

# NATO makes IMF strategic issue

*Europe is told to subordinate the EMS—or else*

The incident involving West German Finance Minister Hans Matthöfer and the NATO authorities reported elsewhere in this section of the *Executive Intelligence Review* is indicative of what is at stake in the successful establishment of the European Monetary System as originally conceived and described by the heads of state of France and West Germany. As this magazine has extensively documented, West German Chancellor Helmut Schmidt had over the past months repeatedly described the EMS as “the kernel of a new international monetary system” which would supplant the International Monetary Fund through a strategy of capital-intensive development for the advanced and developing sector countries. What Finance Minister Matthöfer was told in Washington this past month by ranking NATO authorities was that NATO would consider a threat to the IMF to be a threat to NATO itself; that IMF credit conditionalities are viewed by NATO as a military strategic issue.

Within certain boundaries, the current West German leadership has understood this relationship between economic and military policy for some time. It is a fact, for example, that the birth of the EMS can be dated specifically from the Brezhnev visit to Bonn in May of last year. It is a fact that West German Defense Minister Hans Apel came to the U.S. earlier this year to inform the U.S. Administration that his country would not tolerate the outright “lying” which Washington had been condoning on the sensitive question of the presumed threat represented by Soviet military capability aimed at Western Europe.

In the context of the ensuing heated debate inside NATO on this and related issues, it is also a fact that Chancellor Schmidt told a meeting of his party's parliamentary fraction that if forced to choose between the U.S. and Moscow, West Germany would have to choose Moscow. It was from this standpoint that the EMS founders shaped East-West trade as a significant component of the system, to function as the economic stabilizer of a detente policy.

As Kalfleche in *Le Figaro* documents for the case of Zaire (see below) IMF intervention into the affairs of a

country are always shaped by a very specific *political* purpose: the slanting of economic policy away from (EMS-type) technological development in favor of those entrenched political interests, foreign or domestic, who thrive through the looting of the country's natural resources — whether in the form of raw materials or labor. It is this status quo and the political elites which it services which are threatened by the successful establishment of the European Monetary System. When the Atlantic Alliance further identifies the maintenance of this system to be its specific concern — to the point of exerting considerable pressure on the leading NATO ally, West Germany — the time has come when NATO as it is currently structured must be re-examined and supplanted by a legitimate defense capability.

As Mrs. Sigerson documents in the accompanying article, a carrot is being thrown to Western Europeans in conjunction with the more naked pressure exercised by the NATO authorities; that is, the opportunity to buy up portions of the American economy itself, cheap. As she indicates, this is not a question of European participation in U.S. economic development, but an aspect of the strategy to rationalize the developed sector according to the model of Hitler's much-vaunted finance minister Hjalmar Schacht, often praised by Energy Secretary James R. Schlesinger.

The only solution at this point would be for the West European allies to counter-leverage the intense pressure to which they are being submitted. That means, primarily, dealing with the NATO issue squarely, which would at the same time represent a healthy intervention into American affairs given the proposed candidacy of General Alexander Haig for the American presidency. To put it bluntly, NATO, as an instrument of IMF economic warfare against the proponents of scientific and technological development, must be destroyed. Either this is done speedily, or the West European economies will themselves suffer irreversibly, as in the case of France which the upcoming issue of this magazine will demonstrate.

—Vivian Zoakos