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NEW SOLIDARITY International Press Service

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I. Priorities

POUND SINKS; FRANC UNDER HEAVY PRESSURE

NEW YORK, March 10 (IPS) — The British pound sterling came under heavy attack on the international foreign exchange markets closing a new historic low of \$1.9130. Earlier, it had fallen to \$1.9080 after opening the day at \$1.94. The sterling slide was halted only due to about \$100 million of central bank interventions, according to European foreign exchange traders. The latter figure represents the highest volume of funds moving out of sterling since the pound's collapse began. (Last week, the sterling had fallen sharply, but on much thinner volume, traders reported.)

Meanwhile, the Bank of France and the Bundesbank, the West German central bank, sold deutschemarks against the French franc to prevent the collapse of that currency, which also came under extreme pressure on today's markets. Short-term French interest rates shot up 27 percent, as the multinational corporations borrowed to dump the French currency. French corporations sold the French franc forward (i.e., selling francs at prices today to avoid being caught with the devalued currency at a later date) to cover upcoming payments, while delaying receipt of payments in deutschemarks (i.e., speculating that the deutschemark will be revalued soon). European traders estimated that the total central bank intervention against the attack on the franc were about \$100 million. (The U.S. Federal Reserve board this afternoon however, estimated a somewhat lower amount of intervention.)

Forex traders reported that it is already prohibitive to hedge against the collapse of the dollar by dumping the U.S. currency for the gold-backed Swiss franc and deutschemark. Those currencies now show a full 10 percent premium on the 90 day forward rates against the dollar. Traders interpreted this spread to indicate that pressure for a run on the dollar was building.

CURRENCY SPECULATORS RUSHING INTO COMMODITIES

NEW YORK, March 10 (IPS) — Speculators in currencies have been moving into the commodities markets because of the lack of stability on the currency markets according to brokers here. "These 'Specs' don't want to keep their money in currency overnight" said one broker. Commodity futures particularly hard hit by the rush out of paper currencies are sugar, cocoa, silver and copper. Erratic moves in the market have caused the London prices of these commodities to be higher than the New York price. The end result has been arbitrage (the buying of commodities on one market and selling them on a market where the price is higher) the brokers reported. They indicated this situation has the New York traders speculating that the dollar will go down in value as compared to other currencies particularly the pound sterling. Commodity traders, report that the volume of new sales contracts on metals has jumped up as much as 400 percent over last week, and said they were particularly worried about speculators in New York who were dumping dollars for metals in London.

IMF, FED: DOLLAR SAFE FOR AWHILE, BUT PANIC POSSIBLE

NEW YORK, March 10 (IPS) — Spokesmen for the U.S. Federal Reserve and the International Monetary Fund today said that under "dramatically changed circumstances, their only policy at this moment was to stop a run on the dollar from developing over the next few days."

The Federal Reserve's chief of international currencies section, replying to a question on how the Federal Reserve expected to contain a panic run on the dollar from developing, responded that as long as the Europeans continued to sell Deutschemarks to protect their currencies under the plan dictated to the

Europeans by Federal Reserve vice chairman Henry Wallich, then the dollar was safe. But, he agreed, that a European central bankers' decision to move into gold would quickly change that. At the recently concluded meeting of European Central bankers held in Basle, Switzerland under the auspices of the Bank for International Settlements, the Swiss reportedly made a strong push for gold-backed currencies.

Leading monetary and market spokesmen at New York's Irving Trust, Manufacturers Hanover, and Chemical Banks echoed these sentiments, conceding that a flood of dollars has already started moving into London metals joining those transferring their funds out of the battered sterling and into "something safe." Said Morgan Guaranty's chief foreign exchange trader: "Its all politics. The French political resistance to a devaluation of the French franc has sent the markets haywire. There is uncertainty everywhere."

GAULLIST LEADER CALLS ON U.S. TO ACCEPT EURO- PEAN GOLD-BACKED CURRENCY

March 10 (IPS) — Albin Chalandon, a pro-Atlanticist member of France's Gaullist UDR Party, warned in a lengthy article in yesterday's *Le Monde* that "in the long run it is extremely dangerous for the U.S. to continue to make the dollar the instrument of a domination which, henceforth, cannot be backed by sufficient political and military means. Like any excess," Chalandon continued, "this one will bring about a reaction — voices are already calling for one in France, and they are not all Communist — and this reaction can only be growing autarchy which will destroy what was remaining of unity in Europe, and will draw each European nation closer to the autarchic east bloc."

Chalandon states that "a change in the relation of forces between the U.S. and other countries can be obtained by

the constitution of monetary zones strong enough, and, consequently, credible enough to oppose to the dollar the existence of currencies susceptible of being payment and reserve instruments."

"Of course," he states, "it is no longer a matter of crucifying the nations on a cross of gold, but the U.S. must understand that the monetary and social health of the rest of the non-Communist world cannot depend on a displacement of a few dozens or hundreds of votes in Alabama or Wisconsin. By giving gold its place in a concerted stabilization, by giving it a fixed price (although adjustable in relation to price movements as they express themselves in national currencies), one would have at one's disposal an element of reference to define, create, distribute the means of payments among states, one would introduce the minimum of constraint to place each country face to face with its responsibilities."

GAULLIST BARONS TO BREAK WITH GISCARD ATLANTICISM

March 10 (IPS) — In the aftermath of the first round of the French elections for Advisory Councils, former UDR General Secretary and anti-Atlanticist Gaullist Baron Alexandre Sanguinetti declared that the low turnout for the Gaullist Party in official returns is a major warning that the party should "change its ideas, behavior and style," according to the March 10 issue of the French Communist Party daily L'Humanite.

A new dominant faction in the UDR, led by the Gaullist Barons, shares Sanguinetti's views, according to the March 9 issue of the popular daily France-Soir, and think that the heads of the UDR's "defeated generals" have to fall. Although France-Soir sees that as an attack against UDR General Secretary Andre Bord, the sword is undoubtedly directly pointed towards pro-Atlanticist Gaullist Prime Minister Jacques Chirac.

PCF CANDIDATES BOLT ON ORDERS TO GIVE VOTE TO SOCIALISTS

March 10 (IPS) — According to late night French radio reports, numbers of

candidates of the French Communist Party (PCF) who ran in Sunday's "cantonal" elections are defying the orders of the party's leadership to withdraw from the second round of elections next week in favor of Socialist Party candidates in areas where the socialists had a slight majority over the PCF.

This is the first time since the Union of the Left agreement between the Communists and Socialists was signed in 1972 that such dissidence by Communists against the mutual withdrawal policy has been expressed in this manner.

According to France-Inter, the PCF leadership has threatened to expell a candidate from the Meurthe et Moselle department for his defiance.

UDR LEADER PROTESTS PONIA'S FRAUDULENT VOTE COUNT

March 10 (IPS) — Andre Bord, Secretary General of France's Gaullist UDR party, yesterday renewed Gaullist objections to the official vote count issued by the Interior Ministry following last Sunday's first round of voting in the French cantonal elections. French radio reports that Bord has contested the official 10 per cent of the vote given to the UDR, countering this with the UDR's own figure of 15.5 per cent. Bord's protest follows a statement two days ago by UDR spokesman Neuwirth, expressing his "dissatisfaction" with the Interior Ministry's count.

GAULLIST THINK TANK SCORES NATO

March 10 (IPS) — The French Institute for Foreign Affairs, a Gaullist think-tank, released a press statement today scoring NATO as "a political office of the U.S., directed against its (NATO's) members." The release concluded that "France's national sovereignty is threatened by a minority paid by imperialism."

The President of the Institute, Girault de Coursac stated ten days ago that unless France "immediately" breaks all ties with NATO, Western Europe will be led, despite itself, towards the possibility of nuclear war and fascism.

The statement was carried by the Cuban press service, Prensa Latina.

POLISH PAPER HITS U.S. 'CREDIT BLACKMAIL' OF THIRD WORLD

March 10 (IPS) — The March 8 Polish Communist Party daily Trybuna Ludu carried a feature analysis of the developing countries' position at the North-South economic talks, accusing the U.S. and its NATO allies of using "credit blackmail" against the Third World. U.S. State Department Secretary for African Affairs Schaufele was charged in the article with pursuing a "carrot and stick" policy. Tyrbuna Ludu contrasted the socialist countries' support of intra-third world development and their outright aid to the developing sector, to the U.S. blackmail.

KISSINGER WANTS OPEN NUCLEAR OPTION

WASHINGTON, D.C., March 10 (IPS) — In testimony before the Senate Government Operations Committee yesterday, Secretary of State Henry Kissinger kept open the U.S. option to use nuclear weapons against non-nuclear attack. "We cannot rule out the use of nuclear weapons on a regional basis when our national interests are involved," Kissinger said. In remarks which recalled the NATO MC 14-3 doctrine of "flexible response," Kissinger said that the "disparity of conventional forces" forced the U.S. into this position. The Baltimore Sun, which reported Kissinger's statements on its front page, added that "Western Europe and South Korea are areas where the option is most likely against conventional attack."

CONGRESS ATTACKS CIA ATTEMPTS TO DISCREDIT IT

March 10 (IPS) — Rep. Otis Pike (D-NY), chairman of the now-defunct House Select Committee on Intelligence, charged on the floor of the House yesterday, that the CIA Chief Counsel Mitchell Rogovin had warned Pike's staff director, "Pike will pay for this, you wait and see — we'll destroy him for this." Pike declared that the CIA was running a "domestic covert operation" to discredit him and Congress,

and to cover up the findings of his Committee. According to several press sources, Pike also charged that the State Department and the CIA had staged a "media event" by leaking the story that 232 classified documents given to his Committee had been lost. In several hours work yesterday, the Committee accounted for 200 of the 232 documents.

Pike's revelations had an immediate impact on the assembled members of the House. Numbers of members, including Rep. Wayne Hays (D-Ohio), John Burton (D-Calif), Stephen Neal (D-NC) and Elizabeth Holtzman (D-NY) — some of whom had voted for either classification of the Pike Committee report or for creation of the Ethics Committee investigation of the leak of the Pike Committee report — admitted that they had been wrong and were now ready to go with the Pike Committee report. Other Congressmen charged that a "witch-hunt atmosphere" had been created on the Hill.

LEVI TO DROP PREVENTATIVE ACTION GUIDELINE

March 10 (IPS) — Attorney General Edward Levi will drop from his proposed guidelines for the FBI a policy of allowing the Bureau to take "preventative action" against individuals or groups "who will engage in violent activity" at some point in the future. According to yesterday's New York Times, Levi withdrew that specific guideline "because of public pressure." The Attorney General complained that the proposal "just never was understood by the press."

Nonetheless, Levi said he will introduce the rest of the FBI guidelines, which will de facto legalize the whole range of FBI COINTELPRO-type operations, on March 17 without Congressional approval.

CHICAGO SUN TIMES ATTACKS LEVI'S FBI GUIDELINES

March 10 (IPS) — Today's Chicago Sun Times, in an editorial entitled "FBI Guidelines Dangerous," charges that Attorney General Levi's FBI guidelines would only serve to legalize all the past abuses of the FBI. The Sun Times

charges that for the past 18 months, the details of the FBI's subversion of the rights of the U.S. population have been exposed, and that Levi has turned around and is trying to enact these very abuses into law. The Sun Times calls on Congress to immediately enact legislation to prohibit the guidelines and to mandate new ones which would actually curb the FBI.

DESERTIONS FROM LEBANESE ARMY INCREASE

March 10 (IPS) — The Syrian government is concerned that the rapid increase in deserters from the Lebanese army "might undermine its efforts" to stabilize Lebanon, today's New York Times reports.

According to Times reporter James Markham, there is "no reliable estimate" of how many men have deserted the army, but Lebanese leftists are estimating that as many as 1400 men have joined the "Lebanese Arab Army" forces of dissident Lieutenant Ahmed al-Khatib and have seized at least two garrisons in the country. Further, Markham adds, Khatib's forces are "known to receive support from Al Fatah," the largest Palestinian commando group in Lebanon, "and there have been unconfirmed reports that one of his partisans in northern Lebanon... has Iraqi backing."

SOVIET TOKAMAK REGISTERS SIGNIFICANT ADVANCE

March 10 (IPS) — A report broadcast today on Voice of the German Democratic Republic radio indicates that research on the Soviet T-10 Tokamak has taken another step toward fusion energy breakeven conditions. While details are lacking at this point, it appears from the report that the T-10's plasma energy confinement time has been increased from a previous high of 60 milliseconds to 100 milliseconds (one-tenth of a second). This is the value which the U.S. Tokamak at Princeton, which is not yet operational, hopes ultimately to achieve.

U.S. Tokamak experts at Princeton and Columbia Universities, who had not yet heard of the Soviet results, in-

dicated that if the improved confinement was obtained under conditions of increased temperature this is a very significant achievement.

The German Democratic Republic broadcast emphasized that leading Soviet researchers, including President of the Soviet Academy of Sciences Alexandrov, view the way as open to the construction of the T-20 fusion reactor and are developing blueprints for its industrial application.

FLASH! HEALEY BUDGET DEFEATED

March 10 (IPS) — The austerity budget of British Chancellor of the Exchequer Dennis Healey has just been defeated in British Parliament, WCBS radio reported this evening. The defeat of the ruling Labour Party-backed measure was due to the defection of 36 members of the Labour Party, who decided to vote against the bill. The leader of Britain's parliamentary opposition, Margaret Thatcher of the Conservative Party, called for the resignation of the Labour Party government and new elections. Prime Minister Wilson said the government had no intention of resigning. WCBS reports, suggesting that Wilson was confident that the 36 defecting Labour Party members would support the Party if it had to face a vote of confidence in Parliament.

II. INTERNATIONAL

PCF CENTRAL COMMITTEE MEMBER CALLS FOR NEW WORLD ECONOMIC ORDER

March 10 (IPS) — In the February issue of the French Communist Party's economic review "Economie et Politique," Central Committee member and leading party economist Philippe Herzog calls for a New Economic World Order as a "universal process" toward socialism, based on "vast international cooperation," and attacks "imperialist states' refusal to cancel part of the Third World debt" as a major obstacle for world development generally.

Herzog emphasizes that the working-class fight against "austerity" and "anti-growth" in the advanced sector and for development and independence in the Third World is one and the same

fight for progress. This is a still "misunderstood idea," he states, but one which must be turned into a "real force" through daily organizing.

Blasting "autarchy" schemes and "subsistence" (i.e. labor intensive) agriculture for the Third World, Herzog underscores the necessity for mechanization of agriculture and general industrialization in that sector based on increased trade exchanges between the advanced sector, the East bloc and the Third World. This requires a "world-scale coordination of national development plans" and the establishment of a "fundamentally new international monetary system with the participation of the Socialist countries," with "credit based on real cooperation and linked to planned exchanges," he states.

WORLD BANK DEMANDS INDIA SUBMIT STATE SECTOR FOR SUPERVISION

NEW YORK, March 10 (IPS) — A World Bank delegation currently in India has demanded that India place its state sector (most of the country's basic industry) under the supervision of the World Bank committee, as a condition for any further World Bank credits, according to the Polish paper Trybuna Luda of March 6. Indian Prime Minister Indira Gandhi has adamantly refused the request.

At present, India receives most of its western foreign assistance under the aegis of the Aid-India Consortium, a body set up and chaired by the World Bank. According to an International Monetary Fund spokesman, 70 to 80 per cent of the aid provided by the consortium goes right back to Europe and the U.S. as debt service. The World Bank's threat to cut off aid would thus, if carried out, jeopardize India's debt repayment capacity.

The World Bank demand to exercise control over India's state sector follows by only one month similar requests by U.S. multinational spokesman Orville Freeman, who demanded in his visit there that the state sector be opened for private investment.

INDIA FINANCE MINISTER AIMS FOR 6% GROWTH RATE

March 10 (IPS) — Indian Finance Minister C. Subramaniam two days ago

said that the Indian economy's day-to-day holding operation of the last two years is now over and that a major thrust toward renewed development will be launched on the basis of the nation's now-secure sources of fertilizer and power, and its low rate of inflation, according to yesterday's London Financial Times. Subramaniam predicted a 5.5 per cent rate of growth for the Gross National Product as a whole next year, based on a 4.5 per cent rate of growth of industry and a record food grain output of 114 million tons.

The Finance Minister cautioned that the excellent harvest this year should not lead to complacency, because it was based on extraordinary weather, and that slow industrial growth is holding back overall development. He said that industrial growth would have to double in order to attain the desired 6 per cent overall GNP growth. The thrust of his policies to achieve this is to increase the domestic savings rate, promote exports more vigorously, and increase the production and more equitable distribution of consumer goods.

ANGOLA'S NETO WARNS IMPERIALISTS AGAINST ECONOMIC SABOTAGE

March 10 (IPS) — In a statement published in the German Democratic Republic magazine Horizont today Angolan President Agostinho Neto warned European and American imperialists against attempts to wreck Angola's development through economic sabotage.

"If the imperialist countries think they can destroy Angola by economic boycott," said Neto, "they are wrong. They forget the existence of the socialist countries, and the lessons from Vietnam and Cuba. In their fight against the socialist camp, where the exploitation of man by man has been ended, they tremble at the thought that Angola will be another country closed to their looting."

TIMES TELLS KISSINGER TO SHUT UP ABOUT CUBA AND AFRICA

March 10 (IPS) — The New York Times yesterday warned Secretary of State Henry Kissinger against making threats over the Cuban presence in

Southern Africa unless he could carry them out, telling him that such threats will only weaken America's already low credibility in the area.

Sharing Kissinger's "concern over Cuban military adventures in Africa," the Times warned, however, that "it would be disastrous in any terms for the United States to intervene."

"There are heavy risks for United States credibility in making vague threats of retaliation against the Castro regime in a situation in which Washington's capacity to organize effective countermeasures is virtually nil. Such a course merely invites fresh humiliation," the Times concluded.

SYRIAN TROOPS ON WAR MANEUVERS

March 10 (IPS) — Syrian armored troops staged "massive maneuvers" with live ammunition on March 7 to "intensify the alertness of Syria's combat forces," according to a Jordan state radio broadcast reported in the March 8 Jerusalem Post.

Assad Government Isolated

March 10 (IPS) — Harvard University think tanker Nadav Safran, writing in the March 8 Jerusalem Post, reports that Syrian President Hafez Assad is in a very isolated political position in Syria. Safran describes his influence as "confined to a very small circle" of "his immediate entourage," and notes that beyond this the "dominant views . . . are still those fostered by the (Syrian) Ba'ath party stalwarts."

SOARES LONGS FOR SPINOLA'S RETURN

March 10 (IPS) — In an interview to the French magazine *Nouvel Observateur*, Portuguese Socialist Party leader Mario Soares expressed his satisfaction about an eventual return of fascist general Antonio Spínola to Portugal and advised Portuguese Communist Party general secretary Alvaro Cunhal to follow Italian Communist Party leader Enrico Berlinguer:

Interviewer: "Do you desire the return of the general (Spínola)?"

"Yes," answered Soares, after agreeing that he would accept forming

a government with Spinola.

Interviewer: "In sum, you are demanding the communists to prove their attachment to democracy by demonstrating their capacity to assure social order?"

Soares: "Fundamentally, that is true. The PCP should remember of experience of its French brother party in 1945. Maurice Thorez said then to the workers, 'it is necessary to know how to end a strike'."

"You're advising Cunhal to re-read Thorez?" the interviewer questioned.

Soares' answered: "Better yet, to listen to Berlinguer."

FRENCH OIL COMPANY SEES SUSPENSION OF CRUDE SUPPLIES TO ITALY

March 10 (IPS) — The French financial daily Les Echos reported March 4 that the Italian subsidiary of the French oil company CFP-Total is considering stopping all of its imports of crude oil to Italy "because the prices granted to the refining industry" are not good enough "in view of the depreciation of the lira." CFP-Total is controlled by the Atlanticist government of French President Giscard d'Estaing.

THAILAND ISSUES DEADLINE TO U.S. ON BASES AND TROOPS

March 10 (IPS) — The Foreign Ministry of Thailand has told the United States that an agreement on "general principles" governing U.S. bases and troops in that country must be reached by March 20 or all but 240 U.S. military officials will be told to leave, reports today's New York Times. The Thai government is insisting upon including complete Thai sovereignty over all military installations in Thailand and ultimate authority over the U.S. troops themselves.

However, several hours before the government's deadline was issued, Prime Minister Kukrit and Foreign

Minister Choonhaven both issued statements emphasizing that the consultations with the United States are proceeding smoothly and denying reports that the United States had refused to negotiate with the Thai Foreign Ministry.

III. CONTINENTAL

MIKVA BLASTS S-1; MANSFIELD WARNS BILL MAY DIE

March 10 (IPS) — Rep. Abner Mikva (D-Ill) condemned the proposed revision of the U.S. criminal code, S-1, as a bill which would obliterate basic constitutional rights in an Op-Ed in today's Washington Post. "Efforts to defang the S-1 monster should not obscure the fact that a monster without some of its fangs is still a monster," Mikva stated. Among other repressive features of the bill, Mikva notes that "S-1 so stretches the conspiracy laws that mere thought becomes a crime in certain situations. . . S-1 started as a monster and no amount of plastic surgery is going to change its character," he concluded.

Meanwhile, Senator Mike Mansfield (D-Mont), according to an article also in today's Washington Post, warned yesterday that S-1 will not be passed this year unless it is quickly rewritten and its sensitive provisions deleted. "I would hope the job can be done as soon as possible — this week, perhaps. If not, then I think we might well consider the issue dead," he said.

U.S. BLOCKADE OF CUBA "UNDER CONSIDERATION" BY ADMINISTRATION

March 10 (IPS) — The "predictable future course of Cuban intervention in black Africa has led Mr. Ford to the brink of a major new U.S. policy," according to columnists Rowland Evans and Robert Novak in today's Washington Post. "One possible

retaliation," according to the columnists, "would be a U.S. naval blockade of Cuba, known to be under consideration."

Regardless of the "difficulty of extending a blockade to the air — essential for success," and U.S. experts' "fear the Russians would contest an American blockade, as they could not in the Cuban missile crisis 13 years ago when U.S. power was supreme," the columnists claim that "President Ford is determined to end Castro's free run in Africa, whatever the opinion of his foreign allies, the Third World, American black leaders or anybody else."

BROOKINGS SPECIALIST BACKS U.S. BLOCKADE OF CUBA

WASHINGTON, D.C., March 10 (IPS) — Asked what he thought of proposals for a U.S. naval blockade of Cuba, Brookings Institution specialist Barry Blechman said today: "We could do it and we could get away with it."

NY BANKER SAYS DEBT MORATORIUM INEVITABLE

March 10 (IPS) — A prominent New York banker said today that "a debt moratorium will come anyway in one form or another, it's a dynamic process — you can't stop it. The burden of debt services is very heavy. . . You want to keep your borrower alive to get your money back."

The banker said he expected the United Nations Conference on Trade and Development (UNCTAD), the International Monetary Fund or the World Bank to come up with some form of debt moratorium that they would negotiate with the less developed countries for at the UNCTAD meeting in Nairobi, Kenya, later this year.