



NEW SOLIDARITY International Press Service

P. O. Box 1972, G.P.O.
New York, New York 10001
Editorial (212)279-5950
Customer Service (212)564-8529

NEW SOLIDARITY INTERNATIONAL PRESS SERVICE (IPS)
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NEW YORK BANKS SET ASSAULT ON EUROPEAN CURRENCY SNAKE FOR MONDAY.

NEW YORK, March 26 (IPS)--A canvass of foreign exchange departments of New York's major banks confirmed today that the banks intend, as one trader put it, "to gang up on the Belgian franc Monday and pull the plug on Europe" if a meeting of European central bankers scheduled for this weekend does not decide on a voluntary realignment of the European currency "snake" at a meeting this weekend. The Belgian franc is one of the weakest currencies in the "snake."

"Even the German banks have adjusted their foreign currency positions," said one foreign exchange trader, "expecting a devaluation of Europe's weak currencies this coming Monday."

The Wall Street banks are demanding that Europe officially devalue its currencies by between 30 to 40 per cent against the West German mark and the Swiss franc, combined with stringent austerity measures to guarantee debt payments by the weaker European debtor countries.

The crisis is being provoked to shock the U.S. Congress and Europeans into accepting the "safety net" proposal for an international "Big MAC" which would guarantee payment of Europe's debts through a combination of debt refinancing and fascist police state measures, along the lines of the New York City "Big MAC."

According to one Wall Street spokesman, the assault on Europe is being launched despite the threat that opposition to the austerity measures from French Gaullists, West German industrialists, and European workers may blow apart the dollar empire. "As you say, the March 31 payments crisis is here," he declared. "We have to act now or else it'll be too late...Labor trouble? So be it."

SIMON CALLS FOR GLOBAL BIG MAC IN SENATE.

WASHINGTON, D.C., March 26 (IPS)--In testimony before the Senate Foreign Relations Committee today, Treasury Secretary William Simon urged the U.S. Congress to immediately pass a 30 billion dollar safety net to prevent especially European countries from defaulting on dollar-denominated debt. Simon said that the Safety net which would function as a global "Big MAC", would: (1) assure that financing is available in an emergency; (2) enable countries to abstain from self-defeating actions, e.g., trade wars; (3) would ensure a commitment from participating countries to

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cooperate on economic and energy policies as a pre-condition to membership; (4) would ensure specific action by perspective borrowers to implement austerity domestically.

Simon assured the Committee that the U.S. would have a predominate voting bloc in the arrangement, ensuring its ability to veto any bailouts and dictate austerity terms to any borrower. In fact, Simon gloated, under the plan the U.S. would be in a position to dictate the internal policies for Italy, France or any other nation applying for credit, and thereby it would ensure that the U.S. had total control over the European community.

Senator Clifford Case (R-NJ) commented, "Although I'm dubious, maybe it's (the safety net) the best we can do. I just wonder if any type of gadget like this would do the trick." Simon replied, "The safety net provides the bridge to recovery...while speeding up the adjustment process through the imposition of stringent austerity." Case concluded, "I don't intend to vote against it, because I don't have an alternative."

Senator Jacob Javits (R-NY) pressed for adoption of the proposal, stating, "Isn't it true that keeping the Communist Party out of the Italian government is worth it?"

Senator Stuart Symington (D-Mo.) announced that he would oppose the proposal.

WASHINGTON POST ASKS COMBINATION OF BAILOUT AND AUSTERITY FOR EUROPE.

March 26 (IPS)--In a lead editorial entitled "And Now the French Franc", today's Washington Post claimed that the international monetary agreements at Rambouillet and Jamaica have broken down. With out large-scale financial assistance to Italy, the Post says, the currency markets will get completely out of hand, provoking a left shift in the "balance of world power."

According to the Post, "the sudden jolts and plunges" in the world currency markets, centered around the lira, pound and franc, are the result of "disparities among domestic inflation rates." While insisting that austerity is the only solution to this crisis, the Post warns that the necessary levels of austerity cannot be accomplished all at once without provoking a dangerous leftward political shift. "Italy is now becoming a classic illustration of the national condition in which trouble becomes circular, everything in turn making everything else worse," the Post explains. "The falling lira exacerbates inflation, because it makes all imported goods -- raw materials, foods, oil -- cost more. To meet the inflation the government desperately tries to impose a regime of austerity, meaning higher unemployment and higher taxes. Austerity accelerates the swing to the left, which incites further flights of capital, which drives the lira further down, and so on around again. In principle, the exchange rates are supposed to stabilize themselves at a new equilibrium level. "But,

according to the Post, this "principle" ignores the fact that "political paralysis and panic...is now visible in Italy."

The Post concludes with a call for large-scale, long-term bailout of Italy, principally by the United States, under conditions in which austerity is carried out over the long-term rather than all at once.

WASHINGTON POST EDITOR SPECIFIES WARTIME AUSTERITY FOR ITALY.

WASHINGTON, D.C., March 26 (IPS)—An editor of the Washington Post who helped draft the editorial in today's Post calling for a combination of bailout and austerity for Italy and other western European nations, today specified that the Post had in mind wartime levels of austerity. "Who knows what Italy can take," the editor said. "After all, we never thought they could get through the 1943-45 period and they did."

DIE WELT IDENTIFIES MITTERRAND AS FASCIST;
ENDORSES HIM AS PRIME MINISTER OF FRANCE.

March 26 (IPS)—The West German Atlanticist daily Die Welt today exposed French Socialist party leader Francois Mitterrand as a fascist, and said this made him qualified to become Prime Minister of France.

Mitterrand's "career started as a follower of Petain's Vichy government, which is the French way of fascism," writes Die Welt. "After that, he was in the Resistance, a radical-conservative, and then a socialist, but at all times an anti-Marxist of the purest sort...His rise cannot be stopped, and he already overshadows his rival Giscard (President Giscard d'Estaing)...Mitterrand radiates an atmosphere of security."

Die Welt bases its support for Mitterrand on his consistent "faithfulness to the idea of Europe, along the lines of the Tindemans Plan," a proposal for a supranational, Atlanticist-dominated Europe. By contrast, Die Welt considers that President Giscard has been weakened by the anti-NATO resistance of the Gaullist UDR party, the main component of his "presidential majority."

WEST GERMAN ATLANTICISTS CONFIDENT GAULLISTS CAN BE BEATEN.

WIESBADEN, West Germany, March 26 (IPS)—Two leading West German Atlanticists expressed confidence today that French Gaullist resistance to Atlanticist looting policies in Europe could be broken. According to the press spokesman for the "Atlantic Bridge," the Gaullists "have only one possibility: continue to support Giscard (Atlanticist French President Giscard d'Estaing — ed.) or run the risk of Mitterrand (the French Socialist Party leader) emerging on the scene...Their only alternative is social chaos for France, and they, the Gaullists, would be to blame."

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A similar view was expressed by Georg Kliesing, a Christian Democratic parliamentarian who is involved in foreign policy making: "Giscard has a base...The majority of the Gaullists support him."

Both sources agreed that Socialist leader Mitterrand's star is on the rise, and that the Tindemans plan — a plan for a fascist, supranational Europe supported by Mitterrand and opposed by the Gaullists -- is still very much alive.

EURO-MARKETS CLOSED TO THIRD WORLD.

March 26 (IPS)--Lending to Third World countries on the Eurocurrency markets by commercial banks has virtually ceased for all but a select few political bail-out cases, according to figures on Euro-currency bank credits in Morgan Guaranty Trust's World Financial Markets of March, 1976.

The Morgan publication reveals that although gross lending to the Third World increased slightly in the first quarter of 1976 over the final quarter of 1975, the increase in loans to non-oil producing countries (from 2.01 billion dollars to 2.34 billion) was more than accounted for by a meteoric rise in lending to the Philippines, whose borrowing rose from 135 million dollars to 732 million. Most of the rest of the Third World lending went to the military dictatorships of Brazil, South Korea, as well as to pro-development Mexico. Mexico's foreign debt of 23 billion dollars is only slightly less than the 25 billion dollars of Brazil, the world debt record holder.

Similarly the bulk of developed country commercial bank loans, which registered an insignificant growth from 2.04 billion dollars in the fourth quarter to 2.25 billion in the first quarter, went to bailout operations for Italy and Britain under IMF austerity conditions. France, Spain, Greece, the U.S., and other major borrowers reduced loans substantially.

ARGENTINA TO OPT FOR TWO-YEAR DEBT "GRACE PERIOD" WITH IMF AUSTERITY.

March 26 (IPS)--According to the Argentine news daily, La Opinion, "local economic experts indicated that it would not be a discredit for the (new military) government if its leaders decide to ask for a postponement of its debt payments before (creditor) members of the Club of Paris, a recourse which Argentina has taken in the past to renegotiate its debt."

The paper says that experts are suggesting a "two year grace period while new economic plans are applied." While those "plans" are not detailed, La Opinion does indicate that the "recuperation of internal and external confidence" would be achieved through "a severe treatment that would pursue equilibrium of the balance of payments, of the budget deficit, and an increase in production and exports."

The International Monetary Fund has reportedly sent a message to the new Argentine government which reads in part: "The Argentine Republic will receive rapid collaboration on the part of the IMF if the governing military junta decides to utilize, to alleviate the economic problems of the country, the services of said organization..."

WEST GERMANS CALL FOR RAPID EAST/WEST TRADE EXPANSION.

March 26 (IPS)--An editorial in today's issue of the West German industrialists' daily Handelsblatt praises Finnish Prime Minister Sorsa's plan for a rapid expansion of East/West trade through the formation of a Nordic Trade Bank. Sorsa's original proposals, presented last year, have been knocked out of circulation until now by Swedish Prime Minister Olof Palme's attempt to convert the idea of a Nordic Trade Bank into a porkbarrel financing institution for the North Sea oil project.

ITALIAN SOCIALIST ASKS DEVELOPMENT TIES WITH OIL PRODUCERS.

March 26 (IPS)--Stefano Servadei, former Minister of Industry and current Italian Socialist party representative to the Chamber of Deputies' Industrial Commission, has presented a motion before Parliament proposing closer ties between Italy and the oil producing nations based on development, according to today's Avanti, the Socialist Party paper. Avanti also reported that Italy's oil supplies are running so low that some refineries are about to be closed.

Servadei is asking that "the Italian government establishes more committed relationship with the oil producing countries, paying for its supplies with plants, infrastructures and technology;" and that the government "takes into consideration an increased activity of Italian oil refineries, currently underutilized, coordinating and disciplining the petrochemical sector in order to avoid uncontrollable demand of dollars and precious currency," Avanti reports.

According to the daily La Repubblica, the Italian Foreign Trade Undersecretary is in Iraq where he will devote several days to "reactivate the work of the Italian/Iraq trade commission."

FORD HEATS UP ON CUBA; KISSINGER COOLS DOWN.

March 26 (IPS)--At a press conference in San Francisco today, President Ford announced that his administration was now considering contingency plans to retaliate against Cuba, in the event that Cuban troops are deployed into Rhodesia or Namibia, according to a UPI wire.

At the same time however, Secretary of State Henry Kissinger told the Senate Foreign Relations Committee that "There is not an emergency situation which would require a crisis action. I do not now contemplate any situation that would develop so rapidly

that we would not have sufficient time to consult Congress." According to a UPI wire, the Secretary attempted to calm the fears and cool the rhetoric which have flowed from the bombastic threats he made to Cuba in Dallas earlier this week.

Yesterday, Pentagon press secretary William Greener announced: "The Joint Chiefs of Staff are participating with the National Security Council in a review of possible actions that might be taken with regard to Cuba." Presidential press secretary Ron Nessen concurred: "There are a number of things under study." Reports of these statements were carried in today's New York Times, Washington Post, and Baltimore Sun in front-page stories.

LAROCHE SLATE FILES FOR BALLOT IN OHIO.

CLEVELAND, Ohio, March 26 (IPS)—Wayne Evans, U.S. Labor Party candidate for vice-president of the United States, filed more than 10,000 petitions for Ohio ballot status for the USLP presidential slate headed by Lyndon LaRouche in Columbus, Ohio yesterday. Seven USLP congressional candidates filed simultaneously in cities across the state.

INDIANAPOLIS NEWS HITS HUMPHREY-HAWKINS BILL.

March 26 (IPS)—The Indianapolis News blasted the Humphrey-Hawkins slave labor bill in a major editorial yesterday, saying that the bill would create "make-work" not "productive jobs," while placing the U.S. productive forces under a meaningless and grand bureaucracy. The News is a member of the Pullian press chain which has ties to interests in Chicago. The editorial concludes by saying "People should refuse such dictation."

STILL LITTLE SUPPORT FOR HUMPHREY-HAWKINS BILL.

WASHINGTON, D.C., March 26 (IPS)—The head of the United Steelworkers of America (USWA) legislative lobby in Washington, D.C. has instructed the union's legislative heads in different states to send out resolutions in support of the Humphrey-Hawkins full employment, slave labor bill. However, discussions with USWA officials in Pennsylvania, including the union's district head in Pittsburgh, the heart of the steel industry, revealed that he and most other officials in the state are still not aware of the provisions of the bill.

The office of Congressman Henry Reuss (D-Wisc) yesterday claimed to the Labor Party that Reuss, one of the two official sponsors of the Humphrey-Hawkins bill in the House, is no longer supporting the bill, although there is as yet no official confirmation of this. "No one is supporting the legislation this time around except Humphrey himself," Reuss' office claimed.

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WAYNE EVANS BLASTS MICHIGAN THREAT TO DEMOCRATIC ELECTIONS.

DETROIT, March 26 (IPS)—U.S. Labor Party vice presidential candidate Wayne Evans warned that "the current attempt to rig the Michigan ballot, through State Legislation requiring third parties into an unconstitutional runoff primary, is a direct attack on democratic elections in 1976" in a statement issued today.

Sources at the State House in Lansing have indicated that an attempt will be made to ram the legislation through the Michigan House early next week.

Evans stressed that "the CREEP apparatus (Wall Street election rigging operation -- ed.) is desperate to keep my campaign off the ballot to rob the USLP of almost certain victory in the November election."

The USLP plans to circulate the Evans statement in the Congress and throughout the country. The Michigan Labor Party is mobilizing mass pressure on the Michigan House election Committee, chaired by Rep. Alfred Sullivan, and circulating statements opposing the bill to elected and trade union officials. USLP attorneys are now preparing legal action to enjoin Michigan from implementing the bill should it pass.

SOUTH AFRICA TO COMPLETE WITHDRAWAL FROM ANGOLA.

March 26 (IPS)—South African Defense Minister Pieter Botha announced yesterday that all South African troops would be out of southern Angola, including the Cunene Dam project, by Saturday, March 27, according to the Washington Post today. The Angolan government had demanded total withdrawal of South African troops and refused direct contact with Pretoria -- the South African capital -- until the withdrawal was complete, according to the Post, citing "South African sources."

The withdrawal is intended to preempt a United Nations Security Council debate on south African aggression against Angola, which had been scheduled for today but has now been deferred, according to the Post.

According to the New York Times, Botha said that South Africa had Angolan guarantees to protect South African border interests.

FRANGIEH QUITS PALACE IN FACE OF LEBANESE LEFTIST OFFENSIVE.

March 26 (IPS)—Lebanese President Suleiman Frangieh has fled from his besieged palace, but has set up headquarters in the city hall of Suk M'kayel, vowing that he "will not back down" in the face of growing demands for his resignation, according to U.S. press accounts today.

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Pierre Gemayel, leader of the fascist Falange Party and backer of Frangieh, responded to the rightist setback in a radio broadcast, saying, "Our economy is collapsing...The homeland is disintegrating before our eyes," but vowed not to give in: "I have taken it upon myself to fight to my last breath in defense of the homeland," according to today's New York Times,

Today's Washington Post reports that Frangieh's critics are suggesting that Frangieh had ordered the shelling of American residential areas of Beirut in order to provide the pretext for calling in the U.S. Sixth Fleet, as in the 1958 U.S. Marine landing in Lebanon.

SYRIAN MOOTING STEPPED-UP INTERVENTION IN LEBANON
TO STEM PARTITION THREAT.

March 26 (IPS)--Syria is facing a major dilemma on "whether to march" in large numbers of troops into Lebanon, yesterday's Times of London reports from Beirut. According to Times reporter Paul Martin, Syria is "unable to control the leftist Muslim armies now on the advance" and has therefore "reached a dangerous precipice," mooting the possibility of drastic action.

Martin further strongly implied that the pretext Syria would use to step up its intervention would be the threat of imminent partition of Lebanon into separate Muslim and Christian camps. Significantly, units of the Syrian controlled Saiqa guerilla units for the first time ever yesterday strongly attacked nominal leftist leader Kamal Jumblatt and threatened military action against forces under his control. Saiqa warned that "we will fight those working for partition whether they belong to the isolationist (right wing Christians) or the nationalist ranks."

KREISKY SAYS PEACE POSSIBLE IN MIDEAST;
ENORMOUS CHANGE IN ARAB POSITION.

March 26 (IPS)--After returning from a Socialist International organized trip to Kuwait, Jordan, Saudi Arabia, Abu Dhabi, and Iraq, Austrian Chancellor Bruno Kreisky told reporters in Vienna on Tuesday, that "there is an enormous change in the Arabs' position towards Israel. Today, the Arab world is prepared to recognize the state of Israel." Kreisky insisted that the "unconditional precondition for this is that the Israelis withdraw from the territory occupied in 1967...but today, no one is speaking any more of 1974 (i.e., the restoration of Arab Palestine -- ed.), but only of U.N. Resolution 242 and the Israeli border of 1967." Kreisky's press conference was reported in the March 24 Frankfurter Allgemeine Zeitung.

MORE CUTS IN NEW YORK CITY.

NEW YORK, March 26 (IPS)--New York City Mayor Abraham Beame yesterday proposed a new round of city budget cuts which would eliminate

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another 8,500 municipal jobs during fiscal year 1977, bringing the total reduction of the city workforce from its level a year ago to 20 per cent. Beame's proposed cuts include loss of more than 2,500 police and welfare jobs, a 9 million dollar cut in mental health programs, and the first step in the city's withdrawal of support for the City University.

A spokesman for the city's Health and Hospitals Corporation said today that the proposed mental health cuts would turn the city hospital system into "snakepit '76."

The cuts are predicated on the assumption that the city will receive still-pending Federal housing subsidies, that the state will assume court costs, that the city will win union approval for its proposed withdrawal from the Social Security system.

SAN FRANCISCO MAYOR ANNOUNCES ELIMINATION OF 1,400 CITY WORKERS.

SAN FRANCISCO, March 26 (IPS)—In public hearings before the Board of Supervisors Finance Committee on March 24, San Francisco mayor George Moscone proposed a 1976-77 budget which projects layoffs of 300-400 city workers in addition to 1,000 city positions eliminated through attrition. Moscone also called for increases in property taxes and budget cuts in most city departments of 4 to 5 per cent.

When U.S. Labor Party spokesmen at the hearings demanded that the format of the hearings be changed to counterpose Moscone's austerity budget to the U.S. Labor Party's proposed debt moratorium legislation, many in the audience voted in favor of this agenda proposal. A frantic Moscone responded by calling on members of the audience to punch the Labor Party spokesmen in the mouth.

SAN FRANCISCO UNIONS SETTLE FOR MEAGRE 6.3 MILLION DOLLAR INCREASE.

March 26 (IPS)—The San Francisco municipal workers' unions, including Service Employees International Union local 250 (Hospital Workers) and local 400 (Social Service Employees) voted March 23 to approve a contract which contains a small wage increase of 6.3 million dollars. Last year San Francisco workers won increases amounting to 21.1 million dollars.

The vote to approve the contract came as a surprise and narrowly averted a walkout by 16,000 San Francisco employees.

The major provisions of the contract relate to pay scales. San Francisco workers who now receive 6 to 9 percent below the prevailing statewide wage for the same job will get a 4 per cent raise; those receiving 10 to 15 percent below scale will get a 5 percent raise; a current wage at 15 per cent or more below scale will be raised 7 per cent.