS OF THE APPEAL WILL BE POLOW'S PREJUDICE THROUGHOUT THE TRIAL. THE NCLC WILL ALLEGE THAT THE JURY SELECTION PROCESS IN PARTICULAR WAS PREJUDICED AND DENIED THE ORGANIZERS A JURY OF THEIR PEERS. POLOW'S FAILURE TO SUPPRESS ILLEGALLY OBTAINED EVIDENCE AND OTHER PREJUDICIAL RULINGS WILL ALSO BE CONTESTED IN THE APPEAL.

FBI-LEAA COVER ASSASSINATION CONSPIRACY AND DRUG-RUNNING

RICHMOND, VA., AUG. 6 (IPS)—POLICE AUTHORITIES HERE, THE FBI AND THE LEAA ARE NOW ATTEMPTING TO SQUASH A LABOR PARTY INVESTIGATION INTO DRUG-RUNNING IN VIRGINIA STATE PRISON (VSP) AND THE ATTEMPTED ASSASSINATION OF A LABOR PARTY MEMBER AND VSP INMATE WILLIAM POOLE.

POOLE WAS SURROUNDED TWO WEEKS AGO BY HALF A DOZEN DRUGGED INMATES WHO THREATENED TO KILL HIM IF HE TALKED.

AT A PRESS CONFERENCE HERE YESTERDAY ON THE POOLE ASSASSINATION ATTEMPT A LABOR PARTY REPRESENTATIVE FOUND A PIECE OF METAL JAMMED INTO ONE OF HER CAR'S TIRES. DURING THE DAY, SHE WAS SURVEILLED AND HARASSED IN THREE INCIDENTS. ONE OF THE HARASSERS BOASTED OF BEING A "FEDERAL AGENT."

THE LAWYER ORIGINALLY WISHING TO DEFEND POOLE'S RIGHTS AND SAFETY ALSO COMPLAINED OF HARASSMENT.

SECURITY COUNCIL APPROVES VIETNAMESE APPLICATIONS

UNITED NATIONS, AUG. 6 (IPS)—THE U.N. SECURITY COUNCIL TODAY REJECTED A MOVE BY THE UNITED STATES TO LINK THE ADMISSION OF THE DEMOCRATIC REPUBLIC OF VIETNAM AND THE REPUBLIC OF SOUTH VIETNAM TO THE ADMISSION OF THE REPUBLIC OF (SOUTH) KOREA. THE AGENDA PRESENTED THE THREE COUNTRIES TOGETHER BUT BY A VOTE THE SOUTH KOREANS WERE REMOVED AND THE APPLICATIONS OF BOTH NORTH AND SOUTH VIETNAM APPROVED. THE VIETNAMESE APPLICATIONS WILL GO TO THE ADMISSIONS COMMISSION OF THE UN TOMORROW FOR A FINAL VOTE.

ISRAELI "NUCLEAR OPTION" RESURFACES

AUG. 6 (IPS)—TALK OF AN ISRAELI NUCLEAR ATTACK AGAINST THE ARABS IN A NEW MIDDLE EAST WAR SURFACED AGAIN THIS WEEK FROM

(MORE)

A NUMBER OF ISRAELIS, ZIONIST SOURCES, AND U.S. MILITARY ANALYSTS. THE SPATE OF ARTICLES AND SPEECHES ON ISRAEL'S "NUCLEAR OPTION" WAS MOST LIKELY PROVOKED BY THE SHARP ARAB TURN TOWARD SUPPORT PROPOSALS SIMILAR TO THAT OF THE ICLC'S INTERNATIONAL DEVELOPMENT BANK. STRIPPED OF ALL REAL INFLUENCE IN THE MIDDLE EAST, ROCKEFELLER AND KISSINGER ARE RESORTING TO EMPTY NUCLEAR BLACKMAIL THREATS AGAINST PRO-DEVELOPMENT ARAB MOTION LED BY THE IRAQIS.

LEADING THE PACK OF ISRAELI NUCLEAR-WARRIORS WAS FRED IKLE, HEAD OF THE ARMS CONTROL AND DISARMAMENT AGENCY. RAND MAN IKLE, IN A STATEMENT ON NBC'S "MEET THE PRESS," SOUNDED THE ALARM THAT THE NEXT MIDEAST WAR "OR THE ONE THEREAFTER" COULD BE A NUCLEAR ONE, ACCORDING TO THE AUGUST 4 JERUSALEM POST.

MORE OMINOUSLY, THE AUG. 8 JEWISH PRESS, PUBLISHED IN BROOKLYN, N.Y. OVERTLY WARNED THAT ISRAEL MAY BE "FORCED" TO USE ITS "TEN NUCLEAR BOMBS" IF U.S. DELIVERIES OF CONVENTIONAL WEAPONS ARE DELAYED. "ISRAEL COULD BE FORCED TO USE HER NUCLEAR WEAPONRY IF CHALLENGED," STATED A HIGH ISRAELI OFFICIAL QUOTED IN THE JEWISH PRESS. A SIMILAR ARTICLE APPEARED IN THE AGNELLI-CONTROLLED ITALIAN DAILY LA STAMPA YESTERDAY.

DR. AMNON SELA, A "WELL-KNOWN ISRAELI AUTHORITY ON SOVIET AFFAIRS," ACCORDING TO THE U.S. JOURNAL, FURTHER WARNS THAT A FIFTH ARAB-ISRAELI WAR "WILL EMPLOY THE MOST SOPHISTICATED AND DESTRUCTIVE WEAPONRY"—S H O R T OF ATOMIC WEAPONS. THE PRESENT "PRECARIOUS" MIDDLE EAST BALANCE "CREATES A FERTILE GROUND FOR A VARIETY OF PREEMPTIVE STRIKES," CLAIMS DR. SELA.

SUCH ACADEMIC DEBATE OVER THE LIKELIHOOD OF ISRAELI USE OF ITS PROVEN NUCLEAR CAPABILITY IN THE PAGES OF THE PRO-ISRAELI PRESS SURFACES ON OCCASION AS A WARNING TO THE ARABS. AS IPS HAS CONSISTENTLY DOCUMENTED, ANY ISRAELI USE OF ATOMIC BOMBS IS DIRECTLY THE RESULT OF THE RAND-CIA DOCTRINE OF LIMITED NUCLEAR WAR—THE SCHLESINGER DOCTRINE. SINCE LAST FALL, THE ROCKEFELLER FORCES HAVE THREATENED TO TEST THIS DOCTRINE IN THE MIDDLE EAST.

SPECIAL NEWS REPORTS

SOVIETS ORGANIZE HELSINKI-STYLE "COLLECTIVE SECURITY" INTERNATIONALLY; PEKING TARGETTED FOR ASIAN REGION

AUG. 6 (IPS)—NATIONALLY-CIRCULATED SOVIET EDITORIAL COMMENTARIES FOLLOWING UP THE HELSINKI SUMMIT OF THE CONFERENCE ON SECURITY AND COOPERATION IN EUROPE (CSCE) ARGUE THAT ITS PRINCIPAL OF "COLLECTIVE SECURITY" MUST BE APPLIED TO OTHER AREAS OF THE WORLD. YESTERDAY THE TRADE UNION DAILY TRUD WROTE THAT "COLLECTIVE SECURITY" DETENTE ARRANGEMENTS ARE PARTICULARLY IMPORTANT BECAUSE THEY PROVIDE FOR ECONOMIC COOPERATION—EMPLOYMENT FOR THE WORKING CLASS, FURTHER SCIENTIFIC AND TECHNOLOGICAL DEVELOPMENT, AND THE CREATION OF "TREMENDOUS PROJECTS" TO EXPLOIT NATURAL RESOURCES. A NEWS RELEASE DISTRIBUTED AUG. 4 BY THE SOVIET MISSION TO THE UNITED NATIONS HEADLINES THE CSCE AS

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"AN EXAMPLE FOR OTHER REGIONS OF THE WORLD."

THE IMMEDIATE VEHICLE FOR ORGANIZING COLLECTIVE SECURITY IN ASIA IS A MAJOR EXPOSURE AND ORGANIZING CAMPAIGN AGAINST PEKING'S SUBVERSION OF THE HELSINKI PRINCIPLES OF PEACE AND DEVELOPMENT. HERE IS THE LATEST FROM THE SOVIET UNION:

--TRUD YESTERDAY COMPARED CHAIRMAN MAO'S VIEWS OF NECESSARY CHINESE EXPANSION THROUGH SOUTHEAST ASIA TO THOSE OF CHIANG KAI-SHEK. THERE IS A DIFFERENCE COMMENTED TRUD: "MAO'S APPETITE IS BIGGER!"

--A NOVOSTI PRESS AGENCY ARTICLE CALLED "MISSILE AND NUCLEAR WEAPONS OF CHINA--THREAT TO UNIVERSAL PEACE," WAS DISTRIBUTED AUG. 4 AT THE UNITED NATIONS FOR MAXIMUM IMPACT ON DEVELOPING COUNTRIES CONCERNED WITH ASIAN SECURITY. THE ARTICLE REPORTED IMMINENT CHINESE TESTING OF ICBM'S FROM THEIR TIBET MISSILE RANGE.

--WRITING IN PRAVDA AUG. 4, ALEXANDER FILIPOV CHARGED THAT PEKING HAS INTERVENED AGAINST INDIAN AND PAKISTANI ATTEMPTS TO NEGOTIATE A PEACEFUL SETTLEMENT OF THEIR STANDING DISPUTES. FURTHERMORE, WROTE FILIPPOV, CHINA CONTINUES TO ARM AND INSTIGATE SEPARATIST REBELS INTO THE NORTH OF INDIA.

--THE MOSCOW WEEKLY LITERATURNAYA GAZETA WRITES THAT CHINA'S FMOUS "DIG TUNNELS DEEP AND PREPARE FOR WAR" DICION IS ACTIVELY IMPLEMENTED: ENORMOUS UNDERGROUND TRANSIT AND STORAGE CAVERNS HAVE BEEN CONSTRUCTED. THE STREETS OF PEKING ARE DOTTED WITH MILITARY MEN, WRITES THE GAZETA, SO THAT THE COUNTRY RESEMBLES AN ARMED CAMP.

END IPS LATE EVENING NEWS AUGUST 6, 1975



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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE
COMBINED DAILY NEWS ROUND-UP
AUGUST 7, 1975

INTERNATIONAL PRESS ROUND-UP

IPS SPECIAL REPORT

PRAVDA ON REVOLUTIONARY DEMOCRACY--
ATTACKS TODAY'S "COMPROMISERS"

AUGUST 7 (IPS)--THE SOVIET COMMUNIST PARTY DAILY PRAVDA YESTERDAY, IN FULL COGNIZANCE OF DEVELOPMENTS IN PORTUGAL AND ITALY, REVIVED LENIN'S ARGUMENT FOR A WORKING-CLASS VANGUARD PARTY WHICH CAN LEAD THE SEIZURE OF STATE POWER. THE LENGTHY FEATURE ON "LENINIST STRATEGY AND TACTICS" IS BY KONSTANTIN ZARODOV, A CANDIDATE MEMBER OF THE CENTRAL COMMITTEE, AND EDITOR-IN-CHIEF OF THE INTERNATIONAL COMMUNIST JOURNAL PROBLEMS OF PEACE AND SOCIALISM. IT APPEARED IN TIME TO GREET THE ARRIVAL IN MOSCOW OF GIAN-CARLO PAJETTA, AN ANTI-COMMUNIST AGENT IN THE ITALIAN COMMUNIST PARTY POLITBURO.

ZARODOV WRITES THAT IN THE SUMMER OF 1905, THE BOLSHEVIKS WERE WORKING TO "RESIST THE POSTURE OF THE CONCILIATORS WHICH WOULD HAVE MEANT RUIN FOR THE REVOLUTION." THIS POLEMIC OF SEVENTY YEARS AGO, SAID ZARODOV, "READS TODAY AS IF IT WERE A QUESTION OF EVENTS UNFOLDING BEFORE OUR VERY EYES. THE BOOK TALKS ABOUT RUSSIA, BUT THE SCALE OF THE LENINIST CONCLUSIONS IS UNIVERSAL."

ZARODOV RECALLS LENIN'S DEMOLITION OF THE MENSHEVIK "THEORY OF STAGES" -- WHICH WAS CONSEQUENTLY TO PLAGUE THE COMMUNIST MOVEMENT ITSELF FOR DECADES UNDER THE POPULAR FRONT POLICY -- AND DENOUNCES IT IN TERMS PARTICULARLY APPROPRIATE TO THE PCI: "THE REVOLUTIONARY QUALITY OF THAT DICTATORSHIP LIES IN THE FACT THAT IT SUPPRESSES BY FORCE THE RESISTANCE OF THE REACTION AND ENSURES THE REALIZATION OF THE DEMOCRATIC DEMANDS OF THE PEOPLE... (IN THAT IT) REFLECTS THE WILL AND THE INTERESTS OF THE WORKING MAJORITY OF THE PEOPLE....THAT LENINIST THOUGHT...TOTALLY DEBUNKS THE OPPORTUNIST CONCEPTIONS THAT ARE STILL FASHIONABLE AND WHICH WOULD HAVE US BELIEVE THAT...THE SEIZURE OF...POWER IS ONLY SOME SORT OF FINAL ACT, THE RESULT OF SOME SORT OF NATIONAL REFERENDUM...."

(MORE)

EXPLAINING REVOLUTIONARY DEMOCRACY IN PRECISELY THE TERMS EXPRESSED BY PORTUGUESE COMMUNIST PARTY LEADER ALVARO CUNHAL, ZARODOV WROTE "FOR LENIN...THE POPULAR MAJORITY WAS NOT AN ARITHMETIC CONCEPT BUT A POLITICAL ONE...WHICH IS FORMED NOT ONLY AS THE RESULT OF THE CREATION OF REPRESENTATIVE, ELECTORAL ORGANS OF POWER, BUT IN THE COURSE OF THE IMMEDIATELY REVOLUTIONARY ACTIONS OF THE POPULAR MASSES, THEIR INDEPENDENT POLITICAL ACTIVITY, WHICH TRANSCEND THE PROSAIC NORMS OF 'PEACEFUL' ACTIVITY THAT WOULD AGREE WITH THE ROUTINES OF BOURGEOIS LIFE."

RETURNING EXPLICITLY TO THE SITUATION IN 1975, ZARODOV FINISHED: "MODERN-DAY COMPROMISERS SHOW NO REGARD FOR THE INDEPENDENCE OF THE PROLETARIAN PARTY EVEN IN WORDS. THEY WOULD LIKE TO DISSOLVE IT INTO AN IDEOLOGICALLY AMORPHOUS ORGANIZATION, INTO ANY ALLIANCE AT ALL CREATED ON THE BASIS OF THE FORMULA 'UNITY FOR UNITY'S SAKE.' BUT THEIR LOGIC IS THE SAME: IT'S MENSHEVIST....THIS IS THE SOURCE OF CALLS FOR THE COMMUNISTS TO BE 'MODERATE,' THAT IS, TRANSLATED INTO CLEAR POLITICAL LANGUAGE: TO BE DRAGGED ALONG ON THE TAIL OF THE MOVEMENT RATHER THAN MARCHING AT ITS HEAD."

PCP CALLS FOR DEFEAT OF FASCIST REACTION

AUGUST 7 (IPS)--THE PORTUGUESE COMMUNIST PARTY (PCP) PUBLISHED A DECLARATION LAST NIGHT CALLING FOR "UNITY AND ACTION" TO DEFEAT THE PRESENT WAVE OF "UNLEASHED FASCIST VIOLENCE." THE STRONGLY-WORDED COMMUNIQUE, PUBLISHED IN TODAY'S FRENCH COMMUNIST PARTY DAILY L'HUMANITE, STATED: "A SHORT WHILE AGO, REACTION WORE A POPULAR, DEMOCRATIC, SOCIALIST MASK. TODAY IT ADVANCES WITH ITS FACE UNCOVERED....THE PEOPLE HAVE THE RIGHT TO EXPECT, TO DEMAND FROM THE ARMED AND SECURITY FORCES THAT THEY ACT WITH RESOLUTION TO REPRESS, IN CERTAIN CASES TO SMASH, COUNTER-REVOLUTION AND GUARANTEE PUBLIC FREEDOM. IF THEY ACT THUSLY, THE ARMED FORCES WILL HAVE THE PEOPLE WITH THEM, INCLUDING THOSE WHO TODAY ARE INTIMIDATED BY FASCIST VIOLENCE." THE COMMUNIQUE CONCLUDED WITH A CALL TO ALL, INCLUDING SOCIALISTS AND CATHOLICS, TO JOIN WITH THE PCP IN PUTTING DOWN THE WAVE OF TERRORIST VIOLENCE, AND FOR THE FORMATION OF "DEFENSE AND VIGILANCE COMMITTEES" THROUGHOUT THE COUNTRY.

PCP'ERS REPULSE RIGHT-WING MOB IN NORTH

AUGUST 7 (IPS)--PORTUGUESE COMMUNIST PARTY (PCP) MILITANTS, DEFENDING THEIR LOCAL OFFICES IN THE NORTHERN TOWN OF FAFE, TODAY FIRED INTO A RIGHT-WING CROWD THAT WAS DEMONSTRATING OUTSIDE. ONE PERSON WAS KILLED AND FIVE OTHERS WERE WOUNDED.

"LEFTIST MARINES," RECENTLY ARRIVED FROM THE SOUTH, WERE SUBSEQUENTLY SENT TO FAFE TO HELP PROTECT THE PCP OFFICE, REPORTS UPI. SEVERAL WEEKS AGO, THE PCP OFFICE IN FAFE WAS THE TARGET OF A TERRORIST BOMB ATTACK.

(MORE)

L'HUMANITE ATTACKS CARVALHO

AUGUST 7 (IPS)--PORTUGUESE GENERAL CARVALHO'S DECISION TO REAPPOINT COL. COSTA NEVES AS COMMANDER OF THE COPCON (PORTUGUESE SECURITY POLICE) AMADORA REGIMENT "DOES NOT SEEM TO BE OF THE NATURE TO RE-ESTABLISH THE COHESION IN THE RANKS OF CERTAIN MILITARY UNITS, NOR TO DEFUSE THE ANTI-COMMUNIST CAMPAIGN," TODAY'S FRENCH COMMUNIST PARTY DAILY L'HUMANITE STATED. L'HUMANITE SAID THAT CARVALHO'S MOTIVES ARE NOW BEING QUESTIONED IN LISBON. NEVES WAS REMOVED FROM HIS POST LAST WEEK BY MEMBERS OF HIS OWN UNIT.

CHURCH PROVOKING ATTACKS ON PCP SAYS NY TIMES

AUGUST 7 (IPS)--THE PORTUGUESE CATHOLIC CHURCH IS AGITATING ITS MEMBERS TO ASSAULT THE PORTUGUESE COMMUNIST PARTY'S (PCP) OFFICES AND MEMBERS ACCORDING TO TODAY'S NEW YORK TIMES. THE PRIEST RESIDING OVER THE FUNERAL OF ONE OF THE ANTI-COMMUNIST ATTACKERS KILLED LAST WEEKEND "EXORTED THE CROWD TO GO TO THE NEARBY CITY OF BARGA" FOR A DEMONSTRATION, NOTES THE TIMES.

SOVIETS PUBLICIZE WESTERN SUPPORT FOR EAST-WEST TRADE

AUGUST 7 (IPS)--THE SOVIET NEWSPAPER PRAVDA YESTERDAY RAN A SERIES OF INTERVIEWS WITH WEST GERMAN POLITICIANS AND INDUSTRIALISTS WHO SUPPORT THE INCREASE OF EAST-WEST TRADE. AMONG THOSE CITED WAS FINANCE MINISTER LAUSEN OF SCHLESWIG-HOLSTEIN, BASE OF THE PRO-TRADE STOLTENBERG FACTION OF WEST GERMAN INDUSTRIALISTS.

PRAVDA COMMENTS, "SOVIET CONTRACTS CANNOT, OF COURSE, FREE CAPITALIST SOCIETY FROM ITS CONGENITAL AILMENTS, BUT THESE CONTRACTS DO RELIEVE THE FATE OF MANY WORKING PEOPLE."

ZAIRE-BACKED FNLA OFFENSIVE
PUSHES COLONISTS OUT OF ANGOLA

AUGUST 7 (IPS)--ESCALATING AGGRESSION BY THE ZAIRE-BACKED NATIONAL FRONT FOR THE LIBERATION OF ANGOLA (FNLA) IS DRIVING THE PORTUGUESE SETTLERS OUT OF ANGOLA ACCORDING TO A SOVIET NEWS AGENCY (TASS) RELEASE QUOTED EXTENSIVELY IN TODAY'S WEST GERMAN COMMUNIST PARTY DAILY UNSERE ZEIT.

OFFICIALS OF THE PRO-SOVIET POPULAR MOVEMENT FOR THE LIBERATION OF ANGOLA (MPLA) TODAY CONFIRMED THAT CAPTURED FNLA TROOPS SPEAK ONLY FRENCH AND ZAIREAN DIALECTS. VIRTUALLY ALL ANGOLANS SPEAK SOME PORTUGUESE.

(MORE)

NEWS ANALYSIS

ANGOLAN REFUGEES TO BE USED AS
COUNTER-REVOLUTIONARY STRIKE FORCE IN PORTUGAL

AUGUST 7 (IPS)--THE REPATRIATION OF ANGOLAN REFUGEES HAS BEEN SEIZED UPON BY SECOND INTERNATIONAL LEADERS IN FRANCE AND OTHER COUNTRIES AS A MENS FOR A FASCIST STRIKE FORCE IN PORTUGAL TO CARRY OUT COUNTER-REVOLUTIONARY ATTACKS AGAINST THE PORTUGUESE COMMUNIST PARTY (PCP) IN AN EFFORT TO DESTABILIZE THE CURRENT PORTUGUESE GOVERNMENT.

"FRENCH PRESIDENT VALERY GISCARD D'ESTAING SAID THAT FRANCE WAS READY TO HELP PORTUGAL EVACUATE SOME 250,000 TO 300,000 PERSONS FROM THE TERRITORY... (OF ANGOLA)," REPORTS TODAY'S WASHINGTON POST.

THE TWO THOUSAND ANGOLAN PORTUGUESE WHO HELD A MEETING IN LISBON'S SPORTS STADIUM WERE DESCRIBED AS "CLEARLY EXTREME RIGHT-WINGERS," BY TODAY'S NEUES DEUTSCHLAND, THE PAPER OF THE EAST GERMAN COMMUNIST PARTY.

THE ATTACKERS WHO DESTROYED PCP HEADQUARTERS IN FAMILICAO HOISTED UP A HAND PAINTED SIGN ON THE RAVAGED BUILDING WHICH SAID "HOUSE OF ANGOLAN REFUGEES" ACCORDING TO YESTERDAY'S NEW YORK TIMES.

TOMORROW IN LISBON, RETURNED RIGHT-WING PORTUGUESE COLONISTS FROM ANGOLA WILL HOLD A MARCH ON THE PRESIDENTIAL PALACE, REPORTS TODAY'S UNITA, NEWSPAPER OF THE ITALIAN COMMUNIST PARTY.

UNITA IN UNITED FRONT WITH FNLA

AUGUST 7 (IPS)--THE NATIONAL UNION FOR THE TOTAL INDEPENDENCE OF ANGOLA (UNITA), THE SO-CALLED THIRD PARTY IN ANGOLA, HAD OPENLY ENTERED INTO THE CURRENT FIGHTING IN SUPPORT OF THE CIA-CONTROLLED NATIONAL FRONT FOR THE LIBERATION OF ANGOLA (FNLA). UNITA IS PRESENTLY ENGAGED IN HEAVY ATTACKS ON THE CITY OF LOBITO NOW HELD BY THE PRO-SOCIALIST POPULAR FRONT (MPLA) ACCORDING TO THE GERMAN DISPATCH SERVICE (DBP) AND OTHER GERMAN PRESS SOURCES.

JONAS SAVIMBI, HEAD OF UNITA, DEMANDED A FULL MOBILIZATION OF HIS 8,800 SOLDIERS AND HAS BEGUN TRAINING FOR AN ADDITIONAL 15,000-0,000, REPORTS DBP.

(MORE)

SOUTH AFRICAN GOVERNMENT EXPOSES CIA

AUGUST 7 (IPS)--AFTER IDENTIFYING TWELVE SUSPECTED CIA AGENTS POSING AS OFFICIAL AMERICAN VISITORS, THE SOUTH AFRICAN GOVERNMENT AS CONCLUDED THAT THE STATE DEPARTMENT IS ISSUING PASSPORTS WHICH IDENTIFY AGENTS AS TECHNICIANS, ADMINISTRATIVE EXPERTS, ACCOUNTANTS AND OTHER OFFICIALS IN ORDER TO GET ITS OPERATIVES INTO THE COUNTRY. ACCORDING TO THE JOHANNESBURG STAR, THE INVESTIGATION BEGAN AFTER MR. ROBERT JASTER WAS IDENTIFIED AS AN AGENT POSING AS A DIPLOMAT USING A PASSPORT ISSUED BY THE STATE DEPARTMENT.

FDP CHAIRMAN BLASTS REVANCHISTS

AUGUST 7 (IPS)--WOLFGANG MISCHNIK, CHAIRMAN OF THE WEST GERMAN FREE DEMOCRATIC PARTY, TODAY CHARGED THAT CHRISTIAN DEMOCRATIC PARTY SPOKESMEN'S ATTACKS ON THE RECENTLY CONCLUDED CREDIT AGREEMENTS BETWEEN POLAND AND WEST GERMANY "WOULD PLEASE THOSE WHO HAVE NEVER REALIZED THAT THE SECOND WORLD WAR CAN NO LONGER BE WON."

MISCHNIK STATED THAT "THE AGREEMENT IS TO BE WELCOMED...AND NATURALLY IS VERY CLOSELY DEPENDENT UPON THE RESULTS OF THE SECURITY CONFERENCE IN HELSINKI," ACCORDING TO THE FRANKFURTER RUNDSCHAU TODAY.

WEST GERMAN FREE DEMOCRATIC YOUTH ATTACK LEBER AND SCHLESINGER

AUGUST 7 (IPS)--MICHAEL KLEFF, SPOKESMAN FOR THE WEST GERMAN FREE DEMOCRATIC PARTY (FDP) YOUTH ORGANIZATION, YOUNG DEMOCRATS, ISSUED A PRESS RELEASE TODAY DENOUNCING U.S. SECRETARY OF DEFENSE SCHLESINGER AND WEST GERMAN DEFENSE MINISTER LEBER FOR THEIR "FLEXIBLE RESPONSE" NUCLEAR WAR DOCTRINE. KLEFF'S RELEASE CALLS THE POLICY "DISASTROUS," AND PERSONALLY ATTACKS LEBER AS "MACABRE AND RESPONSIBLE."

W. GERMAN GOVERNMENT ANNOUNCES TRANSIT DEAL WITH DDR

AUGUST 7 (IPS)--THE WEST GERMAN GOVERNMENT EXPECTS AN EXPANSION OF ECONOMIC RELATIONS WITH THE GERMAN DEMOCRATIC REPUBLIC IN THE NEAR FUTURE, GOVERNMENT SPOKESMAN KLAUS BOELLING ANNOUNCED TODAY. ACCORDING TO DEUTSCHLANDFUNK RADIO NEWS, BOELLING SAID THAT THE EXPANSION OF TRANSPORT ROUTES BETWEEN WEST GERMANY AND BERLIN WAS BEING UNDERTAKEN.

(MORE)

BOMB SHELTERS PROPOSED AS SOLUTION TO
UNEMPLOYMENT IN WEST GERMANY

AUGUST 7 (IPS)--REGIONAL NEWSPAPERS IN THE INDUSTRIAL RUHR REGION OF WEST GERMANY TODAY PROPOSED THAT UNEMPLOYED WORKERS BE HIRED TO BUILD BOMB SHELTERS. EXPRESS CARRIED THE HEADLINE "SELF-DEFENSE AGAINST ATOMIC DEATH," AND THE NEUE RUHR ZEITUNG WROTE THAT "IN CASE OF WAR THERE IS TOO LITTLE DEFENSE -- ONLY ENOUGH ROOM FOR 2 TO 3PER CENT OF THE POPULATION."

FIGHTING CONTINUES IN SOUTH LEBANON

AUGUST 7 (IPS)--PALESTINIAN GUERRILLAS FIRED ROCKETS INTO A NORTH ISRAEL BORDER TOWN YESTERDAY. THE ATTACK WAS COUNTERED BY AN ISRAELI BOMBING RETALIATION INTO SOUTHERN LEBANON. OFFICIAL REPORTS INDICATE THAT THE RECENT 3-DAY ROUND OF FIGHTING HAS CLAIMED 18 LIVES. THE CHRISTIAN SCIENCE MONITOR FURTHER REPORTS THAT THE LEBANESE INFORMATION MINISTER HAS ANNOUNCED A \$13 MILLION ARAB GRANT TO SOUTH LEBANESE PALESTINIANS TO COUNTER AN ISRAELI PLAN TO "DRIVE PEOPLE OUT OF THE BORDER AREA."

NY TIMES SLANDERS IRAQ

AUGUST 7 (IPS)--ROVING CIA-CONNECTED REPORTER JUAN DE ONIS ASSERTS THAT "IRAQ IS...PRODUCING A NEW CLASS OF RICH BUREAUCRATS AND PROPERTY OWNERS IN A SOCIETY THAT IS SUPPOSED TO BE DEDICATED TO REVOLUTIONARY SOCIALISM," IN YESTERDAY'S NEW YORK TIMES. ONIS REPORTS THAT THE WESTERN BUSINESSMEN FLOCKING TO IRAQ TO BID ON DEVELOPMENT CONTRACTS "ARE DISCOVERING THAT THE BOURGEOIS SPIRIT OF PRIVATE GAIN AND COMFORT IS VERY MUCH ALIVE" IN IRAQ.

CONTINENTAL PRESS REPORT

HOUSE AID BILL INCLUDES DEBT CANCELLATION PROVISION

AUGUST 7 (IPS)--THE HOUSE INTERNATIONAL RELATIONS COMMITTEE YESTERDAY APPROVED A \$1.35 BILLION FOREIGN ECONOMIC AND FOOD ASSISTANCE BILL THAT ALLOWS THE AGENCY FOR INTERNATIONAL DEVELOPMENT TO FORGIVE LOAN REPAYMENTS FROM COUNTRIES THAT PLOW THEIR PROCEEDS FROM IMPORTED GRAIN SALES INTO "AGRICULTURAL DEVELOPMENT." THE BILL ALSO EARMARKS FOR AGRICULTURAL DEVELOPMENT PROGRAMS ALL LOAN MONEY REPAYED.

THE HOUSE AUTHORS OF THE REDRAFTED ADMINISTRATION BILL ARE, ACCORDING TO TODAY'S NEW YORK TIMES, CLEMENT ZABLOCKI (D-WIS), DONALD FRASER (D-MINN) AND CHARLES WHALEN (R-OHIO).

(MORE)

CIA'S COLBY ADMITS NSA DOMESTIC PHONE TAPS

AUGUST 7 (IPS)--THE DIRECTOR OF CENTRAL INTELLIGENCE, WILLIAM COLBY, TESTIFIED YESTERDAY BEFORE THE HOUSE SELECT COMMITTEE ON INTELLIGENCE THAT THE NATIONAL SECURITY AGENCY (NSA) HAD MONITORED DOMESTIC TELEPHONE CONVERSATIONS. ACCORDING TO SEVERAL PRESS ACCOUNTS, COLBY DENIED THAT THE PRACTICE WAS ILLEGAL.

REP. LES ASPIN (D-WIS) TERMED THE PRACTICE A "VERY, VERY CLEAR" VIOLATION OF THE FIRST AND FOURTH AMENDMENTS.

COLBY FINGERS KISSINGER ON CIA INTERVENTION IN CHILE

AUGUST 7 (IPS)--UNDER QUESTIONING BEFORE THE HOUSE SELECT COMMITTEE ON INTELLIGENCE YESTERDAY, CIA DIRECTOR COLBY ADMITTED AND DEFENDED ILLICIT CIA INTERVENTION AGAINST THE FORMER CHILEAN GOVERNMENT OF SALVADOR ALLENDE, SAYING THE OPERATIONS WERE APPROVED BY NATIONAL SECURITY COUNCIL 40 COMMITTEE CHAIRMAN HENRY KISSINGER. COLBY'S REMARKS WERE REPORTED IN TODAY'S WASHINGTON POST.

FORD ASKS CONGRESS FOR \$20 MILLION MORE FOR CREEP

AUGUST 7 (IPS)--PRESIDENT FORD ASKED CONGRESS TODAY FOR AN ADDITIONAL \$20.4 MILLION FOR THE TREASURY DEPARTMENT'S BUREAU OF ALCOHOL, TOBACCO AND FIREARMS, THE NEW YORK TIMES REPORTS TODAY. FORD'S STATED AIM IS TO DOUBLE THIS CREEP DEPARTMENT'S OPERATIONS IN THE TEN LARGEST U.S. CITIES.

KRAFT URGES U.S. DROP DETENTE

AUGUST 7 (IPS)--NOTING WHAT HE CALLS A "SUDDEN RISE IN ANTI-COMMUNIST FEELINGS" IN THE UNITED STATES, SYNDICATED COLUMNIST JOSEPH KRAFT WRITES TODAY THAT "THE DETENTE STRATEGY MAY RUN ITS COURSE." KRAFT URGES THE U.S. TO LOOK FOR "AN ALTERNATIVE TO DETENTE DIPLOMACY" IN THE AFTERMATH OF THE CSCE, AND SEEK TO STRENGTHEN TIES WITH MAO'S CHINA.

NEW YORK TIMES SAYS PAID LABOR IS "MISCHIEVOUS NOTION"

AUGUST 7 (IPS)--THE NEW YORK TIMES EDITORIAL STAFF TODAY URGES REVIVING "AN OLD AND HONORABLE AMERICAN TRADITION OF SELF-HELP" IN ORDER TO OFFSET THE DRASTIC STAFF AND SERVICE CUTBACKS IMPOSED ON NEW YORK CITY BY THE BANKS.

QUOTING PROFESOR RICHARD NETZER OF NEW YORK UNIVERSITY, "THE NOTION THAT PAID LABOR SHOULD, AS A GENERAL RULE, SUBSTITUTE FOR VOLUNTEER EFFORTS SURELY IS ONE OF THE MORE MISCHIEVOUS PRODUCTS OF THE 1960'S," THE TIMES EDITORIALY ENDORSES THE PROPOSALS OF THE STATE CHARTER REVISION COMMISSION WHICH WOULD SET CITY INHABITANTS TO WORK ON A "VOLUNTEER" BASIS TO REPLACE LAID-OFF CITY WORKERS.

(MORE)

JUDGE RULES METHADONE-MAINTENANCE VICTIMS
ELIGIBLE FOR TRANSIT WORK

AUGUST 7 (IPS)--FEDERAL DISTRICT COURT JUDGE THOMAS GRIESA OVERTURNED AS UNCONSTITUTIONAL A NEW YORK TRANSIT AUTHORITY POLICY PREVENTING EMPLOYMENT OF METHADONE USERS, ACCORDING TO THE NEW YORK TIMES TODAY. THE RULING CONCLUDED THAT "A PERSON MAINTAINED ON A CONSTANT DOSE OF METHADONE CAN PERFORM NORMALLY BY EVERY STANDARD THAT RELATES TO EMPLOYABILITY."

BEAME CONSIDERS SANIT REHIRES

AUGUST 7 (IPS)--MAYOR BEAME IS REPORTEDLY CONSIDERING REHIRING UP TO 165 LAID-OFF SANITATIONMEN TO REPLACE 195 MEN WHO RETIRED IN JULY, ACCORDING TO THE NEW YORK TIMES. AT A MEETING YESTERDAY WITH THE MAYOR, SANITATION UNION HEAD JOHN DELURY CHARGED THAT THE SANITATION DEPARTMENT WAS IN A STATE OF CHAOS DUE TO REDUCED MANPOWER.

NY TIMES ATTACKS SANITMEN

AUGUST 7 (IPS)--THE NEW YORK TIMES ATTRIBUTED THE CITY'S "GARBAGE MESS" TO "MUNICIPAL MISMANAGEMENT AND UNION GREED" IN AN EDITORIAL TODAY, CHARGING THE UNIFORMED SANITATIONMEN'S ASSOCIATION WITH MAINTAINING "SOME OF THE MOST WASTEFUL WORK RULES EXTANT," AND FURTHER CLAIMING THAT SANITMEN IN RECENT WEEKS HAVE WORKED "SUBSTANTIALLY BELOW EVEN THEIR OWN USUAL LOW LEVEL OF PRODUCTIVITY."

ARGENTINA BANS BASIC IMPORTS UNTIL YEAR'S END

AUGUST 7 (IPS)--ARGENTINA'S NEW MINISTER OF ECONOMICS PEDRO BONNANI APPROVED A NEW IMPORTS REGIMEN THIS WEEK WHICH PUTS A BAN ON A WIDE RANGE OF IMPORTS UNTIL THE END OF THIS YEAR. FIGURING PROMINENTLY AMONG THE RESTRICTIONS LISTED ARE TRACTORS.

FINANCIAL NEWS

IPS EXCLUSIVE

BUNDESBANK DUMPS U.S. TREASURY NOTES,
FORCES U.S. HYPERINFLATION

AUGUST 7 (IPS)--THE REPORTED SALE OF AN ASTONISHING \$1.5 BILLION WORTH OF NON-MARKETABLE U.S. TREASURY SECURITIES REPORTED IN TODAY'S NEW YORK TIMES HAS BEEN TRACED BY IPS TO HAVE BEEN ORIGINATED BY THE BUNDESBANK, THE WEST GERMAN CENTRAL BANK.

ALTHOUGH IT IS NOT YET CLEAR WHETHER THE BUNDESBANK SOLD THE SECURITIES IN AN ECONOMIC WARFARE MOVE TO FORCE THE U.S. FEDERAL RESERVE BANK TO REFLATE IN THE U.S., OR IF THE SALE WAS A JOINT

(MORE)

U.S. TREASURY-BUNDESBANK MANEUVER TO BYPASS FEDERAL RESERVE CHAIRMAN ARTHUR BURNS, WHO IS COMMITTED TO A TIGHT MONETARY POLICY, IT IS CLEAR THAT THIS MOVE FORCED THE U.S. TREASURY TO ANNOUNCE AN ADDITIONAL \$6 BILLION TREASURY SECURITY SALE TO COMPENSATE FOR ITS PURCHASES OF SECURITIES HELD BY THE BUNDESBANK. THE NET EFFECT OF THE BUNDESBANK SALE WOULD BE TO FUEL A HYPERINFLATIONARY CREDIT EXPLOSION IN THE U.S.

HENRY JACKSON PUSHES NATIONAL BIG MAC

AUGUST 7 (IPS)--HENRY (SCOOP TSE DUNG) JACKSON IS PRESENTLY DRAFTING A BILL THAT WOULD CREATE "STATE-LOCAL ASSISTANCE AGENCIES" UNDER A NEW FEDERAL AGENCY. THIS NATIONAL BIG MAC PROGRAM WOULD GIVE FEDERAL BACKING TO LOCAL GOVERNMENT LOANS FOR PAYMENT OF DEBT SERVICE. THE BILL WOULD INCLUDE SPECIFIC FISCAL STANDARDS FOR ALL CITIES RECEIVING LOANS, SUCH AS A BALANCED BUDGET, ACCORDING TO A JACKSON AIDE.

ORGANIZING AND INTELLIGENCE REPORT

MAOIST GANG ESCALATES AGAINST THE ELC

HANNOVER, BRD, AUGUST 7 (IPS)--LAST NIGHT OVER 30 MAOIST GOONS HERE FROM THE SO-CALLED COMMUNIST PARTY OF GERMANY, MARXIST-LENINIST (KPD) VIOLENTLY BROKE UP A FORUM BY THE EUROPEAN LABOR COMMITTEES (ELC). THE MAOIST GANG STORMED THE ROOM, LOCKED IT AND DEMANDED FROM THE ELC MEMBERS THAT THEY RENOUNCE SUPPORT FOR THE SOVIET UNION, THE "SOCIAL-IMPERIALIST SUPERPOWER," OR THEY WOULD DESTROY ALL LITERATURE AND ATTACK THE ELC MEMBERS PRESENT. AS ONE ELC MEMBER TRIED TO GET OUT OF THE ROOM, HE WAS ATTACKED BY SEVERAL KPDERS. THE POLICE TOOK NAMES OF TEN MAOISTS, AGAINST WHOM THE ELC WILL PRESS CHARGES IMMEDIATELY.

FOLLOWING THIS SECOND MAOIST ATTACK IN THREE DAYS, THE EXECUTIVE OF THE INTERNATIONAL CAUCUS OF LABOR COMMITTEES REISSUED ITS CALL FOR THE FORMATION OF ANTI-FASCIST DEFENSE COMMITTEES IN WEST GERMANY IN A EUROPEAN-WIDE LEAFLET.

USLP BOYCOTT SETS KRESGE'S EXECUTIVES RANTING

AUGUST 7 (IPS)--YESTERDAY, MR. TENINGAS, THE CHIEF FINANCIAL OFFICER OF NATIONAL KRESGE'S MANAGEMENT, INFORMED CALLERS: "WE WILL NEVER GIVE IN TO THE LABOR PARTY BOYCOTT. YES, WE'RE BEING HURT...." IN RESPONSE TO A QUESTION REGARDING REPORTED FINANCIAL DAMAGES TO KRESGE, TENINGAS SHRIEKED, "WE HAVE NO WAY TO ESTIMATE THE EFFECT OF THE BOYCOTT, AND NEITHER DO THEY (THE USLP)!!!"

MR. MORCK, CHIEF OFFICER ON STORE MANAGEMENT, BLURTED: "WE WOULD NEVER LET OUR STORE MANAGERS DO WHATEVER THEY WANT, THAT WOULD BE SILLY." FIVE HAVE ALREADY REVERSED FORMER POLICY AND ALLOWED USLP CAMPAIGN ACTIVITIES AT KRESGE/K-MART SITES.

(MORE)

IPS 8.7/PAGE 10

THE WELL-KNOWN INVESTMENT FIRM, MERRILL, LYNCH, STATED YESTERDAY THAT THE USLP "NATIONAL BOYCOTT OF KRESGE'S IN A PERIOD LIKE THIS MEANS FINANCIAL DEATH."

REMORALIZED UNION BUREAUCRATS ARE BEGINNING TO TALK OF ORGANIZING DRIVES AGAINST OTHER SCAB STORE CHAINS, USING THE THREAT OF THE K-MART STRIKE AS A "BARGAINING CHIP."

SCOOP EJECTS IPS FROM BUFFALO CONFERENCE

AUGUST 7 (IPS)--DEMOCRATIC PRESIDENTIAL CANDIDATE SCOOP JACKSON, KEEPING PLANS FOR A BUFFALO PRESS CONFERENCE UNDER WRAPS UNTIL THE LAST MOMENT, YESTERDAY ABANDONED HIS PAST POLICY OF FLACCID DEFENSELESSNESS BEFORE THE U.S. LABOR PARTY'S EXPOSURE OF HIS INSANE SUPPORT FOR LIMITED NUCLEAR WARFARE. JACKSON, IMITATING THE STATE DEPARTMENT LINE, INSISTED THAT IPS REPRESENTATIVES BE REMOVED FROM THE CONFERENCE, CLAIMING IPS "ISN'T PRESS."

END OF COMBINED IPS FOR AUGUST 7, 1975



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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE (IPS)
EARLY EVENING NEWS ROUND-UP
FRIDAY, AUGUST 8, 1975 1800 HOURS EDT

I. INTERNATIONAL PRESS REPORT

LEFTIST CABINET FORMED IN PORTUGAL

AUG. 8 (IPS)—THE CABINET ANNOUNCED THIS MORNING IN PORTUGAL—THE FIFTH SINCE APRIL 1974—CONTINUES THE COUNTRY'S MOVE LEFTWARD.

* GEN. VASCO GONCALVES IS CONTINUING AS PORTUGAL'S PRIME MINISTER, TODAY'S EAST GERMAN PAPER NEUES DEUTSCHLAND REPORTS. CIA-LINKED PRESS SOURCES HAD BEEN ERRONEOUSLY PREDICTING HIS FALL.

* THE NEW GOVERNMENT IS DESCRIBED AS A "LEFTIST EMERGENCY GOVERNMENT" BY WINS RADIO IN NEW YORK CITY THIS MORNING.

* THE NEW FOREIGN MINISTER REPLACING MAJ. ERNESTO DE MELO ANTUNES, A CIA COLLABORATOR WITH POLITICAL VIEWS CLOSE TO THE PORTUGUESE SOCIALIST PARTY (PSP), IS MARIO RUIVO. RUIVO HAS CAMPAIGNED ON BEHALF OF THE PRO-COMMUNIST POPULAR DEMOCRATIC MOVEMENT (MDP), ACCORDING TO UPI.

ANTUNES ATTEMPTING TO ORGANIZE MUTINY

AUG. 8 (IPS)—MAJ. ERNESTO DE MELO ANTUNES, PORTUGAL'S OUSTED FOREIGN MINISTER, IS CIRCULATING A DOCUMENT AMONG MILITARY OFFICERS WHICH DENOUNCES THE COUNTRY'S NEW GOVERNMENT AS A BUREAUCRACY CONTROLLING A TOTALITARIAN STATE, ACCORDING TO RADIO SWEDEN TODAY. THE DOCUMENT HAS BEEN SEVERELY DENOUNCED BY PORTUGAL'S RULING MILITARY TRIUMVIRATE AS AN ATTEMPT TO UNDERMINE MILITARY DISCIPLINE AND A MOVE WHICH WILL AID THE REACTION.

MONGOLIAN CP WARNS OF MAOIST THREAT

AUG. 8 (IPS)—THE MONGOLIAN COMMUNIST PARTY PAPER UNEN HAS STATED THAT "MAOISM AS A POLICY AND AN IDEOLOGY HAS CEASED TO BE MERELY A CHINESE DOMESTIC PROBLEM AND HAS BECOME A FACTOR REPRESENTING A SERIOUS DANGER FOR ALL HUMANITY, FOR THE PEOPLES OF ALL STATES REGARDLESS OF THEIR SOCIAL ORDER." THE ARTICLE, REPORTED IN THE SOVIET DAILY PRAVDA AUGUST 6, CHARGES THAT "FOR THE MAOISTS WAR IS THE ONLY MEANS FOR SOLVING THE URGENT PROBLEMS OF THE CONTEMPORARY WORLD."

CIA SCENARIO IN ANGOLA ADVANCES, UNITA ATTACKS MPLA

AUG. 8 (IPS)—THE SO-CALLED NATIONAL UNION FOR THE TOTAL INDEPENDENCE OF ANGOLA (UNITA), BACKED BY SOUTH AFRICA AND ZAMBIA, AN-

(MORE)

NOUNCED YESTERDAY THAT IT INTENDS TO "ENTER THE WAR" AGAINST THE MASS-BASED POPULAR MOVEMENT FOR THE LIBERATION OF ANGOLA (MPLA), ACCORDING TO TODAY'S WASHINGTON POST.

THE ANNOUNCEMENT WAS MADE IN AN INTERVIEW WITH POST REPORTER DAVID OTTAWAY IN THE UNITA-CONTROLLED CITY OF NOVA LISBOA ON THE STRATEGIC BENGUELA RAILROAD.

SOUTH AFRICANS TO AIRLET ANGOLAN REFUGEES TO PORTUGAL

AUG. 8 (IPS)—MR. J.L.S. FOURIE, SOUTH AFRICA'S SECRETARY OF THE INTERIOR, ANNOUNCED YESTERDAY THAT THE ANGOLAN REFUGEES NOW IN SOUTH WEST AFRICA UNDER THE CARE OF THE SOUTH AFRICAN ARMY ARE "IN TRANSIT" TO PORTUGAL. THE MINISTER OF THE INTERIOR, DR. CONNIE MULDER, STATED THAT THE FIRST GROUP WILL FLY TO LISBON IN MID-SEPTEMBER AND THAT NEGOTIATIONS ON REPARATION ARE IN PROGRESS AT THE HIGHEST LEVELS, ACCORDING TO LONDON'S DAILY TELEGRAPH TODAY.

CAPTURED FRENCH MERCENARY COMMANDING FNLA TROOPS IN CABINDA

AUG. 8 (IPS)—THE SECOND IN COMMAND OF NATIONAL FRONT FOR THE LIBERATION OF ANGOLA (FNLA) TROOPS FLANCAIS GRANCO, A FRENCH MERCENARY, WAS CAPTURED BY THE POPULAR MOVEMENT FOR THE LIBERATION OF ANGOLA (MPLA) IN CABINDA, ACCORDING TO THE FRENCH COMMUNIST PARTY DAILY HUMANITE TODAY. THIS OCCURRED AS HOLDEN ROBERTS, HEAD OF THE FNLA, ANNOUNCED FROM A PARIS TV INTERVIEW THAT PLANNED ASSAULT ON ANGOLA'S CAPITAL LUANDA FOR REPORTED IN THE LONDON TIMES.

EGYPTIAN COMMUNIST PARTY ACCUSES SADAT REGIME OF REINFORCING TIES TO IMPERIALISM

AUG. 8 (IPS)—THE NEWLY RECONSTITUTED EGYPTIAN COMMUNIST PARTY (ECP) HAS ACCUSED THE PRESENT EGYPTIAN AUTHORITIES OF MOVING AWAY FROM THE PROGRESSIVE POLICIES OF PRESIDENT NASSER AND OF REINFORCING ITS TIES TO IMPERIALISM. IN A MANIFESTO PUBLISHED IN THE LEBANESE DAILY AL SAFI, AND SUMMARIZED AT LENGTH IN LE MONDE DISCIPLINE AND A MOVE WHICH WILL AID THE REACTION.

JEWISH-ARAB MARCH FOR PEACE IN ISRAEL

AUG. 8 (IPS)—TWO THOUSAND JEWS AND ARABS JOINED TOGETHER EARLY THIS WEEK IN ISRAEL TO MARCH IN SUPPORT FOR A PEACE SETTLEMENT IN THE MIDDLE EAST. ACCORDING TO THE FRENCH COMMUNIST PARTY NEWS SERVICE, THE MARCH TOOK PLACE IN AN ISRAELI COMMUNIST PARTY DOMINATED DISTRICT WITHIN THE OCCUPIED WEST-BANK AREA. THE MARCH WAS ORGANIZED BY THE ARAB BRANCH OF THE COMMUNIST PARTY IN ISRAEL. THE ARAB BRANCH OF THE COMMUNIST PARTY IS THE ONLY BRANCH OF THE PARTY IN ISRAEL. THE ARAB BRANCH OF THE COMMUNIST PARTY IS THE ONLY BRANCH OF THE PARTY IN ISRAEL.

AUG. 8 (IPS)—IRAQI INTERIOR MINISTER IBRAHIM AL-DOURI IS NOW IN EAST GERMANY MEETING WITH TOP SECURITY OFFICIALS OF THE EAST GERMAN GOVERNMENT, ACCORDING TO YESTERDAY'S NEUES DEUTSCHLAND. AL-

(MORE)

DOURI IS ALSO A MEMBER OF IRAQ'S RULING REVOLUTIONARY COMMAND COUNCIL.

AT THE SAME TIME, THE HEAD OF THE LEBANESE COMMUNIST PARTY IS IN EAST BERLIN MEETING WITH EAST GERMAN POLITBURO MEMBER GRUNENBERG, ACCORDING TO STIMME DER DDR RADIO.

SOVIET TRADE ENSURES WEST GERMAN JOBS

AUG. 8 (IPS)—THE SOVIET UNION'S INDUSTRIAL ORDERS TO WEST GERMANY HAVE ENSURED THE FUTURE EXISTENCE OF 220,000 WEST GERMAN WORKERS' JOBS, ACCORDING TO AN ARTICLE APPEARING IN THE EAST GERMAN SOCIALIST UNITY PARTY ORGAN EINHEIT AS REPORTED IN THE WEST GERMAN DAILY DIE WELT. THE ARTICLE ADDS THAT IF THERE IS ANY INCREASE IN WEST GERMAN-DDR TRADE, THE NUMBER OF JOBS SAVED WOULD BE "AT LEAST DOUBLE THAT AMOUNT."

PEKING ASKS FOR USE OF U.S. BASES IN PHILIPPINES

AUG. 8 (IPS)—THE PEKING REGIME HAS RECENTLY MADE INQUIRIES WITH THE PHILIPPINE GOVERNMENT ABOUT POSSIBLE CHINESE USE OF THE LARGE U.S. NAVAL AND AIR BASES IN THE PHILIPPINES. ACCORDING TO CHARLES CORDDRY IN TODAY'S BALTIMORE SUN, A FILIPINO OFFICIAL WHO WAS RECENTLY IN PEKING WAS ASKED BY CHOU KWAN-HUA, THE CHINESE FOREIGN MINISTER, ABOUT CHINESE ACCESS TO THE MILITARY INSTALLATIONS.

MORNING STAR DENOUNCES SCHLESINGER ON HIROSHIMA DAY

AUG. 8 (IPS)—MORNING STAR, THE DAILY NEWSPAPER OF THE COMMUNIST PARTY OF GREAT BRITAIN, USED THE ANNIVERSARY YESTERDAY OF THE U.S. ATOMIC ATTACK ON HIROSHIMA TO DENOUNCE THE "LIMITED NUCLEAR WAR" POLICY OF JAMES SCHLESINGER, THE U.S. SECRETARY OF DEFENSE.

"LET US NOT KID OURSELVES," THE PAPER SAID. "IT WOULD STILL MEAN DESTRUCTION ON A HORRIFYING SCALE."

THE RECENT CONFERENCE ON SECURITY AND COOPERATION IN EUROPE, MORNING STAR CONTINUED, IS A "SAFER AND MORE LASTING GUARANTOR OF PEACE THAN WEAPONS COULD EVER BE."

KISSINGER TO BE EXCOMMUNICATED?

AUG. 8 (IPS)—THE JEWISH DEFENSE LEAGUE, LED BY RABBI MEIR KAHANE, AND TWO AFFILIATED "ACTIVIST" JEWISH GROUPS DECIDED SEVERAL DAYS AGO TO JOINTLY INSTITUTE PROCEEDINGS TO CONSIDER THE EXCOMMUNICATION OF SECRETARY OF STATE HENRY KISSINGER, ACCORDING TO THE JEWISH WEEK-AMERICAN EXAMINER.

EARLIER THIS WEEK, VARIOUS WEST GERMAN PRESS SOURCES HAD REPORTED THAT THE JDL AND AFFILIATES REGARD KISSINGER AS A DIRE THREAT TO JEWS AND ARE OUTRAGED BY HIS SO-CALLED RELATIONSHIPS WITH WOMEN.

JEWISH WEEK REPORTS THAT MANY AMERICAN JEWS ARE DISTURBED BY KAHANE'S ACTION, SINCE AN EXCOMMUNICATION CAN ONLY BE CARRIED OUT BY "SELECTED RABBIS."

(MORE)

II. CONTINENTAL PRESS REPORT

MEXICAN PRODUCERS CALL FOR
CAPITAL INVESTMENT IN AGRICULTURE

AUG. 8 (IPS)—SPEAKING AUGUST 5 AT THE 27TH CONGRESS OF THE MEXICAN FEDERATION OF AGRICULTURE, THE PRESIDENT OF THE MEXICAN AGRICULTURE PRODUCERS' FEDERATION SAID THAT THE PROBLEM OF HUNGER CAN ONLY BE SOLVED THROUGH CAPITAL INTENSIVE DEVELOPMENT OF AGRICULTURE. MR. ALBERTO SALINAS RAMOS STATED THAT "THE TYPE OF AGRICULTURE BEING SOUGHT IS THAT WHICH DEMANDS GREATER INVESTMENTS IN MACHINERY, A JUST AND SAFE SYSTEM OF LAND HOLDINGS, INCREASED CREDITS, MORE FERTILIZERS AND PESTICIDES, MORE AGRICULTURAL RESEARCH, MORE INFORMATION SERVICES AS WELL AS OTHER RELATED INSTALLATIONS."

THE SALINAS STATEMENT WAS REPORTED AUGUST 6 BY THE MEXICAN DAILY EXCELSIOR, WHICH EMPHASIZED REPORTS ON WIDESPREAD FAMINE THROUGHOUT SOME REGIONS OF THE COUNTRY.

NY TIMES CALLS FUSION ULTIMATE SOLUTION

AUG. 8 (IPS)—THE NEW YORK TIMES TODAY ACKNOWLEDGES THAT FUSION IS "CHEAP AND SAFE ENERGY....A FAR MORE DESIRABLE AND SAFER CONCEPT IN ATOMIC TECHNOLOGY....(WHICH) CAN LEAPFROG OVER THE TRANSITORY BREEDER PHASE INTO WHAT CAN BECOME AN ULTIMATE SOLUTION TO MAN'S ENERGY NEEDS."

CHICAGO TRIBUNE WARNS WORKERS MAY GO SOCIALIST

AUG. 8 (IPS)—IN A FRONT-PAGE ARTICLE WHICH REPORTS ON "DOZENS OF RANDOM INTERVIEWS IN TWO WHITE AMERICAN WORKING CLASS NEIGHBORHOODS," YESTERDAY'S CHICAGO TRIBUNE WARNS THAT THE DETERIORATING ECONOMIC SITUATION MAY PROPEL WORKERS TOWARD "THIRD PARTIES," SUCH AS THAT OF GEORGE WALLACE OR OF "THE SOCIALISTS."

THE TRIBUNE REPORTED THAT A WORKER FROM THE DETROIT SUBURB OF WARREN COMMENTED, "I MAY JUST GO THIRD PARTY. I'M ABOUT READY." WHEN ASKED WHICH THIRD PARTY, HE REPLIED, "SOCIALIST. I THINK THEY MAY HAVE SOMETHING."

FORD WON'T CAMPAIGN WITH ROCKY

AUG. 8 (IPS)—PRESIDENT FORD SAID IN A TELEVISION INTERVIEW YESTERDAY THAT REPORTS THAT HE PLANNED TO DUMP NELSON ROCKEFELLER FROM HIS TICKET NEXT YEAR WERE A "TEMPEST IN A TEAPOT." FORD SAID THAT MR. ROCKEFELLER "WORKS HARD. HE IS COOPERATIVE. HE HAS TAKEN EVERY JOB I HAVE GIVEN HIM." FORD EMPHASIZED, HOWEVER, THAT GIVEN CURRENT POLITICAL REALITIES HE AND ROCKEFELLER WOULD NOT CAMPAIGN FOR THE NOMINATION TOGETHER.

(MORE)

III. FINANCIAL NEWS

INFLATION HITS AGAIN; RENEWED COMMODITY SPECULATION

AUG. 8 (IPS)—THE WHOLESALE PRICE INDEX IN JULY ROSE BY 1.2 PER CENT, INDICATING AN ANNUAL RATE OF PRICE INFLATION OF MORE THAN 14 PER CENT, ACCORDING TO FIGURES RELEASED YESTERDAY BY THE COMMERCE DEPARTMENT AND THE DEPARTMENT OF LABOR. ATTRIBUTED LARGELY TO FOOD AND FUEL PRICE HIKES, THE JULY RISE DOES NOT REFLECT EITHER THE RECENT OIL PRICE DECONTROL OR THE RECENTLY ANNOUNCED PRICE RISES FOR STEEL AND OTHER BASIC INDUSTRIAL MATERIALS.

WHILE THE RISE IN AGRICULTURAL PRICES IS WIDELY ATTRIBUTED TO THE SOVIET GRAIN PURCHASES, IT IS NOTEWORTHY THAT ANOTHER ROUND OF SHEER SPECULATION IN THE COMMODITY FUTURES MARKETS HAS BEGUN, A ROUND OF SPECULATION WHICH ALREADY TOPS THE DISASTROUS SPECULATIVE BINGES OF 1972 AND 1973 BY AS MUCH AS 15 PER CENT, ACCORDING TO TODAY'S WALL STREET JOURNAL.

POUND CONTINUES SEVERE SLIDE; BANK OF ENGLAND NOT INTERVENING

AUG. 8 (IPS)—THE POUND CONTINUED ITS DECLINE ON THE FOREIGN EXCHANGE MARKETS, ENDING THE DAY IN LONDON AT \$2.1035 AFTER TOUCHING A LOW OF \$2.0985 YESTERDAY.

THIS REPRESENTS A DEVALUATION OF ABOUT 29 PER CENT OF THE POUND'S VALUE SINCE THE PREVAILING CURRENCY PARITIES WERE ESTABLISHED IN DECEMBER 1971. JUST ONE WEEK AGO, THE POUND WAS AT \$2.1490.

THE BANK OF ENGLAND HAS SO FAR BEEN UNWILLING TO SUPPORT ITS OWN CURRENCY DURING THE LAST WEEK'S ROUND OF SEVERE ATTACKS, ACCORDING TO THE FINANCIAL PRESS. THE BANK HAS ONLY ABOUT \$6 BILLION IN DOLLAR RESERVES, HAVING SPENT \$1 BILLION DEFENDING THE POUND IN THE LAST SIX MONTHS ALONE.

SAUDIS PULL OUT OF DEAL WITH WEST GERMANS

AUG. 8 (IPS)—AT THE CONCLUSION OF ECONOMIC TALKS IN WEST GERMANY, SAUDI ARABIAN OFFICIALS HAVE CALLED OFF TRILATERAL DEVELOPMENT PROJECTS INVOLVING BONN, THE SAUDIS, AND SUDAN, "TO WEST GERMAN SURPRISE AND DISAPPOINTMENT," YESTERDAY'S FINANCIAL TIMES OF LONDON REPORTS.

"THE SAUDIS APPEAR TO HAVE COME TO THE CONCLUSION," THE TIMES REMARKS, "THAT SUCH PARTICIPATION WOULD MEAN TOO GREAT A STRAIN ON THEIR RESOURCES AS THEY EMBARK ON THEIR HIGHLY AMBITIOUS NEW FIVE-YEAR DEVELOPMENT PLAN."

(MORE)

IV. ORGANIZING AND INTELLIGENCE REPORT

****INTERNATIONAL****

WEST GERMAN-POLISH DEAL "NEW BREAKTHROUGH"

BONN, AUG. 8 (IPS)--THE WEST GERMAN ECONOMICS MINISTRY DESCRIBED THEIR COUNTRY'S RECENTLY CONCLUDED ECONOMIC TREATY WITH POLAND AS A "NEW BREAKTHROUGH" IN ECONOMIC RELATIONS BETWEEN BOTH COUNTRIES. IF ALL THE MINISTRY'S EXPECTATIONS ARE FULFILLED, "ECONOMIC RELATIONS BETWEEN BONN AND WARSAW WILL BECOME A SPECIAL DYNAMIC ELEMENT IN RELATIONS BETWEEN EUROPE'S DIFFERENT ECONOMIC SYSTEMS."

U.S. TO VETO VIETNAM ENTRY TO UN

UNITED NATIONS, AUG. 8 (IPS)--A JOINT STATEMENT WAS RELEASED YESTERDAY BY THE PERMANENT OBSERVER MISSIONS OF THE REPUBLIC OF SOUTH VIETNAM AND THE DEMOCRATIC REPUBLIC OF VIETNAM (DRV) INDICATING THAT THE TWO NATIONS ARE "EAGER TO ESTABLISH NORMAL RELATIONS WITH THE UNITED STATES, BASED ON THE PARIS PEACE ACCORDS, AND FRIENDLY RELATIONS BETWEEN THE PEOPLES OF THE COUNTRIES." HOWEVER, "IF THE AMERICAN GOVERNMENT IS INTENT ON FOLLOWING ITS HOSTILE POLICY TOWARD THE PEOPLES OF VIETNAM, THE U.S. IS FULLY RESPONSIBLE FOR ITS ACTIONS."

THE U.S. STATE DEPARTMENT ANNOUNCED WEDNESDAY NIGHT THAT THE U.S. WOULD USE ITS VETO POWER IN THE UNITED NATIONS TO BLOCK THE ADMISSION OF SOUTH VIETNAM AND THE DRV INTO THE UN, UNLESS THE ADMISSION OF SOUTH KOREA WERE ALSO APPROVED.

U.S. DEFOLIANTS CAUSE LIVER CANCER IN VIETNAM

UNITED NATIONS, AUG. 8 (IPS)--VIETNAM IS NOW SUFFERING FROM AN ABNORMALLY HIGH INCIDENCE OF LIVER CANCER THAT IS REPORTEDLY LINKED TO CONTINUED EFFECTS OF THE 100 MILLION POUNDS OF CHEMICAL DEFOLIANTS SPREAD OVER BOTH NORTH AND SOUTH VIETNAM DURING THE WAR BY THE UNITED STATES. ARTHUR GALSTON, A PLANT PHYSIOLOGIST JUST RETURNED FROM A MONTH-LONG VISIT TO NORTH VIETNAM, REPORTED THE PROBABLE LINK YESTERDAY AT A PRESS CONFERENCE AT THE UNITED NATIONS. GALSTON REVEALED THAT THE INCIDENCE OF LIVER CANCER IN NORTH VIETNAM IS SIX TIMES HIGHER THAN BEFORE THE WAR.

****NATIONAL****

CRAZED PL'ERS STILL LOOSE IN DETROIT

DETROIT, AUG. 8 (IPS)--YESTERDAY, ONE HOUR AFTER HIS DETROIT COURT HEARING FOR A PREVIOUS ASSAULT AGAINST LABOR PARTY ORGANIZERS, PROGRESSIVE LABOR PARTY (PLP) MEMBER WILLIAM GILBRAITH LED ANOTHER ATTACK ON A LABOR COMMITTEE MEMBER--THIS TIME IN FRONT OF THE DETROIT GREENFIELD UNEMPLOYMENT CENTER. GILBRAITH AND A BLACK MALE ACCOMPLICE KNOCKED ORGANIZER HANK COONEY TO THE GROUND, RIPPED HIS SHIRT OFF, AND FLED INTO THE CENTER WITH COONEY'S WALLET AND \$70.

(MORE)

POLICE FROM THE 16TH PRECINCT BRIEFLY QUESTIONED THE TWO ASSAILANTS BUT LET THEM GO, CLAIMING THAT IT WAS NOT IN THEIR JURISDICTION. CHARGES OF ASSAULT AND ROBBERY HAVE BEEN FILED WITH THE 12TH POLICE PRECINCT. GILBRAITH IS ALSO OUT ON BAIL FOR ASSAULT CHARGES STEMMING FROM A SIMILAR HIGHLAND PARK, MICHIGAN ATTACK.

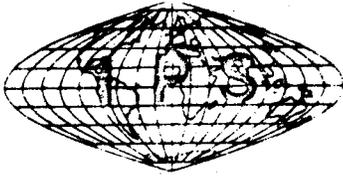
PA. COURT STRIKES DOWN
RESTRICTIVE PETITIONING REQUIREMENTS FOR 3RD PARTIES

PHILADELPHIA, AUG. 8 (IPS)--A THREE-JUDGE PANEL IN THE EASTERN DISTRICT OF PENNSYLVANIA COURT HAS PERMANENTLY ENJOINED PENNSYLVANIA OFFICIALS FROM ENFORCING RESTRICTIVE ELECTORAL PETITIONING REQUIREMENTS AGAINST THE LABOR PARTY IN PENNSYLVANIA. THE RULING, IN FAVOR OF THE LABOR PARTY IN THE CASE OF SALERA AND THE U.S. LABOR PARTY VS. C. DOLORES TUCKER, STRIKES DOWN PETITIONING REQUIREMENTS ORIGINALLY INTENDED TO KEEP COMMUNISTS OUT OF THE ELECTORAL PROCESS.

PENNSYLVANIA'S PETITIONING REQUIREMENTS WERE THE LATEST ATTEMPTS IN A CAMPAIGN WHICH HAS LASTED 35 YEARS TO DISCOURAGE COMMUNISTS AND OTHER THIRD PARTIES FROM ENTERING ELECTIONS. IN THE 1940'S COMMUNIST PARTY ELECTORAL WORKERS WERE ROUNDED UP AND ARRESTED FOR A SUPPOSED "ELECTORAL FRAUD" VIOLATION UNDER THE LAWS THEN OPERATING IN THAT STATE.

IF PENNSYLVANIA AUTHORITIES APPEAL THE SALERA DECISION, THE CASE WILL MOVE DIRECTLY TO THE SUPREME COURT OF THE UNITED STATES.

END OF EARLY EVENING IPS FOR FRIDAY, AUGUST 8, 1975 1800 HOURS EDT



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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE (IPS)
LATE EVENING NEWS ROUND-UP
FRIDAY, AUGUST 8, 1975 2000 HOURS EDT

I. INTERNATIONAL PRESS REPORT

BERLINGUER COMMUNIST IN NAME ONLY, SAYS IL MONDO

AUG. 8 (IPS)--ENRICO BERLINGUER, GENERAL SECRETARY OF THE ITALIAN COMMUNIST PARTY (PCI), WILL SOON BE INVITED TO THE U.S., REPORTS THE LATEST ISSUE OF THE ITALIAN WEEKLY IL MONDO. CITING THE FRIENDLY RELATIONS AND FREQUENT VISITS OF THE PCI LEADERSHIP WITH ROCKEFELLER ASSOCIATES SUCH AS MACORSKI OF THE COUNCIL ON FOREIGN RELATIONS, IL MONDO NOTES THAT THE PCI LEADERS ARE COMMUNIST IN NAME ONLY AND THAT THE U.S. IS THEREFORE SUPPORTING THE PARTY'S ENTRANCE INTO THE ITALIAN GOVERNMENT. TO FACILITATE THIS, THE U.S. AMBASSADOR TO ITALY WILL BE SUBSTITUTED BY ANOTHER "LESS RIGHT-WING" OFFICIAL, ACCORDING TO HENRY KISSINGER, REPORTS IL MONDO.

FRENCH RADIO DRAWS CONCLUSIONS OF ZARODOV ARTICLE

AUG. 8 (IPS)--REPORTING ON THE RECENT PRAVDA ARTICLE BY CANDIDATE MEMBER OF THE SOVIET COMMUNIST PARTY CENTRAL COMMITTEE ZARODOV, FRANCE INTER RADIO THIS MORNING DRAWS THE EXPLICIT CONCLUSIONS OF THE PIECE, STATING THAT "PRAVDA THUS DEMONSTRATES ITS SUPPORT FOR THE PORTUGUESE COMMUNISTS AND CALLS TO ORDER THE ITALIAN COMMUNISTS WHO PREFER TO MANEUVER WITH FLEXIBILITY."

COMMUNISTS DOMINATE THE MFA ASSEMBLY WASHINGTON POST COMPLAINS

AUG. 8 (IPS)--A PRO-COMMUNIST MINORITY OF 45 OFFICERS LED BY GEN. VASCO GONCALVES IS DOMINATING PORTUGAL'S ARMED FORCES MOVEMENT (MFA) ASSEMBLY OF 240 OFFICERS, TODAY'S WASHINGTON POST COMPLAINS. "THE BIGGEST AND THE MOST IMPORTANT OF THE THREE SERVICE ASSEMBLIES IS THE ARMY ASSEMBLY. IT APPARENTLY IS DOMINATED BY LT. COL. JOAO VARELA GOMES, WHO IS CLOSE TO CUNHAL, THE COMMUNIST LEADER."

CONTRARY TO EXPECTATIONS, THE POST CONTINUES, "THE MOST EFFECTIVE MILITARY POLITICIANS, IT APPEARS, ARE YOUNG OFFICERS WHO DID NOT COME OUT OF THE MILITARY ACADEMIES BUT OUT OF THE UNIVERSITIES AND WERE DRAFTED TO FIGHT IN THE COLONIES."

PALERMO SANIT STRIKE, EPIDEMICS PERIL CITY

AUG. 8 (IPS)--A SANITATION WORKERS STRIKE IN THE DEBT-STRICKEN CITY OF PALERMO IN SOUTHERN ITALY FLARED UP AGAIN YESTERDAY AFTER

(MORE)

IT HAD MOMENTARILY BEEN PRESUMED SETTLED. AFTER A WEEKS' LONG STRIKE, WHICH HAS CAUSED THE HEALTH SITUATION IN THE CITY TO REACH NEAR-EPIDEMIC PROPORTIONS, ACCORDING TO GOVERNMENT OFFICIALS, THE WORKERS REFUSED TO ACCEPT THE ARRANGEMENT NEGOTIATED BETWEEN CITY HALL AND THE UNION, WHICH DID NOT INCLUDE A PAY INCREASE.

MEANWHILE, "TENS AND TENS" OF CHILDREN, ESPECIALLY IN GHETTO AREAS, ARE BEING STRUCK BY VIRAL HEPATITIS AND TYPHUS DAILY, ACCORDING TO THE ITALIAN PRESS. IN THE MIDST OF THIS SITUATION, WELFARE OFFICIALS HAVE GONE ON A TWO-MONTH LONG VACATION, LEAVING THE THOUSANDS OF WELFARE RECIPIENTS WITHOUT THE MEAGRE RELIEF OF THE FOOD BONUSES.

LEBANESE PAPER CALLS FOR
SYRIAN-LEBANESE COORDINATION AGAINST ISRAEL

AUG. 8 (IPS)—EDITORIALS IN LEBANESE NEWSPAPERS ARE CALLING FOR CLOSER MILITARY COORDINATION BETWEEN LEBANON AND SYRIA IN THE FACE OF STEPPED-UP ISRAELI ATTACKS INTO LEBANON, YESTERDAY'S FINANCIAL TIMES OF LONDON REPORTS. ONE NEWSPAPER, AL ANWAR, CALLS FOR A COMMON ARAB FRONT AGAINST ISRAEL STRETCHING FROM AQABA IN JORDAN TO TYRE IN LEBANON.

CHIRAC ISSUES ULTIMATUM TO EEC

AUG. 8 (IPS)—PROTESTS AND DEMONSTRATIONS BY SOUTHERN FRENCH WINE GROWERS HAVE FORCED THE FRENCH GOVERNMENT TO ADDRESS AN ULTIMATUM TO THE EUROPEAN ECONOMIC COMMUNITY (EEC), ACCORDING TO TODAY'S LE MONDE. EITHER THE EEC CHANGES THE COMMERCIAL PARITY OF THE ITALIAN LIRE AND THE FRENCH FRANC, OR FRANCE WILL BAN IMPORTS OF CHEAPER ITALIAN TABLE WINE TO FRANCE FOR AN INDEFINITE PERIOD. LE MONDE SEES IN THIS ULTIMATUM THE MARK OF FRENCH PRIME MINISTER JACQUES CHIRAC, WHO HAS FOR WEEKS BEEN PRIVATELY CRITICAL OF PRESIDENT GISCARD D'ESTAING'S AND MINISTER OF AGRICULTURE BONNET'S "BENIGN NEGLECT" OF THE FRENCH WINE GROWERS' DEMANDS.

TROOPS SENT TO CRUSH WORKERS REBELLION IN CHINA

AUG. 8 (IPS)—CHINESE AIR FORCE AND ARMY UNITS HAVE BEEN SENT BY THE PEKING MAOIST CLIQUE INTO THE INDUSTRIAL CITY OF HANGCHOW TO REINFORCE THE 10,000 TROOPS ALREADY THERE. ACCORDING TO UPI, WHICH MONITORED REGIONAL RADIO COMMUNICATIONS FROM HONG KONG, THESE REINFORCED TROOPS IN THE LAST DAYS OF JULY WERE SENT INTO FIVE OF HANGCHOW'S LARGEST FACTORIES TO PUT DOWN RESISTANCE OF COMMUNIST WORKERS. REPORTS ALSO INDICATE THAT INDUSTRIAL UNREST IS NOT ONLY UNCONTROLLED IN HANGCHOW, BUT SPREADING TO OTHER PARTS OF THE PROVINCE OF CHEKIANG (WHICH INCLUDES SHANGHAI). THE ENTIRE REGIONAL MILITARY COMMAND OF NANKING HAS PLACED ITS FORCES ON ALERT.

PAKISTANI SOCIALISTS CALL FOR
EXPANDED TRADE WITH SOCIALIST COUNTRIES

AUG. 8 (IPS)—IN A STATEMENT PUBLISHED IN THE KARACHI DAILY JANG, THE PAKISTAN SOCIALIST PARTY CALLED FOR NORMALIZATION OF RELA-

(MORE)

TIONS WITH INDIA AND EXPANDED RELATIONS WITH THE SOCIALIST COUNTRIES. THE PSP, WHICH IS BASED AMONG INDUSTRIAL WORKERS IN THE SIND REGION AND THE LARGEST PAKISTANI CITY OF KARACHI, STATED: "ALL CAPITAL INVESTMENT OF THE IMPERIALIST POWERS SHOULD BE NATIONALIZED WITHOUT COMPENSATION; TRADE WITH THE SOCIALIST COUNTRIES SHOULD BE INCREASED, BASIC INDUSTRIES SHOULD BE ESTABLISHED WITH THE HELP OF THE SOCIALIST COUNTRIES, AND RELATIONS WITH INDIA MUST BE NORMALIZED....IMPERIALIST POWERS STILL CONTROL OUR ECONOMY AND POLITICS." THE REPORT OF THE PSP STATEMENT APPEARED IN THE AUGUST 2 EDITION OF THE INDIAN LEFT-WING DAILY, THE PATRIOT.

TETHER CALLS FOR "DRASTIC" ACTION ON THIRD WORLD DEBT

AUG. 8 (IPS)—C. GORDON TETHER IN HIS INFLUENTIAL COLUMN IN THE FINANCIAL TIMES TODAY USED A RECENT UNITED NATIONS TRADE AND DEVELOPMENT COMMITTEE (UNCTAD) STUDY ON THIRD WORLD DEBT TO CALL ATTENTION TO THE BANKRUPT CONDITION OF THE DEVELOPING SECTOR. UNCTAD REPORTED THAT THIRD WORLD DEBT SERVICE PAYMENTS TO THE ADVANCED SECTOR INCREASED FROM \$16 BILLION TO \$25 BILLION FROM 1971 TO 1973 AND ESTIMATED THAT THE TOTAL TRADE DEFICIT FOR THIRD WORLD COUNTRIES IN 1975 ALONE WOULD BE \$33 BILLION TO \$42 BILLION, UP FROM \$21 BILLION IN 1974.

"IF THE NEW ECONOMIC ORDER WE HEAR SO MUCH ABOUT IS GOING TO MEAN ANYTHING AT ALL, IT WILL HAVE TO DO SOMETHING DRASTIC ABOUT THIS IN DOUBLE QUICK TIME," HE CONCLUDED, REFERENCING THE SEPTEMBER SPECIAL SESSION OF THE UNITED NATIONS.

II. CONTINENTAL PRESS REPORT

LATIN AMERICA

CASTRO DENOUNCES U.S., PEKING

AUG. 8 (IPS)—SPEAKING FOR THE LATIN AMERICAN COMMUNIST PARTIES, CUBAN PRIME MINISTER FIDEL CASTRO CALLED AMERICAN IMPERIALISM THE MAJOR DANGER TO LATIN AMERICAN DEVELOPMENT. IN A WIDELY PUBLISHED INTERVIEW WITH THE SOVIET NEWS SERVICE TASS AFTER THE RECENT MEETING OF THE ORGANIZATION OF AMERICAN STATES (OAS), CASTRO ALSO REITERATED THE OPPOSITION OF THE LATIN AMERICAN COMMUNIST PARTIES TO THE FOREIGN POLICY OF CHINA, BECAUSE OF ITS "NEGATIVE CONSEQUENCES...FOR THE WHOLE INTERNATIONAL SITUATION."

CUBA OFFERS EDUCATIONAL EXPERTISE TO LATIN AMERICA, THIRD WORLD

AUG. 8 (IPS)—SPEAKING BEFORE THE PLENARY SESSION OF THE UNITED NATIONS ECONOMIC, SOCIAL AND CULTURAL ORGANIZATION (UNESCO) CONFERENCE CURRENTLY BEING HELD IN MEXICO, CUBAN DELEGATE JACINTO VIAMONTE STATED THAT CUBA WAS WILLING TO OFFER ITS MASS EDUCATIONAL SYSTEMS "TO WIPE OUT THE HIGH ILLITERACY RATES THAT EXIST IN LATIN AMERICA AND IN ALL THIRD WORLD COUNTRIES IN GENERAL."

(MORE)

VENEZUELAN WEEKLY PUSHES EAST-WEST TRADE, CONVERTIBLE RUBLE

AUG. 8 (IPS)--THE LIBERAL VENEZUELAN WEEKLY SEMANA PUBLISHED A CENTERFOLD IN ITS LATEST ISSUE ENCOURAGING EXPANDED TRADE BETWEEN THE SOCIALIST BLOC ECONOMIC COMMUNITY (COMECON) AND THE OIL-PRODUCING COUNTRIES.

THE ARTICLE DETAILS THE EXPANDING TRADE BETWEEN COMECON AND OPEC, EXEMPLIFIED BY IRAQ, AND DESCRIBES THE RUBLE AS "A RELATIVELY STABLE" CURRENCY IN THE MIDST OF INTERNATIONAL INFLATION AND MONETARY CRISIS. "THE CONVERTIBLE RUBLE...WILL BENEFIT OPEC AND REINFORCE THE PRESTIGE OF THE SOCIALIST SYSTEM," SAYS SEMANA.

SEMANA CONCLUDES BY STRESSING COMECON'S ABILITY TO PROVIDE MINING AND INDUSTRIAL EQUIPMENT TECHNOLOGICAL KNOW-HOW TO OPEC COUNTRIES IN EXCHANGE FOR OIL EXPORTS.

THIRD WORLD EDUCATORS
PROPOSE FUND FOR DEVELOPMENT, PRODUCTION

AUG. 8 (IPS)--OVER 300 THIRD WORLD EDUCATORS AT THE ACAPULCO MEETING OF THE UN ECONOMIC, SOCIAL AND CULTURAL ORGANIZATION (UNESCO) HAVE URGED THE CREATION OF AN "INTERNATIONAL ORGANIZATION OF THE UNDERDEVELOPED COUNTRIES TO GUARANTEE THE ACQUISITION OF MATERIALS, EQUIPMENT AND TECHNOLOGY NECESSARY FOR PRODUCTION."

THIS "FINANCIAL BLOC" WOULD INTEGRATE THE PRODUCTION OF "MACHINERY AND TOOLS INDISPENSABLE FOR INDUSTRIALIZATION, TECHNICAL UNIVERSITIES TO STIMULATE DEVELOPMENT AND A BANK TO EXCHANGE ECONOMIC, SOCIOLOGICAL AND SCIENTIFIC INFORMATION," REPORTED THE MEXICO CITY PRESS YESTERDAY.

NEW YORK CITY CRISIS

BANKS TRY TO "SET TONE" FOR MAC SALE

AUG. 8 (IPS)--CITY HALL CONFIRMED THIS AFTERNOON THAT THE MAJOR COMMERCIAL BANKS HAVE AGREED TO A ONE-YEAR EXTENSION AT 7.5 PER CENT INTEREST RATES ON \$550 MILLION IN CITY NOTES THEY HOLD THAT FELL DUE BETWEEN OCTOBER AND JUNE. IN ADDITION THEY WILL SWAP \$36 MILLION IN CITY NOTES MATURING IN SEPTEMBER FOR BONDS OF THE MUNICIPAL ASSISTANCE CORPORATION WITH ONE- TO THREE-YEAR MATURITIES PAYING 6 PER CENT INTEREST. THIS AGREEMENT IS WRITTEN INTO THE PROSPECTUS FOR THE \$250 MILLION IN MAC BONDS THAT WILL BE SOLD LATE NEXT WEEK.

ONE MAC OFFICIAL COMMENTED THAT THIS BREAK WAS "MORE OF A TRIBUTE TO MAC THAN THE CITY." SHE SAID SHE HOPED THIS WOULD SET THE TONE FOR THE SALE OF THE MAC BONDS, ENABLING MAC TO SELL TO BANKS WEST OF THE HUDSON.

THE CITY MUST STILL REDEEM THE REMAINING \$4.8 BILLION IN SHORT-TERM CITY NOTES THAT COME DUE SEPTEMBER THROUGH JUNE.

(MORE)

NYC TO PENALIZE SANIT STRIKERS

AUG. 8 (IPS)—ALTHOUGH MAYOR BEAME IS REPORTEDLY CONSIDERING RE-HIRING UP TO 165 LAID-OFF SANITATIONMEN, THE CITY'S PERSONNEL OFFICE IS PROCEEDING IN ITS EFFORT TO IMPOSE TAYLOR LAW PENALTIES ON SANITMEN INVOLVED IN THE RECENT WILDCAT STRIKE, ACCORDING TO THE NEW YORK DAILY NEWS TODAY. ANY WORKER FOUND GUILTY OF VIOLATIONS UNDER THE TAYLOR LAW CAN LOSE TWO DAYS' PAY FOR EACH STRIKE DAY AND ALL SENIORITY FOR ONE YEAR.

CITY AND STATE UNIONS PLEDGE \$100 MILLION OF PENSION FUNDS FOR MAC BONDS

AUG. 8 (IPS)—TRUSTEES FOR THE STATE TEACHERS' PENSION SYSTEM, THE NEW YORK CITY POLICE AND FIREMEN'S PENSION FUNDS AGREED LATE YESTERDAY TO INVEST A TOTAL OF \$75 MILLION IN BIG MAC BONDS, WITH THE STATE PENSION FUND SYSTEM, UNDER CONTROL OF STATE CONTROLLER ARTHUR LEVITT, INVESTING \$25 MILLION, ACCORDING TO TODAY'S NEW YORK TIMES. THIS TOTAL OF \$100 MILLION PLEDGED TO MAC FROM UNION PENSION FUNDS FALLS SHORT OF A HOPED-FOR \$125 MILLION.

ACCORDING TO A SPOKESMAN FOR THE PATROLMEN'S BENEVOLENT ASSOCIATION, WHICH INVESTED 2 PER CENT OF PENSION FUNDS, ALL UNION MEMBERS OF THE FUND'S BOARD OF TRUSTEES VOTED THEIR APPROVAL, BELIEVING THE BONDS A PRUDENT FISCAL INVESTMENT SINCE THEY ARE BACKED UP BY THE REVENUES OF THE STATE OF NEW YORK.

III. ORGANIZING AND INTELLIGENCE REPORT

FBI QUESTIONED ON SPENDING

WASHINGTON, D.C., AUG. 8 (IPS)—THE FBI IS SPENDING \$82.5 MILLION ANNUALLY FOR ITS DOMESTIC INTELLIGENCE GATHERING AND COUNTER-ESPIONAGE ACTIVITIES, FBI OFFICIAL EUGENE WALSH TOLD THE HOUSE SELECT COMMITTEE ON INTELLIGENCE YESTERDAY. IN SUBSEQUENT QUESTIONING, COMMITTEE MEMBER RON DELLUMS (D-CALIF) GRILLED WALSH ON THE RANGE OF ILLEGAL FBI ACTIVITIES INDICATED BY DOCUMENTS IN THE COMMITTEE'S POSSESSION.

U.S. ATTORNEY TO INVESTIGATE CONNECTICUT POLICE HARASSMENT OF USLP

HARTFORD, CONN., AUG. 8 (IPS)—ELECTORAL CANDIDATES FROM THE U.S. LABOR PARTY IN THE CONNECTICUT VALLEY AREA MET WEDNESDAY WITH ASSISTANT UNITED STATES ATTORNEY NORRIS TO FILE REPORTS OF EXTENSIVE POLICE HARASSMENT AND DISRUPTION OF THEIR CAMPAIGNS. VIRTUALLY EVERY ONE OF 16 HARASSMENT ARRESTS AGAINST THESE CANDIDATES HAS BEEN DISMISSED IN THE PAST MONTH, PROVIDING A GLARING PATTERN OF POLICE ATTACK UNDER THE PRETEXT OF LAW.

FOLLOWING THE MEETING, A PRESS CONFERENCE WAS HELD AT THE FEDERAL COURTHOUSE AND REPORTERS FROM THREE AREA NEWS OUTLETS TOOK STATEMENTS FROM THE LABOR PARTY CANDIDATES.

(MORE)

****IPS EXCLUSIVE****

SOVIETS PLAN UPGRADING OF AGRICULTURAL TECHNOLOGY

NEW YORK, AUG. 8 (IPS)--THE DIRECTOR OF THE AMERICAN FERTILIZER INSTITUTE, ED WHEELER, REPORTED IN AN INTERVIEW YESTERDAY THAT THE SOVIET UNION IS CONSIDERING SEVERAL MASSIVE PURCHASES OF AMERICAN AGRICULTURE TECHNOLOGY. IN JULY, A SIX-MAN SOVIET DELEGATION TOURED U.S. INDUSTRY AND FARMS TO REVIEW THE MACHINERY AVAILABLE FOR FIELD APPLICATION OF FERTILIZERS. NOW THAT THE SOVIETS HAVE MORE ABUNDANT FERTILIZERS FROM THE LARGE-SCALE FERTILIZER PLANT PROGRAM CONSTRUCTED USING AMERICAN TECHNOLOGY, THEY ARE INTERESTED IN THE HIGH-EFFICIENCY MACHINERY TO APPLY THE FERTILIZERS. THIS MACHINERY HAS RAPIDLY BECOME POPULAR AMONG U.S. FARMERS BECAUSE OF THE LABOR SAVINGS AND WILL FILL A CRITICAL LABOR SHORTAGE IN THE SOVIET AGRICULTURE SECTOR. ALTHOUGH NO CONTRACTS HAVE BEEN PUBLICLY AKNOWLEDGED, UP TO \$100 MILLION IN ORDERS ARE PROBABLE, DOUBLING DEMAND FOR THIS CUSTOM MACHINERY.

END OF LATE EVENING IPS FOR FRIDAY, AUGUST 8, 1975 1000 HOURS EDT



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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE (IPS)
EARLY EVENING NEWS
AUGUST 9, 1975

INTERNATIONAL PRESS ROUND-UP

SOARES CONDEMNS NEW PORTUGUESE GOVERNMENT

AUG. 9 (IPS)—PORTUGUESE SOCIALIST PARTY HEAD MARIO SOARES STATED IN AN INTERVIEW THAT THE ESTABLISHMENT OF THE NEW TRANSITION GOVERNMENT IN PORTUGAL "GOES AGAINST THE POPULAR WILL EXPRESSED IN THE LAST ELECTION," CITING ITS "COMMUNIST TENDENCIES," REPORTS A UPI DISPATCH FROM YESTERDAY. NO MEMBERS OF SOARES' PARTY WERE INCLUDED IN THE NEW GOVERNMENT.

PCP EXPANDS RURAL ORGANIZING

AUG. 9 (IPS)—DESPITE THE CONTINUING TERRORIST VIOLENCE AGAINST THE OFFICES OF THE PORTUGUESE COMMUNIST PARTY (PCP) IN CERTAIN RURAL AREAS, THE PARTY HAS OPENED UP FOUR MORE OFFICES IN THE RURAL CENTRAL AND NORTHERN PARTS OF THE COUNTRY OVER THE PAST WEEK. PCP-SPONSORED SMALL AND MEDIUM PEASANT LEAGUES ARE BEING FORMED IN THE NORTHERN TOWN OF VIANA DO CASTELO, WHILE AT A PEASANT MEETING IN THE CENTRAL TOWN OF SOBRAL DE MONTE AGRACO, THE GOVERNMENT WAS CALLED ON TO SUPPLY AGRICULTURAL MACHINERY AND TECHNICAL AID FOR FARMERS THROUGHOUT THE COUNTRY, REPORTS THE LATEST ISSUE OF THE PCP'S NEWSPAPER AVANTE.

PORTUGUESE MAOISTS INCITE ATTACKS ON PCP

AUG. 9 (IPS)—THE MOVEMENT FOR THE REORGANIZATION OF PORTUGUESE PROLETARIAT (MRPP), THE OFFICIAL MAOIST PARTY OF PORTUGAL, MADE AN ADDRESS IN THE NORTHERN TOWN OF FAMALICAO, CONGRATULATING THE POPULATION FOR ATTACKING THE COMMUNIST PARTY OFFICE THERE, REPORTS YESTERDAY'S NEUES DEUTSCHLAND, ORGAN OF THE EAST GERMAN COMMUNIST PARTY. THE FAMALICAO ATTACK WAS LED BY FASCIST TERROR COMMANDOES LINKED TO THE OLD SALAZAR DICTATORSHIP IN PORTUGAL.

PCF HEAD PLEDGES SUPPORT OF PORTUGUESE COMMUNISTS

AUG. 9 (IPS)—GEORGES MARCHAIS, GENERAL SECRETARY OF THE FRENCH COMMUNIST PARTY (PCF) SAID IN RESPONSE TO A QUESTION ON THE SITUATION IN PORTUGAL AT A PRESS CONFERENCE YESTERDAY: "I ADD THAT WE ARE INDIGNANT ABOUT WHAT IS GOING ON TODAY, ABOUT A CERTAIN BEHAVIOR IN REGARD TO THE PORTUGUESE COMMUNISTS, WHO ARE HUNTED AND THE VICTIMS OF GENUINE POGROMS. ONE MUST KNOW THAT THE FRENCH COMMUNISTS WILL NOT LET THEIR PORTUGUESE BROTHERS BE MASSACRED, BE THEY COMMUNIST OR NOT."

(MORE)

MARCHAIS PRESENTS PCF ECONOMIC PROGRAM

AUG. 9 (IPS)—FRENCH COMMUNIST PARTY (PCF) GENERAL SECRETARY GEORGES MARCHAIS PRESENTED THE PCF'S "PROGRAM OF ECONOMIC STRUGGLE" TO END THE CRISIS, AT A PRESS CONFERENCE YESTERDAY, REPORTS THE PCF DAILY, L'HUMANITE TODAY. IN ADDITION TO ADVOCATING FULL EMPLOYEMENT, AN INCREASE OF THE MINIMUM WAGE AND VARIOUS TAX REFORMS DESIGNED TO MAKE CAPITALIST INCOME BEAR THE BRUNT OF THE CRISIS, MARCHAIS ALSO DEMANDED THE NATIONALIZATION OF THE ENTIRE FRENCH BANKING AND FINANCIAL SECTOR, AS WELL AS OF A HANDFUL OF INDUSTRIAL FIRMS.

SIGNIFICANTLY, NONE OF FRANCE'S LEADING PRO-EAST/WEST TRADE FIRMS IS TARGETTED FOR IMMEDIATE NATIONALIZATION BY THE PCF.

THE ONES TO BE NATIONALIZED ARE:

- * COMPAGNIE FRANCAISE DES PETROLES (CFP-ELF-ERAP), AN OIL COMPANY ASSOCIATED WITH ROCKEFELLER'S "SEVEN SISTERS."
- * CITROEN, AN AUTO FIRM KNOWN FOR ITS EXTREME REPRESSION OF TRADE-UNION ORGANIZERS, AND ITS FUNDING OF CFT, A FASCIST UNION.
- * CII-HONEYWELL-BULL, A COMPUTER COMPANY RECENTLY SOLD OUT TO ROCKEFELLER BY FRENCH PRESIDENT GISCARD D'ESTAING.
- * DASSAULT-BREGUET, BUILDER OF THE "MIRAGE" AIRCRAFT AND MAJOR SUPPLIER OF MILITARY HARDWARE TO THE MIDDLE EAST COUNTRIES.

KISSINGER ON THE ISRAELIS: "I AM THEIR REAL SAVIOR"

AUG. 9 (IPS)—"THE ISRAELIS DO NOT APPRECIATE THAT I AM THEIR REAL SAVIOR," HENRY KISSINGER TOLD AN AMERICAN NEWSMAN IN A BBC INTERVIEW THIS WEEK.

ACCORDING TO THE AUGUST 6 JERUSALEM POST, KISSINGER HAS BEEN "COMPLAINING ABOUT ISRAEL'S RELUCTANCE TO RELY ON HIM COMPLETELY FOR GUIDANCE AS TO ITS SECURITY" AND SPEAKING "IN NEAR-PROPHETIC TONES" TO NEWSMEN ABOUT THE IMMINENT DANGER HOLOCAUST IF ISRAEL REMAINS INTRANSIGENT. ISRAEL "IS RISKING DESTRUCTION," KISSINGER REPORTEDLY WARNED.

THE JERUSALEM POST WONDERS WHETHER THE NEXT TIME KISSINGER COMES TO THE MIDDLE EAST "HE WILL DON HIS ROBES AND RIDE A WHITE ASS INTO JERUSALEM."

ISRAELIS ASK KISSINGER TO DELAY NEW SHUTTLE

AUG. 9 (IPS)—THE ISRAELI GOVERNMENT HAS ASKED HENRY KISSINGER NOT TO CARRY OUT HIS SCHEDULED AUGUST 20 TRIP TO THE MIDDLE EAST. THE ISRAELIS EXPRESSED "DISPLEASURE OVER THE TIMING OF KISSINGER'S TRIP" SINCE THEY DON'T FORESEE A PEACE SETTLEMENT WITH EGYPT IN THE NEAR FUTURE, TODAY'S WASHINGTON POST REPORTS.

THE AUGUST 20 DATE HAD BEEN WIDELY ATTRIBUTED TO OPTOMISTIC ISRAELI PRESS SOURCES. THE POST REVEALED THAT THE DATE HAD BEEN CIRCULATED BY KISSINGER HIMSELF.

(MORE)

TODENHOEFER CRITICIZES SCHMIDT'S CONCESSIONS TO
THIRD WORLD DEVELOPMENT STRATEGY

WIESBADEN, BRD, AUG. 9 (IPS)—JUERGEN TODENHOEFER, THE DEVELOPMENT POLICY SPOKESMAN FOR THE WEST GERMAN CHRISTIAN DEMOCRATIC UNION, HAS DEMANDED THAT CHANCELLOR SCHMIDT REPUDIATE CONCESSIONS MADE BY MINISTER FOR ECONOMIC COOPERATION EGON BAHR TO THE THIRD WORLD.

IN TODAY'S FRANKFURTER ALLGEMEINE ZEITUNG, TODENHOEFER CLAIMS THAT BAHR IS PREPARING FOR "CONCESSIONS THAT WOULD CHANGE THE SYSTEM" AND FOR "AN ANTI-AMERICAN STRATEGY IN THE STRUGGLE FOR A NEW WORLD ECONOMIC ORDER, AS WELL AS FOR "WIDE-RANGING CONCESSIONS" BY THE WEST GERMAN GOVERNMENT IN THE UNITED NATIONS.

PEKING SUPPORTS "SUDETEN NATIONALISM"

AUG. 9 (IPS)—THE SUDETEN GERMAN EXILE ASSOCIATION BASED IN WEST GERMANY HAS DEVELOPED CLOSE TIES WITH THE PEOPLES' REPUBLIC OF CHINA, ACCORDING TO A SPOKESMAN'S STATEMENT CARRIED IN A RHINE-RUHR INFORMATION SERVICE THIS WEEK. ON BEHALF OF THE ASSOCIATION, WHOSE MEMBERS ARE RIGHTWING GERMAN-LANGUAGE SPEAKERS EXPELLED FROM CZECHOSLOVAKIA AFTER WORLD WAR II, THE SPOKESMAN SAID THAT "THE PEKING GOVERNMENT IS INTERESTED IN GOOD RELATIONS WITH THE GERMAN EXILES...PERHAPS WE WILL SOON HAVE 800 MILLION CHINESE BACKING US."

THE LAST ORGANIZATION TO STAND BEHIND SUDETEN GERMAN NATIONALISM WAS THE NAZI PARTY.

SOVIETS PUBLISH LENIN CALL FOR EAST/WEST TRADE

AUG. 9 (IPS)—THE SOVIET INSTITUTE FOR MARXISM-LENINISM PUBLISHED YESTERDAY A PREVIOUSLY UNKNOWN MANUSCRIPT BY LENIN WRITTEN IN 1920 WHICH WELCOMED TRADE LINKS BETWEEN RUSSIA AND THE WEST. ACCORDING TO A REUTERS DISPATCH FROM MOSCOW, LENIN IS QUOTED: "I SEE NO REASON WHY A SOCIALIST STATE LIKE OURS SHOULD NOT HAVE UNLIMITED BUSINESS RELATIONS WITH CAPITALIST COUNTRIES."

ANNIVERSARY OF INDO-SOVIET FRIENDSHIP TREATY CITED

AUG. 9 (IPS)—ON THE OCCASION OF THE 4TH ANNIVERSARY OF THE INDO-SOVIET FRIENDSHIP TREATY, YESTERDAY'S EDITION OF THE EAST GERMAN PAPER NEUES DEUTSCHLAND PRAISED THE AGREEMENT AS A "MODEL EXAMPLE FOR THE NEW ARRANGEMENT OF INTERNATIONAL RELATIONS" AND NOTED THE ROLE OF THE RELATIONSHIP IN FURTHERING "THE FULFILLMENT OF THE SOCIAL ECONOMIC PROGRAMS OF THE GOVERNMENT OF INDIRA GANDHI."

NEUES DEUTSCHLAND QUOTED THE COMMUNIST PARTY OF INDIA CALLING THE TREATY A "BULWARK FOR THE DEFENSE OF OUR NATIONAL FREEDOM AN SOVEREIGNTY" AND STRESSING THE NEED FOR THE CREATION OF A COLLECTIVE SECURITY SYSTEM IN ASIA, MODELED ON THE HELSINKI CONFERENCE ON SECURITY AND COOPERATION IN EUROPE.

(MORE)

LEFT-WING INDIAN PRESS CALLS FOR
CP-CPI ACTION AROUND ECONOMIC PROGRAM

AUG. 9 (IPS)—THE LEFTWING INDIAN PATRIOT LAST WEEK CALLED FOR UNITED ACTION BY THE CONGRESS AND THE COMMUNIST PARTY (CPI) TO ENSURE THAT THE PEASANT DEBT MORATORIA AND OTHER MEASURES RECENTLY ENACTED BY GANDHI ARE REALIZED. "UNLESS A POWERFUL MASS MOVEMENT IS BUILT UP TO IMPLEMENT THE MEASURES REGARDING INDEBTEDNESS," SAID THE EDITORIAL, "THEY WILL NOT BE WORTH THE PAPER THEY ARE WRITTEN ON." THE PATRIOT MADE CLEAR THAT THE CONGRESS LEADERSHIP MUST MOVE LEFTWARD TO JOIN WITH THE CPI IN CREATING AND LEADING THIS MASS MOVEMENT.

CONTINENTAL PRESS ROUND-UP

CIA CHARGED WITH DISTRIBUTING MARIJUANA
TO MEXICAN STUDENTS

AUG. 9 (IPS)—THE DIRECTOR OF THE OPERATIONS COMMISSION OF THE NATIONAL POLYTECHNIC INSTITUTE OF MEXICO, LEOPOLDO GARCIA ELERS CHARGED YESTERDAY THAT "THE U.S. CENTRAL INTELLIGENCE AGENCY AND SEVERAL UNIDENTIFIED GROUPS" ARE DISTRIBUTING MARIJUANA AND OTHER TYPES OF DRUGS TO THE STUDENTS OF THE COUNTRY, FOR THE PURPOSE OF MANIPULATING THEM."

GARCIA MADE HIS STATEMENT TO THE MAJOR MEXICAN DAILIES LA PRENSA AND EL UNIVERSAL AT THE FIRST INTERNATIONAL CONGRESS OF EDUCATORS FROM THE THIRD WORLD, CURRENTLY BEING HELD IN THE CITY OF ACAPULCO.

NSA DENIES WIRETAPPING CHARGES

AUG. 9 (IPS)—IN A CLOSED SESSION OF THE HOUSE SELECT COMMITTEE ON INTELLIGENCE YESTERDAY, NATIONAL SECURITY AGENCY OFFICIALS DENIED THAT THE AGENCY IS PRESENTLY EAVESDROPPING ON DOMESTIC OR OVERSEAS TELEPHONE CALLS BY AMERICANS, THE NEW YORK TIMES TODAY REPORTS.

COMMITTEE CHAIRMAN OTIS PIKE (D-NY) REVEALED, HOWEVER, THAT COMMITTEE MEMBERS DOUBTED THE TRUTH OF NSA DENIALS. PIKE INDICATED THAT THERE ARE CONTRADICTIONS BETWEEN NSA OFFICIALS' TESTIMONY AND THE STATEMENTS OF CIA DIRECTOR WILLIAM COLBY AND ALBERT HALL, HEAD OF THE DEFENSE DEPARTMENT'S INTELLIGENCE OPERATIONS, MADE EARLIER THIS WEEK.

CIA CREATES RIGHT-WING TERRORIST ORGANIZATION
IN EL SALVADOR

AUG. 9 (IPS)—A RIGHT-WING TERRORIST ORGANIZATION THAT CALLS ITSELF FALANGE APPEARED YESTERDAY IN EL SALVADOR AND THREATENED TO "ELIMINATE 'LITTLE-BY-LITTLE' ALL PERSONS LINKED TO THE LEFT IN THE COUNTRY." ACCORDING TO YESTERDAY'S SALVADORIAN DAILY, DIARIO DE HOY, THE FALANGE ALSO BLAMED CERTAIN GOVERNMENT AND MILITARY OFFICIALS FOR THE CHAOTIC NATIONAL SITUATION AND FOR "NOT CONDEMNING THE ACTIVITIES OF THE LEFTIST MOVEMENTS."

(MORE)

IPS 08.09/EARLY P.5

CIA, SCOOP JACKSON HAVE "NEW INFO" ON SOVIET CROP

AUG. 9 (IPS)—THE CIA CLAIMS IT HAS RECEIVED NEW INFORMATION FROM UNIDENTIFIED SOURCES THAT THE SOVIET UNION HAS SUFFERED A MAJOR SETBACK TO THIS YEAR'S GRAIN CROP.

TODAY'S WASHINGTON POST REPORTS THAT THE CIA IS SUPPLYING THIS INFORMATION TO THE ADMINISTRATION AND CONGRESS. THESE BODIES ARE REPORTED TO BE EVALUATING THE IMPACT OF SUCH A POOR CROP ON AMERICAN FARM EXPORTS.

IN A RELATED DEVELOPMENT, SEN. HENRY JACKSON (MAOIST-WASH) SAID YESTERDAY THAT HE ALSO HAS RECEIVED NEW INFORMATION ON THE SOVIET CROP AND WARNED OF RENEWED DOUBLE-DIGIT INFLATION IF THE ADMINISTRATION PERMITS NEW GRAIN SALES TO THE SOVIET UNION.

END IPS 08.09/EARLY



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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE
LATE EVENING NEWS
AUGUST 9, 1975

INTERNATIONAL PRESS ROUND-UP

MODERATE OFFICERS KICKED OUT OF PORTUGUESE REVOLUTIONARY COUNCIL

AUG. 9 (IPS)—THE MODERATE MILITARY OFFICERS LED BY MAJOR MELO ANTUNES WITHIN THE REVOLUTIONARY COUNCIL WERE EXPELLED FROM THAT BODY TODAY "LEAVING ONLY THE RADICAL AND LEFT-LEANING ELEMENTS," REPORTS FRANCE-INTER RADIO. ANTUNES AND EIGHT OTHER REVOLUTIONARY COUNCIL OFFICERS HAVE BEEN CIRCULATING A DOCUMENT CALLING FOR THE ESTABLISHMENT OF "PLURALIST DEMOCRACY" AND THE OUSTING OF PRIME MINISTER GONCALVES.

NEUES DEUTSCHLAND EXPOSES ANTI-PCP OFFENSIVE

AUG. 9 (IPS)—TODAY'S NEUES DEUTSCHLAND, NEWSPAPER OF THE EAST GERMAN COMMUNIST PARTY PRESENTS A FULL GRID OF BOTH THE INTERNAL AND EXTERNAL FORCES BEING DEPLOYED AGAINST THE PORTUGUESE COMMUNIST PARTY, IN AN ARTICLE TITLED "THE REACTION IS EXPOSED".

"BEHIND THE FASCIST TERROR AND ARSONISTS" WITHIN PORTUGAL, STATES NEUES DEUTSCHLAND, ARE "THE ECONOMIC SABOTEURS OF LARGE CAPITAL, THE SPLITTERS AND ANTI-COMMUNISTS IN THE RIGHTWING SOCIALIST PARTY, THE LEFT EXTREMISTS AND THE REACTIONARY CIRCLES OF THE CLERGY. . . ."

OUTSIDE THE COUNTRY "UNDER THE FLAG OF 'SAVE DEMOCRACY IN PORTUGAL' ARE NATO AND EEC CIRCLES, INTERNATIONAL CONCERNS, THE SO-CALLED SOCIALIST INTERNATIONAL, THE CIA, AND THE MASS MEDIA OF IMPERIALIST COUNTRIES DIRECTED BY MONOPOLY CAPITAL" ARE SABOTAGING THE REVOLUTION, REPORTS NEUES DEUTSCHLAND.

100,000 PRO-MFA PORTUGUESE IMMIGRANTS TO ARRIVE IN LISBON ON SUNDAY

AUG. 9 (IPS)—AT THE INITIATIVE OF PORTUGUESE IMMIGRANT GROUPS IN FRANCE, 100,000 PORTUGUESE GASTARBEITER ARE EXPECTED TO ARRIVE IN LISBON TOMORROW FOR A HUGE PRO-ARMED FORCES MOVEMENT (MFA) IMMIGRANT FESTIVAL. THE EVENT WILL BE ADDRESSED BY PRIME MINISTER

(MORE)

GONCALVES AND OTHER LEADING MFA FIGURES, AND HAS THE FULL SUPPORT OF THE PORTUGUESE COMMUNIST PARTY (PCP) AND THE PRO-COMMUNIST 5TH DIVISION OF THE ARMED FORCES.

WHILE THEY ARE IN PORTUGAL, THIS HUGE IMMIGRANT FORCE WILL ALSO TAKE PART IN SETTING UP AGRICULTURAL COOPERATIVES, WORKERS' AND DWELLERS' COMMISSIONS AND WILL DONATE A TRACTOR TO AN AGRICULTURAL COOPERATIVE AS A POLITICAL GESTURE, ACCORDING TO THURSDAY'S PORTUGUESE NEWSPAPER, JORNAL DE NOTICIAS.

ECONOMIC SABOTAGE THREAT AGAINST PORTUGAL

AUG. 9 (IPA)--THE LONDON TIMES RECENTLY WARNED THAT BRITISH CONSUMERS MAY BE LOSING INTEREST IN BUYING PORTUGUESE PORTO WINE ACCORDING TO THE AUGUST 7 EDITION OF THE LISBON DAILY O SECULO.

WINE EXPORTS ACCOUNT FOR 17 PERCENT OF PORTUGAL'S INCOME. O SECULO ALSO REPORTS THAT CANADA HAS THREATENED TO CLOSE ITS PORTS TO PORTUGUESE FISHING VESSELS.

NIGERIAN TIMES DENOUNCES ZAIRE'S INVOLVEMENT IN ANGOLA

AUG. 9 (IPS)--AN AUGUST 6 EDITORIAL IN THE INFLUENTIAL AFRICAN NEWSPAPER THE TIMES OF NIGERIA, ACCUSES ZAIRE'S PRESIDENT MOBUTU OF ENCOURAGING CIVIL WAR IN ANGOLA. THE EDITORIAL DEMANDS THAT MOBUTU BE PERSUADED TO END ITS FLAGRANT MILITARY AID TO ONE OF THE ANGOLAN LIBERATION MOVEMENTS--A REFERENCE TO THE ZAIREAN TROOPS NOW BACKING THE CIA-SUPPORTED NATIONAL FRONT FOR THE LIBERATION OF ANGOLA.

CONGO (BRAZZAVILLE) ATTACKS AGENT OPERATIONS IN ANGOLA

AUG. 9 (IPS)--THE GOVERNMENT OF THE CONGO (BRAZZAVILLE) HAS STRONGLY ATTACKED THE "AGENT MOVEMENTS OPERATING IN ANGOLA," UNDERLINED THE IMPORTANCE OF NOT DISAVOWING THE REVOLUTIONARY FORCES THERE, AND LAUNCHED AN APPEAL TO ALL PROGRESSIVE FORCES IN AFRICA AND THE WORLD TO DRAW ATTENTION TO "THE TIES BETWEEN THE PUPPET AGENT MOVEMENTS IN ANGOLA AND THEIR MASTERS," ACCORDING TO THE ALGERIAN DAILY EL MOUDJAHID JULY 28.

THE CONGO IS JOINED BY GUINEA (CONAKRY), GUINEA (BISSAU) AND MOZAMBIQUE IN RECOGNIZING ONLY THE POPULAR MOVEMENT FOR THE LIBERATION OF ANGOLA (MPLA) AS A LEGITIMATE MASS-BASED MOVEMENT.

(MORE)

IRAQ BA'ATH MOBILIZES IN SYRIA

AUG. 9 (IPS)—FOR THE FIRST TIME SINCE THE CIA-SUPPORTED COUP IN SYRIA, THE ARAB BA'ATH SOCIALIST PARTY (ABSP) BASED IN BAGHDAD HAS BEGUN TO ORGANIZE IN SYRIA. ACCORDING TO THE AUGUST 4 BAGHDAD OBSERVER, THE ABSP ISSUED A COMMUNIQUE FROM WITHIN SYRIA SAYING "THE ARAB MASSES, AS REPRESENTED BY THEIR REVOLUTIONARY VANGUARDS—PARTIES, GROUPS, AND POPULAR ORGANIZATIONS—ARE CALLED UPON TO SPONSOR THE CALL MADE BY (IRAQI PRESIDENT) COMRADE BAKR FOR THE NORTHERN AND EASTERN FRONTS AND FOR BACKING THE EGYPTIAN FRONTS IN DEFENSE AGAINST THE ISRAELI MILITARY MACHINE.

PALESTINIAN ARMY COMMANDER COLLABORATES WITH SYRIA,
JORDAN TO PURGE LEFTISTS

AUG. 9 (IPS)—NEWLY APPOINTED COMMANDER OF THE PALESTINE LIBERATION ARMY (PLA), BUDAIRY, HAS BEEN COORDINATING A RECENT CRACKDOWN ON LEFTISTS WITHIN THE PLA WITH SYRIAN AND JORDANIAN INTELLIGENCE. BEIRUT, THE BA'ATH PARTY PAPER IN LEBANON HAS CHARGED. THE AUGUST 1 BEIRUT STATES BUDAIRY IS RESPONSIBLE FOR SYRIA'S JAILING PROGRESSIVE PLA OFFICERS.

PSP OPERATING AS RIGHTWING FORCE
SAYS IRAQI CP

AUG. 9 (IPS)—THE SITUATION IN PORTUGAL HAS "FRIGHTENED THE EUROPEAN BOURGEOISIE INTO OVERSTEPPING CLASS BOUNDARIES" AND BEGINNING OPEN COLLABORATION WITH THE RIGHT-WING LEADERSHIP OF THE EUROPEAN SOCIALIST PARTIES, TAREEQ ESH-SHA'B, ORGAN OF THE IRAQ COMMUNIST PARTY, CHARGES IN ITS AUGUST 3 ISSUE.

TAREEQ ESH-SHA'B REPORTS THAT "SOARES' WISHY-WASHY LEADERSHIP AND THE EFFECTIVE INTERVENTION OF THE SOCIALIST INTERNATIONAL INTO PORTUGAL—WHICH HAD ISSUED A DECREE FORBIDDING SOCIALIST COOPERATION WITH THE PORTUGUESE COMMUNISTS—LED TO A RIGHTWING PSP LEADERSHIP POSITION WHICH CAN SERVE ONLY THE FASCISTS AND MONOPOLISTS."

GAULLIST GENERAL COMPARES GISCARD GOVERNMENT TO VICHY

AUG. 9 (IPS)—GAULLIST GENERAL BINOCHÉ, OFFICIALLY "RETIRED" FROM THE FRENCH ARMED FORCES BY PRESIDENT GISCARD AUG. 6, WRITES IN TODAY'S LE MONDE: "THIS IS THE SECOND TIME IN MY CAREER THAT I HAVE SUFFERED SANCTIONS...THE FIRST TIME WAS UNDER THE VICHY GOVERNMENT ADMINISTRATION DURING WORLD WAR II. IS THIS A COINCIDENCE OR THE AFFIRMATION OF A CONTINUITY?"

GENERAL BINOCHÉ INCURRED THE WRATH OF THE FRENCH GOVERNMENT A FEW WEEKS AGO, WHEN HE WROTE IN THE GAULLIST MAGAZINE L'APPEL THAT "WEST GERMANY'S FOREIGN POLICY TODAY IS NO DIFFERENT FROM BISMARCK'S."

(MORE)

MEXICAN CP HEAD IN EAST GERMANY
PRESSURED TO RENOUNCE POLICENTRISM

AUG. 9 (IPS)--IN A JOINT COMMUNIQUE RELEASED YESTERDAY, EAST GERMAN RULING PARTY (SED) POLITBURO MEMBER HERMANN AXEN AND MEXICAN COMMUNIST PARTY (PCM) SECRETARY-GENERAL, MARTINEZ VERDUGO HERALDED THE HAVANA DECLARATION OF THE COMMUNIST PARTIES OF LATIN AMERICA AND THE CARIBBEAN, EMPHASIZING THE DOCUMENT'S GOAL OF STRENGTHENING THE UNITY AND DETERMINATION OF THE COMMUNIST MOVEMENT.

THE COMMUNIQUE ALSO EXPRESSED SOLIDARITY WITH THE PORTUGUESE COMMUNIST PARTY (PCP), CONDEMNED "COUNTERREVOLUTIONARY INTERVENTIONISM" IN PORTUGAL, AND STRONGLY ENDORSED RECENT SOVIET PEACE OFFENSIVES.

THE COMMUNIQUE IS REPRINTED IN TODAY'S ISSUE OF NEUES DEUTSCHLAND.

LEFT CONGRESS MINISTER CALLS FOR
AMENDMENT TO CONSTITUTION ON ECONOMIC PROGRAM

AUG. 9 (IPS)--THREE DAYS AGO, INDIAN MINISTER OF PETROLEUM AND MINES, K.D. MALAYIYA INDICATED THAT THE "INDIAN CONSTITUTION MAY WELL BE AMENDED TO ENCOMPASS THE ECONOMIC PROGRAM THE GOVERNMENT IS NOW IMPLEMENTING," ACCORDING TO REPORTS IN THE LEFT-WING INDIAN DAILY THE PATRIOT, AUG. 6.

ENDORISING THIS STAND, THE PATRIOT MADE AN EDITORIAL STATEMENT INDICATING THAT THE COMMUNIST PARTY OF INDIA AND THE RULING CONGRESS PARTY MUST WORK TOGETHER TO BUILD A MASS MOVEMENT TO DO AWAY WITH THE PEASANT'S "SENSE OF MORAL AND SOCIAL OBLIGATION TO THE MONEYLENDER."

LEBANON ON VERGE OF NEW CRISES

AUG. 9, (IPS)--THE CRISIS IN LEBANON "REMAINS UNRESOLVED, AND IS LIABLE TO EXPLODE AT ANY TIME, AND IN ANY FORM," THE JULY 31 BAGHDAD OBSERVER REPORTS.

AS A RESULT OF THE INTERNATIONAL CAPITALIST BREAKDOWN CRISIS, PRECEDED BY YEARS OF MODERNIZATION, THERE HAS BEEN IN LEBANON A "GROWING DISINTEGRATION OF DENOMINATIONAL AND TRIBAL LOYALTIES AS TRADITIONAL LEADERSHIPS BECAME AWARE THAT THEIR POLITICAL, ECONOMIC, AND SOCIAL POSITIONS WERE NO LONGER PROTECTED," THE OBSERVER CONTINUES. WHILE ON THE ONE HAND THIS HAS CREATED A RIPE ATMOSPHERE FOR REVOLUTION, THE LEBANESE BOURGEOISIE HAS AT THE SAME TIME BEGUN TO ARM "FASCIST GANGS," THE PAPER WARNS.

RECENTLY, LEBANESE LEFTIST KAMAL JUMBLATT ANNOUNCED THAT

(MORE)

8,000 PIECES OF ARMS HAVE REACHED THE FASCIST PHALANGE BY SEA AND THAT HE EXPECTED "A NEW ROUND OF BLOODY CLASHES." TO MEET THIS AND RELATED THREATS, THE ARAB BA'ATH SOCIALIST PARTY IN BEIRUT HAS ISSUED A CALL FOR THE CREATION OF A PROGRESSIVE FRONT IN LEBANON TO OPPOSE RIGHTIST TERRORISTS.

THE HOUSE OF BA'ATH LEADER DR. ABDUL-MAJID AL-RAFEIE WAS BOMBED ON AUGUST 4 BY AS YET UNKNOWN ELEMENTS, THE OBSERVER REPORTS.

CONTINENTAL PRESS REPORT

ILWU HITS GLEASON'S ANTI-SOVIET PLAN

AUG. 9 (IPS)—THE INTERNATIONAL LONGSHOREMEN'S AND WAREHOUSEMEN'S UNION (ILWU) ATTACKED THE INTERNATIONAL LONGSHOREMEN'S ASSOCIATION (ILA)'S PLANNED BOYCOTT OF SOVIET GRAIN SHIPS IN AN EDITORIAL IN THE JULY 25 DISPATCHER, THE UNION PRESS. CALLING THE NATIONAL AFL-CIO LEADERSHIPS AND THE ILA THE "MOST CONSISTENT OP-
PONENTS OF INCREASED TRADE WITH THE SOCIALIST COUNTRIES," THE ILWU WENT ON TO CHARGE THAT THE PRICE INFLATION CONNECTED TO THE 1972 WHEAT DEAL WAS THE RESULT OF "SPECULATION AND MANIPULATIONS BY THE BIG GRAIN COMPANIES...NOT THE FAULT OF THE RUSSIANS, OR OF THE TRADE ITSELF."

CANADIAN DOCKERS PROTEST ILA BOYCOTT

AUG. 9 (IPS)—THE CANADIAN SECTION OF THE INTERNATIONAL LONGSHOREMEN'S AND WAREHOUSEMEN'S UNION (ILWU) HAS SENT A MEMO TO THE INTERNATIONAL LONGSHOREMEN'S ASSOCIATION (ILA) PROTESTING THE ILA'S PLANNED BOYCOTT OF SHIPS CARRYING SOVIET-PURCHASED U.S. GRAIN. ACCORDING TO THE JULY 25 (ILWU) DISPATCHER, CANADA HAS JUST SEALED A \$300 MILLION WHEAT DEAL WITH THE SOVIET UNION.

FINANCIAL NEWS

TREASURY DEPARTMENT TO BEGIN TRADE WAR

AUG. 9 (IPS)—IN WHAT AMOUNTS TO STEPPED UP INTERNATIONAL TRADE WAR, THE UNITED STATES TREASURY DEPARTMENT HAS ANNOUNCED THAT IT WILL UNDERTAKE AN INVESTIGATION OF FOREIGN AUTOMOBILE DUMPING, THE SALES OF FOREIGN-MADE CARS BELOW WHOLESALE COST TO PURPOSELY UNDERCUT DOMESTIC PRODUCTS. THE CASE INVOLVES MORE THAN \$10 BILLION IN FOREIGN CARS SOLD IN THE U.S. MARKET AND IS THE BIGGEST IN THE 54-YEAR HISTORY OF ANTI-DUMPING INVESTIGATIONS.

ACCORDING TO THE NEW YORK TIMES, THE TREASURY INVESTIGATION "HAS EXPLOSIVE INTERNATIONAL POLITICAL IMPLICATIONS AND HAS ALREADY SPARKED PROTESTS FROM MOST OF THE EIGHT FOREIGN COUNTRIES INVOLVED AND FROM THE EUROPEAN COMMON MARKET."

U.S. STEEL PRICE RISE

(MORE)

IPS 08.09/LATE P.6

AUG. 9 (IPS)—UNITED STATES STEEL CORPORATION, THE NATION'S BIGGEST STEEL PRODUCER, ANNOUNCED PRICE HIKES THAT WOULD INCREASE PRICES ON ALL STEEL PRODUCTS BY 3.8 PER CENT BETWEEN NOW AND OCTOBER 1. THE MOVE BY U.S. STEEL FOLLOWS BY ONLY A FEW DAYS MUCH LARGER PRICE INCREASES ANNOUNCED BY ARNCO STEEL CORPORATION AND THE WHEELING-PITTSBURG STEEL CORPORATION. THESE PRICE INCREASES WILL TRIGGER AN INFLATIONARY SPIRAL IN AUTO, CONSTRUCTION AND HOME APPLIANCES.

FIRST NATIONAL CITY RAISES PRIME RATE

AUG. 9 (IPS)—IN ANTICIPATION OF AN INFLATIONARY BUILD-UP, THE FIRST NATIONAL CITY BANK RAISED ITS PRIME LOAN RATE (THE RATE IT CHARGES TO ITS MOST CREDITWORTHY BORROWERS) TO 7 AND 3/4 PER CENT, ACCORDING TO TODAY'S NEW YORK TIMES. FIRST NATIONAL CITY IS THE NATION'S SECOND LARGEST COMMERCIAL BANK.

ITALIAN INFLATION TO SOAR

AUG. 9 (IPS)—THE ITALIAN TREASURY HAS ANNOUNCED THAT IT WILL AUCTION TWO ISSUES OF TREASURY BONDS AMOUNTING TO 3,700 BILLION LIRA BEFORE THE END OF AUGUST, ACCORDING TO THE FINANCIAL DAILY IL SOLE 24 DE ORE. THE TWO ISSUES OF AROUND \$6 BILLION WILL BE RESERVED PRINCIPALLY FOR THE BANK OF ITALY; AT THE FIRST AUCTION THE STATE CREDIT AGENCIES WILL ALSO BE ALLOWED TO BID.

IN ALL OF 1974 THE TREASURY BORROWED 8,650 BILLION LIRA AND THE BANK OF ITALY SUPPLIED 6,500 BILLION LIRA OF IT.

END LATE IPS FOR AUGUST 9, 1975



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AUGUST 10, 1975

INTERNATIONAL PRESS ROUND-UP

MIKI OPPOSED TO "LIMITED NUCLEAR WAR"

AUG. 10 (IPS)—JAPANESE PRIME MINISTER TAKEO MIKI VOICED HIS OPPOSITION TO U.S. DEFENSE SECRETARY SCHLESINGER'S "LIMITED NUCLEAR WAR" CONCEPTION IN A TAPED INTERVIEW ON ABC'S ISSUES AND ANSWERS TODAY. MIKI DENIED THAT FORCES OF THE JAPANESE DEFENSE AGENCY WOULD PLAY A ROLE IN THE DEFENSE OF SOUTH KOREA, EVEN IN THE EVENT OF A TROOP WITHDRAWAL BY THE UNITED STATES FROM THAT PENINSULA. HE WAS ASKED WHETHER HE WOULD PREFER THAT KOREA BE DEFENDED BY U.S. NUCLEAR WEAPONS OR IF THE UNITED STATES' CONVENTIONAL FORCES WERE WITHDRAWN, BY JAPANESE CONVENTIONAL FORCES. THE PRIME MINISTER CLEARLY SAID HE HOPED NUCLEAR WEAPONS WOULD "NEVER BE USED" IN ANY WAR, AND STRESSED THAT NUCLEAR WEAPONS SHOULD BE USED ONLY AS A DETERRENT.

MIKI ADDED THAT, IN HIS OPINION, THE REASON THERE HAS BEEN SO LONG A PERIOD OF RELATIVE PEACE THROUGHOUT THE WORLD HAS BEEN THE DETERRENT PROVIDED BY NUCLEAR WEAPONS.

PCF GENERAL SECRETARY HINTS AT DEBT MORATORIA AND TRIANGULAR TRADE

AUG. 10 (IPS)—FRENCH COMMUNIST PARTY GENERAL SECRETARY GEORGE MARCHAIS SUGGESTED THE PRELIMINARY OUTLINES OF THE FOREIGN ECONOMIC POLICY WHICH FRANCE MUST ADOPT DURING HIS PRESS CONFERENCE TWO DAYS AGO. AS REPORTED IN THE PCF'S NEWSPAPER, L'HUMANITE, MARCHAIS STATED "WE MUST DISENGAGE FRANCE FROM ITS INDEBTEDNESS VIS-A-VIS THE U.S. AND THE BRD, WHILE DEVELOPING OUR EXTERNAL MARKETS, INTERNATIONAL TECHNOLOGICAL COOPERATION.... TO SUPPORT AN UPTURN (IN THE ECONOMY), IT IS NECESSARY TO REALIZE A CONSIDERABLE BROADENING OF OUR EXCHANGES WITHIN THE FRAMEWORK OF LONG TERM AGREEMENTS, NOTABLY WITH DEVELOPING COUNTRIES, SOCIALIST COUNTRIES, EUROPEAN COUNTRIES..."

(MORE)

GISCARD D'ESTAING BANS ARMS SALES TO SOUTH AFRICA

AUG. 10 (IPS)—AS AN EXPRESSION OF HIS OWN "AFRICANITY", FRENCH PRESIDENT GISCARD D'ESTAING YESTERDAY JOINED ZAIRE'S PRESIDENT MOBUTU IN AN "ABSOLUTE CONDEMNATION OF APARTHEID" AND ANNOUNCED THE SUSPENSION OF FRENCH ARMS SALES TO S. AFRICAN AND NAMIBIA, ACCORDING TO TODAY'S NEW YORK TIMES. THE WASHINGTON POST COMMENTS THAT "THE MOVE APPEARS LESS DRASTIC THAN GISCARD D'ESTAING MAY HAVE INTENDED IT TO SOUND," NOTING THAT A POST FACTUM AMENDMENT WAS ADDED TO THE SUSPENSION WHICH WILL PERMIT DELIVERIES OF NAVAL ARMS AND SOME AIRCRAFT TO THE S. AFRICAN GOVERNMENT. MANUFACTURE OF FRENCH WEAPONS UNDER LICENSING AGREEMENTS WILL ALSO NOT STOP.

EAST GERMANS EXPOSE WEST GERMAN PRAISE FOR HIROSHIMA

AUG. 10 (IPS)—EAST GERMANY TODAY STEPPED UP ITS CAMPAIGN FOR "MILITARY DETENTE," INTERVIEWING FORMER WEST GERMAN JOURNALIST, EDUARD VON SCHNITZLER, ON THE OCCASION OF THE 30TH ANNIVERSARY OF THE BOMBING OF HIROSHIMA. SCHNITZLER, WHO IS NOW AN EAST GERMAN CITIZEN, QUOTES THE PILOT WHO CARRIED OUT THE HIROSHIMA BOMBING AS SAYING HE WOULD DO THE SAME THING TODAY IF GIVEN THE ORDER. SCHNITZLER CHARGED THAT U.S. DEFENSE SECRETARY SCHLESINGER AND WEST GERMAN DEFENSE MINISTER LEBER ARE THE ONES NOW COMMANDING THESE "MORAL IMBECILES", AND THEY ARE NOT USING THEIR NUCLEAR THREATS FOR FUN.

SCHNITZLER AFFIRMED THE IMPORTANCE OF THE NUCLEAR DETERRENT DOCTRINE OF "MUTUALLY ASSURED DESTRUCTION," ATTACKING ADALBERT WEINSTEIN, EDITOR OF THE INFLUENTIAL WEST GERMAN NEWSPAPER FRANKFURTER ALLGEMEINE ZEITUNG, A FORMER OFFICER IN HITLER'S GENERAL STAFF, FOR ALLEGING THAT THE HIROSHIMA OPERATION HAD A "STABILIZING" EFFECT.

SCHNITZLER STATES THAT THE ONLY REAL STABILIZING DEVELOPMENT IN NUCLEAR POLICY WAS THE BREAKING OF THE U.S. ATOMIC BOMB MONOPOLY BY THE SOVIET UNION.

U.K. EXPORTS TO EAST EUROPE RISE

AUG. 10 (IPS)—UNITED KINGDOM EXPORTS TO THE COMECON COUNTRIES CONTINUE TO RISE, FOLLOWING A STRONG SURGE THIS YEAR, REPORTS FINANCIAL TIMES CORRESPONDENT DAVID LASCELLES.

ALTHOUGH TOTAL U.K. EXPORTS WERE ONLY 21.7 PER CENT HIGHER THAN LAST YEAR, EXPORTS TO THE COMECON IN THE SAME PERIOD ROSE BY 33.9 PER CENT. UNITED KINGDOM TRADE TO THE SOVIET UNION ALONE HAS ALMOST DOUBLED, REACHING MORE THAN \$200 MILLION IN HALF A YEAR.

REPORTER LASCELLES, A STRONG PROPONENT OF EAST-WEST TRADE, COVERED THE MUCH NEGLECTED "BASKET TWO" OF THE CSCE TALKS — ON ECONOMIC COOPERATION — IN A RECENT FINANCIAL TIMES ARTICLE.

CBI WARNS AGAINST INFLATION AS INVESTMENT PLUMMETS

AUG. 10 (IPS)—RATHER THAN FURTHER FUEL BRITAIN'S 25 PER CENT INFLATION RATE, THE CONFEDERATION OF BRITISH INDUSTRY (EMPLOYERS' ASSOCIATION) HAS URGED THE BRITISH GOVERNMENT TO IGNORE PLEAS FOR REFLATION. THE CONFEDERATION'S LATEST INDUSTRIAL TRENDS SURVEY, COVERED IN THE FINANCIAL TIMES, SHOWS THAT THREE QUARTERS OF BRITISH MANUFACTURING INDUSTRY IS IDLE, BELOW CAPACITY WORKING IS MORE PREVALENT NOW THAN EVEN DURING THE THREE-DAY WEEK AND COMPANIES ARE REDUCING EMPLOYMENT ON A SCALE UNPRECEDENTED IN THE SURVEY, WHICH DATES BACK TO 1958.

ON THE POSSIBILITY OF A GENERAL WORLDWIDE ECONOMIC RECOVERY, CBI CHAIRMAN CAMPBELL FRASER WAS HARDLY OPTIMISTIC: "ALTHOUGH THE RECESSION HAS ARRIVED, SPRING WILL INEVITABLY FOLLOW WINTER. IT IS JUST A QUESTION OF HOW FAR SPRING IS AWAY."

TIMES PRAISES CHINESE DISREGARD FOR HELSINKI

AUG. 10 (IPS)—NEW YORK TIMES FOREIGN AFFAIRS EXPERT C.L. SULZBERGER TODAY GAVE HIS APPROVAL TO THE CRUSHING OF CHINESE WORKERS AND A "NATIONALIST" ATTEMPT BY THE CHINESE ARMY TO VIOLATE SOVIET BORDERS. ACCORDING TO SULZBERGER, THE PEOPLE'S LIBERATION ARMY HAS BEEN "PURIFIED" OF ANTI-MAOIST LEADERS. SULZBERGER SAYS THAT THE NEW LEADERSHIP'S EXEMPLIFIED BY DEPUTY PREMIER TENG WHO BROUGHT THE ARMY INTO HANGCHOW PROVINCE TO CRUSH INDUSTRIAL UNREST CAUSED BY WORKERS DEMANDING HIGHER WAGES. THIS ARMY LEADERSHIP, SULZBERGER DECLARES, IS IN NO WAY "BOUND BY PROMISES MADE AT HELSINKI," AND IS "DETERMINED TO STRAIGHTEN OUT THE SOVIET FRONTIER IN A MORE FAVORABLE SENSE."

BRITAIN DECLARES ARGENTINE ECONOMY "UNSTABLE"

AUG. 10 (IPS)—ENGLAND'S CREDIT EVALUATIONS DEPARTMENT ACCEPTED THE RECOMMENDATION OF AN INTERNATIONAL CREDITORS' CONSULTING FIRM AND DECLARED THIS WEEK THAT IT WOULD PROHIBIT CREDIT FOR ALL EXPORTS TO ARGENTINA REQUIRING FINANCING OF OVER 180 DAYS. THE REASON GIVEN FOR THE DECISION WAS THAT ARGENTINA'S ECONOMY IS SIMPLY TOO "UNSTABLE", REPORTS THE BRITISH PRESS.

CONTINENTAL PRESS REPORT

BIG MAC ASKS FEDERAL GOVERNMENT
TO TAKE OVER WELFARE PAYMENTS

AUG. 10 (IPS)—BIG MAC DIRECTORS MET WITH FEDERAL OFFICIALS FRIDAY TO URGE THAT THE FEDERAL GOVERNMENT TAKE OVER THE COSTS OF WELFARE PAYMENTS IN NEW YORK CITY, ACCORDING TO THE NEW YORK TIMES. THE DIRECTORS ALSO REQUESTED FEDERAL GUARANTEES FOR BIG MAC BONDS.

(MORE)

LEAA STUDY CALLS CITY PRISON REFORM PLAN A FAILURE

AUG. 10 (IPS)—A LAW ENFORCEMENT ASSISTANCE ADMINISTRATION SPONSORED STUDY HAS BRANDED NEW YORK CITY'S MULTIMILLION DOLLAR CRIMINAL-REHABILITATION AND PRISON-ALTERNATIVE PROGRAMS "A FAILURE" AND HAS WARNED THESE PROGRAMS MAY BE ADDING TO CRIME.

THE STUDY, WHICH APPEARED IN TODAY'S NEW YORK TIMES, RECOMMENDS THE PROGRAMS BE REPLACED BY "PREVENTIVE DETENTION" FOR PERSONS ACCUSED OF VIOLENT CRIMES.

AGRICULTURE DEPARTMENT "LOCK-IN"

AUG. 10 (IPS)—THE WASHINGTON POST REPORTS TODAY THAT A GROUP OF CROP SPECIALISTS WILL BE LOCKED IN A BASEMENT ROOM AT THE AGRICULTURE DEPARTMENT FOR 12 HOURS TO EMERGE AT 3 P.M. MONDAY WITH FORECASTS ON THE SIZE OF THE 1975 CORN CROP AND OTHER FARM PRODUCTS.

THESE SECURITY PRECAUTIONS "USUALLY RESERVED FOR THE WAR ROOM OF THE PENTAGON" COME AMIDST WIDESPREAD REPORTS THAT THE RECENT GRAIN SALE TO THE SOVIET UNION WILL CAUSE SHORTAGES AND DRIVE UP FOOD PRICES. THE NEW YORK TIMES, HOWEVER, ADMITS THAT AFTER THE TEN-TON SALE, GRAIN PRICES ARE STILL LOWER THAN LAST YEAR.

BAYH, HUMPHREY, EASTLAND GOT ILLEGAL CONTRIBUTIONS FROM ASHLAND OIL

AUG. 10 (IPS)—SENATORS BIRCH BAYH (D-IND), VANCE HARTKE (D-IND), HUBERT HUMPHREY (D-MINN), JAMES EASTLAND (D-MISS), AND DEMOCRATIC NATIONAL CHAIRMAN ROBERT STRAUSS RECEIVED ILLEGAL CONTRIBUTIONS FROM ASHLAND OIL CO., INC., ACCORDING TO TODAY'S WASHINGTON POST.

THE NAME HERE AND THOSE LISTED TO THE SECURITIES AND EXCHANGE COMMISSION IN THE FIRST ACTION IN WHICH THE SEC FORCED CORPORATIONS TO "NAME NAMES." OFFICIALS OF THE GOVERNMENTS OF GABON, LIBYA, NIGERIA AND THE DOMINICAN REPUBLIC ALSO RECEIVED CONTRIBUTIONS.

FBI DIRECTOR CALLS FOR TRADE-OFF OF LIBERTIES

AUG. 10 (IPS)—CLARENCE KELLY, FBI DIRECTOR, CALLED FOR CONTINUED USE OF WIRETAPS WITHOUT WARRANTS IN THE FIELD OF FOREIGN INTELLIGENCE. HE MADE HIS STATEMENTS AT A MEETING OF THE AMERICAN BAR ASSOCIATION IN MONTREAL YESTERDAY. KELLY, ACCORDING TO TODAY'S WASHINGTON POST, URGED THAT FBI AGENTS BE GIVEN "A CERTAIN AMOUNT OF LATITUDE." "WE MUST BE WILLING TO SURRENDER A SMALL MEASURE OF OUR LIBERTIES TO PRESERVE THE GREAT BULK OF THEM," HE SAID.

(MORE)

ADMITTING THAT THE FBI "HAS MADE MISTAKES", KELLY NONETHELESS CALLED FOR THE SUSPENSION OF LAW IN MATTERS REGARDING "NATIONAL SECURITY," SAYING, "IF AN INDIVIDUAL'S RIGHTS ARE VIOLATED BY A LAW ENFORCEMENT OFFICER, REMEDIES ARE AVAILABLE."

PCM DENOUNCES KIDNAPPINGS OF STUDENTS IN GUERRERO

MEXICO CITY, AUG. 10 (IPS)—AN ATTACK BY ARMED THUGS AGAINST A STUDENT HOUSE AND A HIGH SCHOOL IN ACAPULCO, GUERRERO, ON AUG. 3, DURING WHICH AT LEAST THREE STUDENTS ARE KNOWN TO HAVE BEEN KIDNAPPED, HAS BEEN DENOUNCED BY THE MEXICAN COMMUNIST PARTY (PCM).

ACCORDING TO THE PCM DENUNCIATION, PUBLISHED YESTERDAY IN THE MEXICO CITY PAPERS, EL DIA AND EXCELSIOR, THE RESPONSIBILITY FOR THE ATTACK AND FOR THE LIVES OF THE STILL-MISSING STUDENTS RESTS WITH STATE AUTHORITIES UNDER GOVERNOR RUBEN FIGUEROA. IN THE PAST FIGUEROA HAS BEEN LINKED TO RIGHT-WING INTERIOR MINISTER MARIO MOYA PALENCIA.

ISRAELI SCIENTIST CALLS FOR COOPERATION TO DEVELOP MIDEAST

MEXICO CITY, AUG. 10 (IPS)—AT A DINNER IN HONOR OF VISITING MEXICAN PRESIDENT LUIS ECHEVERRIA, THE PRESIDENT OF ISRAEL'S WEISSMAN INSTITUTE OF SCIENCE ISRAEL DOSTROVSKY, CALLED FOR ISRAEL TO SHARE ITS TECHNOLOGY AND SCIENCE "WITH ALL THE NEIGHBORING COUNTRIES AND TO HELP IN THE PROGRESS OF THIS REGION." DOSTROVSKY EXPLAINED HOW DEVELOPMENT BASED ON COOPERATION IN THE MIDDLE EAST WOULD WORK: "EVERYONE CAN ENJOY OUR ACHIEVEMENTS IN AGRICULTURE: ALL NEED WATER TO MAKE THE DESERT BLOOM — WATER THAT WE LEARNT TO DESALINIZE FROM THE SEA — AND ALL HAVE THE SAME DESIRE TO IMPROVE HEALTH, RAISE EDUCATION LEVELS AND ADVANCE THE STANDARD OF LIVING. WE ARE WILLING TO HELP IN ALL OF THIS, AND I HOPE THAT THE DAY IS NEAR IN WHICH WE CAN CONTRIBUTE WITH OUR SHARE IN THE DEVELOPMENT AND PROGRESS OF ALL OUR REGION."

DOSTROVSKY, WHOSE STATEMENTS WERE PUBLISHED IN THE MAJOR MEXICAN DAILY, EL SOL YESTERDAY, EXPRESSED HOPES THAT ECHEVERRIA'S TOUR "WOULD BE A STEP TOWARDS THE DESIRED PEACE."

(MORE)

NEWS ANALYSIS

NEW YORK TIMES ENDORSES MILITARY DICTATORSHIP IN INDIA

AUG. 10 (IPS)—THE NEW YORK TIMES, IN A COVER STORY IN TODAY'S SUNDAY MAGAZINE ON INDIRA GANDHI ENTITLED "RULER OF 600 MILLION — AND ALONE", ENCOURAGED A MILITARY TAKEOVER IN INDIA, ALLEGEDLY IN THE NAME OF THEIR CHERISHED VERSION OF "DEMOCRACY". THE ARTICLE, WRITTEN BY CLAIRE STERLING, ENCAPSULATES THE USUAL COLLECTION OF SLANDERS AGAINST THE INDIAN GOVERNMENT THAT HAVE CIRCULATED IN THE WESTERN PRESS FOR THE PAST MONTHS.

THE REAL CONCERNS OF THE NEW YORK TIMES ARE REVEALED IN THE DESCRIPTION OF THE CRUCIAL ROLE OF THE COMMUNIST PARTY OF INDIA AND THE ALLIANCE BETWEEN THE SOVIET UNION AND INDIA. SAYS MS. STERLING: "IT (THE CPI) HAS LONG PROVIDED MRS. GANDHI WITH SOME OF HER MOST TRUSTED ADVISORS, IDEOLOGICAL GUIDANCE IN THE PURSUIT OF SOCIALISM, AND THE CAPACITY TO MOBILIZE STREET MOBS (SIC) AT A MOMENT'S NOTICE...." THE TIMES IS DISTURBED BY WHAT IT TERMS, "HER MARKED PREFERENCE FOR 'SOCIALISM' OF SOME KIND OVER CAPITALISM OF WHATEVER KIND, ESPECIALLY AMERICAN."

IN FEAR OF THESE DEVELOPMENTS TOWARD SOCIALISM AND CLOSER RELATIONS WITH THE SOVIET UNION, THE TIMES ARTICLE OPENLY PRAYS, "THE INDIAN ARMY — THE ONE GROUP WITH THE POWER TO STOP THE PROCESS — COULD INTERVENE."

NEWS ANALYSIS

SOVIET BLOC THWARTS U.S. ECONOMIC STRANGULATION OF PERU

AUG. 10 (IPS)—HUNGARY HAS AGREED TO SELL PERU \$10 MILLION WORTH OF WHEAT ON A 100 PER CENT CREDIT BASIS. THE UNUSUAL DEAL WAS FEATURED ON THE FRONT PAGE OF LIMA'S LA PRENSA TWO DAYS AFTER THE RECENTLY EXPROPRIATED MARCONA MINING CORPORATION LAUNCHED A WORLDWIDE CAMPAIGN TO PREVENT SALES OF PERUVIAN IRON ORE. A CUTOFF OF CHILE IN 1973 STRANGLED HER ECONOMY AND THUS FACILITATED THE PINOCHET COUP. THE HUNGARIAN SALE SAVES PERU FROM THE DANGER OF STARVATION THREATS FROM THE UNITED STATES, ITS TRADITIONAL WHEAT SUPPLIER, AS WELL AS FREEING FOREIGN EXCHANGE FOR OTHER USES.

END COMBINED IPS FOR AUGUST 10, 1975

PRIORITIES FOR DAILIES.

ARTICLE NO.S —

NEW SOLIDARITY INTERNATIONAL PRESS SERVICE
COMBINED NEWS ROUND-UP
AUGUST 11, 1975 2000 HOURS EDT

INTERNATIONAL PRESS WRAP-UP

PORTUGUESE DEVELOPMENTS

PCF POLITBURO CALLS FOR INTERNATIONAL MOBILIZATION
TO DEFEAT FASCISTS IN PORTUGAL

PARIS, AUG. 11 (IPS)—THE FRENCH COMMUNIST PARTY (PCF) POLITBURO TODAY ISSUED AN UNPRECEDENTED EMERGENCY CALL TO THE INTERNATIONAL WORKING CLASS TO MOBILIZE AND DEFEAT THE FASCIST OFFENSIVE IN PORTUGAL.

"THE PCF POLITBURO LAUNCHES A SOLEMN APPEAL TO ALL WORKERS OF FRANCE AND THE OTHER COUNTRIES, TO ALL THE WORKING CLASS AND DEMOCRATIC FORCES. THE ARM OF THE ASSASSINS MUST BE STOPPED. BEYOND THE PORTUGUESE REACTION, IT IS THE REACTIONARY FORCES OF THE CAPITALIST POWERS WHICH ARE DEALING A BLOW TO THE WHOLE WEST EUROPEAN DEMOCRATIC MOVEMENT."

THE DECLARATION FINGERS THE LEADERS OF THE PORTUGUESE SOCIALIST PARTY AS "BEARING A HEAVY RESPONSIBILITY IN THE DEVELOPMENT OF THE FASCIST ACTIVITIES," AND REITERATES THE PCF SUPPORT FOR THE COURAGEOUS STRUGGLE OF THE PORTUGUESE COMMUNIST PARTY.

AT THE SAME TIME, THE PCF YOUTH ORGANIZATION LEADER JEAN-MICHEL CATALA SENT A MESSAGE OF SUPPORT TO THE PCP.

PCP COMMUNIQUE: "TAKE ACTION
AGAINST THE COUNTER-REVOLUTIONARIES"

AUG. 11 (IPS)—THE CENTRAL COMMITTEE OF THE PORTUGUESE COMMUNIST PARTY STATED IN A COMMUNIQUE AUG. 9 THAT IT IS "NECESSARY TO CONFRONT THE ACTIVITIES AND THREATS OF THE COUNTER-REVOLUTION... IT IS NECESSARY TO REINFORCE THE ARMED FORCES MOVEMENT (MFA) AS A PROGRESSIVE, REVOLUTIONARY MOVEMENT...IF THIS IS NOT DONE, THE MFA WILL BE DILUTED FOR THERE STILL EXISTS A STRONG CONSERVATIVE SECTION."

THE COMMUNIQUE ADDED THAT THE REACTIONARY OFFENSIVE CAME "THROUGH THE DOORS OF ANTI-COMMUNISM OPENED BY THE LEADERS OF THE PORTUGUESE SOCIALIST PARTY (PSP)." IF FIRM ACTION IS NOT TAKEN AGAINST THE FASCIST BANDS, "THE COUNTER-REVOLUTION WILL CREATE CONDITIONS FOR THE UNLEASHING OF A COUP THROUGH REACTIONARY ELEMENTS..."

THE COMMUNIQUE WAS PUBLISHED IN THE PORTUGUESE DAILY DIARIO DE NOTICIAS.

(MORE)

IPS 8.11/2

SOARES SUSPENDS THREE FOR CRITICIZING PSP LEADERSHIP

AUG. 11 (IPS)—MARIO SOARES, HEAD OF THE PORTUGUESE SOCIALIST PARTY (PSP), SUSPENDED THREE MEMBERS WHO HELD KEY POSITIONS BECAUSE THEY WROTE A DOCUMENT CRITICIZING THE PARTY'S POLICY, ACCORDING TO TODAY'S L'HUMANITE, THE NEWSPAPER OF THE FRENCH COMMUNIST PARTY. THE DISSIDENTS ARE JOAO GUETERRES, S. REGO, AND ANTONIO RODRIGUES.

THE DOCUMENT CHARGED THE PSP LEADERSHIP WITH IGNORING THE "NECESSARY TASKS", CLOSELY PARALLELING THE COMMUNIST PARTY PROGRAM, TO FULFILL THE REVOLUTIONARY PROCESS. IT ALSO DENOUNCED THE "NEO-CAPITALIST SOCIAL DEMOCRACY," AND CALLED FOR EXPANDED EAST-WEST TRADE, ACCORDING TO THE LISBON DAILY O SEculo, AUG. 9.

PCP DEFENDS HEADQUARTERS IN BRAGA; ANTI-COMMUNIST BISHOP INCITES RIOT

AUG. 11 (IPS)—MEMBERS OF THE PORTUGUESE COMMUNIST PARTY (PCP) AND PORTUGUESE SOLDIERS FIRED ON ATTACKERS WHO TRIED TO SET FIRE TO THE PCP OFFICE IN BRAGA, NORTHERN PORTUGAL. TWENTY OUT OF APPROXIMATELY 500 PEOPLE WERE WOUNDED, ACCORDING TO THE BALTIMORE SUN, AFTER THE CROWD WAS ENCOURAGED TO RAVAGE THE PCP BUILDING BY ARCHBISHOP FRANCISCO MARIA DA SILVA.

"THE ARCHBISHOP WAS ONE OF THE MAIN DEFENDERS OF THE RIGHT-WING DICTATORSHIP OUSTED BY THE MILITARY REVOLUTIONARIES 15 MONTHS AGO," REPORTS TODAY'S WASHINGTON POST. THE POST SAYS THE "GATHERING IN BRAGA WAS TO BE A PRELUDE TO A MAMMOTH DEMONSTRATION IN FATIMA, AUG. 13 TO CELEBRATE THE APPARITION OF THE VIRGIN OF FATIMA, CONSIDERED AN ANTI-COMMUNIST SYMBOL IN PORTUGAL."

ECONOMIC SABOTAGE AGAINST PORTUGUESE SHIPYARDS

AUG. 11 (IPS)—THE INTERNATIONAL ECONOMIC GROUP THYSSEN PLANS TO CANCEL ITS CONTRACT TO BUILD TWO OIL TANKERS IN THE PORTUGUESE SETENAVE SHIPYARDS. THE CONTRACT WAS SIGNED IN AUGUST 1973. IN ADDITION, THE SWEDISH NAVAL CONSTRUCTION FIRM ERIKSBERG CANCELED AN ORDER TO SUPPLY THE PORTUGUESE LISNAVE SHIPYARDS WITH PARTS. BOTH REPORTS OF ECONOMIC SABOTAGE AGAINST THE PRO-COMMUNIST PORTUGUESE REGIME APPEARED IN THE PORTUGUESE WEEKLY EXPRESSO AUG. 9.

SHIPBUILDING AND REPAIR IS ONE OF PORTUGAL'S MAJOR INDUSTRIES.

PCP TO BE MASSACRED, SAYS FRENCH SOCIAL DEMOCRAT

AUG. 11 (IPS)—JEAN DANIEL, CHIEF EDITORIALIST FOR THE FRENCH SOCIAL-DEMOCRATIC MAGAZINE, LE NOUVEL OBSERVATEUR, THREATENED THE PORTUGUESE COMMUNIST PARTY WITH THE FATE OF THE INDONESIAN

(MORE)

IPS 8.11/3

COMMUNIST PARTY—ANNIHILATION. IN 1965, IN THE "GREAT MASSACRE" 500,000 MEMBERS OF THE INDONESIAN COMMUNIST PARTY WERE MURDERED.

THE ONLY WAY FOR THE PCP TO ESCAPE THIS FATE, DANIEL ARGUED, IS TO SEEK AN ALLIANCE WITH THE PORTUGUESE SOCIALIST PARTY AND ITS CIA-AGENT LEADER MARIO SOARES, ON THE BASIS OF THE SOCIALIST PARTY'S LIBERAL CAPITALIST PROGRAM.

ANGOLA DEVELOPMENTS

U.S. PLANES AIDING ZAIRE ARMY AGAINST ANGOLA

AUG. 11 (IPS)—AMERICAN PLANES ARE TRANSPORTING MEN AND ARMS TO ANGOLA, ACCORDING TO INFORMATION SUPPLIED BY A SPECIAL CORRESPONDENT FOR THE FRENCH WEEKLY L'EXPRESS, AND TRANSMITTED BY THE MEXICAN DAILY, EL DIA. THE L'EXPRESS CORRESPONDENT ACCOMPANYING PRESIDENT GISCARD D'ESTAING OF FRANCE ON HIS RECENT VISIT TO ZAIRE, REVEALED THAT THE TWO 4-PROPELLER PLANES OF THE U.S. AIR FORCE WERE STATIONED AT THE KINSHASA AIRPORT IN ZAIRE, READY TO "RETURN TROOPS OF THE ZAIRE ARMY FROM ANGOLA."

L'EXPRESS AND SEVERAL OTHER FRENCH PUBLICATIONS ARE CHARGING THAT THE GISCARD TRIP WAS LINKED TO THE SITUATION IN ANGOLA AND THAT ZAIRE'S PRESIDENT, MOBUTU SESE SEKO, HAS BEEN SEEKING FRENCH SUPPORT FOR HIS PLANS TO PROVOKE THE DISMEMBERMENT OF ANGOLA.

THE L'EXPRESS CORRESPONDENT ALSO REPORTS, MOBUTU'S BROTHER-IN-LAW AND HEAD OF THE CIA-CHINESE-RUN ANGOLAN NATIONAL LIBERATION FRONT (FNLA), HOLDEN ROBERTO, HAS SIGNED A SECRET PACT WITH MOBUTU UNDER WHICH FNLA AGREES TO ACCEPT THE INDEPENDENCE OF THE OIL-RICH ANGOLAN ENCLAVE OF CABINDA AND CLEAR THIS PROVINCE OF THE PRO-SOVIET MPLA IN EXCHANGE FOR SUBSTANTIAL SUPPORT IN ARMS AND MEN FROM ZAIRE. THE MEXICAN DAILY, EL DIA, WHICH CARRIED THE REPORT ADDED THAT U.S. PETROLEUM COMPANIES OPERATE EXTENSIVELY IN CABINDA.

UNITA DEPARTS ANGOLAN CAPITAL

AUG. 11 (IPS)—THE SOUTH AFRICAN-CONTROLLED NATIONAL UNION FOR THE TOTAL INDEPENDENCE OF ANGOLA (UNITA) TODAY ANNOUNCED THEIR DEPARTURE FROM ANGOLA'S CAPITAL CITY OF LUANDA, ACCORDING TO UPI. THIS LEAVES PRO-SOCIALIST POPULAR MOVEMENT FOR THE LIBERATION OF ANGOLA (MPLA) AS THE ONLY ORGANIZATION IN THE CITY.

UPI ALSO REPORTS THE EVACUATION OF THE REMAINING 500 SOLDIERS OF THE CIA-RUN NATIONAL FRONT FOR THE LIBERATION OF ANGOLA (FNLA) FROM LUANDA TO THEIR BASES IN THE NORTH.

MPLA CONTROLS CABINDA

AUG. 11 (IPS)—TODAY'S FRANKFURTER RUNDSCHAU REPORTS THAT UNITS IN THE OIL-PRODUCING ENCLAVE OF CABINDA HAVE FLED FROM THE POPULAR MOVEMENT (MPLA) AND ARE HIDING OUT IN ABANDONED PORTUGUESE ARMY POSTIONS. "THIS LEAVES THE MPLA IN CONTROL OF CABINDA," THE RUNDSCHAU REPORTS.

IPS 8.11/4

CIA ATTEMPTS STRANGULATION OF LUANDA

AUG. 11 (IPS)—LUANDA, THE CAPITAL OF ANGOLA, IS WITHOUT BREAD, VEGETABLES AND MEAT, AND MANIOC ROOT, THE DAILY STAPLE OF THE AFRICAN POPULATION, ACCORDING TO A UPI DISPATCH TODAY. MANY GAS STATIONS WERE CLOSED TODAY AND HAD NO MEANS OF BEING RESUPPLIED, ACCORDING TO THE DISPATCH. THIS CIA STRATEGY IS OUTLINED IN FULL BY A SPOKEMAN FOR CIA-CONTROLLED NATIONAL FRONT FOR THE LIBERATION OF ANGOLA (FNLA) N'GOLA KABANGU IN LE FIGARO JULY 29: "OUR FIGHT CONSISTS OF TOTALLY LIBERATING ANGOLA. SO LONG AS THERE IS ONE COMMUNIST AGENT IN THE COUNTRY, WE WILL CONTINUE THE BATTLE. WE REGRET DESTROYING A BEAUTIFUL CITY LIKE LUANDA, BUT WE'LL DO IT IF NECESSARY."

GISCARD, MOBUTU AGREE ON ANGOLA

AUG. 11 (IPS)—IN A FINAL COMMUNIQUE ISSUED AT THE END OF THEIR RECENT MEETING, FRENCH PRESIDENT GISCARD D'ESTAING AND ZAIREAN PRESIDENT MOBUTU SESE SEKO EXPRESSED "SATISFACTION AT THE CONVERGENCE OF THEIR PONTS OF VIEW ON THE PRINCIPAL INTERNATIONAL PROBLEMS," ACCORDING TO UPI.

ZAIRE'S MAJOR NEWSPAPERS INDICATE THAT ANGOLA WAS THE FIRST ITEM ON THE AGENDA AND THAT THE TWO LEADERS EXPRESSED "CONCERN OVER THE AGGRAVATION OF THE SITUATION," UPI REPORTS.

AFRIQUE-ASIE SUPPORTS THE MPLA

AUG. 11 (IPS)—"ANGOLA IS THE VIETNAM OF AFRICA," ASSERTED SIMON MALLEY IN A STRONGLY WORDED EDITORIAL IN THE AUG. 11 ISSUE OF THE PRO-ALGERIAN MAGAZINE, AFRIQUE-ASIE.

MALLEY DISTINGUISHED THE PRO-SOCIALIST POPULAR MOVEMENT FOR THE LIBERATION OF ANGOLA (MPLA) FROM THE PUPPET LIBERATION GROUPS CURRENTLY FIGHTING AGAINST IT. HE NOTED THAT THE MPLA IS THE ONLY ORGANIZATION FIGHTING FOR REAL LIBERATION.

MALLEY ALSO RIDICULED THOSE WHO WERE SHEDDING CROCADILE TEARS OVER THE VICTIMS IN ANGOLA, AND ADVOCATING UN INTERVENTION TO SETTLE THE CRISIS. HE CALLED THIS A RUSE DESIGNED TO INDUCE THE MPLA TO LAY DOWN THEIR ARMS AND PUT THEIR CONFIDENCE IN WESTERN LEADERS AND THEIR COHORTS TO SETTLE THE SITUATION.

OTHER NEWS

U.S. VETOES ADMISSION OF VIETNAMS TO UNITED NATIONS

UNITED NATIONS, N.Y., AUG. 11 (IPS)—IN A VOTE TODAY IN THE UNITED NATIONS SECURITY COUNCIL, THE PROPOSED ADMISSION OF NORTH AND SOUTH VIETNAM TO THE UNITED NATIONS WAS VETOED BY THE UNITED STATES.

THE U.S. WAS THE ONLY MEMBER OF THE SECURITY COUNCIL TO VOTE

(MORE)

IPS 8.11/5

AGAINST THE ADMISSION. THE ACTION WHICH BLOCKS THE MEMBERSHIP OF THE VIETNAMS IN THE U.N. FOR THE PRESENT SESSION.

THE NEXT STEP OPEN FOR VIETNAMESE ADMISSION WILL BE A VOTE OF THE FULL GENERAL ASSEMBLY TO SEND THE MATTER BACK TO THE SECURITY COUNCIL FOR RECONSIDERATION.

PHILIPPINES PROMISES TO FORBID
U.S. USE OF BASES AGAINST INDOCHINA

AUG. 11 (IPS)—IN A JOINT COMMUNIQUE ISSUED IN HANOI LAST THURSDAY, THE PHILIPPINES GOVERNMENT PROMISED NORTH VIETNAM THAT IT WOULD NOT PERMIT THE UNITED STATES TO USE ITS BASES IN THE PHILIPPINES FOR ACTION AGAINST INDOCHINA.

THE PLEDGE WAS REPORTED IN A RADIO BROADCAST OF THE NORTH VIETNAMESE NEWS AGENCY MONITORED IN HONG KONG.

INDIA, PAKISTAN TO BEGIN TALKS ON IRRIGATION VENTURE

AUG. 11 (IPS)—TALKS BETWEEN INDIAN AND PAKISTANI GOVERNMENT OFFICIALS ARE SCHEDULED TO BEGIN AUG. 17 ON A JOINT VENTURE TO BUILD THE SALAL DAM PROJECT IN THE KASHMIR REGION, ACCORDING TO FOREIGN BROADCASTING INFORMATION SERVICE (FBIS) JULY 29. THE TWO GOVERNMENTS EXPECT TO RESOLVE VARIOUS TECHNICAL DIFFICULTIES CONNECTED WITH WATER CONTROL OF THE BORDER REGION.

IN AN OBVIOUS ATTEMPT TO FOIL THESE TALKS THE NEW YORK TIMES PUBLISHED AN UNSUBSTANTIATED ARTICLE TODAY STATING THAT "HIGH PAKISTANI" OFFICIALS FEAR INDIAN AGRESSION AS A "CRUDE DIVERSIONARY MANEUVER" TO EASE INTERNAL INDIAN POLITICAL STRAINS.

CHINESE LABOR UNREST MOUNTS

AUG. 11 (IPS)—AN EMERGENCY WORK CONFERENCE, HELD TO DISCUSS THE DIFFICULTIES IN CONTROLLING WORKERS' UNREST IN HANGCHOW, RELEASED A STATEMENT YESTERDAY INDICATING THAT "THE SITUATION IN SOME FACTORIES HAS DETERIORATED TO A POINT WHERE IT WILL BE VERY DIFFICULT TO RESOLVE."

ACCORDING TO RADIO CHEKIANG BROADCASTS MONITORED IN HONG KONG, CHINESE COMMUNIST PARTY LEADERS FROM THE PROVINCE OF CHEKIANG ANNOUNCED THAT "IT WILL BE NECESSARY TO DEAL AGGRESSIVE, SHARPLY AIMED BLOWS AT THE HANDFUL OF CLASS ENEMIES," FOMENTING "SABOTAGE OF PRODUCTION."

OVER THE PAST TWO MONTHS, WORKERS IN FACTORIES IN THE INDUSTRIAL CITY OF HANGCHOW HAVE BEEN PROTESTING SPEED-UP AND HAVE BEEN DEMANDING SALARY INCREASES. AIR FORCE UNITS AND OVER 10,000 SOLDIERS HAVE ALREADY BEEN MOVED INTO HANGCHOW TO QUELL WORKER UNREST.

(MORE)

DREGGER TAKES ANOTHER STEP AWAY FROM NEO-NAZI STRAUSS

WIESBADEN, BRD, AUG. 11 (IPS)—ALFRED DREGGER, WEST GERMAN CHRISTIAN DEMOCRATIC PARTY (CDU) CHAIRMAN IN THE STATE OF HESSEN, TODAY ASSERTED THAT THERE IS NO NEED FOR ANOTHER PARTY IN HESSEN IN ADDITION TO THE SOCIAL DEMOCRATIC PARTY, THE FREE DEMOCRATIC PARTY AND THE CHRISTIAN DEMOCRATIC UNION. HIS REMARKS WERE DIRECTED AT BAVARIAN FRANZ-JOSEF STRAUSS, THE NEO-NAZI CHAIRMAN OF THE CHRISTIAN SOCIAL UNION (CSU). STRAUSS HAD THREATENED TO SPLIT THE CDU/CSU ALLIANCE AND ESTABLISH A NATIONAL CSU.

FRANKFURTER ALLGEMEINE ZEITUNG BOLSTERS PCI AGENTS

WIESBADEN, PRD, AUG. 11 (IPS)—THE CONSERVATIVE WEST GERMAN DAILY FRANKFURTER ALLGEMEINE ZEITUNG TODAY TRIES TO BOLSTER THE CIA POLICIES OF THE ITALIAN COMMUNIST PARTY (PCI) LEADERSHIP. ALTHOUGH THE ALLGEMEINE NOTES THAT "PRAVDA (THE OFFICIAL SOVIET PAPER) HAS ADMONISHED THE ITALIAN COMMUNISTS," THE ARTICLE PLAYS UP THE REASSERTION OF POLYCENTRISM BY UNITA, THE PCI NEWSPAPER. DOWNPLAYING THE COMMUNIQUE OF PCI POLITBURO MEMBER PAJETTA IN HIS TRIP TO MOSCOW WHICH SUPPORTS THE PORTUGUESE COMMUNIST PARTY, THE ALLGEMEINE FEATURES UNITA'S ASSERTION THAT THE PCI "HAS ITS OWN POLICY AND ITS OWN EXPERIENCES."

CONTINENTAL NEWS

SEC THROWS ITS WEIGHT BEHIND MUNICIPAL BUDGET REFORMS

AUG. 11 (IPS)—IN A MAJOR POLICY STATEMENT, THE SECURITIES AND EXCHANGE COMMISSION WARNED THAT IT WILL FILE SUIT AGAINST MUNICIPALITIES WHICH DO NOT MAKE KNOWN SUCH FISCAL IRREGULARITIES AS "HIDDEN DEFICITS" IN ADVANCE OF BOND SALES, ACCORDING TO TODAY'S NEW YORK TIMES.

THE SEC'S ACTION COMES IN WAKE OF DISCLOSURES LAST WEEK OF A NEARLY \$500 MILLION "HIDDEN DEFICIT IN THE NEW YORK CITY BUDGET AND CALLS BY THE MUNICIPAL ASSISTANCE CORPORATION (BIG MAC) FOR STRINGENT AUDITING PROCEDURES FOR THE CITY.

BIG MAC SEPTEMBER ISSUE TERMED UNMARKETABLE

AUG. 11 (IPS)—A BOARD MEMBER OF NEW YORK CITY'S MUNICIPAL ASSISTANCE CORPORATION (BIG MAC) TOLD THE NEW YORK TIMES YESTERDAY THAT UNLESS THE FEDERAL GOVERNMENT FURNISHES "LEGAL GUARANTEE OR BACKING" FOR \$1 BILLION IN BIG MAC BONDS SCHEDULED TO GO ON SALE IN SEPTEMBER, THE BONDS WILL BE UNMARKETABLE. FELIX ROHATYN, A MEMBER OF THE BOARD, PLEDGED TO GO TO WASHINGTON "EVERY HOUR ON THE HOUR" TO SEEK THE GUARANTEES IF U.S. OFFICIALS CONTINUE TO REFUSE THE GUARANTEE AND BANKS OUTSIDE OF NEW YORK CITY CONTINUE TO REFUSE TO PURCHASE THE BONDS.

(MORE)

IPS 8.11/7

KHEEL ANNOUNCES CAMPAIGN AGAINST FARE HIKE

AUG. 11 (IPS)—FORD FOUNDATION AGENT THEODORE KHEEL STATED YESTERDAY THAT THE 15 CENT SUBWAY AND BUS FARE HIKE IMPOSED ON NEW YORK CITY BY BIG MAC WOULD BE "INFLATIONARY, WASTEFUL AND COUNTERPRODUCTIVE." ACCORDING TO THE NEW YORK DAILY NEWS, KHEEL CHARGED THAT THE INCREASE, WHICH WAS DEMANDED BY BIG MAC AS A "SYMBOL OF THE CITY'S WILLINGNESS TO CHANGE ITS LIFESTYLE," WOULD TRIGGER COST-OF-LIVING INCREASES IN UNION CONTRACTS ACROSS THE COUNTRY.

FEARING A PUBLIC REBELLION AGAINST THE 50 CENT FARE, WHICH IS SCHEDULED TO GO INTO EFFECT SEPTEMBER 1, KHEEL ANNOUNCED THAT HE WOULD ATTEMPT TO CHANNEL OPPOSITION INTO LAWSUITS AGAINST THE INCREASE BEING UNDERTAKEN BY THE U.S. ENVIRONMENTAL PROTECTION ADMINISTRATION AND OTHERS. KHEEL IS KNOWN TO FAVOR INCREASED TAXES ON MOTORISTS INSTEAD OF A FARE HIKE.

ILA BEGINS ANTI-SOVIET BOYCOTT

AUG. 11 (IPS)—INTERNATIONAL LONGSHOREMEN'S ASSOCIATION OFFICIALS ANNOUNCED THEY WOULD REFUSE TO HANDLE U.S. GRAIN SHIPMENTS BOUND FOR THE SOVIET UNION ACCORDING TO THE WALL STREET JOURNAL AND JOURNAL OF COMMERCE.

LAST THURSDAY, AN ILA WORK GANG AT BEAUMONT, TEXAS, JUMPED THE GUN, REFUSING TO LOAD GRAIN ON A YUGOSLAV SHIP DESTINED FOR THE USSR. ILA OFFICIALS LATER CALLED OFF THEIR ACTION WHEN THEY DISCOVERED THE SHIPMENT WAS "OLD GRAIN", PART OF THE REMAINING SHIPMENTS OF LAST YEAR'S CROP NOT SUBJECT TO THE ILA BOYCOTT.

U.S. TREASURY OPTS FOR TRADE WAR

AUG. 11 (IPS)—THE U.S. TREASURY HAS ANNOUNCED ITS DECISION TO INVESTIGATE AUTO DUMPING CHARGES FILED BY THE UNITED AUTOWORKERS UNION AND REP. JOHN DENT AGAINST EUROPEAN AND JAPANESE AUTOMAKERS.

ACCORDING TO TODAY'S WALL STREET JOURNAL, THE COMMON MARKET HAS WARNED THE U.S. THAT IT WILL RETALIATE IN CASE ANY CURBS ARE PLACED ON MEMBER NATION'S AUTO EXPORTS TO THE U.S. RESULTING FROM THE TREASURY'S INVESTIGATIONS. AN EDITORIAL IN THE HANDELSBLATT, A LEADING WEST GERMAN FINANCIAL DAILY, REFLECTS THE ALARM AND "SHOCK WAVES" THE TREASURY DECISION HAS CAUSED AMONG EUROPEAN CIRCLES.

A TREASURY OFFICIAL QUERIED ABOUT THE ADVERSE CLIMATE CREATED BY ITS ACTIONS STATED BLUNTLY: "WE DON'T CARE WHAT IT DOES TO GATT. (A REFERENCE TO THE TRADE NEGOTIATIONS NOW GOING ON IN GENEVA WHERE THE U.S. IS SEEKING EUROPEAN COOPERATION.) WE WILL GO AHEAD WITH THE INVESTIGATIONS. ...IF THE EUROPEANS RETALIATE, THEN WE WILL IMPOSE VERY HARSH IMPORT CURBS. THE EUROPEANS WILL LOSE MORE IF IT CAME TO THAT."

(MORE)

IPS 8.11/8

BEAME WAGE FREEZE DOES NOT COVER TEACHERS

AUG. 11 (IPS)—MAYOR BEAME SIGNED LEGISLATION TODAY WHICH ORDERS A WAGE FREEZE FOR ALL CITY EMPLOYEES, A SPOKESMAN FOR THE MAYOR'S OFFICE SAID TODAY. SPOKESMAN SAID THAT THE FREEZE APPLIES TO ALL UNIONS WHICH HAVE NOT REACHED A "VOLUNTARY" WAGE FREEZE AGREEMENT WITH THE CITY BY SEPTEMBER 1.

THE MAYOR'S OFFICE SAID THAT THE FREEZE DOES APPLY TO THE TRANSPORT WORKERS UNION, WHICH NEGOTIATES CONTRACTS WITH THE METROPOLITAN TRANSPORTATION ADMINISTRATION, A STATE AGENCY, BUT PROBABLY DOES NOT APPLY TO THE UNITED FEDERATION OF TEACHERS, WHOSE CONTRACT WITH THE CITY HAS EXPIRED.

THE SPOKESMAN ADMITTED THAT HE WAS CONFUSED BY THE EXCLUSION OF THE TEACHERS FROM THE LAW, BUT SAID THAT BECAUSE THE UNION, WHICH HAS REJECTED A VOLUNTARY FREEZE, WAS IN THE MIDDLE OF CONTRACT NEGOTIATIONS, THE MAYOR'S OFFICE HAD ORDERED "NO COMMENT" ON THE MATTER.

ORGANIZING AND INTELLIGENCE REPORT

USLP TESTIFIES FOR NYC DEBT MORATORIUM DENOUNCES WAGE FREEZE

NEW YORK, AUG. 11 (IPS)—U.S. LABOR PARTY SPOKESWOMAN ROBIN TAUB TODAY TESTIFIED AT THE "LOCAL LAW" HEARINGS ON MAYOR BEAME'S WAGE FREEZE.

ACCORDING TO TAUB, "THE WORKING CLASS OF THIS CITY ARE TARGETS OF A RAND CORP. WAR GAME. LOUIS WEIN FROM THE DOMESTIC COUNCIL WAS HANDPICKED BY NELSON ROCKEFELLER AS MAYOR BEAME'S CONTROL AGENT (AS THEY SAY IN CIA JARGON) TO DETERMINE FISCAL POLICY FOR N.Y. N.Y.'S BUDGET 'SPECIALIST' IS ROBERT BOTT RAND—CIA AGENT WHO WAS DEPLOYED BY THE CIA TO BRAZIL TO CUT WORKERS WAGES BY 45 PER CENT."

TAUB WENT ON TO CITE THE DEBT SERVICE DEMANDS STRANGLING THE CITY WHICH WOULD BE HALTED BY CITY COUNCILMAN LOUIS OLMEDO'S DEBT MORATORIUM RESOLUTION NOW TIED UP IN THE COUNCIL'S FINANCE COMMITTEE. "\$1.8 BILLION OF THE CITY BUDGET CURRENTLY EARMARKED BY INTEREST AND AMORTIZATION PAYMENTS WOULD IMMEDIATELY BE FREED," SHE CHARGED. "WHILE PAYROLL EXPENSES ACCOUNT FOR \$4,269.9 MILLION FOR THE REST OF THE FISCAL YEAR, DEBT SERVICE PAYMENTS TOTAL \$5,969.2 MILLION. THE OLMEDO RESOLUTION CALLS FOR SUSPENSION OF DEBT PAYMENTS FOR A MINIMUM OF 18 MONTHS PLUS A TAX ON THE INCOME OF COMMERCIAL BANKS, THUS FREEING SUFFICIENT REVENUE TO MAINTAIN SERVICES AND PREVENT LAYOFFS."

END OF IPS 8.11/COMBINED