

developed or developing, none has been spared."

In a final act of propitiation toward the United States, most of the European ministers, as well as the IMF's Managing Director Johannes Witteveen, called on the United States to reflate its economy and get a recovery underway, something the U.S. could not do if it wanted to. In effect, the European ministers, the worst die-hard Atlanticists in Europe, demanded that Simon and Ford spare them the agony of a final break with the dollar. But Simon, in his speech, rebuffed the suggestions, insisting that the U.S. would continue its current monetary policy, i.e. no finance except financing of old debts.

Italy's new Central Bank Governor Rinaldo Ossola presented a "consensus European viewpoint, predicting that "three broad monetary zones would slowly emerge from the debris of the Bretton Woods system...the dollar, European and yen areas," in a recent article. Interviewed at the conference,

Ossola demurred at the notion that three monetary areas with no acceptable monetary assets other than gold would have to clear payments in the metal — "except in an emergency," the banker added quickly.

But some Italian private bankers were less coy. According to Gaetano Stammati, Chairman of the Banca Commerciale Italiana, "there are already many bilateral arrangements with the Comecon banks using the transfer ruble. This requires time and patience," Stammati said in an in-

West German delegates were determined to keep up Atlanticist appearances in Washington. Queried about the progress of negotiations with the Soviets on the ruble, West German Federal Bank Vice-President Otmar Emminger said, "I know nothing of this — but then again, there are many important things I don't know about." His aide, Federal Bank Director Helmut Schlesinger said, "That's a question you should ask the Eastern countries."

A Huge Bazaar

Otherwise, the conference functioned as a huge bazaar, held in the lobbies of Washington's Park-Sheraton Hotel. Third World delegates circulated among the droves of New York bankers who show up at such affairs, begging for the odd million of emergency loan credits.

In this degrading context, the Third World delegates were hush-hush on the subject of debt moratoria. "I cannot think of debt moratoria, not until I consult with other members of the non-aligned group," a high official of one country said. In background discussions, Third World members of the Interim Committee, the senior representatives of the developing sector in Washington, indicated they would postpone an open push for debt moratoria until they had clear political commitments on three-way trade with Comecon and Western Europe. Otherwise, they said, they did not want to run the risk of a credit and trade embargo led by a vengeful United States.

CIA MANEUVERS WEAKEN PORTUGUESE GOVERNMENT

Sept. 3 (IPS) — On orders from the U.S. gangland "Ambassador" to Portugal, "Frankie" Carlucci, the compromise agreement worked out last Friday between Communist Party-allied forces and their Carlucci-led opponents in Portugal is now being torn to shreds by the CIA forces. These moves, coupled by economic sabotage directed by the Second International and the CIA, have begun to weaken control of pro-working class forces in the government and the ruling Armed Forces Movement (MFA). If the reactionary forces continue on this course, an all-out clash with the Portuguese Communist Party and its allies — civil war — is inevitable.

Carlucci's pro-fascist top military are now moving feverishly to purge pro-leftists in the hope of packing this Friday's crucial meeting of the hitherto pro-working-class Armed Forces Assembly of 240 officers and non-commissioned officers. Reactionary officers are attempting to deny their men the privilege of electing delegates to the Assembly, instead appointing the delegates themselves. Yesterday's Army Assembly and today's Air Force Assembly saw developments in this direction. Both services are headed up by generals lined up with Carlucci.

Yesterday the Air Force chief and President Costa Gomes met with "Ambassador" Carlucci. East German radio reports that the outcome of the meeting was hostile to the Communist Party-backed General Vasco Gon-

calves serving as commander-in-chief of the armed forces, despite the fact that this was the central point in the compromise worked out last Friday, when Goncalves ceded his post as the country's prime minister. Provocations in the past week have included the occupation of buildings of the pro-working class "Fifth Division" (the armed forces propaganda unit), by troops brought in from Angola for his own purposes by the discredited Maoist General, Otelo Carvalho; a short-lived rebellion by a clique of northern officers, who placed themselves under the command of the central regional commander in mutiny from General Goncalves; and unilateral assumption of command of the critical, heavily armed COPCON (internal security) units by President Costa Gomes — a move against the former head Goncalves.

Meanwhile, the yet-to-be formed government of the new prime minister, Admiral Pinheiro de Azevedo, is threatening to turn the clock back to the paralyzed "destabilization days" of the Fourth coalition government, when the country's two CIA-controlled social democratic parties shared the cabinet with the Portuguese Communist Party. The two CIA parties deliberately paralyzed the government from dealing decisively with the State Department-coordinated economic sabotage against Portugal.

Cunhal Interview

Portuguese Communist Party (PCP) leader Alvaro Cunhal summed the

situation up in an interview with the Italian weekly Epoca. Cunhal stressed that the situation was "very difficult" and that in recent weeks, as a result of destabilizing operations led by the Portuguese Socialist Party (PSP), the organ of political power of both the MFA and the government had become weaker.

Carlucci has been directing provocations against the PCP-led working class, including a fraudulent union election over the weekend and the breakup yesterday of the PCP-initiated anti-fascist Common Front, in which five heavily CIA penetrated Maoist groups briefly participated, including NATO agent Ernest Mandel's ostensibly Trotskyist LCI. The five groups refused to work with the PCP on even a minimal anti-fascist basis, doubtless by prearrangement by Carlucci at this juncture.

The purpose of the endless merry-go-round of Carlucci-orchestrated destabilization has been to demoralize the Portuguese population, above all the volatile military, as the paralysis in political and military structures leaves the country helpless in the face of the more fundamental sabotage against the economy itself. This was the CIA's Chile formula, with which Carlucci is fully conversant, having himself been active there.

To bring about the desired demoralization, Carlucci's State Department has sent hundreds of agents scurrying over the surface of the earth — from

Timor to the Azores — toward the purpose of destroying Portugal and the creative efforts of its working class. The State Department's cannibal countergang in Angola, the FNLA, has been hurled into butcheries in Angola in order to drive hundreds of thousands of Portuguese Angolans back to the north of Portugal, bearing with them cholera, endemic to Angola, and unemployment, endemic to both. Once the refugees had transplanted cholera to Portugal's north several months ago, this was gleefully publicized by the CIA-connected press, especially in Britain — ordinarily a major source of tourist revenue for Portugal — in order to deprive the country of needed foreign exchange. Last summer, tourism in Portugal was thus reduced to 20 per cent of capacity.

Another key foreign exchange earner for Portugal is its exports. Second International-run Britain, largest customer of Portuguese textiles, has just erected protectionist regulations which are devastating the country's largest industry, throwing thousands into unemployment, beyond the hundreds of thousands dumped in the country by the CIA bloodbath in Angola. Britain is also sabotaging orders for Portuguese wine, for which it until now has been Portugal's stable customer. West Germany, Britain, France and the U.S. have cancelled their orders for cork, a leading

export.

Canada is working to exclude Portuguese fishing boats from the Newfoundland banks so that Europe's most protein deficient population will have even less to eat, while the Swedish firm Eriksberg has cancelled its contract to supply Portugal's leading shipyard with needed parts. Rockefeller's Mobil Oil has been reneging on commitments at Gaia, Portugal, and First National City Bank went back on a loan it promised a Portuguese brewery just before the April 1974 coup.

The imperialist banks have cut off credit to Portugal, so that even Portugal's minimal economic survival programs have been crippled. At the same time, NATO threatens invasion if the Soviet Union should make a major economic trade commitment to Portugal. Those foreign banks not denying Portugal credit altogether for financing basic trade have imposed a 5 per cent penalty fee because of supposed political risk.

The European Economic Community has refused to give Portugal any credit at all — after looting a million Portuguese gasarbeiter for twenty years. — unless PSP leader Mario Soares's sexual perversion, "pluralism," is officially reinstated in Portugal. The EEC had no such compunctions under the Salazar dictatorship.

Is Lisbon Burning

West German member of the Rocke-

feller family's Trilateral Commission Kurt Birrenbach summed up the State Department policy succinctly in an interview with IPS six months ago. He said a NATO invasion would not even be necessary along the lines of his thinking. Portugal, by economic blockade and sabotage, would be turned into a Third World country, then a "fourth World" country, and finally, he concluded, it could become all "burnt out."

Indeed, taking this perspective literally, Carlucci's agents have been incinerating Portugal's valuable timber forests through arson, including the reported use of light planes and Spanish military helicopters. It is also reported that Spain is site of an operation counterfeiting the Portuguese currency, the escudo. The fake escudos are being sold cut-rate to workers returning to Portugal through Spain.

The international working class has a ruthless answer to the U.S. State Department and its allied scum running the governments of Social Democratic Britain, Sweden, and West Germany, and Giscard d'Estaing's France for this. Not a Kopeck of East-West trade to any country whose firms engage in sabotage of the Portuguese economy! The first accommodation which the U.S., for its part, must make is to get its gorilla Carlucci out of Portugal and replace him with a member of the human race.