



# NEW SOLIDARITY International Press Service

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EARLY EVENING REPORT  
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## I. PRIORITIES

### BHUTTO SUPPORTS DEBT MORATORIUM, SAYS THIRD WORLD CRISIS VERY SERIOUS, ATTACKS "SWEDISH WAY"

Stockholm, Feb. 23 (IPS)--Pakistan Prime Minister Zulfikar Ali Bhutto reiterated Pakistan's long-standing position in favor of debt moratoria for developing sector countries at a press conference here yesterday. In response to a question on whether his government would support a call for debt moratoria by pro-development forces in Italy and by a group of Third World countries, he said: "The Group of 77 countries are those that have been by far most affected by the crisis....All these countries face serious balance of payments deficits. This state of affairs can not endure for long. It will inevitably affect the entire world economic order....But there has to be some solution. Everyone knows that drastic measures must be taken, and that the present economic order requires vast changes. If these results are not achieved, there will be world economic devastation...."

"Now our country has indeed made proposals at the United Nations, at Manila and elsewhere for a New World Economic Order," Bhutto continued. "In these proposals debt moratoria has been one part...Debt moratoria cannot be regarded as an isolated measure, but as part of a packet. Pakistan and the other Group of 77 nations are discussing these things in Paris and elsewhere now."

On the question of Italy, Bhutto said that although the situation was not as severe as for the developing sector, "This is not to say that we have no sympathy for the situation in Italy. It is very serious."

When asked by another reporter for his impressions of the Swedish economy, Bhutto indicated it was not at all what he had imagined. "You know in Pakistan, we've always been impressed with Sweden for its economic planning, for its socialist economy and so on. But when we got here we found only 5 percent of Swedish industry is nationalized and the land, it's all private. Why, we have done much more than that in Pakistan." And when asked whether Swedish Prime Minister Olof Palme would visit Pakistan, Bhutto suggested that Palme was probably too preoccupied with the

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upcoming Swedish elections. "As for after the election," Bhutto added, "the invitation still stands...You know, Nixon is travelling to China, and he's no longer president."

BRITISH PRESS BLAMES GOVERNMENT  
SOCIAL SERVICE CUTS ON DEBT COSTS

Feb. 23 (IPS)—The London press responded unanimously on Feb. 21 to massive social service cuts announced two days ago by the British Government by blaming the cuts on the skyrocketing cost of refinancing Britain's debt. The cuts, announced in the government's White Paper on economic policy, will affect social services, housing, transport and food subsidies, while allowing for a 3 billion pound rise in national debt payment.

According to London Times Economics editor, Peter Jay, the plan has "forfeited any real chance of ever regenerating the process of creating new national wealth except temporarily by...hyper-inflation." In fact, Jay states, "the political consequences of a world in which the people pay taxes principally in order to meet the cost of interest on the national debt while the standard and quality of public services and national defense are eroded further and further, defies imagination. This indeed is the classic profile of national bankruptcy. It is the slippery slope which leads ineluctably to repudiation of debt and political collapse."

The left-wing Tribune group of the Labour Party called the plan "the handmaiden of the City, the Confederation of British Industry, and other enemies of Labour in the British establishment." Conservative leaders, who otherwise back massive spending cuts, attacked the debt question directly. Said one Conservative spokesman, "Borrowing will have grown so much by 1979 that all the money that may have been saved by pruning public spending programs will be swallowed up in paying extra interest to the tune of more than 3,000 million pounds."

U.S. ESCALATES ANTI-ALGERIAN ATTACK BY SENDING JETS TO MOROCCO

Feb. 22 (IPS)—The U.S. has decided to sell a squadron of 24 F-5E jet fighter planes and a fleet of armored vehicles to Morocco. The deal is a sign of continuing American support for King Hassan II in his ongoing dispute with Algeria around the former Spanish Sahara, according to the lead article in yesterday's New York Times.

The Times notes the reason for the U.S. support for Morocco by referring to Algeria's role in implementing a new world economic order and debt moratorium: "The Ford Administration... has made no secret of its unhappiness with Algeria's efforts to dominate the leadership of the Third World with a radical program almost always at odds with American interests."

The sale of U.S. planes for Morocco after Hassan's attempt to obtain French Mirage fighters fell through because of internal French resistance to the Giscard government's foreign policy.

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CUBAN MISSION TO MEXICO CONCLUDES MAJOR SUGAR TECHNOLOGY DEAL,  
BLASTS KISSINGER'S LATIN TRIP AS A "THREAT"

Feb. 23 (IPS)—High Cuban officials announced Feb. 20 at a Mexico City press conference that Cuba and Mexico have completed negotiations for a major joint investment in sugar production. Under the terms of the 80 million dollar agreement, new sugar refining mills will be built in both countries. Cooperative agreements were also established in fishing, steel and chemical technology. The agreements were announced by the Cuban Minister of Heavy Industry, Lester Rodriguez, and the Cuban ambassador to Mexico, F. Lopez Muino, and were reported in the Mexico City press yesterday.

During the press conference, Muino referred directly to the current trip of Secretary of State Henry Kissinger through Latin America as "a threat to organizations like the Latin American Economic System (SELA)." He added that "it doesn't matter what Kissinger says, our internationalist duty is clear and we will fulfill it."

MEXICAN TRADE STEPPED UP WITH ITALY

Feb. 23 (IPS)—High Mexican officials and the Italian ambassador to Mexico signed an agreement three days ago in the presence of President Luis Echeverria giving the Italian firm Oerlikon Italiana a contract to expand machine tool manufacture in Mexico. On the same day, as reported in the Mexican daily Novedades, a major Italian trade mission arrived for four days of discussions in Mexico's second largest city, Guadalajara. The mission includes the director and deputy director of the Italian Institute of Foreign Trade.

El Nacional, a pro-development Mexican government paper, commented Feb. 21 on the machine tool contract, noting that "the possibility of constructing machine tools—that is to say, tools which serve to make other machines and other tools—is one of the surest indices of the industrialization of a country. At a given point this capacity indicates the transition from underdevelopment to development."

U.S.-BRAZIL ACCORDS DESIGNED TO ISOLATE PERU,  
SAYS EL SOL OF MEXICO

Feb. 23 (IPS)—"There is no doubt (the U.S.-Brazil accords of two days ago) are intended to isolate the progressive Peruvian regime and foment the crisis in Argentina," the progressive Mexican daily El Sol stated in its lead editorial Feb. 21. Commenting further on the agreements which U.S. Secretary of State Henry Kissinger recently concluded in Brasilia, the paper asserted that they "confirm, on the one hand, that the 'Brazilian Miracle' has been the work of international consortiums, and, on the other hand, that Brazil was chosen as the 'beachhead' for the expansion of reactionary militarism not (quite) as discredited as Chile's." Although Kissinger attempted to confer upon Brazil the status of a big power, El Sol concluded, "Brazil is not only not a world power but its economic growth is fictitious."

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BRITISH OFFER ARMY TO PROTECT RHODESIA

Feb. 23 (IPS)—The British government has offered to send troops to white-ruled Rhodesia to help forestall the threat of a pro-socialist revolution in that country, according to yesterday's London Daily Telegraph. Quoting from a statement by Foreign Office Minister of State David Ennals, the paper said: "If the white leadership (of Prime Minister Ian Smith) comes to terms with black leaders on an early change to majority rule, or simply throws in its hand and asks London to sort things out, the (British) government would help with internal policing while the new constitution was being put in effect."

According to the Telegraph, "Mr. Ennals...firmly denied a report that a senior British official had visited Salisbury this week to offer Mr. Smith diplomatic or military protection if he was prepared to resign." But Ennals did say that "No British government, of whatever political flavour, would commit British troops on the continent of Africa in a war on behalf of the minority against the majority. It would be madness to do so."

Rhodesian black leader Joshua Nkomo recently visited British Foreign Minister James Callaghan and pleaded with London to intercede to win concessions for his supporters from Smith. African diplomatic sources have revealed that Nkomo and other pro-Western black leaders are being dumped from power in Southern Africa's liberation movements by radical supporters of a new world economic order.

If Britain does send troops to Rhodesia, the Telegraph says, "Moscow and Havana would think more than twice before using Cuban troops in a direct attack."