Rockefeller Reconstructs World Dollar Empire

[Editor's Note: The first in this two-part series will examine the destruction of the currency systems of West Germany, Great Britain, and Japan, in favor of Rockefeller's dollar empire. Part II will analyze the transformation of world trade from the circulatory system of the productive economy to a conduit for Rockefeller's fascist development projects.]

August 14 (IPS) — Word is already spreading fast among the foreign exchange trading rooms of European and Japanese banks, between market operators who juggle telephone calls and watch currency rates shift on television monitors: David Rockefeller is coming to claim his due.

Apart from a few frightened rumblings in the financial press, the public still ignores this. The mimeograph machine at the West German Economics Ministry still speaks of a "steady hand policy" and token handouts to stricken industry. In Japan, office boys at the Ministry of International Trade and Industry still punch numbers into the computer to find out what annual growth rate would be nice for the next ten years.

Rather than looking ahead to a rosy future, David Rockefeller is looking back to the ruined and bankrupted Europe of 1949. In that year, the Rockefellers and their colleagues knocked the values of European currencies down by half and more. They then used $14 billion of Marshall Plan dollars to buy up starving European labor at about one-quarter of the cost of American wages: the American dollar then bought twice as much in European commodities, and European workers' living standards, in turn, were less than half that of their American brothers.

Rockefeller's intentions are to put the finishing touches on the 1974 revival of his postwar operation, within the next weeks and days. In this period, the British pound, the German mark, and the Japanese yen, will be slaughtered on the international markets.

- West Germany is losing close to a half-billion dollars a **week** as money surges out of the country through the foreign exchange windows. Market sources guess that at least 4 billion marks (over $1.5 billion) that might have been lent out to cash-hungry industries have been drained off, threatening an immediate banking panic. At the start of July, following the collapse of the Herstatt Bank of Cologne, the nation's Federal Bank injected 2.5 billion marks to "save" the credit system. Since then, international pressure against the mark has sucked away more than half again that amount.

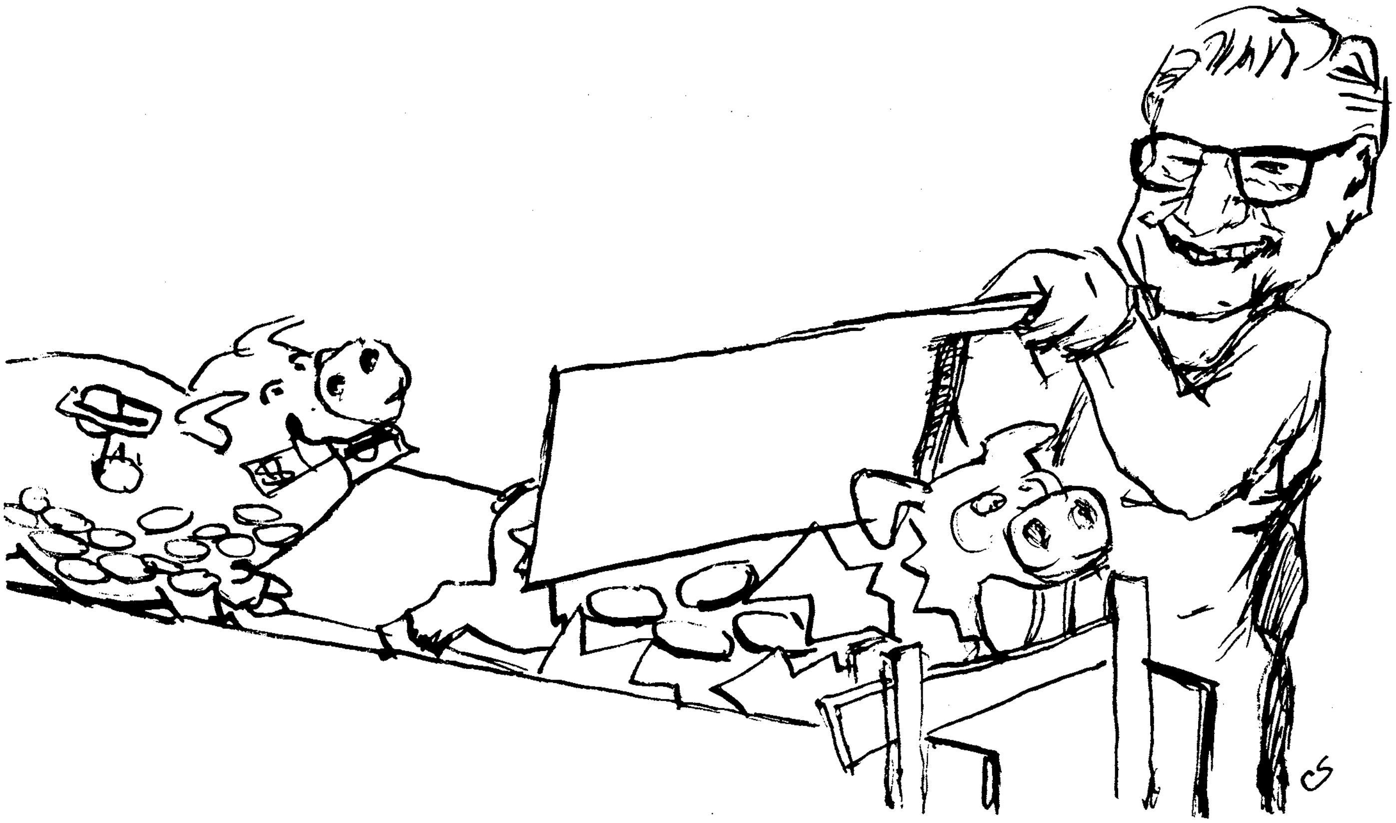
Meanwhile, highly-placed sources at First National City Bank confirm that the entire New York banking battery is aimed against the German mark. (That is, they have borrowed marks and sold them for dollars, knowing that by the time they have to pay the loans back, the mark will be a good deal cheaper.)

- The Bank of England flailed about in the foreign exchange market today, buying up British pounds which speculators sold off for U.S. dollars, to prevent the value of the currency from collapsing. This followed yesterday's announcement that Britain had bought from other countries $1.28 billion more than it sold to them in July, for the third month in a row. Since a trade deficit has to be settled in a currency that is accepted by all countries — in most cases, this means the U.S. dollar — Britain could pay out its entire dollar reserves of $5.9 billion in less than six months. Again, a spokesman for Morgan Guaranty Trust in New York bragged that the Rockefeller banks would "wipe out the pound" within a few weeks, in an interview with IPS.

- Japan's yen, which has fallen by 18 per cent of its value with respect to other currencies, will be annihilated in the next several weeks. To pay for the oil hoax, Japan has gone into hock to the extent of $30 billion — four times its dollar reserves — in short-term debt. $16 billion of this devastating sum was borrowed on the Eurodollar market — the $185 billion pool of dollars lend outside the U.S. — and the remainder directly from Rockefeller's headquarters in New York City. At least $7 billion — almost the whole of Japan's dollar reserves — has to be paid back or extended this month alone. To the extent that Rockefeller chooses not to extend further credit — and why should he? — yen will be sold for pulp on the international markets.

No Mystery

The cause of this blight is no mystery. With the oil hoax, Rockefeller siphoned close to $100 billion out of the world economy. This loot is passed on by the stooge sheikhs to "First National City, Chase Manhattan, and Morgan Guaranty," as the British press has complained for several weeks. Neither the medieval maniac King Faisal, nor the U.S.-created Saudi Arabian Monetary Agency, which still keeps its books by hand in Arabic, have any larger role than mailing their checks to David Rockefeller.



This amount is equivalent to between 2 and 3 per cent of the entire wage bill of the industrialized countries.

To foot this bill, Europe and Japan, whose combined share approaches $60 billion, must continuously exchange their own currencies for U.S. dollars, for dollars are the paper which Allah has blessed for the purposes of buying oil from the faithful. Even the British pound, which formerly paid for Kuwaiti oil by virtue of the British Army's long occupation of that strip of coastal desert, has now been dumped unceremoniously in favor of the dollar.

This means $60 billion less of marks, pounds, or yen to be lent out to industry for capitalist investment, for workers to spend on items of consumption, for companies to pay their debts with. It means the expected profit on investments made in these currencies is pared by some $60 billion, because that amount of claims on European and Japanese production has been transferred to accounts in Rockefeller banks. Consequently, the value of shares in production in these three countries, measured by the market value of their companies' shares on the stock exchanges, has fallen by 43 per cent from pre-oil hoax levels.

The Oil Vortex

This $60 billion drain through 1974 is continuous. The oil payments, the transfer of the rights to take up the proceeds of industry and agriculture, must be met every month. In Britain's case, $940 million of the total $1.28 billion trade deficit in July went for oil, up from about $750 million in June.

The constant drain of capital — of the right to appropriate production — from European economies, the constant dumping of European currencies to buy dollars to pay for oil, have pushed Europe and Japan to the breaking point. The process has become self-aggravating. Formerly, the U.S. dollar was used to finance about three-fifths of all international trade transactions. As the only world currency backed up by a functioning economy after World War II, the dollar was then the only universally acceptable means of international payment. The remainder of international trade has been conducted mainly in British pounds — between Britain and its former colonies for the most part — and to a much more limited extent, in German marks and yen. But now there are not enough of these currencies to pay for oil, let alone finance other trade.

For this reason, more and more trade financing has come to New York City and the U.S. dollar, pushing the minority trade currencies out of the picture (see Part II for details).

As described earlier, our Intelligence staff has analyzed the unmistakeable symptoms of a crunch. In the case of West Germany the Federal Bank is juggling paper to maintain the market value of the German mark. Holders of marks, who see the German economy buckling under the strain of the oil hoax, and watched German exports fall from $8 billion a month during the first five months in 1974 to only $6 billion in June, are selling their marks to any bidder. Rather than see the value of the currency plummet as a result, the Federal Bank has stepped into the foreign exchange market, and bought a total of 4 billion marks at the rate of around 2.60 marks per dollar. But these marks can no longer be used by German industries: Federal Bank president and Rockefeller ally Karl Klasen is sitting on them, after buying them up for dollars. This insipid game makes matters worse in West Germany itself — leading to more dumping of the mark on international markets, and so on.

Possible Counterattack

The only alternative to this form of strangulation would be for Germany to dump its dollar holdings — it amassed $32 billion during the two decades of trade surpluses — in Rockefeller's face, blasting the value of the dollar and gaining precious weeks for Europe and Japan. However, Klasen prefers mass unemployment and bankruptcies in "his" country to this defensive action.

By declining to counterattack, Europe and Japan have surrendered to Rockefeller the **political** right to loot their working classes and industry. Capital, in the form of currency deposits or stock shares, is a piece of paper with a gun behind it: the power of the courts and police to collect the necessary amount of profit. All of the manipulations on the marketplace, conduted in the capitalists' own 14th-century "in" dialogue, are nothing more than the arrangement of these political rights among the capitalists. The paper itself means nothing; the idiot journalists of the financial press observe one type of paper, e.g., the U.S. dollar, gain in value, and other types of paper, e.g., the yen, mark and pound, collapse in value, and describe in morbid detail the rituals of dividing the spoils. What is actually at stake is Rockefeller's raw right to loot.

In the cases of Britain and Japan, the two nations are so far in debt to Rockefeller that he can dictate bankruptcy terms at any moment he chooses.

The Political Stakes

The transfer of capital no longer involves paper — only teletype transmissions and magnetic notations in computer banks. From the capitalists' viewpoint, a madman with a magnetic tape eraser could abolish the world's capital in a few hours!

What is actually at stake in the reconstruction of the backed by a productive economy compared with today —

one dollar bought approximately twice as much goods as it does now. Now the $2 trillion worth of debt — more than twice the total output of goods and services in one year's activity of the U.S. economy — plus the $250 billion in privately held dollars outside the U.S. are backed up with 50 year old technology and about half as much real output per dollar as in 1949.

Without more backing in real goods, the Rockefeller's dollar empire would collapse. Therefore, they demand the loot of the world. Their first installment, paid to the international banks and oil cartels, was $100 billion for 1974. This translates to between 10 and 20 per cent of the consumption of advanced sector workers, when inflation, tax hikes, and cuts in municipal services are figured in.

The next installment will be measured in the hundreds of billions, paid out of human lives.