

cluding that in Switzerland and West Germany, had been conducted in dollars.

Reorganizations

The proponents par excellence of currency blocs, the present French government, intended to use the Versailles summit the second week in June as a forum to demand that the dollar find a band of stability against the European national currencies—something the present U.S. Treasury would never accept—with the threat that Europe would create an anti-dollar bloc in case of American refusal. Bonn still vehemently opposes such anti-Americanism, but the issue is not really what currency arrangements governments might come up with: it is how the world banking system will be reorganized under conditions of de facto bankruptcy. The re-positioning of major commercial banks under these circumstances, might override all such reasonable objections to currency blocs.

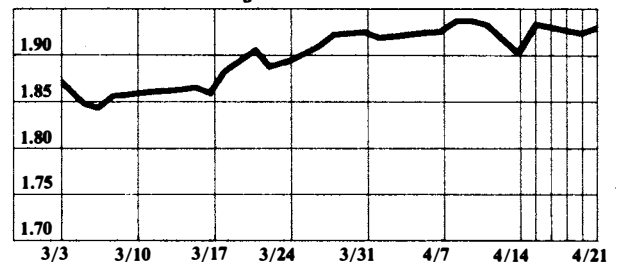
It is also not to be left out of account that the banking developments summarized above have a disturbing parallel in strategic affairs, namely, that the collapse of the U.S.-dominated Eurodollar market would be accompanied by a strategic humiliation of the United States. Some well-informed observers of Swiss affairs believe that an American failure to stand by Argentina would force Argentina into a higher level of economic deals with the Soviet Union as a matter of survival, a question intensified by the early April meeting of the joint Argentine-Soviet economic commission. According to these observers, the Swiss-Italian Freemasonic banking group associated with the 'Propaganda-2' lodge exposed last year by the Italian government are backing the Argentine side (despite the fact that Britain's Duke of Kent heads the lodge) in order to position themselves to mediate such a Soviet-Argentine economic deal.

The Soviets, who must protect their trade channel with Argentina merely in order to ensure grain supplies, cannot afford to look the other way in the event of a British blockade. Certain illusions in Washington are not helping the American position. The *Neue Zürcher Zeitung* noted April 20 that the resumption of American-Soviet grain negotiations May 21-22 in Paris, announced by farm-state Sens. Robert Dole and Roger Jepson, has a good deal to do with the Argentine crisis: Agriculture Secretary John Block believes, according to the Swiss newspaper, that the Soviets must negotiate on American terms now that Britain threatens to blockade Argentina's grain ports. One can imagine how the Kremlin would react to such an American negotiating posture. Again, Switzerland, the perpetual "neutral," hopes to use its connection into Argentina, which centers on the old Perón forces, to become the indispensable middleman in the whole affair.

Currency Rates

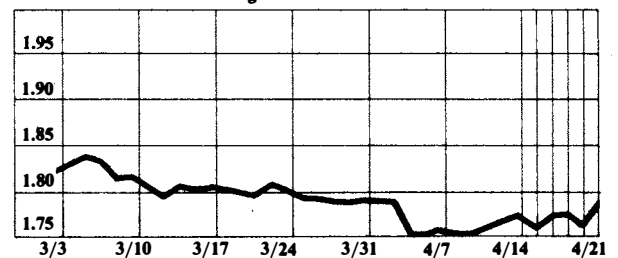
The dollar in Swiss francs

New York late afternoon fixing



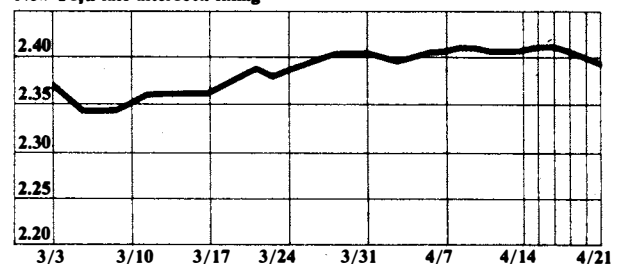
The British pound in dollars

New York late afternoon fixing



The dollar in deutschemarks

New York late afternoon fixing



The dollar in yen

New York late afternoon fixing

