



NEW SOLIDARITY International Press Service

P O. Box 1972, G.P.O.
New York, New York 10001
Editorial (212)279-5950
Customer Service (212)564-8529

NEW SOLIDARITY INTERNATIONAL PRESS SERVICE (IPS)
LATE EVENING NEWS ROUND-UP
THURSDAY, FEBRUARY 12, 1976 2130 HOURS EST

I. PRIORITIES

PANIC CONTINUES ON CURRENCY MARKETS

FEB. 12 (IPS)—YESTERDAY'S PANIC CONTINUED ON THE EUROPEAN CURRENCY MARKETS TODAY. WITH THE FOREX MARKETS REPORTING HEAVY TRADING, INVESTORS AND SPECULATORS CONTINUED TO DUMP LARGE QUANTITIES OF U.S. DOLLARS. THE PANIC WOULD HAVE BEEN WORSE HAD U.S. FOREX MARKETS BEEN OPEN. THE MARKETS WERE CLOSED FOR LINCOLN'S BIRTHDAY.

MEANWHILE, THE BUNDESBANK MOVED FOR THE SECOND DAY IN A ROW TO SUPPORT THE FRENCH FRANC. YESTERDAY THE WEST GERMAN CENTRAL BANK HAD REACHED AN AGREEMENT WITH ITS FRENCH COUNTERPART, THE BANK OF FRANCE, TO MAINTAIN THE CURRENT VALUE OF THE FRANC THROUGH INTERVENTIONS ON THE MARKETS. THIS MOVE HAS BEEN INTERPRETED AS AN EXPLICIT REJECTION BY LEADING WEST GERMAN FINANCIAL AND INDUSTRIAL CIRCLES OF THE DOLLAR-DEUTSCHMARK SCHEME PROPOSED BY LEADING WALL STREET FINANCIERS. AS A RESULT OF THE INTERVENTION, THE FRANC ACTUALLY ROSE IN VALUE TODAY AGAINST THE DOLLAR.

THE BUNDESBANK ALSO INTERVENED TO SUPPORT THE DOLLAR TO PREVENT THE U.S. CURRENCY FROM FALLING TOO LOW IN RELATIONSHIP TO THE DEUTSCHMARK, WHICH WOULD INCREASE PRESSURE FOR A DEUTSCHMARK UPVALUATION. THE DOLLAR FELL TODAY MODERATELY AGAINST THE DEUTSCHMARK.

BRD FINANCIERS OPPOSE DOLLAR-DEUTSCHMARK AXIS

FEB. 12 (IPS)—THERE IS SIGNIFICANT RESISTANCE AMONG WEST GERMAN INDUSTRIALISTS AND FINANCIERS TO PROPOSALS BEING FIELDER BY THE WALL STREET FINANCIER NETWORK TO RESTRUCTURE THE WORLD MONETARY SYSTEM AROUND A "DOLLAR-DEUTSCHMARK AXIS." IN INTERVIEWS WITH IPS TODAY, SEVERAL LEADING BANKING AND INDUSTRIAL SPOKESMEN DENOUNCED THE PLAN, WHICH WOULD INVOLVE THE ESTABLISHMENT OF A PARITY BETWEEN THE DOLLAR AND MARK AND THE UPVALUATION OF THE WEST GERMAN CURRENCY, AS "UNNECESSARY" AND "UNWORKABLE."

"A DOLLAR-DEUTSCHMARK AXIS WOULD BE VERY BAD. THERE IS NO NECESSITY FOR IT," A LEADING WEST GERMAN BANKER SAID TODAY. "IT'S THE LAST THING TO DO. PROFITABILITY OF INVESTMENTS IN THE DOLLAR SECTOR IS NIL."

(MORE)

"TO DESTROY THE SNAKE (THE ARRANGEMENT BY WHICH EUROPEAN CURRENCIES ARE ALLOWED TO FLOAT AGAINST EACH OTHER AND ARE MAINTAINED AT MINIMUM PARITY LEVELS BY CENTRAL BANK INTERVENTION) WOULD DESTROY EUROPE, AND THE COMMON MARKET," SAID ANOTHER BANKER WITH EXTENSIVE CONNECTIONS TO ATLANTICIST BANKING CIRCLES. "NO, IT (THE DOLLAR-DEUTSCHMARK AXIS) IS NOT POSSIBLE."

BRD AND SWISS BANKING CIRCLES EXPRESS OPENNESS REGARDING ITALIAN DEBT MORATORIUM

FEB. 12 (IPS)--WITH CONTINUED CHAOS GRIPPING THE CURRENCY MARKETS, WEST GERMAN AND SWISS BANKING CIRCLES ARE EXPRESSING AN INCREASING OPENNESS TOWARD PROPOSALS FOR AN ITALIAN DEBT MORATORIUM "IN THE EVENT THAT ALL ELSE FAILS."

"THE DEBT MORATORIUM IS 'OK' IF THERE IS NO OTHER WAY," A LEADING WEST GERMAN FINANCE OFFICIAL IN A WEST GERMAN STATE TOLD IPS TODAY. THE OFFICIAL ALSO REACTED FAVORABLY TO A PROPOSAL PUT FORWARD EARLIER THIS WEEK BY SR. RATTI, THE HEAD OF THE FOREIGN TRADE DESK OF THE ITALIAN INDUSTRIAL GIANT MONTEDISON, PROPOSING ITALIAN INTEGRATION INTO COMECON.

A TOP EXECUTIVE OFFICER OF A SWISS BANK TOLD IPS REPORTERS TODAY THAT "THE WORLD MONETARY SYSTEM IS GOING UNDER....IT'S ALREADY DOWN. THE ITALIANS WILL PROBABLY GO WITH THE DEBT MORATORIUM." THE SWISS BANKER ALSO ACKNOWLEDGED HIS SUPPORT FOR TRANSITIONAL, GOLD-BACKED EUROPEAN CURRENCIES AND REMOVAL OF THE BANKRUPT U.S. DOLLAR FROM ITS CENTRAL ROLE IN CURRENCY MATTERS. "THE CENTRAL BANKERS MUST ACT (ON THIS)," HE DECLARED.

OPPOSITION IN FINANCIAL PRESS TO DEUTSCHMARK "UPVALUATION"

FEB. 12 (IPS)--WEST GERMAN RESISTANCE TO UPVALUATION OF THE DEUTSCHMARK WAS REPORTED TODAY BY THE INTERNATIONAL FINANCIAL PRESS. INFLOWS OF SPECULATIVE FUNDS INTO THE MARK, IN PART BROUGHT ON BY THE ATTEMPTS BY WALL STREET AND THE U.S. FEDERAL RESERVE TO COLLAPSE WEAKER EUROPEAN CURRENCIES, HAVE PUT PRESSURE ON THE BONN GOVERNMENT TO OFFICIALLY RAISE THE MARK'S VALUE. THE WALL STREET FINANCIER NETWORK SEEKS TO FORCE A MARK UPVALUATION AS PART OF ITS ATTEMPT TO ESTABLISH A DOLLAR-DEUTSCHMARK CURRENCY AXIS.

TWO ARTICLES IN THE JOURNAL OF COMMERCE CONCLUDE THAT WEST GERMAN SOCIAL DEMOCRATIC CHANCELLOR HELMUT SCHMIDT IS "CERTAIN TO RESIST FRENCH DEMANDS FOR REVLUATION," BECAUSE THIS WOULD INJURE THE ELECTORAL CHANCES OF HIS SOCIAL DEMOCRATIC PARTY.

BOTH THE NEW YORK TIMES AND THE WEST GERMAN HANDELSBLATT, THE LEADING PAPER OF WEST GERMAN INDUSTRIALISTS, EMPHASIZE THE FRANCO-GERMAN COOPERATION ANNOUNCED YESTERDAY TO KEEP THE EUROPEAN CURRENCY "SNAKE" FROM DISINTEGRATION, DENYING THAT ANY NEW PARTIES WILL BE ESTABLISHED.

EDITORIALLY, THE GAULLIST-CONNECTED INDUSTRIALISTS' WEEKLY, THE DEUTSCHE ZEITUNG, ASKED "WHAT WORLD AND WHAT PERIOD DO THE FANTASIZERS LIVE IN WHO ARE ONCE MORE CONSIDERING A REVALUATION

(MORE)

OF THE MARK?...NOW, OF ALL TIMES, THE STATE OF THE GERMAN ECONOMY AND ABOVE ALL THE EXPORT SITUATION SPEAK AGAINST A NEW REVALUATION." THE RIGHT-WING DAILY DIE WELT, REFLECTING THE SPLIT WITHIN BANKING AND INDUSTRIAL CIRCLES ON THE QUESTION, RUNS A MAJOR ARTICLE BY FORMER FINANCE MINISTER KARL SCHILLER, AN ATLANTICIST SPOKESMAN, SAYING REVALUATION IS LONG OVERDUE, WHILE EDITORIALIZING ON THE DANGERS OF JUST SUCH A MOVE AND TERMING IT "POLITICAL PRESSURE." LEADING WEST GERMAN BANKERS AND INDUSTRIALISTS ALSO PRIVATELY AFFIRM THAT A REVALUATION WOULD INJURE THE FOREIGN COMPETITIVENESS OF GERMAN EXPORT MANUFACTURERS, WHILE A COLLAPSE OF OTHER EUROPEAN CURRENCIES WOULD END MAJOR TRADING PARTNERS' ABILITY TO BUY SUCH EXPORTS.

**CZECHOSLOVAKIA ANNOUNCES SUPPORT FOR
MANCINI-ANDREOTTI PRO-DEVELOPMENT ALLIANCE**

FEB. 12 (IPS)--THE CZECHOSLOVAK DAILY RUDE PRAVO FEB. 10 EXPLICITLY SUPPORTED THE ALLIANCE OF THE ITALIAN SOCIALIST PARTY (PSI) AND THE ANTI-AUSTERITY WING OF THE CHRISTIAN DEMOCRATIC PARTY (DC) LED BY GIULIO ANDREOTTI. THE ARTICLE ALSO IDENTIFIED THE U.S. AS THE FORCE ATTEMPTING TO PREVENT THIS ALLIANCE FROM CONSOLIDATING.

THE RECENT ATTACK ON THE ITALIAN LIRA, WROTE RUDE PRAVO, WAS INTENDED "TO PRESSURE THE SOCIALISTS TO DROP THEIR POLITICAL AND ECONOMIC DEMANDS WHICH ARE A PARTIAL STAND IN THE INTERESTS OF THE WORKING CLASS IN A WORSENING SITUATION."

"NO LESS SUSPICION WAS CAUSED BY THE RECENT PUBLICATION OF CORRUPTION SCANDALS CONCERNING CIA FUNDS GIVEN TO ANTI-COMMUNISTS. ... (ONE OF THOSE NAMED), ANDREOTTI, IS FAVORED BY THE SOCIALISTS ... FOR HIS REALISM AND HIS SYMPATHY TO A CLEAR CHANGE IN GOVERNMENT POLICY.... THE CHOICE OF DISCREDITED NAMES LEADS EXPERTS ON THE SITUATION TO THE CONCLUSION THAT THERE IS AMERICAN INTERFERENCE IN THE GOVERNMENT CRISIS, WITH THE GOAL OF CONTAINING THE INFLUENCE OF THE LEFT ON THE FUTURE COMPOSITION OF THE GOVERNMENT AND ITS PROGRAM."

THE AGENT-LED ITALIAN COMMUNIST PARTY (PCI), WHICH HAS SPONSORED MAJOR PRO-AUSTERITY PROGRAMS FOR ITALY, IS MENTIONED ONLY BRIEFLY, AT THE END OF THE ARTICLE.

GAULLIST ATTACKS MONETARY ANARCHY

FEB. 12 (IPS)--IN THE FIRST DIRECT GAULLIST RESPONSE TO THE WAVE OF SPECULATION AGAINST EUROPEAN CURRENCIES SET OFF BY WALL STREET, GAULLIST LEADER GASTON PALENSKI, WRITING IN YESTERDAY'S FRENCH DAILY LE MONDE, ATTACKED THE "TOTAL ANARCHY" IN THE FINANCIAL MARKETS. "NEVER IN THE AREA OF TRADE HAVE THE EFFECTS OF THIS MONETARY ANARCHY BEEN MORE DETRIMENTAL," PALENSKI WROTE. "NEVER HAVE THE POLITICAL INCONVENIENCES OF THIS ANARCHY BEEN MORE OBVIOUS."

THE ARTICLE ALSO ATTACKED PLANS FOR EUROPEAN MILITARY AND POLITICAL INTEGRATION UNDER THE TINDEMANS PLAN.

(MORE)

DAYAN PUBLICLY ENDORSES ISRAEL NUCLEAR OPTION

FEB. 12 (IPS)--IN A PUBLIC STATEMENT ISSUED IN ISRAEL YESTERDAY, LEADING ISRAELI IMPERIALIST AGENT MOSHE DAYAN ADVOCATED THE DEVELOPMENT OF A NUCLEAR OPTION FOR ISRAEL. NOTING RECENT PROBLEMS IN GETTING WEAPONRY FROM THE U.S., DAYAN WARNED THAT "ISRAEL IS OBLIGATED TO DEVELOP ITS OPTION FOR NUCLEAR ARMS INDEPENDENTLY OF SUPPORT FROM THE U.S. OR UNDER U.S. SUPERVISION," ACCORDING TO ASSOCIATED PRESS.

DAYAN FURTHER THREATENED THAT IF THE U.S. "CONTINUES TO DENY US THE PERSHING MISSILE, WE WILL HAVE TO DEVELOP A SIMILAR KIND OF MISSILE" FOR ISRAEL. THIS ISRAELI-BUILT MISSILE, DAYAN STATED, WOULD NOT HAVE TO HAVE A NUCLEAR CAPACITY, "SINCE NUCLEAR BOMBS CAN BE DROPPED BY AIRPLANE."

THE DAYAN STATEMENTS COINCIDE WITH REPORTS CARRIED IN YESTERDAY'S FINANCIAL TIMES OF LONDON THAT SEVERAL MEMBERS OF THE "RAFI" WING OF THE HEGEMONIC LABOUR PARTY, LED BY DAYAN AND DEFENSE MINISTER SHIMON PERES, HAVE BEEN MEETING WITH TOP OFFICIALS OF THE LEADING RIGHT-WING EXTREMIST PARTIES TO "SOUND THEM OUT ON THE POSSIBILITIES OF FORMING AN ALTERNATIVE GOVERNMENT" TO BE LED BY PERES. THESE TALKS HAVE COME IN RESPONSE TO EFFORTS BY THE FORD ADMINISTRATION TO DOWNPLAY THE INFLUENCE OF THE ISRAELI HAWKS TO "STABILIZE" THE MIDEAST SHORT OF AN OVERT WAR THREAT.

USLP WINS VICTORY IN PENNSYLVANIA PETITIONING CASE

PHILADELPHIA, FEB. 12 (IPS)--A FEDERAL JUDGE HERE YESTERDAY ORDERED THE STATE OF PENNSYLVANIA TO EXTEND THE BALLOT PETITIONING PERIOD FOR THE U.S. LABOR PARTY'S PRESIDENTIAL SLATE OF LYNDON LAROCHE AND WAYNE EVANS UNTIL AUG. 21. IN ISSUING THE RULING, WHICH APPLIES AS WELL TO OTHER USLP CANDIDATES AND TO CANDIDATES OF THE CONSUMERS PARTY, THE JUDGE OVERTURNED ATTEMPTS BY STATE OFFICIALS TO SET A THREE-WEEK PETITION PERIOD FROM FEB. 21 TO MARCH 10.

ALTHOUGH STATE OFFICIALS HAD ESTABLISHED THE ABBREVIATED PETITIONING PERIOD IN OPEN DEFIANCE OF A 1975 RULING WON BY THEN-USLP CONGRESSIONAL CANDIDATE BERNARD SALERA, JUDGE NEWCOMER STOPPED SHORT OF GRANTING THE USLP'S REQUEST THAT THE STATE BE HELD IN CONTEMPT OF COURT AND FINED.

PENNSYLVANIA HAS BEEN NOTORIOUS FOR A 30-YEAR PERIOD IN ITS ATTEMPTS TO DENY BALLOT STATUS TO COMMUNISTS. IN THE SALERA CASE, THE USLP CONTENDED THAT THE STATE REQUIREMENT THAT MINOR PARTIES GATHER 30,000 SIGNATURES IN A THREE-WEEK PERIOD WAS DISCRIMINATORY. PENNSYLVANIA HAS APPEALED THAT RULING TO THE U.S. SUPREME COURT, BUT HAS BEEN DENIED A STAY OF JUDGMENT PENDING THE SUPREME COURT'S FINAL RULING.

END PRIORITIES IPS.