

SHAH KEEPS FRANCE FROM COLLAPSE

Dec. 26 (IPS)--According to communiques issued at the end of French Prime Minister Chirac's visit to Teheran, Iran Dec. 23, Iran has just concluded 34 billion francs' worth of industrial deals with the Giscard d'Estaing government, thus apparently "rescuing" the French economy from the worst depression in her history. Between now and 1980, French industrial firms are scheduled to supply petrochemical, nuclear, special steel, and auto plants, as well as to equip Teheran with a subway system, gas-powered trains, and 200,000 housing units. In short, a real "Christmas present" from the Shah, says the pro-Giscard evening daily, France-Soir.

However, the anti-Giscard French daily Le Monde correctly notes that none of the projected deals is new, except for Iran's adoption of the French color TV SECAM system, a poor competitor of a similar West German product until last week. Moreover, most of the Shah's massive influx of capital into the French economy is predicated on the problems of gold revaluation and oil prices reaching quick solutions acceptable to Iranian interests. Should the Shah fail to convince his partners in OPEC (the Organization of Petroleum Exporting Countries) of the necessity to index the price of oil on that of key raw materials, or should gold prices shoot upwards--thus depreciating the value of his petrodollars--the "agreement" with France would be in jeopardy.

In effect, the net result of the Shah's promissory notes is to allow the French to meet their inordinately high oil bill without dangerous consequences to their fragile credit structure. In addition, the Giscard-Chirac government can derive double psychological warfare advantages from the accord. On the one hand, French capitalists--who are either totally discouraged or incredibly angry at the government's tight credit policies--have been increasingly reluctant to support Giscard, and the projected bonanza is expected to remoralize them. And as for the French working class, already the nationalist French press presents the Shah's "contract" as a great national victory over the once technologically proficient and politically arrogant West Germans.

MASS LAYOFFS HIT IN FRANCE, WORST TO COME

Dec. 26 (IPS)--By the end of 1974, unemployment in France will soar above the one million mark in a wave of layoffs unprecedented since World War II. Hundreds of thousands of newly unemployed workers will celebrate New Year's Eve in misery, as employers frantically cut back on expenses in order to meet year-end debt payments in France's credit-starved economy.

12/26/74

IPS A1

Between October 1973 and October 1974, the rate of unemployment increased a full 51 per cent; by Dec. 1, the rate of unemployment jumped another 20 per cent. For youth, the increase is an even higher 36 per cent between October and Dec. 1.

Official unemployment figures are grossly miscalculated at 650,000, based upon the situation in October. Since then, production has suffered a brutal breakdown. A conservative estimate, advanced by the French Communist Party, puts present unemployment at 900,000. In addition, 2,300,000 industrial workers are slated for end-of-the-year vacations, during which they will receive only \$30-40 a week in unemployment benefits. Ten per cent of the country's small and middle-sized firms, which employ over half the non-agricultural labor force, will be closing shop for the same period.

But the worst is yet to come. So far, employers have attempted to keep layoffs down to a minimum, preferring instead to use other more insidious measures such as a reduced work week, early retirement, and temporary layoffs from one week to a month, scheduled on a rotating basis. These measures are intended to break down the resistance of workers who don't know if they're coming or going. In addition, they hide the real level of unemployment and underemployment.

As France's production has shifted away from domestic consumption goods and toward the transfer of heavy industry to Third World labor-intensive projects, a 32-hour work week has already become the norm in the collapsing textile sector for Boussac's 15,000 employees; the Rhone-Poulenc synthetic fabric producer has laid off its 21,000 man workforce for two to four weeks. Auto sales this November have gone down by 27 per cent; a corresponding drop in employment is expected. The same is true for 60,000 housing units planned to be built in 1974 and cancelled because of lack of credit to the construction sector.

DAVIS APPOINTMENT SIGNALS INCREASED CIA ACTIVITY IN SOUTH AFRICA

NEW YORK, N.Y., Dec. 26 (IPS)--Nathaniel Davis, U.S. Ambassador to Chile at the time of Allende's overthrow, will probably replace Chester Easum as Assistant U.S. Secretary of State for Africa, according to a report in the London Observer Dec. 22. Davis, a member of Rockefeller's Council on Foreign Relations, was field marshal of the CIA overthrow of Allende.

Such an appointment would signal that the acceleration of low-intensity counterinsurgency operations inside South Africa is imminent. Now that South Africa's isolation as a white minority government is nearly complete and South Africa has been coopted to take a major role in reorganizing the southern Africa