

international reports

Central European Banks Underwrite Rockefeller's Controlled Collapse

July 12 (IPS) — With the important exception of Sir Gordon Richardson, Governor of the Bank of England, European central bankers met in Basel, Switzerland, July 8 to coordinate their credit issuing and support policies along lines agreeable to David Rockefeller's plans to destroy the world's production and trade as a prerequisite for the investment of his banks' so-called Arab petro-dollars.

These Rockefeller funds are earmarked to become the slush-fund for financing fascist labor-intensive projects, particularly in the field of energy production, once medium and small layers of banking and industry have been swept aside.

In the advanced sector's press, only the London *Financial Times* gave prominent coverage to this get-together. Noting that the bankers had taken this opportunity to discuss the implications of the collapse of West Germany's I.D. Herstatt Bankhaus of Cologne, the paper reported the bankers' fear that Arabs would stop investing their oil revenues in European markets. It is, of course, the concentration of just these funds in treasury bills and other forms of David Rockefeller-controlled paper in New York City which are right now undermining exactly those markets, provoking alarms of imminent collapse and parallels to the 1929-31 period in the press (particularly from the hard-hit French).

The central bankers effectively decided to do nothing. They declared their intentions to act as "lenders of last resort." Any bailing out operations they mount, the *Financial Times* declared, would "be strictly tailored to circumstances." Any bank that has accumulated "overlarge or irresponsible" foreign exchange obligations, will not benefit from any backing they could otherwise provide. In other words, the central banks have decided to underwrite Rockefeller's policy of controlled collapse.

With the ripples of Herstatt extending to the Philippines and Israel banks collapsed this week, and eddying back into the City of London to threaten one of Britain's largest merchant banks, Keyser Ullman, the stage is well set for the coming financial tidal wave.

And in Britain...

Meanwhile, the Governor of the Bank of England, Sir Gordon Richardson, met July 8 with Henry Kissinger and Labour Ministers Healey, Callaghan, and Varley to

discuss the nuts and bolts of the transition to fascist forms of financing. Yesterday, Richardson informed the IPS European Intelligence staff, in relation to the recent British-led run on French markets, that it has "no knowledge of any such measures having been authorized."

The *London Times* July 9 indicated the scope of the British discussions. "The problem is to keep the oil flowing and control the investment of the huge oil producer surpluses, which cannot be absorbed by the purchase of goods or, without great danger to the stability of currencies, by short term loans. What is needed is a coordinated plan of investment to avoid undue suffering in countries whose deficits will soon necessitate growing cut-backs in their development."

This hideous understatement refers to the current plight of workers and farmers in Britain, Italy, France and of course the U.S. itself, where continued payments to Rockefeller banks to service oil-incurred deficits is now threatening the very basis of continued human existence.

These two July 8 meetings have defined the parameters within which Rockefeller's political agents will turn the screws of austerity ever tighter against workers throughout the world. As Kissinger was meeting in London, the Secretary of the U.S. Treasury, Simon, prepared to leave for the Middle East and Europe in the company of his International Monetary Affairs Secretary Bennett, a Rockefeller stooge from the board of Esso International. Simon's credit allocation policies are immediately behind the current municipal crisis typified by the striking Baltimore sanitation workers and policemen.

Simon assiduously has been creating the conditions for funneling Rockefeller's available funds into labor-intensive projects typified by the coal gassification schemes planned for Southern Illinois and the proto-concentration camps of the Rocky Mountain range. His policy is at the direct expense of workers' wages and working-class consumption represented generally by social services — hospitals, schools, and transit, etc. — which used to be financed through the collapsing municipal bond market.

Simon Says —

Simon's trip, touted by the unreliable *New York Times* and *Washington Post* as aimed at lowering the

producers' demanded price for oil, is in fact aimed at clearing the way for recycling those funds now held in New York into just such fascist forms of investment. After specifying his terms to the Arabs, Simon will return to the U.S. via France, Germany and Britain, where he will inform the respective governments which sectors of their economies will be supported through the collapse by the injection of these investment funds.

Already Britain's Chancellor of the Exchequer Denis Healey has stated his willingness to enforce the kind of austerity which will win such funding. At a lunch of the American Chamber of Commerce in London, Healey told his audience that it was no use trying to balance payments deficits caused by the oil crisis by increasing exports. That would be the road to disaster. All such deficit-ridden countries should work instead to create the domestic conditions appropriate to the profitable investment of Rockefeller's Arab funds.

At the same time, Schlecht of the German economics ministry issued a call for the imposition of export controls on the economy of West Germany — in other words, the destruction of the machine tool industry and engineering in that sector. Such measures would be accompanied by controlled domestic investment directed into public works infrastructural schemes, such as another round of Speer *autobahn* construction. These

measures would be matched by a tight wages policy, with no increases permitted beyond ten per cent.

At the same time, in the wake of this week's meeting between Schmidt and Giscard in Bonn at which the decision was taken to reduce the French rate of inflation from 15 per cent to an acceptable German level of seven per cent, parallel measures are in the works for France. This was underlined by French Foreign Minister Jacques Sauvagnargues who stopped off in Strasbourg at the European Parliament on his return from Bonn. There he declared that French energy policy could not possibly be conducted in opposition to the wishes of Washington.

Such austerity policies are concomitant with the centralization of credit in the grip of Rockefeller-dominated financial institutions, as affirmed by the central bankers. To the extent that Europe's politicians administer that collapse by implementing fascist policies, destroying production and trade, they will qualify for their reward — funding to intensify the process of the destruction of the working class.

In that situation, Labor Committee organizing for debt moratoria and expanded trade with the Soviet Union is now implicitly admitted by Rockefeller — through the column of his *New York Times* mouthpiece Clyde Farnsworth today — to be the limiting factor in governments' abilities to implement just these fascist measures.

Swedish Paper Attacks ELC; Organizing Gains

July 15 (IPS) — The leading newspaper of the Swedish Liberal party *Dagens Nyheter* published a libelous attack on the Labor Committee July 7. Titled "American self-criticism: Why did the left become split into sects?", the article serves as the pretext for reporter Lars-Olaf Franzen to focus on the Labor Committee. Using a tawdry series of lies originally printed in the counter-culture weekly *Rolling Stone*, Franzen writes: "one group, the National Caucus of Labor Committees, that promised to be an alternative both to the violence of the Weathermen and the passivity of the drug culture...[They] worked with marxist organizations of workers at the factories...They have now fallen into a leader-cult...so violent that they sent no less than 40

members to the hospital last summer."

The reason this garbled lie appeared in the Stockholm paper at this time is not accidental. *Svenska Dagbladet*, another Swedish daily, the same day devoted no less than five paragraphs in its coverage of the International Metalworkers Federation conference in Stockholm to quotations from a leaflet distributed to conference delegates by the European Labour Committees. In addition, Labour Committee intervention into Scandinavian politics on the possibility of fusion energy as an imminent solution to the energy crisis has caused considerable embarrassment in government circles in recent weeks. [See IPS Nos. 8 and 9]