



NEW SOLIDARITY International Press Service

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COMBINED NEWS ROUND-UP
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I. PRIORITIES

FRANC DEVALUED

March 15 (IPS)--The French government of President Giscard d'Estaing decided at a meeting of European finance ministers early today to withdraw the franc from the joint European currency float, or "snake," according to today's New York Times. The move, a de facto devaluation which had been demanded by Wall Street, was decided at a secret meeting held at midnight, only hours after nationwide cantonal elections in France in which Gaullists had made the pro-Atlanticist policies of Giscard a major issue.

FRANC DROPS 5 PER CENT, THEN REBOUNDS

NEW YORK, March 15 (IPS)--The French franc plummeted sharply today from .2205 dollars to .2105 dollars, a 5 per cent drop, following France's announcement that the franc is leaving the European "snake," the group of currencies which floats jointly against the dollar. Foreign exchange traders at major New York banks concluded that the franc's subsequent rebound to .2155 dollars could not be explained in technical terms, but that international support was coming from official quarters. The Italian lira took the brunt of today's speculative pressure, falling from .001275 dollars to a close of .001205 dollars, or 832 lira per dollar. One foreign exchange trader at a major Italian bank commented, "The lira?...It's dying."

EUROPE "EVEN MORE LIKE A TRUMMERFELD"

WIESBADEN, W. Germany, March 15 (IPS)--With market sources widely predicting today that the Wall Street-backed speculative attack on the French franc will now be turned against other European currencies, including the Belgian and Scandinavian, a highly placed West German bank official commented: "With these chain devaluations, Europe is going to look even more like an economic trummerfeld (rubblefield)." West Germany, the "junior Yankee," he added, referring to the enforcer role West Germany has played for the Atlanticists in the forced devaluation-austerity drive, "has opted out of political decision-making....It is terrible that 10 per cent of the OECD's (Organization for Economic Cooperation and Development--the organization of the industrialized nations) Gross National Product is foreign debts!"

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Leading West German and Swiss bankers emphasized today that the Bank of France's surrender to the Wall Street attack, the devaluation of the franc and its exit from the European currency "snake" have not changed the fundamental monetary and payments crisis one iota.

IL FIORINO ANNOUNCES BANK OF ITALY BANKRUPT

March 15 (IPS)--The Milan industrialists' daily, Il Fiorino, today revealed that the Italian central bank, the Banca D'Italia, is refusing to redeem the state debt instruments that it forced the Italian banking sector to absorb earlier as part of a Wall Street-dictated plan to contract credit within the nation's economy. Furthermore, Il Fiorino charged, the Bank of Italy has taken the move--tantamount to a declaration of bankruptcy--stealthily, without parliamentary approval or a public announcement.

Il Fiorino reports that the bank's move has alarmed businessmen within Italy, who are moving in panic to withdraw their deposits from the banking system from fear that their accounts may be frozen.

ANALYSTS UNEASY OVER BANKRUPTCY OF BANK OF ITALY

NEW YORK, March 15 (IPS)--Although many market analysts today were elated over France's decision to withdraw the franc from the European snake, a de facto decision to devalue which they hope will stave off dumping of the dollar, leading specialists agreed today that the dollar crisis remains basically "unmanageable." Especially worrisome, they noted, was the de facto declaration of bankruptcy of the Banca D'Italia.

A spokesman at a Wall Street investment banking house warned that "bankers in Italy are screaming and yelling as they realize they cannot rely on a central bank backing them up. This," he stated, "could lead to yet another round of flight of capital out of Italy. The dislocations that would cause on the markets will be unmanageable."

SIMON IN DIATRIBE AGAINST U.S. LABOR PARTY AT CHICAGO PRESS CONFERENCE

CHICAGO, March 15 (IPS)--At a press conference in Chicago today, Treasury Secretary William Simon launched into a diatribe against the U.S. Labor Party after a USLP spokesman told him that he should support a debt moratorium or resign from office for reasons of incompetence.

Asked by a reporter from the Chicago Tribune what his estimate was of the current franc crisis and its effect on the dollar, Simon assured him that "it's not serious, we're going to the root of the problem." Simon was promptly asked if that meant that he was supporting international debt moratoria. "We had one debt moratorium in New York City, and that's enough," Simon shot back. "Not one nation has defaulted during my tenure and I don't intend to allow any to default now."

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Simon bristled when he was asked if he meant that his policies are bankrupting the Third World: "Some parties are saying there's no economic recovery. Some parties are saying that disease and famine will follow the collapse. I think these parties are irresponsible and wrong."

At this point, the USLP representative told Simon that he should support debt moratorium or resign. "You'll be laughed out of town" talking about recovery in Chicago, the USLP spokesman added.

"Go back and take Economics I again," Simon shouted, announcing that he had to end the press conference to attend a luncheon with top Chicago business leaders. However, Simon was informed, the business leaders had cancelled the luncheon.

MARCHAIS BLASTS SOCIALIST "ALLIES" AS AMERICANS

March 15 (IPS)--Secretary General of the French Communist Party (PCF) Georges Marchais today attacked the electoral maneuvering of the PCF's "Union of the Left" allies in the French Socialist Party. Marchais labelled the Socialists "the American Party in France." Marchais' accusation stems from evidence that in numerous local communities the Socialists refused to transfer their votes to a stronger Communist candidate in the second round of cantonal elections yesterday, voting instead for right-wing candidates. This resulted in the PCF winning only 17 per cent of the vote--as opposed to an estimated 30 per cent for the Socialists, who had substantial Communist backing in the second round.

Marchais has come under intense pressure from the working-class membership of the PCF over the past two weeks for the party's electoral alliance with the Socialists. In several cantons, PCF members, backed up by local federations, defied Marchais' orders to vote for a stronger Socialist candidate in the second round.

FRENCH METALWORKERS WIN WAGE GAIN AS STRIKE FERMENT BUILDS

March 15 (IPS)--Metalworkers at the Dassault-Seclin aircraft plant in northern France have won a record-breaking 14.5 per cent wage increase, according to today's L'Humanite, newspaper of the French Communist Party. Dassault-Seclin is owned by Gaullist leader Michel Dassault.

This significant contract gain also comes at a time of increasing strike ferment in France, especially among metalworkers. Forty thousand metalworkers in the Loire region staged a one-day strike last week, preceding a national 24-hour strike which has been called for this Wednesday.

WEST GERMAN METALWORKERS HEATING UP FOR STRIKES

WIESBADEN, W. Germany, March 15 (IPS)--Growing membership pressure on the West German metalworkers union, IG Metall, has caused the union's national leadership to think twice about recommending national acceptance of the 4.5 per cent settlement precedent set

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in the North Baden-North Wuerttemberg negotiating district. In the Nordverbund shipbuilders' district and the Hessen district, where anger over the metal employers' 4 per cent offer runs highest, the district leaderships have already voted to declare the negotiations a failure, opening up the possibility of either non-binding arbitration or an immediate strike-enabling vote. The IG Metall executive committee is presently meeting to decide whether or not to accept these resolutions. Meanwhile, the Ruhr metal-workers' negotiation district is threatening a similar failure vote if the employers do not make a "reasonable" offer by Friday.

Militant worker sentiment is highest in the southern Hessen district. A meeting of shop stewards in the "red" city of Offenbach has called for an immediate strike-enabling vote, as has the factory council at the Opel plant in Ruesselsheim.

BRITISH TUC EXECUTIVE TO VOTE ON GOVERNMENT POLICY

March 15 (IPS)--The executive committee of the British Trades Union Congress (TUC) will vote this week on whether to convene a special TUC conference on the government's austerity policy. According to the Sunday Telegraph, a decision to convene such a conference--secretly backed, they say, by TUC General Secretary Len Murray--would mark the second in recent history. The first, held in 1973, immediately preceded the nationwide miners' strike which brought down the Tory government of Edward Heath.

Such a conference is being backed by several major unions, and miners' president Joe Gormley warned last week that his union's support for the government's program would not be as automatic as it was last year.

SADAT FORMALIZES BREAK WITH SOVIET UNION

March 15 (IPS)--Egyptian President Anwar Sadat last night asked the People's Assembly to terminate the Soviet-Egyptian Treaty of Friendship and Cooperation made in 1971, according to Western press coverage today.

Sadat also said that the economic situation facing Egypt has never been worse, according to today's L'Humanite, daily of the French Communist Party. His call for termination of the pact with the Soviets comes as an International Monetary Fund delegation is in Egypt. U.S. Treasury Secretary William Simon visited Egypt last week.

FRANGIEH IN DAMASCUS TO DISCUSS RESIGNATION WITH ASSAD

March 15 (IPS)--Lebanese President Suleiman Frangieh is presently in Damascus discussing his possible resignation with Syrian President Hafez Assad, according to CBS radio. CBS reports that Frangieh has publicly warned that he will not resign under duress.

Frangieh's hasty trip to Damascus follows an agreement reached over the last 24 hours between the self-appointed military governor of Lebanon, General Abdel Aziz Ahmed, and Lt. Ahmed Khatib,

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leader of the Syrian-backed Lebanese Arab Army, to combine their forces to attack the Lebanese president, who had been isolated in his mountain-top palace near Beirut.

PRESS LIES ON BADILLO DEBT MORATORIUM CALL

NEW YORK, March 15 (IPS)--Rep. Herman Badillo's call for debt moratorium in New York City is being deliberately misrepresented by the press and media in New York City as a proposal for municipal bankruptcy. Typical of press distortion of Badillo's public proposal for debt moratorium is a report on WINS radio today identifying the proposal as "bankruptcy" and then airing a tape recording of Badillo's remarks on CBS TV's "Public Hearing" news show yesterday in which Badillo clearly specifies his demand as a "debt moratorium" to assure restoration and expansion of gutted New York City services. Contacted by IPS, WINS refused to comment on this distortion.

A Cuban exile spokesman for the New York City Spanish daily, El Diario, lied to IPS that Badillo had in fact called for bankruptcy, not debt moratorium, on yesterday's CBS "Public Hearing" TV show. When informed of the difference, the spokesman stated: "Bankruptcy, debt moratorium...what's the difference what Badillo said, it's all the same." He also indicated that tomorrow's El Diario will carry the false report on Badillo's televised remarks and an editorial on Badillo. Last week the New York Daily News editorially misidentified the Badillo proposal as "bankruptcy" in an editorial attacking Badillo.

End of Priorities, Combined IPS