

Capitulation to Kissinger:

Republicans Move To Destroy Dollar

This week stupidity emerged as the number one enemy of the United States. Not the British monarchists bent on returning the U.S. to the status of a third world colony. Not their chief henchman Henry Kissinger. But blind stupidity on the part of well-meaning "patriots." That is the significance of the statement against the Carter Administration signed and issued this week by all 38 Republicans now sitting in the U.S. Senate.

The Kissinger line swallowed whole by the Republican senators this week — with its attack on the Carter Administration for alleged capitulation to the Soviet Union, its endorsement of racist Ian Smith's internal solution for Rhodesia, and its call for a massive arms buildup — is the exact same line that went out from the Bilderberg conference of Anglo-Dutch monarchists two weeks ago (see *Special Report*). For a few votes come November, the senators of Lincoln's Republican Party have sold the Union down the river into bondage to the British Empire.

By undercutting the ability of the Carter Administration to pursue a foreign policy for world peace and the economic policy of high-technology exports and world cooperation on fission and fusion power to guarantee that peace, the Republicans have left the United States wide open to the City of London assault on the dollar. U.S. economic policy is now in the hands of British ally, asset stripper G. William Miller, the so-called "fiscal conservative" whose avowed intention is to fight inflation by putting the U.S. through a British-induced "recession."

The combination of Republican capitulation to Henry Kissinger and the free rein given Miller has set up Carter for Hooverization. Far from bringing in a new Republican administration, Republican's opportunistic assault on Carter will have accomplished only one thing: the ascendancy to the White House of London's boy, Fabian Walter Mondale.

It is by no means insignificant that in this same week, a pattern of slander and harassment has emerged aimed at cutting the lines of communication between the U.S. Labor Party and government and business layers. For the City of London, the influence and penetration of the Labor Party's program for a U.S. economic boom based on U.S.-Soviet sector-OECD cooperation for the development of the Third World with an expanded Eximbank funding to expand it — is the most powerful countervailing tendency in the U.S. to their own policy. Across the board this week, financial and business

representatives severed their communication with the Labor Party with protests that the party policy leadership role is unimportant and unnecessary. Further investigation shows that their authorities on this matter are R. Heath Larry, the hated head of the National Association of Manufacturers and former U.S. Steel public relations chief; and Jack Farmer, a Mondale crony, who this week used a seminar of the Bankers' Association for Foreign Trade to coordinate counter-organizing against the Labor Party. A similar pattern has emerged in Western Europe against the Labor Party's co-thinker organization, the European Labor Party. The additional purpose of the slander campaign in Europe is to convince European financial and business leaders that there exists no effective political counter-pole in the U.S. ready to join the Europeans in a worldwide development drive.

The Miller Operation

As the Republican leadership lines up behind Henry Kissinger, U.S. bankers have been bewitched by Miller into trading two week of profits for ten years of depression. The fact that the stock market did not fall calamitously by the end of the week and that the dollar continues to maintain itself is evidence to the contrary of Miller's plans to put the U.S. economy through the wringer. Employing the same tactic it used so successfully in 1929 (see *Economics*), the City of London is blowing up the dollar bubble only to bring it down. With the high interest-rate policy of Miller knocking out the crucial sectors of housing, auto, and machine processing, the Old Lady on Threadneedle Street started to move in for the kill this week by raising its own interest rates to suck liquidity out of New York into London. The only reason the dollar didn't take a dive is due to the fact that Chase Manhattan followed by its Wall Street partners tightened its prime interest rate even higher. The U.S. economy is thus lurching between the Charybdis of high interest rates and the Scylla of dollar collapse; with Miller at the helm, the certain result will be the wreckage of the U.S. economy.

The rampant stupidity in the United States has fulfilled the wildest dreams of the British and enraged the rest of the world. The OECD, the Comecon sector, the oil-producing countries, and key Third World nations like Mexico are preparing the configuration of three-way development deals which can deal the City of London its long overdue death blow. These forces — as exemplified

by the offer of Prime Minister Takeo Fukuda in the U.S.: this week for joint Japanese-U.S. pursuit of fusion power development — are begging for U.S. participation and leadership in this process. Those critical business forces who understand the importance of the U.S. role have opted to maneuver ineffectively for extragovernmental deals with the jocular slogan that “politics is not our business.” And their Republican leaders have chosen to once again play the dumb giant for the interests of the

City of London.

There are approximately two weeks to turn this situation around. That will require the formation of a strong counterpole of business, labor, and political leaders to support the Carter Administration on the basis of a positive policy: harnessing the industrial might of the U.S. for cooperation with the Soviet Union for peace and development.

The U.S. Stake in the West German - Soviet Deals

Soviet leader Leonid I. Brezhnev's visit to West Germany May 4 through 7 offers the U.S. an opportunity to lead the world economy out of the doldrums, if only this opportunity is seized promptly. Largely because of indifferent or nonexistent press coverage of this important event, U.S. businessmen are still unaware that West German Chancellor Helmut Schmidt and President Brezhnev plan to sign a comprehensive 25-year economic collaboration package, including a total of 120 separate industrial projects.

It is in this context of expanding trade that West Germany and the Soviet Union want to settle the outstanding questions of disarmament and detente; but for this, a strong voice from Washington is urgently required.

Although the details of the Schmidt-Brezhnev economic package have not yet been made public, sources close to the negotiations report that it will include in-depth technological cooperation, requiring West German coordination with Soviet Five-Year planning. Standard but massive compensatory deals for Siberian development will be complemented by joint West German-Soviet industrial complexes to be built in the underdeveloped countries.

Other agenda items for consideration will include a revival of old plans for a meshing of the Soviet and West German electricity grids, possibly including a nuclear plant-for-electricity compensatory deal. One source, the daily *Münchener Merkur*, even hinted at planned long-term discussions on full coordination of Soviet, West and East German, and Polish grids. Chancellor Schmidt is also interested in signing an agreement on joint development of the fast-breeder nuclear reactor similar to the one signed by France and the Soviets last year.

Neither the West German government nor leaders of the West German business community see any political or economic disadvantages to such deals. Otto Wolff von Amerongen, head of the German Association of Industry and Chamber of Commerce and board member of the Exxon Corporation, has emphasized in a recent series of interviews that steady progress in East-West trade has been the objective of West German industry ever since the initial efforts made in the early 1960s. Professor Dr. M. Schmitt of the electrical firm AEG-Telefunken writes

in the *Frankfurter Allgemeine Zeitung*, cooperation has now reached “a crucial transitional phase,” meaning higher productivity, more advanced technology and a more refined international division of labor.

The value of the deals will doubtless run into the tens of billions of dollars, a sum which immediately raises the question of financing. In an interview with *Der Spiegel* magazine, Wolff von Amerongen said that the present practice of sophisticated barter — “compensatory deals” — will eventually have to yield to more advanced financial practices if commodity flows are not to be disrupted. Wolff has been proposing instead that large international industrial project consortia be created under the leadership of the relevant Soviet ministries or enterprises. That is an obvious hint to U.S. firms, and may have been the purpose of Wolff's recent visit to the U.S. Chamber of Commerce in Washington.

Other hints have appeared in the West German press about “certain progress in the question of the convertibility of the ruble,” a reference which underscores the potential of these trade arrangements to completely transform the present global monetary system. Several financial mechanisms are under discussion including the remonetization of gold and the use of the Socialist bloc's transferable ruble — both long recognized as integral to the “new world economic order” proposal first made by U.S. Labor Party Chairman Lyndon H. LaRouche in 1975.

Wolff von Amerongen, in the latest issue of *Stern* magazine, reported that his discussion with Chancellor Helmut Schmidt created the proposals for extending additional lines of credit by the government. He also has told his Soviet counterparts that if they want really huge trade projects, they could pay partly in gold.

Why Won't the U.S. Join?

The inability of the Carter Administration to make even minimal commitments in the direction of the Schmidt-Brezhnev initiative is part and parcel of the maneuvers by Henry Kissinger, Zbigniew Brzezinski, James Schlesinger, and G. William Miller to wreak havoc on the U.S. and world economy. Following a recent meeting of the Anglo-Dutch Bilderberg Conference in