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I. PRIORITIES

FPA READIES CONTINGENCY PLANS FOR TEAMSTERS STRIKE

WASHINGTON, D.C., April 1 (IPS) — The Federal Preparedness Agency is now coordinating emergency preparations and contingency planning for the head-on domestic confrontations around the teamsters strike, a spokesman for the FPA's director, Gen. Leslie Bray said today. Col. Tom Simmons reported that the FPA has set up a "functional" operations coordinating center here, which is monitoring the progress of the strike. This center has activated the 10 regional FPA apparatus which maintain 24-hour contact with the national operations center. The FPA center is in turn consulting with the Domestic Council on an hourly basis via Deputy Assistant to the President for Economic Affairs Cavanaugh.

If the strike continues for four or five days, Simmons declared, the President will probably issue an executive order instructing air, rail, and non-union independent truckers to carry critical commodities. If necessary, the FPA will request that military and postal vehicles be mobilized for the same purpose.

TRANSPORTATION DEPARTMENT: IF SITUATION GOES "BAD," FORD WILL DECLARE EMERGENCY IN TEAMSTER STRIKE

WASHINGTON, D.C. April 1 (IPS) — A spokesman for the Emergency Office of the Transportation Department said today that if the "Teamster situation looks bad," the Federal Preparedness Agency will ask the President to declare a "state of emergency" under which Transportation Secretary William Coleman would have the authority to apportion available transportation to carry "critical commodities and supplies." The source also volunteered that the Transportation Department has established its own situation room to monitor strike developments and flow of supplies. The Transportation Department center coordinates with the FPA operations center here.

FORD NOT READY

WASHINGTON, D.C. April 1 (IPS) — a press officer at the White House this afternoon reported that President Ford will not invoke

the Taft-Hartley Act to end the ongoing Teamster strike, "as long as the negotiations continue." Under Taft-Hartley, the strike would be halted during an 80 day "cooling-off " period.

STRIKE BY BRITISH LEYLAND WORKERS THREATENS TO SHUT DOWN PRODUCTION

April 1 (IPS) — A three week old strike by 38 workers at British Leyland's carburetor division now threatens to shut down all Leyland car production. The strikers, primarily skilled, politically conservative workers are demanding improved pay differentials which have already been negotiated, but the company, Britain's largest auto producer says their hands are tied by the Government's wage restraint policy, the British press reports.

FRANCE: STRIKE WAVE SPREADS

April 1 (IPS) — Jean DreaN< SECRETARY GENERAL OF THE Paris Federation of the CGT trade union, today issued a call to all workers in the Paris region hit by layoffs, engaged in various job actions, and unemployed workers and youth to participate in a major demonstration on April 6 in the capital city, today's L'Humanite, newspaper of the French Communist Party reports.

This mass action by Paris regional workers converges with a nationwide work stoppage called for April 3 by chemical and textile workers against Rhone Poulenc, the nation's largest textile producer. Regional demonstrations have also been called for April 6 and 8, the culmination of a two-week national mobilization by these unions.<^

POUND COLLAPSED AS WARNING AGAINST EUROPEAN RESISTANCE TO AUSTERITY

NEW YORK, April 1 (IPS) — The British pound sterling was collapsed on the international markets today as a political warning by the NATO-allied Anglo-American banking community against any British or other European working class resistance to Wall Street austerity policy, financial sources indicated today.

"The fall of the pound is a political question," said a U.S. Treasury official knowledgeable on British affairs. "In the past, the left and the trade unions took dose after dose of Wilson's austerity policies ... but now, there is increasing uneasiness about upcoming Budget cuts. ("Leftist Labour Party Leader) Michael Foote is not expected to win the Prime Minister elections but even as strong a showing as the left had made this week is disconcerting. This is a warning against tolerance of leftist programs in Britain."

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"Certainly, the pound is down because the (NATO-run) Bank of England wanted it to go down," said an international banker at Chase Manhattan. "Italy is a fine example for Britain — the British government has had again a lot of trouble selling Treasury debt, and labor unrest is expected around the new budget, Labor will learn its lesson — and the pound might fall to 1.50 dollars within the year."

"Holders of pounds are uneasy about the auto strikes," added the New York representative of a major British bank, "especially since the Government issued a veiled threat to the Leyland (auto) plant that 'either you go back to work or we'll shut down.' That means a real rise in unemployment."

DOLLAR WEAKENS; MARKETS IN TOTAL CONFUSION OVER EEC MINISTER'S MEET

NEW YORK, April 1 (IPS) — The British pound sterling plummeted by a full three cents against the dollar to 1.88 dollars under sharp Atlanticist political attack, as foreign exchange markets today were otherwise in complete confusion about the outcome of the ongoing European Economic Community (EEC) ministerial meeting on the currency crisis. Foreign exchange traders here and in Europe expressed uncertainty as to what extent the EEC will devalue the weaker European currencies relative to the West German deutsche mark and concomitant austerity policies — if the EEC chooses to do anything. "We haven't the faintest idea what they intend to do," one trader said.

While the deutsche mark rose over the dollar slightly from .3940 dollars at closing yesterday to .3950 dollars, so did the weaker currencies, i.e., all the currencies under threat of devaluation. Pressure on the deutsche mark from the dumping of dollars and pounds was so great that the Bundesbank (West German central bank) today bought an undetermined amount of dollars to keep the mark from rising too fast.

The French franc, meanwhile, did not weaken during the day.

ECONOMIST TRIFFIN SAYS EUROPEANS WON'T GO ALONG WITH DEVALUATIONS

NEW HAVEN, CONN. April 1 (IPS) — Yale professor Robert Triffin, NATO allied consultant to the International Monetary Fund said today that "The concept of a stable Dollar-Deutschmark relationship under severe European currency depreciation elsewhere is finished. It will be totally impossible to get the Europeans together behind this. The West Germans will resist absolutely any major European devaluations. (French President) Giscard brought some plans for the realignment of the European currency) "snake" to the EEC meeting — so what. There will be no new snake. (The snake is the arrangement by which European currencies float against each other with "floor variances maintained by central bank intervention.)"

STATE, TREASUR AGREE: DOLLAR DEUTSCHE MARK AXIS DEAD

WASHINGTON, D.C. April 1 (IPS) -- The actual political possibility of forcing through any significant devaluation of the weaker European currencies against the West German deutchemark at this week's European Economic Community (EEC) Ministerial meeting is virtually non-existent, U.S. and IMF officials admitted today. This policy, sometimes known as the Dollar-Deutchemark Axis has been dumped by the West Germans due to their "tremendous concern" about austerity effects of devaluation on the developing West European mass strike, they said.

"The snake just cannot be widened -- the French cannot politically impose the necessary economic policies," added the West German expert at the State Department. "Sure, Bundesbank director Emminger may say 'tighten the belt' -- he's a regular Arthur Burns (the U.S. Federal Reserve Chairman) -- but the German government must say no to austerity. They have to help their allies because of their tremendous concern about the cohesion of the Atlantic Alliance -- Italy, France, the whole southern flank is vulnerable" to Communist sentiment among anti-austerity workers.

"Germany, Italy, the U.K. -- no one is buying a new snake," lamented the Treasury British desk.

BANK PREDICTS EURO CURRENCY SNAKE WILL FALL APART,
FRANC WILL FALL TO 20 CENTS

NEW YORK, April 1 (IPS) -- Currency traders today at a major London-New York Bank said today that they are determined to force the devaluation of every Western European currency except the West German mark. Stating that nothing he had seen, including the current meeting of Common market heads of state in Luxemburg could solve Europe's monetary problems, one currency trader explained, "the snake (European joint currency float-ed.) will fall apart because the West Germans will not stand for seeing their currency reserves exhausted in supporting other currencies...of course the deutchemark goes up, whether West Germany does this publicly or by force of the market, and the Belgian, Danish, and Norwegian currencies will all come down. The French franc will go down to 20 cents at least, and really, there is no telling how low the franc will go...the Franc will not stop going down."

ITALY TO IMPLEMENT RATIONING OF CONSUMPTION GOODS UNDER THE ORDERS
OF THE IMF.

April 1 (IPS) -- The Italian government, under the explicit orders of the International Monetary Fund (IMF), announced

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today that it is going to implement severe rationing of consumer goods such as meat, gasoline and newsprint, in a drastic move to deal with Italy's balance of payments deficit and the Italian foreign debt obligations to international credit institutions. This follows the conclusion of negotiation for a \$530 million loan between IMF officials and the Italian authorities. In exchange for the loan, the government agreed to slash the workers' wages, and to decrease consumption for the entire population under terms of a "letter of intent" signed by the two parties earlier this week.

The Italian press, in reporting the government's action has reminded the population that the cutbacks will recreate the devastation and immiseration of the U.S. occupation at the close of World War II. The respected Milan daily Corriere della sera, today comments that the organization of the rationing would create "fear of chaos" and "psychological order...which would carry Italians to the gloomy climate of the forties."

The financial daily Il Fiorino, states that "a return to rationing...will create another fertile area of a black market with all the degenerations and privileges and speculation which usually prosper...".

WEST GERMAN PRESS CALLS FOR AUSTERITY, CENTRALIZED FINANCIAL CONTROL IN EUROPE

April 1 (IPS) — Leading West German newspapers today demanded the creation of centralized lending facilities for the European continent as the means to finance European countries' balance of payments deficits, combined with harsh austerity and cutback measures.

The Frankfurter Rundschau said that European Economic Community loans should be given to all EEC members with deficits, provided they accept accompanying financial conditions. Handelsblatt, the daily of the Ruhr region industrialists, called for a cutoff of all financial support to Italy, if that country refuses to implement recent International Monetary Fund proposals for harsher austerity measures.

The Suedische Zeitung, in an editorial by Georg Schroeder, claimed that with the exception of West Germany, every other European country is "second class." As the economically strongest European power, Schroeder said that West Germany must undertake "sacrifices" to finance loans tied to austerity conditions in other European countries. Schroeder threatens that failure to implement such measures could lead to the collapse of the EEC's Common Agricultural Policy, a major pillar of the entire French economy.

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