

INVESTMENT SLOWED IN NORTH SEA SLAVE-LABOR PROJECTS

Dec. 24 (IPS)--A spokesman for Morgan Guaranty Trust in New York confirmed today that major bank investment in Britain's North Sea oil development projects has slowed precipitously. Without the "venture capital" supplied by the international Rockefeller banks there can be no expansion in the slave-labor projects in the North Sea. Smaller oil companies involved in the North Sea projects have already begun to suffer the financial consequences of the Rockefeller banks' increasingly obvious decision to pull back.

With its international "development project" strategy stalled, the Rockefeller cabal bankers are now haunted by the vision of a Britain totally bankrupt long before the oil starts flowing from the North Sea drilling platforms--with themselves the unhappy holders of the defaulted \$15 billion British debt.

This possibility has caused "one of the biggest and most influential" New York banks to let it be known that it is no longer interested in accepting oil still under the sea as collateral for loans. From now on, only loans secured against balance sheet assets will be considered.

Without the full-scale development of the offshore oil projects in the North Sea, current British balance of trade deficits will be translated into outright bankruptcy in a matter of months. The trade deficit for the first 11 months of 1974 already has reached the sum of nearly \$15 billion.

Panicked Capitalists Call for "Siege"

The response of the British financial community to these latest developments has been, predictably, pure panic. Repeated phrases about the "siege economy" now dominate all the British financial press. The British bankers' journal, the Economist, in its editorial "Toward the siege economy" this week could provide no alternative to imminent bankruptcy other than the imposition of wartime-style import controls.

Imports of manufactured goods could be reduced by at least 12.5 per cent, writes the Economist, while reminding its readers that "cuts need not be limited to manufactures....Two-thirds of the post-war savings came from food and raw materials." In all, the Economist predicts, the dessication of the British economy and the reduction of the British working class to a level of near-starvation could reduce Britain's balance of trade deficit to a mere \$6 to 8 billion per annum.

The Economist sums up its appeal for import controls with the following note: "Consideration of import controls is as unpleasant as eating gruel. But some day soon a diet of gruel is all that may be offered to us--very suddenly, in a very great crisis. It is best to start a thoughtful discussion of what the least damaging sort of gruel would be."

12/24/74

IPS C15