



NEW SOLIDARITY International Press Service

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Combined News

FOREX MARKETS CALM AS RUMORS OF DEVALUATIONS ABOUND

New York, Feb. 25 (IPS)—Foreign exchange markets were calm today amid persisting rumors being circulated by Wall Street-linked circles of impending devaluations and austerity attacks on West European economies. While end-of-the-month settling of accounts will most likely keep the market quiet the rest of the week, according to a foreign exchange trader at a major New York bank, . . . As opposed to yesterday, there were negligible levels of central bank intervention into the market.

Meanwhile, rumors persist of an impending devaluation of the French franc, despite the fact that a foreign exchange trader reported that multinational corporations have temporarily run down their franc accounts during the recent attack on the franc and were incapable of immediately renewing pressure on the French currency. A Federal Reserve official, agreeing that political opposition among Gaullist layers in France was so strongly opposed to devaluation that the Wall Street-controlled government of French President Giscard may have to "sneak up" to a devaluation --i.e., simply announce the devaluation as an accomplished fact. The temporary drawing back of the Atlanticist layers today from their attack on the Western European currencies was reflected in a slight appreciation of the Italian lira today following yesterday's run on the lira caused by the multinational oil companies.

NEW YORK BANKS RUMOR THAT ITALIAN EEC LOAN WILL GO THROUGH NEXT WEEK

NEW YORK, Feb. 25 (IPS)—Major banks here are circulating the rumor that the European Economic Community (EEC) 1 billion dollar loan guarantee to Italy will go through sometime next week—complete with the implementation of a harsh austerity program. Said one banker, "I feel the loan decision is on for mid-next week, with import restrictions and other conditions like the first West German (Bundesbank) loan." Another banking source termed the loan a "foregone conclusion" and cited as evidence that it was about to go through as the Bank of Italy's announcement today that it would reopen its official exchange markets on Monday. The markets have been closed since the run on the lira began last month.

Both the International Monetary Fund and the Federal Reserve in Washington, however, told IPS that both the loan and its conditions were definitely not settled yet. Another forex trader here at a major bank said the loan guarantees were "meaningless" and would do nothing to stabilize the situation. He termed the

BRITISH POUND COULD FALL THROUGH ITS FLOOR PRICE

NEW YORK, Feb. 25 (IPS)—The British pound sterling is currently the weakest link in the bankrupt international monetary system, according to the department which advises major corporations on currency matters at a major New York bank. The austerity program recently announced by British Chancellor of the Exchequer Denis Healey will not be capable of preventing speculative pressure against the British currency since the rate of inflation remains basically unabated, the source said today. Describing the situation as "touch and go," the head of the department expressed concern that the pound "could go through the 2 dollar floor price," precipitating a withdrawal of Arab funds from the British sector and a general monetary collapse.

Meanwhile, the British desk at the same New York bank, when reached for comment, stated that the proponents of austerity in Great Britain were drowning out the "mad dog" trade unionists and praised the Healey program.

BANK OF AMERICA PRESIDENT THREATENS CREDIT CUT-OFF TO COUNTRIES THAT DECLARE DEBT MORATORIA

Feb. 25 (IPS)—Bank of America President A. Clausen is quoted in the Feb. 22 Los Angeles Times as espousing a policy of credit cut-off to a country that declares debt moratoria. "It's (to declare a debt moratorium) something that a country definitely does not want to do if it wants to borrow money in the future," Clausen reportedly said. "The only country to do that since World War II is Cuba," he warned.

CHICAGO BANKERS URGE CONTINUATION OF CREDIT DURING ECONOMY'S "WORST AND MOST PROLONGED RECESSION IN 40 YEARS"

Feb. 25 (IPS)—Two Chicago bankers have called for the continuation of credit to industries hard-pressed by "the worst and most prolonged recession in 40 years." John Perkins and Roger Anderson, both vice-presidents of Continental Illinois Bank, warned in an article appearing in today's Chicago Sun-Times that any moves to cut off credit to industry through the elimination of standard loans would mean that only blue chip, creditworthy corporations like IBM would get credit. Anderson described the actions already taken by Chicago banks to extend credit to high-risk businesses without which the "recession would have been worse."

Perkins also attacked banking reorganization proposals pushed by the "liberal" Democrats such as the combining of regulatory banking functions, saying the results of these proposals "would be a disaster."

BREZHNEV RENOUNCES ISOLATIONISM, ATTACKS WHITE COMMUNISTS AT CPSU CONGRESS

Feb. 25 (IPS)—Speaking at the opening of the 25th Congress of the Communist Party of the Soviet Union yesterday in Moscow, Soviet Party head Leonid Brezhnev firmly rejected any tendencies

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toward isolationism or autarchy on the part of the socialist countries. Brezhnev gave his authoritative backing to top Soviet trade officials who recently condemned isolationist views, as he declared, "Much depends on the ruling (Communist) parties... fighting against seclusionism and national isolation, discovering their common international tasks and working out their solutions."

In his five-hour speech, Brezhnev also delivered the strongest attack to date on the "White Communists" in the Western Communist Parties; this was either totally blacked out or watered down in coverage of the speech in today's leading U.S. bourgeois press. "Naturally there cannot be any compromise on questions of principle in order to achieve reconciliation with ideas which do not correspond to communist ideas," said Brezhnev. "That is final! ...Concessions (to revisionism) may give short-term benefits to opportunism but in the last resort will always damage the party." "Some politicians," he charged, are trying to abandon the revolutionary concept of proletarian internationalism in favor of outright nationalism. "This would rob the workers' movement of a great weapon," the Soviet leader stated. "That would be a good service to the class enemy."

Brezhnev's far-ranging discussion of foreign policy, which was keynoted by his emphasis that detente means no "guarantee of the social status quo," also included the following major points:

*Disarmament, including a new Strategic Arms agreement with the United States, remains a Soviet priority. Brezhnev called for a new world meeting on disarmament and war.

*Angola receives and will continue to receive Soviet support as an independent state and a developing country.

*China. Brezhnev sharply denounced Peking's warmongering, but emphasized that "if China takes a course of solidarity and cooperation with the socialist countries, this will find an echo on our side."

*Mideast. Brezhnev made an open diplomatic call for the U.S., England and France to join the Soviet Union in international guarantees of a settlement there, including Israeli withdrawal to its 1967 borders.

FORD WINS IN NEW HAMPSHIRE; PRESS DISMISSES THE VICTORY

Feb. 25 (IPS)—President Gerald Ford won the New Hampshire primary yesterday, defeating Ronald Reagan by a very narrow margin of less than one per cent, but the press generally attempted to undercut the Ford victory. The New York Post, for instance, pointed out that in 1968 Eugene McCarthy polled 42 per cent of the vote against then President Lyndon Johnson and Johnson pulled out of the running three months later. Reagan polled 49.4 per cent of the vote.

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SUN-TIMES COLUMNIST WARNS READERS TO WATCH OUT FOR
ROCKEFELLER PRESIDENTIAL DRIVE

Feb. 25 (IPS)—Chicago Sun-Times columnist Jerome Watson warns today that Nelson Rockefeller still covets the Presidency. Watson says mockingly that "poor Nelson Rockefeller" with "all that money, talent, experience, ego and ambition rotting away in the Vice-Presidency" must be viewing President Ford and Republican presidential challenger Ronald Reagan as his political inferiors. Yet Ford and Reagan, Watson writes, are the very people "who are buying the thing Rocky hungers for: the Republican presidential nomination." While stating that a Rockefeller nomination by a deadlocked convention is "wildly improbable," Watson points out that "perhaps the Rock could pull it off" because it "ought to beat rotting away."

JIMMY CARTER WINS DEMOCRATIC PRIMARY IN NEW HAMPSHIRE

WASHINGTON, D.C., Feb. 25 (IPS)—Former Georgia Governor and Trilateral Commission member Jimmy Carter, who won the New Hampshire Democratic primary yesterday, polling 30 per cent of the Democratic vote, immediately became a target for press attacks.

The Washington Post, mouthpiece for the Democratic patrician layers, moved to undercut Carter's victory by running a front-page article headlined "Governors Voice Doubts on Carter." According to the Post, the National Governors Conference held here this week had "an undercurrent of opposition to the presidential candidacy of Jimmy Carter." Rhode Island Governor Phillip Noel, head of the Democratic Party Platform Committee, told a Post reporter that Governors were angry at Carter for introducing a resolution into the 1973 Governors Conference during the midst of the Watergate scandal which asked that the "institution of the presidency be protected against scandal." Baltimore Sun columnist Garry Wills also attacks Carter today, detailing examples of the former Governor's talking from both sides of his mouth. The first sentence of the New York Post's coverage of Carter's victory described the candidate as "a self-styled peanut farmer."

JAMES RESTON DECLARES DEMOCRATS WILL TURN
TO HUBERT HUMPHREY AS THEIR CANDIDATE

Feb. 25 (IPS)—James Reston, New York Times editorial board member, writes today that since the new Democratic party primary rules will likely prevent any one presidential candidate from emerging in control of the convention, the Democrats will be "encouraged to turn to the most experienced and popular of their men, (Sen.) Hubert Humphrey." "The Democrats know my faults," Reston quotes Humphrey as saying, "and if the primaries don't produce a candidate, which I still doubt, and the party turns to me, of course you know Hubert. He'll be ready."

ITALIAN WEEKLY SAYS AGNELLI BEHIND "OPERATION SCANDAL"

Feb. 25 (IPS)—An article in the latest issue of the Italian weekly Il Settimanale, entitled "Agnelli is Ready, Does the Coun-

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try Want Him?", documents Atlanticist FIAT magnate Gianni Agnelli's role in "Operation Scandal," the using of alleged bribes and funding of Italian political figures by the CIA and Lockheed Corporation to Watergate leading anti-austerity figures in the Christian Democratic Party and the Socialists, as well as President Giovanni Leone.

Noting "Agnelli's American links:...the friendship with Rockefeller and with influential financial and political circles in Washington," *Il Settimanale* states that the hypothesis that Agnelli is promoting the scandals "is confirmed by certain coincidences:...There is *La Stampa* (journal of FIAT) which publishes before anyone else the Pike report on CIA financing, with the names of (Budget Minister Giulio) Andreotti, (former Italian President Giuseppe) Saragat, (CISL trade union factional leader Vito) Scalia and (Minister of Industry Carlo) Donat-Cattin. Against Leone the accusations came from *Repubblica* and *L'Espresso*. The editor of *Espresso* is Agnelli's brother-in-law Caracciolo. *Repubblica* (directed by Scalfari, friend of Caracciolo) is published by a firm 50 per cent controlled by *L'Espresso*." The article adds: "In America,...Agnelli is seen as the man capable of giving hope to the Italians."

IL SETTIMANALE SAYS AGNELLI OUT TO DESTROY
ITALIAN SYSTEM TO GAIN POWER

Feb. 25 (IPS)—The latest issue of the Italian weekly *Il Settimanale* contains two articles which lay out FIAT boss and Rockefeller ally Gianni Agnelli's rationale for attempting to destroy the Italian political system and his scenario for replacing it with a "second republic."

An article entitled "Grave Unknowns" states that "the FIAT president, even if he wanted it, could not rise to power with the sole help of his own staff." He "must rather completely destroy a system, the present system, which is perhaps agonized, but certainly is not destroyed. If it is true, as it probably is, that the FIAT president would find open doors in the European capitals and the U.S. and would get all possible help to do this, it is also true that another Republic could not be born with simply a wave of a magic wand."

A second article, "On Agnelli," lays out Agnelli's scenario for power: President Giovanni Leone is forced to resign (he is being Watergated by the Agnelli press-ed.), elections are called. Two months are required and in the meantime all the most authoritative candidates are burned (by scandal-ed.). The Italian Communist Party wipes the floor with the Christian Democrats, and the Christian Democrats with the Socialists. At this point, Agnelli arrives. It is an acceptable solution for everybody. The second republic, that of the technocrats, is born."

Noting that "the White House wants Italy to change" and that "circles linked to international high finance want a change of the institutional structures in Italy," the article concludes

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that "a communist grouping" would also benefit from Agnelli's power grab.

TANZANIAN LEADER IN ABOUT FACE
ATTACKS CHINESE COLLABORATION WITH IMPERIALISM

Feb. 25 (IPS)—Tanzanian President Julius Nyerere, the former leading African supporter of China, has made a strong denouncement of Chinese collaboration with imperialism in Angola and southern Africa, in an interview published in a Kenyan newspaper. According to a report of the interview broadcast by German Democratic Republic radio, Nyerere said, "Our opinions here (in Africa) are categorically different from those of China." He added that Tanzania was allied with the Soviet Union on Angola and thanked the Soviets for their aid to the People's Republic of Angola.

In an analysis of Nyerere's statements, entitled "China's Period in Africa Is Over," the West German daily Frankfurter Allgemeine Zeitung today concludes that the most important implication of the Tanzanian president's pro-Soviet turn is its effect on the rest of the Third World. The Zeitung writer, Grudinski, notes that Tanzania has long been China's most important African ally and concludes that the entire Third World will move more quickly now in the direction of a pro-Soviet policy.

GOVERNMENT STUDY ON FBI DEMANDS LEGALIZATION OF POLICE STATE

Feb. 25 (IPS)—At the request of a House Judiciary Committee subcommittee on Civil and Constitutional Rights, the General Accounting Office released a report Feb. 23 on the FBI's domestic intelligence activities, which, under the guise of proposing guidelines for the FBI, demanded in effect legalized FBI COINTEL-PRO-type operations. After trying to make its demands seem more palatable by detailing several horror stories of FBI overzealousness, the report, according to various press accounts, recommends the following powers be "specified" for the FBI: that the FBI be allowed to surveil "subversive" groups; that a list of "violence-prone organizations" be drawn up for legal FBI infiltration and that "extraordinary" acts, such as preventive detention, be authorized to prevent violence; that leaders of groups not on the violence-prone list be subject to investigation; that the Attorney General oversee close cooperation between local law enforcement agencies and the FBI.

The report was met with immediate outrage from several members of the subcommittee at hearings held today on the recommendations. Rep. Herman Badillo (D-NY) declared that assassins "Lee Harvey Oswald, Sarah Jane Moore and Jack Ruby were all violence-prone and they were FBI agents." Representative Drinan (D-Mass) said, "This is the HISC all over again," referring to the notorious House Internal Security Committee, whose investigators conducted witch-hunts of "subversives." Rep. Drinan told Labor Party representatives, "We've got to get these people (the people who are pushing the report.)" Rep. Dodd (D-Conn) termed the recommendations "outrageous."