

Russians seek to exploit U.S. trade and monetary insanities

by Chris White

It's now official. The Russians are moving to exploit the insanities in especially the United States's Trilateral Commission-dominated trade and monetary policy.

This intention was recently published in the Soviet Communist Party daily *Pravda*. Not surprisingly, while Western media outlets were giving big play to the crisis developing around the dollar on international markets, and to the related burgeoning of the Trilateral Commission's trade war with allied nations in Western Europe, these same media conveniently chose to overlook the Russians' policy initiative.

And the cited development is a policy initiative indeed, not just the opinion of some party hack journalistic scribbler. Yuri Ivanov, the present head of the Soviets' Moscow-based Foreign Trade Bank, writing in *Pravda* Jan. 23, put forward a proposal to create an international monetary alternative to the United States dollar. Ivanov accused the United States of imposing its "will" on leading trading partners with its dollar policy. He noted, "This dollar policy has made the political process more difficult in France and West Germany."

According to European sources, close to the heart of the Brussels supranational bureaucracy, the Russians are currently studying two options for such a dollar replacement. The options are political rather than purely monetary, and both might function in coordinated fashion. One option would include aligning the transferable ruble version of the Russians' own credit system, used within the Comecon, with the European Unit of Account, the gold-backed accounting unit of the European Monetary System. Such an arrangement would be mediated through the European Community (EC) commissioners in Brussels, above the level of what these characters think of as "mere" national governments.

The other would involve an arrangement for the Russians to join what is being called an "expanded deutschemark currency bloc." This would depend on the conclusion of "arrangements" with the present government of West Germany, along the lines prefigured by the recent economic diplomacy of Germany's Armand Hammer: Otto Wolf von Amerongen. Von Amerongen has just completed a widely publicized trip to Moscow in which he negotiated the revival of the almost moribund German-Soviet Economic Commission, now set

to meet in Moscow during early April, and scheduled an international conference on economic and security policy for Valentine's Day. The February conference would also be held in Moscow.

The diplomacy surrounding the trip featured, for the first time in many months, extensive Soviet press coverage of the potentials for expanded East-West trade. The Russians have not been slow to cynically point out that export-dependent West Germany needs a market for its production, and that the Russian war economy can provide such a market.

The Russians are putting a significant emphasis on the planned February conference, entitled "Peace in a World Without Nuclear Weapons." They intend that as many as 500 Western leaders will attend. First-class air tickets are being laid on, as well as free hotel accommodations for participants. The attendees will include prominent international influentials from the policy-making circles represented by the Trilateral Commission, such as Fiat's Gianni Agnelli, Montedison's Schimberni, and Otto Wolf von Amerongen himself. Among the four sessions of the conference, one will take up the question of economic policy and trade.

Many of the expected attendees at the conference were also in attendance at back-to-back conferences held at Venice's Cini Foundation on the island of San Giorgio Maggiore in early September 1986. At that time the crew gathered with the chairman of the U.S. Federal Reserve Board, Paul Volcker, and other ranking Western monetary officials, to discuss the financial blow-out looming for the period after the November U.S. elections. Then the attendees later turned their attention to the prospects for expanding economic relations with the East.

This pattern of treasonous diplomacy, over years not months, is now combined with Trilateral Commission promoted efforts to foment trade and currency wars between the United States and its Western allies. Those organizing such wars, such as European negotiator Willy de Clerq and his U.S. counterpart Clayton Yuetter, on both sides of the Atlantic, represent the same capitulationist policy intent. The more the dollar falls, the more the United States acts to constrict European, and in particular, West German export markets,

the more the resulting contraction of Germany's export-dependent internal capacity will be forced to reorient toward the East.

In this scheme, West Germany, with the rest of the European Community in tow, is being driven straight into the waiting embrace of the Russians, all thanks to the idiocies which pervade U.S. economic policy. If that course is allowed to proceed uninterrupted to its envisioned end, the United States can say goodbye to its status as a front-rank world power. Without the technological and economic potentials of Western Europe, it doesn't function. But that, of course, is what Moscow's friends in the Trilateral Commission's circles intended all along.

LaRouche's warning

In April 1985, *EIR* published a *Quarterly Economic Report* titled "The Recovery That Never Was." In his introduction to that report, American System economist and Democratic presidential candidate Lyndon LaRouche warned that the stupidities in U.S. economic policy, under the wishful thinking of the insanity and fraud known as the "recovery," are the principal strategic weapon in Russia's war-plan arsenal against the West. Also during the spring and summer of 1985, LaRouche commissioned the *EIR* Special Report, *Global Showdown: The Russian Imperial War Plan for 1988*. By now, the view developed in that report—that Russian resources are deployed on behalf of the implementation of a war plan designed to secure global domination by the late 1980s—has won significant support within Western policy-making establishments.

The corollary thesis presented in *EIR*'s cited April 1985 *Quarterly Report*, that Western economic lunacy is the principal lever available to the Russians, has not been so accepted. Yet, in that *Quarterly Report*'s introduction, LaRouche also presented a timetable for the Soviet deployment of that advantage inside the West. LaRouche argued that the Russians would desire Western leaderships to cling to the illusions of their nonexistent recovery through 1986, that the West might continue to deplete its own political and economic resources, before the Russians acted to capitalize on the inevitably developing crisis sometime in 1987.

At that time LaRouche wrote, "Although the Soviet empire's ruling dynasty is preparing to launch, survive, and win a general thermonuclear attack against the United States by as early as 1988-89, Moscow hopes to win its imperial objectives of world domination without firing a shot. Moscow is hoping for a general collapse of the U.S. economy by no later than 1986, and expects the collapse into a new and deeper depression to erupt during 1985. . . . Moscow would prefer the erosive hyper-inflationary spiral of dollar exchange rates. The latter would buy Moscow a year or so of time to build up its military potential according to existing Soviet war-plans; if the President could be induced to tolerate Volcker-IMF policies another year, by 1986 absolute Soviet war-winning potentials would be more or less assured."

The Ivanov call to replace the dollar serves warning that such has indeed been Moscow's intent. The insanity of Western economic policy is indeed being forced into the service of the Russians' strategic account. The monetary and trade

The insanity of Western economic policy is being forced into the service of the Russians' strategic account. The monetary and trade crisis the Trilateral types are determined to provoke could well be the vehicle for that, unless the West is prepared to make the necessary changes in economic policy, which LaRouche has proposed.

crisis the Trilateral types are determined to provoke could well be the vehicle by which those interests are served. Unless, that is, the Western world is prepared to wake up and make the necessary changes in economic policy, which LaRouche has taken the lead in proposing.

Russians prepare their move

The Soviet news agency TASS reported Jan. 16 that over 100 firms from Finland, West Germany, Japan, Italy, France, the Netherlands, the U.S.A., India, and other countries have requested the establishment of joint ventures in the Soviet Union since regulations were modified Jan. 1 to permit the practice.

Soviet participation in the European ECU system was formalized during the spring of 1985, in agreements concluded between the Russians and the Swiss banking system—led by the Bank for International Settlements, the private central bankers' central bank.

Now, with the dollar currency and credit system on the edge of bankruptcy collapse and reorganization, the Russians are preparing to make their big move. That is what the financier elite represented by the Trilateral towel boys were demanding all along, to end the system of technological-progress-vectored sovereign nation states within the West, in favor of a new imperial rule.

The United States Constitution has a very precise definition of treason: "giving aid and comfort to the enemy." That's exactly what the Trilateral types have been doing, and are doing, with their policies of monetary collapse and trade warfare.