

JAN. 18 (IPS) - PRESIDENT SADAT OF EGYPT HAS WARNED ISRAEL THAT UNLESS SHE WITHDRAWS FROM SOME OCCUPIED TERRITORY, HE WILL ABANDON COOPERATION WITH U.S. SECRETARY OF STATE HENRY KISSINGER'S STEP-BY-STEP PEACE EFFORTS, ACCORDING TO AP AND REUTERS REPORTS IN THE TORONTO GLOBE AND MAIL.

JAN. 18 (IPS) - THE WEST GERMANY COMMUNIST PARTY NEWSPAPER UNSERE ZEIT REPORTED TODAY ON AN INTERVIEW WITH THE CHRISTIAN DEMOCRATIC MILITARY EXPERT WOERNER AND THE NATO-ALLIED WEEKLY, DIE ZEIT. THE FOLLOWING SECTION OF THE WOERNER INTERVIEW IS PROVIDED: "POSSIBLE WAR SCENARIOS AND CORRESPONDING DECISION ON THE PART OF THE AMERICANS AND THE GERMANS ON MIDEAST POLICY ARE THE SUBJECT OF INTERNAL CONSIDERATION BY THE FEDERAL GOVERNMENT AND THE OPPOSITION (OF WEST GERMANY)."

III. INDOCHINA

JAN. 18 (IPS) -- IN AN ARTICLE MARTIN WOOLACOTT WROTE IN YESTERDAY'S TORONTO STAR "SOUTH VIETNAM'S DAY OF RECKONING IS CLOSE AT HAND." WOOLACOTT DESCRIBES THE NORTH VIETNAMESE AS BEING ABLE TO CHOOSE THE SITE AND TIME AND OBTAIN SUPERIOR FIREPOWER FOR ANY BATTLE. THE OBJECTIVE OF THEIR CURRENT CAMPAIGN IS TO DISPLACE THE THIEU GOVERNMENT," WOOLACOTT SAYS.

JAN. 18 (IPS) -- CAMBODIA'S LON NOL GOVERNMENT HAS INSTITUTED A "POLICY ON AUSTERITY," PLACING LOW SUPPLIES ON THE COMMUNIST FORCES' "TOTAL BLOCKADE" OF THE MEKONG RIVER, ACCORDING TO SYDNEY SCHANBERG WRITING IN TODAY'S NEW YORK TIMES. BOTH THE CAMBODIAN GOVERNMENT AND THE UNITED STATES HAVE REFUSED TO REVEAL HOW LOW THE AMOUNTS OF VITAL STOCKS ARE, SO AS NOT TO "PANIC" THE POPULATION. THE AMERICAN "CONTINGENCY PLAN" TO BE USED AS A "LAST RESORT" TO PROP UP THE CAMBODIAN GOVERNMENT IS TO USE U.S. AIR FORCE PLANES IN THAILAND TO AIRLIFT IN SUPPLIES.

JAN. 18 (IPS) -- THE TORONTO GLOBE AND MAIL YESTERDAY CARRIED AN ASSOCIATED PRESS - REUTERS ARTICLE QUOTING PRAVDA COMMENTATOR YURI ZHUKOV TO THE EFFECT THAT THE U.S. WAS NOT FULFILLING THE TERMS OF THE PARIS ACCORDS, WHICH BAN U.S. ARMS SHIPMENTS TO SOUTH VIETNAM. PRAVDA SAYS THAT SINCE JANUARY 1973 THE U.S. HAS SENT 1100 TANKS AND ARMORED CARS, 800 GUNS, 700 AIRCRAFT, AND 200 WARSHIPS TO SOUTH VIETNAM.

IV. WESTERN EUROPE

JAN. 18 (IPS) -- WEST GERMAN CHANCELLOR HELMUT SCHMIDT BEGAN HIS FOREIGN POLICY SPEECH AT A SOCIAL DEMOCRATIC CONFERENCE YESTERDAY STATING THAT THE DANGER OF A MIDEAST WAR WAS "THE GREATEST DANGER TO OUR SECURITY." ACCORDING TO THE RIGHT-WING WEST GERMAN DAILY DIE WELT, SCHMIDT CLOSED WITH A WARNING TO THE U.S.: "...WE MUST AVOID THAT OUR AMERICAN FRIENDS, BASED ON AN OVERESTIMATION OF OUR ECONOMIC < FINANCIAL AND POLITICAL ABILITIES < POSE DEMANDS TO US WHICH WE CANNOT FULFILL." THE STANDING VIEW OF THE SCHMIDT GOVERNMENT IS THAT "THE RIGHT TO EXIST OF ISRAEL WITHIN ASSURED AND SECURED BORDERS MUST BE GUARANTEED."

BRD MILITARY POLICY DECISION

JAN. 18 (IPS) -- THE MAJOR WEST GERMAN DAILY DIE WELT TODAY REPRINTED THAT THE FEDERAL GOVERNMENT OF WEST GERMANY HAS REACHED A COMPROMISE DECISION WITH MEMBERS OF THE CHRISTIAN DEMOCRATIC PARLIAMENTARY OPPOSITION ON REFORM OF THE NATIONAL ARMY (BUNDESWEHR). THE COMPROMISE IS BASED ON A JOINT DECISION TO POSTPONE THE REDUCTION OF THE BUNDESWEHR BY 45,000 MEN, PENDING A POSITIVE OUTCOME OF THE VIENNA TROOP REDUCTION TALKS; AS WELL AS TO MAINTAIN THE PRESENT STRUCTURE OF THE NORTH GERMAN COMMANDO UNITS.

JAN. 18 (IPS) -- THE WEST GERMAN GOVERNMENT ANNOUNCED THAT BECAUSE OF PRESSURE FROM THE CHRISTIAN SOCIAL AND CHRISTIAN DEMOCRATIC PARTIES, IT WOULD GIVE UP ITS PREVIOUS PLAN FOR BUDGET RE-ORGANIZATION TO PROVIDE EXPENDITURES FOR MORE MODERN WEAPONS SYSTEMS, REPORTS TODAY'S FRANKFURTER ALLGEMEINE ZEITUNG. THE STRENGTH OF THE ARMY WILL NOT BE REDUCED, AND SUCH CONSIDERATIONS WOULD DEPEND UPON "SATISFACTORY RESULTS" AT THE MBFR TALKS IN VIENNA. CDU DEFENSE SPOKESMAN WOERNER CONTENDED THAT THE MAJOR CONSIDERATION NOW WAS COOPERATION BETWEEN THE OPPOSITION AND THE GOVERNMENT.

WARFARE ESCALATES IN PORTUGAL BETWEEN COMMUNIST AND SOCIALIST PARTIES

JAN. 18 (IPS) -- THE LATEST ISSUE OF AVANTE, THE WEEKLY NEWSPAPER OF THE PORTUGUESE COMMUNIST PARTY, INCLUDES AN UNPRECEDENTED, SCATHING ATTACK ON THE CIA-LINKED PORTUGUESE SOCIALIST PARTY. ON JAN. 16, AVANTE DOCUMENTED HOW THE PSP'S "SYNDICAL PLURALISM" (THE POLICY OF HAVING MANY COMPETING "INDEPENDENT" TRADE UNIONS) IS THE SAME LINE USED BY THE CIA IN THE POSTWAR PERIOD TO DIVIDE AND CRUSH THE FRENCH AND ITALIAN LABOR MOVEMENTS.

JAN. 18 (IPS) -- THE PORTUGUESE ARMED FORCES MOVEMENT HAS JOINED COMMUNIST GROUPS IN PORTUGAL IN BACKING LEGISLATION THAT WILL ABOLISH ANY OTHER LABOR GROUP IF 50% OF VARIOUS LABOR FEDERATIONS VOTE FOR SINGLE CONFEDERATION. THE PORTUGUESE SOCIALIST AND CENTRIST POPULAR DEMOCRATIC PARTIES WARN OF A NEW DICTATORSHIP, ACCORDING TO TODAY'S WASHINGTON POST.

JAN. 18 (IPS) -- POLISH COMMUNIST PARTY CHIEF EDWARD GIEREK COMPLETED HIS VISIT TO COSTA GOMES, COMMUNIST PARTY CHAIRMAN, OF PORTUGAL, REPORTS TODAY'S FRANKFURTER ALLGEMEINE ZEITUNG. GIEREK ALSO MET WITH MEMBERS OF THE PROVISIONAL GOVERNMENT. MEANWHILE, THE LEADER OF THE CENTRIST DEMOCRATIC PEOPLES PARTY OF PORTUGAL, PORTUGUESE SA CARNEIRO, WARNED OF A "LEFT DICTATORSHIP IN PORTUGAL," WHICH HE TERMED A FUNDAMENTAL DANGER TO THE CONSOLIDATION OF DEMOCRACY IN PORTUGAL. HE CHARGED THAT "POLITICAL FORCES ARE ATTEMPTING TO SEIZE POWER THROUGH UNDEMOCRATIC MEANS."

AT THE SAME TIME, IRENE SELICO OF THE CIA-DOMINATED PORTUGUESE SOCIALIST PARTY ACCUSED THE COMMUNIST PARTY OF USING "SHOCK TACTICS AND MANIPULATION" TO PUSH EVERYONE BUT THEMSELVES OUT OF THE GOVERNMENT.

STRIKE WAVE HITS SPAIN

JAN. 13 (IPS) -- A FIRMLY ENTRENCHED STRIKE WAVE OF POLITICAL OVERTONES, HAS BEGUN IN THE CORE OF SPANISH INDUSTRY, PRINCIPALLY IN THE AUTO SECTOR, DUE TO PRODUCTION CUTBACKS. ACCORDING TO THE SPANISH PRESS, IN THE NORTHERN CITIES OF PAMPLONA AND BARCELONA, 21,000 IN BRITISH LEYLAND-AUTHI AND 26,000 IN SEAT HAVE BEEN OUT ON STRIKE FOR THE PAST WEEK. UNLIKE RECENT STRIKES, THE STRIKING WORKERS HAVE BEEN JOINED BY STUDENTS, AND THEY HAVE THROWN UP BARRICADES.

V. WORLD FINANCIAL SURVEY

JAN. 18 (IPS) -- THE NEW YORK TIMES TODAY BUOYED A REPORT OF THE INTERNATIONAL MONETARY FUND DECISION TO DEMONETIZE GOLD. THE RECENTLY-CONCLUDED IMF MEETING AGREED TO ABOLISH THE OFFICIAL GOLD PRICE AND ALLOW ALL CENTRAL BANKS TO VALUE THEIR GOLD IN ANY WAY THEY WISH. THE IMF MOVE, WHICH THREATENS TO PLUNGE WORLD TRADE INTO TOTAL CHAOS, WAS MENTIONED ONLY PARENTHETICALLY AT THE END OF AN ANALYSIS BY TIMES WASHINGTON, D.C. CORRESPONDENT EDWIN DALE.

INCREASE MILITARY SPENDING

JAN. 18 (IPS) -- THE TORONTO STAR TODAY REPORTED THAT CANADIAN FEDERAL DEFENSE MINISTER JAMES RICHARDSON HAS ANNOUNCED A 12 PER CENT INCREASE IN DEFENSE SPENDING FOR 1975 UP TO \$2.5 BILLION.

ATHABASCA PROJECT IN JEOPARDY

JAN. 18 (IPS) -- THE NEW YORK TIMES REPORTS TODAY THAT TEXACO CANADA, LTD., HAS ANNOUNCED IT WILL NOT PARTICIPATE IN ATHABASCA OIL-SANDS DEVELOPMENT PROJECT IN NORTHERN ALBERTA. THE PROJECT WILL COLLAPSE UNLESS AN ADDITIONAL \$1 BILLION IS COMMITTED WITHIN TWO WEEKS, A HIGHLY UNLIKELY PROSPECT.

JAN. 18 (IPS) -- THE TORONTO GLOBE AND MAIL TODAY REPORTED THAT GREAT WEST STEEL INDUSTRIES LTD. AND WEST GERMANY'S KRUPP INDUSTRIES HAVE FORMED A JOINTLY-OWNED SUBSIDIARY, GWS KRUPP INDUSTRIES LTD. WHICH WILL TAKE OVER AND OPERATE THE EDMONTON (ALTA.) STEEL OPERATIONS OF GREAT WEST STEEL. THE FIRMS'S PRESS RELEASE NOTED THAT IT WILL PRODUCE EQUIPMENT THAT "IS USED EXTENSIVELY IN OIL SANDS DEVELOPMENT AND COAL MINING."

JAN. 18 (IPS) -- THE NEW YORK TIMES REPORTS THAT THE DOW JONES INDUSTRIAL AVERAGE FELL 11.11 POINTS YESTERDAY. ACCORDING TO THE TIMES, INVESTORS ARE APPREHENSIVE OVER THE HIGHLY DEFLATIONARY EFFECT OF PRESIDENT FORD'S ENERGY CONSERVATION PLAN.

JAN. 18 (IPS) -- ACCORDING TO TODAY'S NEW YORK TIMES, FARM COMMODITIES PRICES RECORDED SHARP DECLINES YESTERDAY AS TRADERS PANICKED OVER THE DEEPENING DEPRESSION AND CONSUMERS' INABILITY TO AFFORD MEAT. CORN DROPPED THE DAILY 10-CENT-A-BUSHEL LIMIT ON THE CHICAGO BOARD OF TRADE, WITH MARCH DELIVERY CLOSING AT \$3.20 A BUSHEL. SOYBEANS ALSO