

the political perspective avowed by Kissinger and Wall Street, i.e., that the weak European sectors can be junked as long as the Atlanticists stay in control of West Germany and Japan.

But the use of gold as a supplementary reserve for penurious central banks — as the Soviet Economic Gazette warned — is a patchwork solution. In effect, the Soviets argue, merely using world gold reserves (worth up to \$150 billion at market prices) will simply add to present extreme levels of inflation by backing up illiquid dollar debts.

While the Chicago Tribune's standpoint is outright nonsense from an economic standpoint, it separates the Mid-western industrialists clearly from Wall Street's policy of total offensive against Western Europe and the Soviets. This capitalist group, which leans heavily towards President Ford against Nelson Rockefeller and Henry Kissinger, is concerned to keep channels open to Europe, while settling a major political crisis at home.

Exclusive Interviews With Lazard Freres Partner; Ass't Treasury Secretary Parsky; Under Secretary of State Frank

June 19 (NSIPS) — Interviews on the U.S. bargaining position at the upcoming "Rambouillet II" economic summit in Puerto Rico June 27 and at the North South talks now underway in Paris were granted to a New York-based journalist this week by Eugene Black, a senior partner at Lazard Freres, the Wall Street investment house and the son of a former head of the World Bank; Deputy Under Secretary of State Charles Frank, and Assistant Secretary of the Treasury Gerald Parsky. Summaries and excerpts from the interviews have been made available to NSIPS. All three indicated that a major effort is being made to have President Ford push for Secretary of State of State Henry Kissinger's pet "International Resources Bank" proposal, which was rejected at the Nairobi meeting of the United Nations Conference on Trade and Development last month, at the Puerto Rico meeting.

Black: "A Bank Is Like a Beautiful Woman. . ."

Following is a summary of an interview with Lazard Freres partner Eugene Black.

Mr. Black was first asked to comment on efforts by Rep. Henry Reuss (D-Wisc), chairman of the House Banking and Currency Committee, to block loans to Chile and Argentina by a consortium of private banks, after International Monetary Fund guarantees for the loans were vetoed by Britain and Scandinavia.

Black explained that the action by Britain and Scandinavia was not really any blocking of credits to the two countries, but rather an effort to force IMF "second tranche" austerity conditions on them. He explained that Third World countries do not like to accept the IMF dictates required by second tranche borrowing, first because they are nationalistic and don't like being told what to do, and second, because second tranche borrowing impairs their ability to borrow from private banks. "Brazil refuses to borrow from the IMF for this reason," he said.

Black explained that, "you know, a bank is like a beautiful

woman, she comes when she wants, and she goes when she wants," adding, "you know, only the beautiful ones can get away with this. For the last two to three months the banks have been fed up with the way these Latin American countries have been acting. I don't blame them. . . It's outrageous."

Black went on to say that Chile has been getting the approval of the U.S. banks lately because of its willingness to carry out the necessary internal measures. The real problem in Latin America is Peru, which "is a mess," he added.

"Look, you're on the wrong story," he continued. "Let me give you a hot tip." Black proceeded to reveal that on Wednesday, June 16, a contingent of top Treasury and State Department officials, including Treasury Secretary William Simon, Deputy Secretary of State Charles Robinson, Deputy Under Secretary of State Charles Frank, and Assistant Secretary of the Treasury Gerald Parsky held a meeting with President Ford to discuss the importance of the U.S.'s commitments made at the Nairobi meeting of UNCTAD IV. According to Black, the delegation told the President that because the U.S. had promised to hold various conferences on individual commodities and on the proposed buffer fund, that promise must be made good. Because of the urgency of keeping this commitment, they told the President, the commodities question will have to be a major topic at Puerto Rico.

Black explained that "Ford is a pain in the ass (laughing)" who has no ideas of his own, but fortunately "tends to go along with Henry Kissinger."

Asked about whether the economic summit would discuss European problems, Black indicated that he thinks the European situation can be taken care of as a result of the "new cooperativeness" of the Organization of Petroleum Exporting Countries (OPEC), referring to the arrangement of the Italians to have the Saudi Arabians deposit cash in special accounts at New York banks which is then "loaned" to Italy to meet the Italian oil bill.

Frank: 'We've Had Major Victories Since Nairobi'

Following is the summary of an interview with Deputy Under Secretary of State Charles Frank, who was one of the participants in a meeting between President Ford and high-ranking Treasury and State Department officials June 16. In this interview, conducted the day after the meeting, Frank indicates that a major purpose of the meeting was to sell the President on Secretary Kissinger's International Resources Bank proposal.

Frank ran through a straight State Department briefing on the post-Nairobi situation and U.S. strategy. "There were two major victories since Nairobi," he claimed, particularly concerning the IRB, which was not really defeated at UNCTAD because the vote was "premature." Frank said that the situation is "very promising," and Kissinger is still committed to the IRB.

Victory No. 1, he said, was the Organization of American States meeting where the Dominican Republic introduced a resolution on the IRB which passed, creating a committee to further study the proposal in a Latin American context. The OAS and the Inter-American Development Bank will jointly work on this he said, describing these moves as the "vanguard" of the operation.

Victory No. 2 is the Paris "North-South" talks, where, Frank claimed, a U.S. paper on the IRB has been warmly welcomed by Peru and Nigeria. Nigeria is considered par-

ticularly important, since they were directly involved in blocking the IRB at Nairobi. Peru, according to Frank, is organizing for the IRB in the Raw Materials Commission, as is Brazil in the Energy Commission.

Frank described two upcoming meetings as the centerpieces of the U.S.' new moves. The first is the Organization for Economic Cooperation and Development (OECD) meeting in Paris June 22, which will be attended by Kissinger, Simon, Council of Economic Advisers head Alan Greenspan, and Fred Dent. The main discussion here will be on the necessity of a coordinated strategy on the part of the advanced sector, he said, contradicting Black's claim that the British Scandinavian veto was a coordinated move. The second is the Puerto Rican summit itself, which will discuss commodities, the IRB, and again the necessity of a coordinated strategy of the advanced sector towards the Third World.

Parsky: "The IRB Has Been Misunderstood"

Interview with Assistant Secretary of the Treasury Gerald Parsky.

Q: Tell me about the International Resources Bank. I had the impression that Europe has already rejected it.

Parsky: The IRB has been misunderstood and misrepresented. I want to make clear exactly what the IRB is. It's an instrument designed to increase private investment in the Third World. The IRB is a means for providing added

impetus for private sector investment; it's not a funding organization. There's been a disinvestment in the Third World. The IRB is an insurance vehicle designed to remove political risk. In negotiations over political problems, it would take the place of the private sector.

Q: I had the impression from Mr. Black that Ford is somewhat in the way on this thing.

Parsky: In the way??!! What? What are you talking about?

Q: Excuse me. I may be editorializing too much. What Mr. Black actually indicated is that there seems to be some need to convince Mr. Ford that this should be a topic of the Puerto Rico summit.

Parsky: Oh no, this has been a U.S. proposal all along; the U.S. always intended to bring...

Q: And you don't think there's any disagreement between Mr. Ford and the Treasury on this?

Parsky: Absolutely not. ... This is not the only thing that's going to be done at Puerto Rico. The entire extent of relations between the advanced sector and the Third World will be discussed.

Q: And what about Europe?

Parsky: What about Europe? What are you talking about?

Q: Well, the financial crisis in Europe was the subject of the original Ram...

Parsky: There's no financial crisis in Europe.

Q: I'm not sure the British would agree with you.

Parsky: We've had a couple of currency problems, but we took care of the British...

Kissinger Resurrects IRB Hoax In Attempt To Bury Third World's Debt Moratorium

June 19 (NSIPS) — Secretary of State Henry Kissinger is now directing an all-out campaign to force his International Resources Bank swindle down the throats of President Ford, U.S. Congress, Western Europe and the Third World. By so doing, Wall Street's Secretary of State hopes to isolate those key Third World nations that are pushing for a unilateral declaration of debt moratoria on overseas debts.

Highly-placed State Department and Wall Street sources involved in this operation have admitted that a top-level State-Treasury contingent met with President Ford Wednesday to elicit his support for the IRB and to make it the primary issue of discussion at this month's "Rambouillet II" summit in Puerto Rico. Ford was told that the Third World had had second thoughts on the Kissinger proposal and that Nigeria and Peru had introduced it for discussion at the ongoing North-South meeting in Paris. At the same time, according to a highly-placed source within the House Banking Committee, Deputy under-secretary level State Department staffers have been conducting intensive briefings for Congress with special emphasis on the "change of heart" among Third World governments on the proposal.

The Big Lie

Kissinger is using the Goebbels "big lie" tactic against Congress, President Ford to resurrect his proposal which was resoundingly voted down by the Soviets and the Third World at the Nairobi UNCTAD (United Nations Conference on Trade and Development) meeting. As for the U.S.'s NATO allies no Western European country has yet endorsed the proposal despite the most intense State Department "diplomatic pressure" to do so. Reportedly, the Secretary of State is expected to put maximum pressure at the June 22

OECD meeting in Paris. Not even the multinational corporations that are ostensibly expected to benefit from the IRB scheme have shown any enthusiasm for it. It is too transparent. Any sane person can recognize it as a concoction of the New York banks who dominate the Eurodollar market which is intended to delay the bankrupting of their financial empire and its replacement by a new gold-based monetary system.

To round out the psywar picture, Rep. Henry Reuss' (D-Wis) House Banking Committee has sent the IMF (International Monetary Fund) articles of revision on to Congress with the suggestion that the Treasury push for the so-called "substitution account" that Brookings Institute staffer previously proposed by C. Fred Bergston. It is an arrangement through which central banks can and-or must exchange their gold and currency reserves for IMF's Special Drawing Rights.

But Treasury Deputy Secretary Edwin Yeo admitted to a Congressional source that the Treasury is using the Brazilians as a front for this proposal within the IMF. At any point that the Europeans picked up the plan, the Treasury will give up it's opposition to it.

Reuss and his Wall Street controlled committee are actually plugging for the IMF to work directly with the private banks on third world refinancing, according to Reuss aide Jamie Galbraith (son of Keynesian lunatic Kenneth). Reuss is reportedly 'very disturbed' by the joint Britain-Scandinavia veto of IMF standby credits to accompany the recent \$125 million loan to Chile. The loan had been arranged by a 16 bank consortium of U.S. and Canadian banks headed by New York's Morgan Guaranty Trust.