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political economy

Rockefeller Puts Germany in the Barrel

August 2 (IPS) — The IPS staff has traced the ongoing panic in the West German banking system back to a Rockefeller conspiracy to manipulate the world's money flows, identified by *New Solidarity* May 15.

While Rockefeller ally Karl Klasen, head of the nation's Federal Bank, slowly tightens the noose on the German economy, international pressure on the German currency, the Deutsche mark, is putting additional weight on the rope.

As reported last week, German banking — and with it German industry — faced an immediate liquidity crunch after Cologne's Herstatt Bank went under June 26.

In response, banker Klasen spooned DM 2.5 billion (about \$1 billion) into the German banking system enough to avert an immediate crisis, but not enough to take the heat off.

German press accounts confirm that German banks grabbed up these credits, available at the nine per cent interest prevailing on the money market, like a life preserver. Ominously, banks have had no means to pay these credits back.

On the Brink

Two factors threaten to push the German economy off the edge. First, the highly speculative construction sector is in ruins, and banks are threatened by a wave of bankruptcies and loan defaults among their building industry customers. Second, Germany's exports declined from a monthly rate of DM 20 billion during the first months of this year to DM 16 billion in June, and are predicted to go through the floor by early fall. As *New Solidarity* reported, German industry will crumble when it can no longer export to countries such as France and Italy, which have already gone through Rockefeller's depression wringer.

Said a spokesman for the New York office of a top German bank: "Construction is in a crisis, and there will be a crisis in auto soon. Next will come machine tools. If the government doesn't do anything, there will be a disaster." And if it doesn't? "The government will have to do something," the spokesman screamed.

But Klasen will not "do something." In an interview with International Press Service, a spokesman for the Federal Bank in Frankfurt said that no measures to bail out the economy are being taken, although the paltry easing of restrictions will remain in effect until August.

Klasen is drawing up the noose around the neck of German banking.

In the last week, symptoms of crisis have broken out threateningly:

- A small Frankfurt bank, the century-old Bass and Herz private bankers, is in trouble and required an emergency infusion from the German banks' liquidity consortium, created after the Herstatt disaster. This follows similar problems at the Schroeder bank in Cologne.

- Germany's biggest private construction outfit, Heinz Mosch of Wiesbaden, suspended interest payments on loans from the Landesbank of the State of Hessen. The same bank took heavy losses when a big construction customer went under last year.

- The IHB (Investment and Trade Bank) of Frankfurt, one of Germany's largest, called in its loans to a candy factory in Solingen, forcing it to cancel wage payments.

- Small banks throughout the country, especially in Hamburg and Munich, are reported to be in severe trouble, as depositors take their deposits and run to the safety of the larger banks or Government short-term paper.

Klasen says he will tighten up on credit again at the end of August, giving the West German collapse an official kickoff.

Deutsche Mark Collapse

According to German press reports confirmed by a survey of foreign exchange traders in Frankfurt, New York, and San Francisco, the Federal Bank bought up a whopping DM 250 million on the foreign currency exchanges in order to support the value of the German currency. To keep up the market value of the mark, the Federal Bank bought up the marks offered for sale in return for U.S. dollars and other currencies.

The *Sueddeutsche Zeitung* complained: "The paying out of reserves by the Federal Bank means a tightening of domestic liquidity...speculation is rife over the meeting of the central bank council on August 16. If the giving up of reserves continues, then a lowering of the minimum reserve requirements [of banks] is considered possible."

Domestic liquidity is worsening as a result of the pressure on the mark because marks are taken out of the German banking system to be cashed in for dollars or other currencies at the Federal Bank's foreign exchange

window. On the other side, the Federal Bank sits on these extra marks without putting them back into the economy. Already, Klasen has taken back 10 per cent of his July "gift" to the banks by this means.

An IPS interview with the chief foreign exchange trader at the San Francisco headquarters of Bank of America, the world's largest commercial bank, confirmed that this attack on the mark is a by-product of a Rockefeller conspiracy to control the world's money markets. One of the few large banks independent of Rockefeller control, the Bank of America, made the necessary information available when every bank in New York, Rockefeller's backyard, either lied to our reporter or refused comment.

According to Bank of America, the mark is weakening because the top German banks themselves have very "long" positions in their own currencies, which they fear will bring heavy losses after German exports start to fade. In other words, German banks are predominantly holding their own currency, even though they have large debts in U.S. dollars and other currencies.

Although the German banks themselves are speculating against their own currency — and their own economy — Rockefeller has forced them into this position!

New Solidarity predicted this in an article dated May 15: "According to recent news items, European holders of U.S. dollars have been cashing them in for their local currencies, following three months of declining dollar value with respect to European money. Reportedly German banks which formerly would accept \$100 million to \$200 million on deposit now refuse to hold more than \$15 to \$20 million.

"Our information is that these banks have been forced

to move out of dollars. In February a survey of European banks' foreign exchange dealers by ICLC Intelligence found that their unanimous opinion was that the dollar would gain in value against European currencies. This made good sense, since the Europeans were hit much harder by the oil hoax than the oil-rich United States.

"...How did it happen? Evidence points to a conspiracy between the Federal Reserve Bank of New York, led by Class A director David Rockefeller, Helmut Schmidt at the West German finance ministry (now the country's Chancellor — ed.), and German Bundesbank president Karl Klasen.

"...Because European currencies are so heavily dependent on world trade, marginal drops in world trade volume due to credit collapse will exert heavy downward leverage on the West German mark especially."

The article added, "Once European currencies collapse, their huge dollar debts to the Rockefeller banking network and the Arabs will be harder to pay off in newly-devalued currencies — leaving the Europeans on a credit string to Rockefeller."

During the first months of this year, the Rockefeller gang — including the oil multinationals, who control enough of the world's cash flow to determine currency values — kept the rate of the dollar down artificially. This bit of manipulation claimed at least two victims, Franklin National in New York and the aforementioned Herstatt, which reportedly ran into trouble by betting on the dollar.

Meanwhile, their larger colleagues got out of dollars.

The present run on the German currency and the German economy is nothing but a "springback effect" triggered by the fall in German exports — a sophisticated Rockefeller psywar operation.

Praying Until the End

August 5 (IPS) — *The Economist*, NATO's best journalistic mouthpiece, assesses the world banking picture as follows in its most recent issue:

"Entomologists tell us that an unpleasant habit of one sort of female [praying] mantis is to bite off the head of her mate during lovemaking, and to chew it reflectively. The male mantis, who is insufficiently quick on the uptake even to realize immediately when he is dead, continues for awhile in decapitated state with his lovemaking down below.

"This is very like what is happening in the City of London and other advanced capital markets now."

Complains the *Economist*: "The lion's share of international money — and thus more and more control of

foreign exchange markets — is going to certain big and Arab-favored banks, especially Citibank, Morgan Guaranty, and Chase," the trinity of the Rockefeller empire.

The *Economist* repeats the names of these three banks several times throughout an article entitled "A World Banking Crisis?" indicating a degree of hysteria over Rockefeller's decision to downgrade the City of London to the status of an ill-treated and poorly paid clerk.

Meanwhile, heads are rolling off other giants this week whom Rockefeller actually decapitated months ago. Japanese banks are not expected to receive the \$7 billion they require to stay in business after August, and secondary banks throughout the world will keel over the moment it is realized they are dead.