



# NEW SOLIDARITY International Press Service

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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE (IPS)  
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## I. Priorities

### WEST GERMAN PRESS SAYS UPVALUATION OF MARK IMMINENT

WIESBADEN, W. Germany, March 20 (IPS)--Both the Frankfurter Rundschau and the Sueddeutsche Zeitung--two of West Germany's leading dailies--today predicted that, despite official Federal government denials, upvaluation of the deutschemark is imminent. Both papers published their assessments after their editors met with leading financial experts, the Sueddeutsche Zeitung with Federal Finance Minister Hans Apel and the the Rundschau with Herr Walter, a think-tanker with the Kiel Economic Institute who is close to the government.

Echoing this line, Franz-Heinrich Ulrich, head of the Deutschebank, West Germany's largest private bank, is quoted in today's Die Welt as saying that a "certain realignment" of the Western European currency "snake" is necessary. Ulrich said that such a move would probably come within the next few days and stated that it would necessarily include a slight upvaluation of the deutschemark as a "concession to the snake partners." Ulrich also said that upvaluation would not harm West German exports.

Die Welt said Ulrich was not alone among West German bankers in his views.

### WEST GERMAN ECONOMIST PREDICTS MARK REVALUATION

WIESBADEN, W. Germany, March 20 (IPS)--A leading West German economist who is closely connected to the Federal government said yesterday that the West German central bank, the Bundesbank, is willing to upvalue the deutschemark by 4 to 6 per cent very soon. He claimed that there is no resistance to revaluation among West German industrialists, whose export volume would be expected to suffer as a result of the move.

### FRANKFURTER ALLGEMEINE ZEITUNG SAYS REVALUATION OF MARK WON'T SOLVE CRISIS

March 20 (IPS)--The economic editor of West Germany's prestigious Frankfurter Allgemeine Zeitung today concluded an analysis

of rumors of the imminent upvaluation of the deutschemark by stating that "It is an illusion to believe that a revaluation of the deutschemark...could bring order to the foreign exchange markets of the world."

#### FRENCH FINANCE MINISTER DECONTROLS MANUFACTURERS' PRICES

March 20 (IPS)--French Finance Minister Fourcade announced the decontrolling of prices for a large segment of French industry at a meeting of his ministry's Price Committee yesterday, according to today's Le Monde. Producers of metals, semi-finished and finished products—including aluminum, chemicals, equipment goods, furniture and shoes—are all affected by the decision. Fourcade stated that his aim was to eventually have total freedom of industrial pricing.

At the same time, Fourcade has moved to tighten central government control over small businessmen. He announced the freezing of the absolute value of importers' profit margins as of March 12, and said there would be stricter government control over profit margins of shops and service producers.

#### NEW YORK TIMES DEMANDS MORE AUSTERITY FOR ITALY

March 20 (IPS)--According to the New York Times today, the new austerity measures announced last Wednesday by Premier Aldo Moro's Christian Democratic government in Italy "were described by bankers and other experts today as useful but inadequate" to deal with Italy's economic crisis. "Some government officials," continues the Times, "said that the next steps to deal with the worst economic crisis since World War II will be considered after an assessment of the effect of yesterday's steps."

Since the Christian Democracy is "too weak" to make "the even tougher decisions that the country needs," the Times reports that Ugo La Malfa, president of the Republican Party, "is trying to bring political leaders together, including the Communists, in an effort to win an agreement on a curb on public spending and a freeze on wage and salary increases."

#### WEST GERMAN LABOR MINISTER CALLS FOR SLASHING HEALTH BENEFITS

STUTT GART, W. Germany, March 20 (IPS)--At a Social Democratic (SPD) election campaign rally held in Stuttgart, West Germany yesterday, SPD Federal Labor Minister Walter Arendt attacked government-financed health benefits and announced that foreign laborers in West Germany could not be guaranteed continuing employment. Speaking in front of 150 factory council representatives from plants throughout the state of Baden-Wuerttemberg, Arendt admitted that there was a crisis in the national health system, and added: "People cannot expect that they will get benefits from the state without giving something out in return."

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On the question of unemployment, Arendt would only commit himself to saying that the number of foreign laborers in the country—now estimated at 2.5 million—would have to decline. "West Germany cannot be responsible for keeping unemployment down in other parts of Europe," he said.

#### TOP SOVIET MILITARY MEN WARN OF NEW WAR DANGER; AFFIRM SOVIET READINESS

March 20 (IPS)—In a March 17 speech before a military audience, Soviet Defense Minister Andrei Grechko warned that "there still exists a military danger that demands constant concern for the strengthening of our defenses and for an increase in the might of the Soviet armed forces, keeping them in a state of constant readiness."

The following day, Soviet General Yepishev, head of the Political Directorate of the Soviet Armed Forces, reinforced this warning in an article authored for the Soviet Military Journal, Kraznaya Zvezda. Yepishev said that it is the task of every Soviet serviceman "to be deeply conscious of the dangerous course of the reactionary imperialist circles towards preparation for a new world war,...the urgent necessity of further raising the defense capability...and the readiness to decisively repulse any aggression wherever it might come from."

Excerpts from both statements were carried by the Financial Times of London yesterday.

#### NY TIMES AND WASHINGTON POST PUBLISH ARGENTINA COUP PLAN

March 20 (IPS)—Both the New York Times and the Washington Post today admitted the details of a "well prepared" military plan to overthrow the Argentine government of President Isabel Peron "at any day now."

The Washington Post describes the full details of the plan, under which present Army Commander Jorge Videla would head the new government. The Post stresses that the plan, not intended to produce a bloody, Chile-like "Pinochetazo coup, but that President Isabel Peron, "top union leaders, cabinet ministers and their top aides, known allies of Mrs. Peron in and out of government and all known 'extreme leftists,'" would be immediately arrested, and Peron would be exiled to Spain. All these arrests, said the Washington Post, would be carried out "under the supervision of a special commission that would provide public information on names, whereabouts, and the physical condition of prisoners and the charges brought against them."

While the Post said that the coup "is expected to be generally welcomed," the Times stressed the "fear of the most politically prudent commanders that an overthrow of Mrs. Peron's government would force many Peronists into opposition to a mi-

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litary government and into sympathy with the guerillas." The leading guerilla organization, the Monteneros, advocates a moratorium on Argentina's foreign debt.

#### ISRAELI AND ARAB LEFT COLLABORATES FOR FIRST TIME

March 20 (IPS)--"For the first time, Israeli and West Bank Arabs are working in concert," reports the latest issue of the British weekly the Economist. The magazine expresses concern that RAKAH, the pro-Soviet Israeli Communist Party, is using the unrest created by recent mass demonstrations on the West Bank to whip up Arab discontent. RAKAH is also collaborating with the West bank (Jordanian) communists and appealing to the PLO, according to the Economist.

#### ATTACKS ON EGYPT'S BREAK WITH SOVIETS

March 20 (IPS)--The General Secretary of the Egyptian Peace Council, Khalid Moheiddin, has charged in an interview published in Baghdad, Iraq that Egyptian President Anwar Sadat's move to break off the Egyptian-Soviet Friendship Treaty provides an open door for U.S. looting of Egypt, according to today's Neues Deutschland, the German Democratic Republic daily.

Moheiddin emphasized that the penetration of U.S. capital and influence into Egypt poses "the greatest economic and political danger for Egypt" and would result in "the dissolving of the accomplishments of the Egyptian revolution of 1952."

Neues Deutschland also reported that the Indian paper National herald also attacked Egypt for terminating the treaty with the Soviets, saying this move could help only the U.S. and Israel. The National herald pointed specifically to the long history of unselfish Soviet aid to Egypt.

The March 18 issue of Pravda, the Soviet Communist Party daily, cited Achmed Taka, a member of the Egyptian Parliament, who criticized Sadat for cancelling the treaty and noted specifically that "without economic aid from the Soviet Union, there would be no heavy industry in Egypt at all."

#### SYRIAN PLANS FOR MIDEAST SETTLEMENT IN JEOPARDY

March 20 (IPS)--Syria is risking its whole Middle Eastern strategy for emerging as the pre-eminent leader of the Arab world as it tries to mediate the latest Lebanese crisis, says Michael Parks in a news analysis in today's Baltimore Sun. The failure of Syrian President Hafez Assad in mediating the Lebanese crisis "will jeopardize his plan to force an alliance with Jordan and the Palestinian movement for new negotiations with Israel," Parks states.

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Parks says Syria has not been able to achieve stability in Lebanon either by "virtually annexing another Arab state" or by "riding roughshod over the various Palestinian groups," and says that the Syrians are now being ridiculed in the Beirut press for their "revolutionary pretensions." Syria's only aim now, he quotes a Beirut diplomat, is to achieve "stability before the whole thing blows up, literally."

NEW YORK TIMES SAYS INTERNATIONAL MONETARY CHAOS  
PARALYZES STOCK MARKET

March 20 (IPS)--The New York Times said today that stock trading was "lackluster" yesterday because of investor uneasiness over the international currency crisis. Specifically, the Times indicated, investors are staying out of the market because of uncertainty over the effect of the crisis on Federal Reserve lending policy, noting that the Fed has alternately opened and closed the monetary "spigots" far too frequently in recent weeks for investors to have any clear idea of what the Fed's policy is.

The Times quotes research analyst Lewis Kopel as stating that "the international currency problems, while perhaps helping to attract investment funds to the United States markets from abroad, may also help to explain recent ambiguities in the Federal Reserve's policy." "Given the tumult in the international currency markets," Kopel explained, "there is an added constraint on the Fed, the Fed has to think twice in the face of temptation to tighten up monetary policy." And until the Fed's policy is made clear to investors, they will steer clear of the markets, he indicated.

End of Priorities, Early IPS

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