

What was only implied in my article was my view that we ought to accelerate this adjustment process. Give the industry a temporary respite from imports and tie it to a definite program of adjustment, including measures to improve productivity, phasing out of obsolete capacity.

Present adjustment assistance (special benefits received by workers who are laid off as a result of imports — ed.) is too narrow a concept. We need a more elaborate approach.

This can take place in many ways. Under GATT, in return for trade agreements, governments would have to make commitments to make domestic adjustments — to take steps to deal with the effects on labor, to help less efficient industries get capital, to acquire the assets of companies that go out of business. In return for the negotiation of OMA's, industries will have to take steps or face the music — get out.

**Q:** Does any one in the Administration support this approach?

**A:** The debate is still going on. The Administration is very divided. People in government have never been willing to face up to the need for the adjustment process...Strauss has a pretty realistic feel for the situation in steel. But there's no real unanimity on how to deal with the problems. Commerce, Labor, the State Department, they all have vested interests.

**Q:** Where will job opportunities open up for the displaced labor?

**A:** That's a very tough question. It's very difficult to retrain and move workers — they like to stay where they are. We will have to have a community redevelopment effort where big plants are closing. In the past we've never brought whole communities into the adjustment process...I don't agree completely with Felix Rohatyn's approach. His proposals involve too much direct government intervention. What we need is government backing for private sector involvement in industrial redevelopment. Actually I think Rohatyn would agree with that. With something like redoing slum housing, of course, you need more government intervention.

**Q:** What is your view of the proposal Mr. Agnelli of Fiat made before the International Institute of Iron and Steel meeting in Rome for restructuring the entire world steel industry?

**A:** Agnelli is expressing the European view. The question is how far do they want to go. Do we want world cartelization or not? One can go too far in this direction. But undoubtedly one of the big problems of the industrialized countries — one we need much more consultation on — is the vast overcapacity. There's no real coordination of industrial strategy now. We can have a planned economy — this is what Agnelli is talking about — or total chaos.

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## London Seeks European Control Through EEC

One of the ironies of the City of London monetarists' plans for the economic subjugation of Europe is the current situation in the European Economic Community (EEC). On one hand, the London monetarists and their Lazard Freres allies would like to transform the EEC into a supranational institution for their hyperinflation

keep France and West Germany from moving into gold as a basis of trading. On Sept. 24, the Lazard-owned London *Economist* made no secret of the belief that, if the Jenkins proposals were accepted, "national governments will no longer be inhibited from reflating by worries that their exchange rates would tumble." This line was parroted nearly word-for-word by EEC Commissioner for Budget and Financial Control (sic) Christopher Tugendhat on Oct. 7 in London. Tugendhat worked for the Lazard-owned *Financial Times* from 1960-1970, and represented the City of London in Parliament from 1970-1974.

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and austerity policies — one modeled on the Holy Alliance of Europe set up by the Rothschild family in the 18th century. On the other hand, they have to sufficiently weaken that economic bloc to prevent the EEC from becoming the antimonetarist vehicle of the ever-stronger alliance of progrowth forces now centered in France and West Germany.

This situation is what is behind the call for a "European economic and monetary union" made on Oct. 7 in Brussels by European Commission President and former Fabian Society Chairman Roy Jenkins. In the long run, Jenkins's plan for a "Europa," a currency to replace all existing European currencies, aims at looting the world through paper-claims accumulated in London investment houses. In the short-term, it is a device to

#### *New Marshall Plan*

The goal of Jenkins's plan is to establish a reflationary "Marshall Plan" for Europe which will recycle funds away from West German and French industrial sectors and the European Common Agricultural Policy (CAP) into labor-intensive agricultural projects in the Mediterranean region. The attack on CAP — a price-guarantee system for EEC-produced agricultural goods — is a direct challenge to Franco-West German cooperation, because of West Germany's commitment to industrialize France through modernization of the latter's agricultural sector.

Institutionally, Jenkins's policy calls for inclusion of Spain, Greece and Turkey in the EEC on the basis of a

"flexible organization" with no compulsory common rules (i.e., no CAP). British Foreign Minister David Owen pushed this line in Brussels meetings of the EEC finance and foreign ministers this week.

The key point is that the British monarchists do not have enough leverage within the EEC at present to impose their plans directly. They hope to weaken it through manipulation of the new Mediterranean members and to otherwise control it through another supranational institution where Lazard networks are stronger: NATO.

NATO, under Secretary General and Anglo-Dutch agent Joseph Luns, will provide the military and intelligence muscle to back up the Jenkins-Owen operation. In his Feb. 1977 speech before the European Parliament, Jenkins had proclaimed "There has never been any contradiction between European unity (i.e., the British conception of the EEC) and...an Atlantic relationship (i.e., NATO)."

However, at the Brussels EEC meeting the French and West German foreign ministers joined their voices to accuse the British government of trying to dismantle the European organizing by using Spain, Greece and Turkey against CAP. The French-West German declaration amounts to saying: take the EEC as it is, under our control, or leave it. Owen and his British colleagues had no other choice but to leave Brussels in a huff.

On the monetary front, the continental forces have failed to comment publicly on Jenkins's Europa, but a top French banking official made his government's views very clear in a private discussion: "We find it extremely ironic that the British are now proposing a European monetary union. What Jenkins wants is a common European currency which the City of London can sit on top of." He added that his West European colleagues were determined to resist the British plot, with help from "their North American friends." (See Gold Report)