



NEW SOLIDARITY International Press Service

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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE (IPS)

LATE EVENING NEWS WRAP-UP
WEDNESDAY, 17 MARCH 1976

I. PRIORITIES.

CHAOS ON CURRENCY MARKETS: LIRA COLLAPSES; DOLLAR UNDER ATTACK

March 17 (IPS)--The international currency markets were in total chaos today as the Italian lira collapsed to a new historic low. At one point the lira had fallen by an incredible 5 per cent against its opening, before inching upwards in the afternoon. It closed at 877, down from an opening of 844. Traders expressed the belief that the lira could sink to as much as 1200 to the dollar. The pound sterling also came under enormous pressure, with major intervention by the bankrupt Bank of England halting its slide after a marginal decline.

This situation led to a massive selling pressure on the U.S. dollar, as multinationals and international banks moved out of the bankrupt currency en masse into Swiss francs and deutsche-marks. While the U.S. dollar depreciated by more than 1 per cent against the West German and Swiss currencies, the Italian lira declined against the dollar as the Bank of Italy continued selling liras for dollars to meet its 3 million dollars a day in debt service payments to New York banks.

The seriousness of the dollar crisis is underlined by the dollar's depreciation despite a full-scale rescue operation on its behalf by the central banks of West Germany and the United States. The Federal Reserve sold an undisclosed amount of West German marks and the West German counterpart bought 18 million dollars. Traders in New York expressed terror that the entire dollar-based monetary order will blow to hell unless "a political solution" for Europe was found over the next week or two.

WALL STREET BANKER DECLARES: MILITARY-POLITICAL SOLUTION ONLY WAY TO RESCUE DOLLAR EMPIRE

March 17 (IPS)--The chief international spokesman for the New York based investment banking house of Brown Brothers Harriman, declared today in an interview that the seriousness of the dollar crisis demands an "urgent military-political solution in Western Europe."

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Asked whether he had considered the political ramifications of an Atlanticist push to install police-state regimes, the Wall Street banker replied: "Germany is key to the entire thing. As long as they (the Germans--ed.) need us, neither the Gaullists in France nor the industrialists hostile to the United States in Italy can do much....Oh, they will make a lot of noise but they are too much of a mess economically....The trade unions and Communist Parties are anxious to enter the government and will avoid controversy."

Supporting the "Independent European" approach to European defense peddled by such fascists as Britain's Enoch Powell and Francois Mitterrand's French Socialist Party, the Wall Street banker said "I believe that we (the U.S.) should stay out of Europe and let them sort their own problems out. It's their problem not ours."

MORO MAY RESIGN OVER ITALIAN CURRENCY CRISIS, SAYS BBC WORLD SERVICE

March 17 (IPS)--Italian Premier Aldo Moro may be forced to resign over today's collapse of the lira, reports the BBC World Service. According to the BBC's Italian correspondent, the Italian currency dealers are calling today "the blackest day in market history." Measures aimed at closing the Italian/Swiss border to stop sale of lira in Switzerland are now being taken. European Economic Community (EEC) ministers are reportedly conferring with the Italian finance minister over austerity measures to be taken to halt Italy's economic collapse, the BBC reports.

AP DOW JONES REPORTS ITALIAN FOREIGN EXCHANGE MARKETS CLOSED

March 17 (IPS)--Amid sharp fluctuations of the lira-dollar exchange rate which resulted in a 3.8 per cent depreciation for the day, AP Dow Jones released an international dispatch this afternoon reporting the Italian government had shut down the foreign exchange markets and that Italian banks had ceased the sale of foreign currencies. Later in the day, AP Dow Jones released a contradictory dispatch indicating that the foreign exchange trading had not closed. Foreign exchange traders contacted in New York were unable to ascertain whether the Italian market had closed or not.

ARMED POLICE MOBILIZED IN ANTI-TERRORIST SEARCHES IN LONDON

NEW YORK, March 17 (IPS)--At least 1,000 police, "many of them armed," have been deployed in London following the third terrorist bomb explosion in the London subways in the past two days. Officials are said to be alarmed about the possibility of an IRA (Irish Republican Army) "Spring Offensive," and WINS reported today that "every mile of track and every piece of rolling stock" on Britain's 30,000 miles of rail will be checked every morning for possible terrorist bombs.

SWEDISH SOURCES SAY GOTEBURG MOBILIZATION AGAINST EUROPEAN "COUPS"

GOTEBURG, Sweden, March 17 (IPS)--Sources contacted here today report that yesterday's mobilization of 16,000-18,000 Swedish soldiers

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in that city, the largest in post-war history, was a maneuver planned to test "coup preparedness" against political destabilization in either Sweden or any part of Western Europe. A Swedish Defense Department press official admitted that "The Swedish military keeps a close eye on economic and political developments in Europe....The situation in England is especially disturbing."

FRENCH SOCIALIST PARTY ADVOCATES FORMATION OF FREIKORPS

March 17 (IPS)—Speaking at the Western European Union (WEU) meeting in London March 14, French Socialist Party deputy Claude Delorme called for the creation of a Europeanwide "military reserve" system. Delorme called for "a coordinated plan for the organization of mobilization exercises of reservists belonging to all European armies," a "popular dissuasion" capable of "organizing the nation in arms" and trained for guerrilla-like warfare.

According to today's French daily Le Monde, Delorme said the reserves should be organized on a local and decentralized basis, with training and wage costs for a six-month period being paid jointly by the national budget and companies.

WEST GERMAN FOREIGN MINISTER MOOTS ALL PARTY "GRAND COALITION"

March 17 (IPS)—West German Free Democratic Party (FDP) Foreign Minister Hans Dietrich Genscher commented this weekend that the ratification of the recent treaties with Poland by the Upper House of the Bundestag (parliament) has led to "a certain softening of the domestic political fronts" between the Social Democratic-Free Democratic coalition government and the Christian Democratic Union. Speaking at an FDP electoral rally, the Foreign Minister noted that all parties had reached a common foreign policy, suggesting that he now sees the possibility of a formal government coalition with the CDU — a "Grand Coalition" — on the basis of domestic austerity policy.

ITALIAN WEEKLY BLASTS AGNELLI AS BEHIND LOCKHEED SCANDAL

March 17 (IPS)—The latest issue of the Italian magazine L'Europeo, a weekly linked to the Cefis industrial interests, blasts the Rockefeller behind-the-scenes manipulation of the Lockheed scandals as a factional battle to maintain debt payments from the Europeans and Japanese. Named as a key conspirator with the Rockefeller banking interests is Gianni Agnelli, president of the FIAT auto empire.

The Europeo feature entitled "Behind the Scandals, There is A Friend of Agnelli — David Rockefeller," documents the charges: "The scandals of international kickbacks reach politicians and powerful men in every corner of the world like multiheaded missiles....These strategic missiles take off from a single base — the banking empire of the Rockefellers...who use agents in the stricken countries, (like) Giovanni Agnelli, who is very well known as a close friend of the financial power of the Rockefellers...."

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"The target is the victory of the worldwide banking powers....It is necessary then that the public know how and why the scandals explode all at once, who maneuvers them, and what are the targets. ...As it may be correct that the guilty parties fall (Nixon), it is also correct to know who has created and manipulated the scandals which forced him to be dumped.

"The scandals involving the multinationals all have a common element. All the implicated companies...are debt-ridden toward Wall Street banks. These banks are being dominated by the Rockefellers. It is through these debts that the banking powers are taking over these multinationals....

"Lockheed and Gulf Oil are not the only companies controlled by the Rockefellers which first corrupted and then they revealed the scandals....This muckraking as it is called in the United States is not accidental..."

L'Europeo then details the Rockefeller connections to the boards of directors of the multinational companies which bribed European and Japanese governments. "These links then show who manipulated the scandals."

GAULLIST YOUTH GROUP MEETING ATTACKS GISCARD GOVERNMENT

PARIS, March 17 (IPS)--At a conference here today organized by the Gaullist Union of Youth for Progress (UJP) and several Gaullist think-tanks, Gaullist leader Alexandre Sanguinetti attacked the Tindemans Plan for a supranational NATO-controlled Europe. Sanguinetti, a leading organizer of the anti-Atlanticist forces in France, was joined by several UJP spokesman who condemned President Giscard d'Estaing's government accusing Ministers of the Interior and Justice, Poniatowski and Lecanuet, of being "American agents" infiltrating the French government.

Towards the end of the meeting, which was attended by 500 youth and workers, a spokeswoman for the European Labor Party questioned Sanguinetti on his position on debt moratoria. The Gaullist leader was initially reluctant to respond to the question. However, after the crowd responded with shouts of "They're right," Sanguinetti stated that he agreed with the ELP's analysis of the crippling effects of debt and the threat of nuclear war barring institution of a new world economic order.

UDR EXECUTIVE REJECTS TINDEMANS PLAN

March 17 (IPS)--The March 15 executive committee meeting of the French Gaullist Party, the UDR, adopted an absolutely intransigent position in defense of "French national independence" and against the Tindemans Plan for a supranational European government. According to today's French paper, Le Monde, the Gaullist barons were joined at the meeting in their opposition to the Tindemans Plan by French Prime Minister Chirac.

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The UDR's position statement on the European question, drafted by Couve de Murville, repeatedly refers to "serious dangers" in the Atlanticists' "operation" to implement the Tindemans proposal. It lays out preconditions for Gaullist support for a European parliament, a central feature of the Tindemans proposal, stipulating that such elections are fine--as long as the parliament has no power over the member states. Otherwise, the UDR position paper says, the French constitution would have to be amended. Such stipulations are known to be opposed by the government of French President Giscard d'Estaing. The Gaullist statement concludes by saying that "no concessions" will be made to the government on "the question of national independence."

The statement was "leaked" for publication to Le Monde, three days before the government Council of Ministers meets to discuss the official French position on the Tindemans Plan.

LEBANESE LEFTIST FORCES CONDEMN FURTHER SYRIAN OCCUPATION OF LEBANON

March 17 (IPS)--Kamal Jumblatt, the leader of the Lebanese Progressive Front, and the entire left including Nasserists and Communists are jointly voicing opposition to continued Syrian domination of Lebanon, according to today's West German daily, the Sueddeutsche Zeitung.

Jumblatt is quoted in today's Washington Post that "The Syrians should pull out. Their role is finished. The government question is purely Lebanese. The Syrians should leave." Significantly, Jumblatt also refused an invitation this week to Damascus, where negotiations to form a new government were underway. The Post reports that Syria intends to continue its drive to impose a "peace" settlement, "despite opposition from leftists, Lebanese and Palestinian commandos, as it (Syria) maintains firm support for the ultra-right Phalange."

BADILLO CALLS FOR NYC DEFAULT ON HOUSE FLOOR

March 17 (IPS)--Rep. Herman Badillo (D-NY), in a statement inserted in today's Congressional Record, told the House of Representatives that a New York City bankruptcy is "inevitable." "It is time to think the unthinkable," he said, calling the New York City bail-out a "total flop."

In an effort to maintain the city's creditworthiness so that it might sell securities on the open market, the Representative continued, the city drastically cut every city service, with the exception of one--debt service. Despite this effort, Badillo revealed Standard & Poor informed him recently that the city would be closed out of the money markets for at least the next 20 years.

Badillo urged that every Congressman read an article by Howard Samuels, New York businessman and former Democratic gubernatorial candidate, in the current issue of New York magazine which advocates a moratorium on city debt and support of Rep. Badillo's

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bankruptcy legislation now pending in Congress. In his prepared statement, Badillo said the bill is now in conference. The bill, co-sponsored by Reps. Rodino (D-NJ), Edwards (D-Cal), Sieberling (D-Mich), Drinan (D-Mass) and Dodd (D-Conn), legislates a Chapter 16 bankruptcy reorganization for the city.

U.S. SCIENTISTS "ASTOUNDED" BY SOVIET ELECTRON BEAM FUSION RESULTS

NEW YORK, March 17 (IPS)--Leading U.S. electron beam fusion researchers said today that Soviet experimental advances using this method which were reported in the March 10 Pravda are of major significance. "If this report is true, these results are astounding," one scientist said. "In our experiments with pellets we have only achieved symmetrical deposition of the e-beam (electron beam) on the pellet, but because the pellets break up no real compression or heating has ever been generated, and therefore no fusion reactions." (The Soviets reported compression of the fuel hundreds of times and achievement of temperatures of tens of millions of degrees.)

Another researcher said, "This will really create ripples in the U.S. I will write my dear friend Leonid (Dr. L. I. Rudakov, head of the Soviet research team) right away and find out what the fuck is going on."

PRAVDA ANNOUNCES MAJOR FUSION POWER RESEARCH BREAKTHROUGH

March 17 (IPS)--In a March 10 article in the official Soviet party newspaper, Pravda, on Soviet fusion research progress, Soviet Academicians Velikhov and Kademtsev report that Soviet researchers working on the "inertial" confinement method--in which an electron beam is used to compress and heat a small pellet of fusion fuel--have achieved a "substantial success" in the "compression of the fuel hundreds of times and achievement of temperatures on the order of tens of millions of degrees."

The article reported that "as a result of the thermonuclear reaction which took place in the deuterium fuel, more than a million neutrons were obtained." The significance of this, Velikhov and Kademtsev state, is that it "opens prospects for developing an impulse thermonuclear reactor, similar to an internal combustion engine, in which energy is produced in periodic small bursts."

The electron beam pellet compression method used in obtaining the results is an alternative to the Tokamak magnetic confinement method. The Soviet Institute of Atomic Energy research team that performed the work was headed by Dr. L. I. Rudakov.

CONGRESSIONAL COMMITTEE VOTES TO RESTORE FUSION BUDGET CUTS

March 17 (IPS)--The Joint Committee on Atomic Energy (JCAE) voted today to restore cuts proposed by President Ford in the fusion

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research and development budget of the government's Energy Research and Development Administration (ERDA). The vote came after hearings today, during which Dr. Robert Hirsch, assistant director of ERDA, was asked by JCAE member Rep. Roncalio (D-Wyo) if an article in a recent issue of New Solidarity, the newspaper of the U.S. Labor Party, describing Soviet fusion breakthroughs was substantially correct. Hirsch, who until recently headed ERDA's controlled thermonuclear research division, was forced to admit that it was. The New Solidarity article was entered into the Congressional Record.

END OF LATE IPS FOR WEDNESDAY, MARCH 17, 1976
