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EARLY EVENING NEWS — 1600 HOURS EST
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NEW YORK BANKS SCHEDULE SECOND QUARTER COLLAPSE IN EUROPE, JAPAN.

NEW YORK, Feb. 28 (IPS)—European and Japanese industry can expect a collapse in exports accompanied by a brutal credit crunch and austerity beginning in April and May, according to a top European economist at a major New York commercial bank. "Oil deficits and other trade deficits will increase greatly this year throughout Europe and Japan," he said, "and this means a general deflationary government policy. Interest rates will be high, industrial growth restricted, government spending programs will be cut."

Using France to illustrate the problem, the economist explained that "the entire economy is running on credit, consumer credit, largely auto loans, housing plans, public works. How? The government is printing money, has been since August, at 20 percent annual rates."

"There is tremendous underlying inflationary pressure in the economy," he continued, "and exports will not hold up. In France, the balance of trade is terrible...in January 450 million dollars deficit. It will be worse in February, putting pressure on the Franc unless they want to devalue, and the opposition won't allow it. By April the Banque de France will have to tighten up on money and cut imports. Interest rates will go up, not because of industrial activity demanding loans, but as policy."

The source agreed that bankruptcies would result. "The only hope of the industries will be the international markets," he said. "I agree, they are a bad risk, but the banks must lend to someone; they can't lend to the Third World." He added that "Siemens, St. Gobain, you know, the top corporations, they will get loans," while ruling out loans to the Italian petrochemical giant Montedison and Italian corporations generally.

ATLANTICISTS PROVOKE AFRICAN BORDER WARS.

Feb. 28 (IPS)—A series of Atlanticist-provoked border conflicts in Africa are being inflamed in an effort to derail the discussion of African/Arab cooperation for development at the current meeting of the Organization of African Unity (OAU) at Addis Ababa.

According to yesterday's New York Times, the OAU Political Committee has recommended that the OAU vote on a resolution of the dispute over the former Spanish Sahara between Algeria and the Polisario Liberation Front, and Morocco and Mauritania. The dispute was engineered several months ago to tie up the Algerians in a local border dispute.

The Ethiopian delegation at the OAU meeting is proposing that the OAU mandate that all countries denounce territorial claims to the French Territory of Afars and Issas, according to the New York Times yesterday. The dispute over the Territory and its port, Djibouti, is now being discussed at the OAU meeting as a potential war situation between Ethiopia and Somalia. The dispute has been manipulated by Atlanticist French President Giscard D'Estaing.

Zaire's government-controlled press has accused the Angolan government of a blockade of Zairean ports, according to the Washington Post today. The charges appeared immediately after Zairean Foreign Minister Nguza Karl I'Bond returned to Zaire from a meeting with West German Foreign Minister Hans-Dietrich Genscher in Bonn via a short stop-off at the OAU meeting. In Kinshasa, I'Bond went directly into an emergency meeting with Zairean President Mobutu.

Following a declaration by Ugandan President Idi Amin Dada a week ago that Uganda has land rights to half of Sudan and half of Kenya, dating from the turn of the century, Kenya has declared a virtual state of war against Uganda by cutting off Ugandan imports which are all shipped across Kenyan soil, according to the Baltimore Sun yesterday.

The Rhodesian army killed 24 Rhodesian liberation guerillas two days ago in a blatant incursion into Mozambique "in follow-up hot pursuit." President Machel of Mozambique had already publicly warned the Rhodesians that such border incursions would lead to full military retaliation of the Mozambique army, according to yesterday's Baltimore Sun.

The government of the People's Republic of Benin has closed its borders with neighboring Togo, accusing the Togolese of fomenting revolution in Benin, according to West Africa magazine dated Feb. 23.

The Togolese government is continuing to press its claims to portions of eastern Ghana occupied by the Ewe tribe. The Ghanaian government has pledged to defend its borders by force, West Africa magazine reports.

INDIAN PRO-DEVELOPMENT FORCES MOBILIZE FOR LINKS WITH RESISTANCE FORCES IN EUROPE.

Feb. 28 (IPS)—Iraqi Foreign Minister Hammadi arrived in India last week with a special message on the world economic situation for Prime Minister Indira Gandhi and to begin discussions for establishing a new international secretariat for the core non-aligned group of nations, according to left-wing Indian daily, Patriot Feb. 26. Hammadi then went to Sri Lanka, which is the scheduled host for the next Non-Aligned group meeting, this summer.

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At the same time, Indian government officials have deployed to begin cooperation with forces resisting pressures placed by the collapsing dollar empire upon Europe. Indian Foreign Trade Minister Pratap Singh left for Libya Feb. 25 and then will go to Rome, Italy to finalize and expand economic cooperation between India and those countries. Portuguese Foreign Trade Secretary Antonio Barreto is in India to discuss expanded economic arrangements with India's Soviet financed public sector.

Already the French government has announced 100 million dollars of industrial credits to India and French industrial participation in Indian development projects. These initiatives are taking place as the discussions on the debt issue and International Development Bank type institutions are in progress at the Commonwealth Debt Conference in Great Britain.

SOVIET ACADEMY PRESIDENT CITES FUSION ADVANCES, DEFENDS FUNDAMENTAL RESEARCH AT 25TH CONGRESS.

Feb. 28 (IPS)—Citing the Soviet announcement of recent significant results for the plasma stability of their T-10 Tokamak as his point of departure, President of the Soviet Academy of Sciences Anatoli Alexandrov vigorously defended fundamental research in areas such as Controlled Thermonuclear Fusion in a speech before the 25th Congress of the Communist Party of the Soviet Union.

Alexandrov's speech, reported in l'Humanite of Feb. 27, repeated the assertion made earlier this month that with the T-10 results, the final stage of tokamak development has been reached, but his remarks are apparently intended to pre-empt reliance on that device alone.

According to l'Humanite "The President of the Academy of Sciences had intervened in the deliberations of the Congress to above all defend the idea that fundamental research must not be underestimated in relation to applied research. He used as an example atomic sciences whose consequences on the economy, on energy resources, on defense and even on daily life no one had been able to forecast."

After stressing that "there is absolutely no doubt that the thermonuclear fusion reaction can be realized," Alexandrov reminded the Congress that "this fusion reaction, much more powerful and economical than the fission reaction of the atom, can indeed be utilized in giant power plants which will completely modify the energy balance of our planet."

SAUDIS BEING PRESSURED TO CUT OIL PRODUCTION TO STABILIZE IRAN, ALGERIA, VENEZUELA.

NEW YORK, Feb. 28 (IPS)—The U.S.-controlled Saudi Arabian government is being pressured to make significant cutbacks in production as part of a "share the oil wealth" tactic that, its proponents hope, will stabilize increasingly chaotic fiscal situations in pro-Atlanticist Iran and Venezuela and woo Algeria toward a more

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accommodating position toward the U.S., a thinktanker at the right-wing American Enterprise Institute commented today. According to this source, the Saudi cutback is supposed to allow increased production, and hence, increased revenues for Iran, Venezuela, and Algeria.

While the source denied explicit connections between his assessment and the current trip to Saudi Arabia by U.S. Secretary of the Treasury William Simon, his assistant Gerald Parsky, and White House economic adviser William Seidman, the American Enterprise Institute is known as a "feed-in" operation for the OPEC policy of Simon and his government allies.

Contacted in New York, a banker at Manufacturers Hanover strongly endorsed the Saudi production cutback, noting that the Saudis are already preparing to "de-activate" two large oilfields and are accepting a "trade-off" of production cuts in return for maintaining their hegemony in the OPEC cartel. The banker stressed the necessity of allowing the Iranians to increase production and oil revenues in view of the increasing financial difficulty of Iran.

MEXICAN LABOR FACTION ENDORSES THIRD WORLD DEBT CANCELLATION.

Feb. 28 (IPS)—The most recent issue of Solidaridad, the newspaper of the Galvan wing of the Mexican electrical workers union (SUTERM), endorses the Asian and African proposals at the Manila conference of the Group of 77 for cancellation of part of the Third World debt, and "unified renogiation" of the rest. The implementation of these "combative" proposals, according to Solidaridad, "demands the firmest unity of the...Third World, and the readiness on the part of the governments of the countries involved to take energetic anti-imperialist measures -- nationalizations, total suspension of payment on the debt, state control of banking, freezing of foreign funds, etc. -- as the capitalist financial centers begin their reprisals."

Solidaridad notes that the Mexican delegation at the Manila conference committed "grave hesitations" in the face of "a climate of grotesque pressures of all kinds mounted by the sinister Dr. Kissinger," and organized for a "country-by-country" consideration of debt problems. "Everything gave the impression that the pressures and blackmail of imperialism achieved a certain degree of success."

The "Democratic Tendency" of Rafael Galvan is the largest left-leaning trade union movement in Mexico. A Mexico City rally in November 1975, called by Galvan's movement attracted 150,000 workers, peasants and students.

CARTER ACCUSES HARRIMAN OF LEADING "STOP-CARTER" MOVEMENT.

Feb. 28 (IPS)—Jimmy Carter, the former Georgia governor and peanut tycoon who has emerged as a leading contender for the Democratic Party presidential nomination following his plurality in the New Hampshire primary, has accused banker Averell Harriman of leading a "stop-Carter" movement, according to yesterday's New York Times.

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According to the Times, Carter said in an interview that "non-elected politicians of Washington...fear that someone who is not their candidate might actually become the next president. They can hurt me by propping up someone like Church (Senator Frank Church of Idaho) for a while, or somebody else," Carter continued, "but I don't think they can decide who the nominee will be."

Asked who he meant by "they", the Times said Carter named Harriman, the 84-year-old Eastern patrician who has been a leading behind-the-scenes "kingmaker" in the Party since the 1960 nomination of John F. Kennedy.

The Times also reported that, at a cocktail party hosted by Harriman at his Georgetown home on the evening of the New Hampshire primary which was attended by several editors of the Washington Post as well as former Johnson Administration aide Joseph Califano, "people weren't actively organizing a stop-Carter effort, but most of them were asking, in effect, 'what can we do to keep him from winning'."

ATLANTICISTS MOVE AGAINST CHICAGO BANKS.

Feb. 28 (IPS) -- In two moves clearly aimed at the Chicago banking and industrial community, the Federal Deposit Insurance Corporation and a House Government Operations Subcommittee have moved to place restrictions on so-called "insiders" -- members of bank boards of directors who are business and industrial executives. Whereas in Eastern banking, it is leading bankers who control major corporations through membership on corporate boards, in the regional and specifically the Chicago banking community, the boards of banks are largely composed of local industrial executives.

According to yesterday's Washington Post, the Federal Deposit Insurance Corporation two days ago adopted new rules that require "more rigorous supervision" of business deals made by "insiders." At the same time, the Post reports, House Subcommittee headed by New York bank ally Rep. Benjamin Rosenthal (D.-NY), voted 8-3 to demand unrestricted access to confidential bank records -- including records of the accounts of major depositors -- which Rosenthal says are needed to trace "insider loans" made to corporations headed by members of the banks' boards. The three Republican members of the subcommittee issued a press release denouncing the move, which their spokesman Rep. John Erlenborn (R-Ill.) attacked as a violation of the Privacy Act.

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