

# Undercover Plot by Rockefeller

## To Keep Schmidt Afloat

WASHINGTON, D.C., June 5 (IPS) — White House chief of staff Donald Rumsfeld is conspiring with West German Chancellor Helmut Schmidt in an undercover maneuver to slow down Schmidt's increasingly effective domestic capitalist opponents and sabotage Western European collaboration with Third World development efforts.

Flanked by a handful of West German members of David Rockefeller's Trilateral Commission, Schmidt lashed out at international development programs of the type supported by Algeria in an address last night to the International Chamber of Trade. Schmidt was speaking to an exclusive audience of 150 top corporate and banking executives, many of whom are deeply engaged in corporate development efforts with countries like Iraq and Algeria.

Other speakers, including Trilateroids Otto Wolf von Amerongen and Hans-Gunther Sohl, lauded the bankrupt, genocidal hell-hole of Brazil as the alternative "development" model to East-West trade and full-fledged development of the Third World.

Schmidt attempted to sell this unappetizing package to the export-hungry West German businessmen with a broad hint that West Germany might strike a deal with the United States on a return to fixed exchange rates on international money markets, a leading demand of many West German business layers. Floating exchange rates, which permit currencies' respective values to swing by several per cent per day, make international trade difficult by wiping out profit margins on even short-

term contracts. But given the present state of worldwide monetary chaos, a return to fixed parities is utterly impossible.

### Rumsfeld to the Rescue

Less than 18 hours before the Schmidt speech, White House chief of staff Rumsfeld gave Schmidt's preposterous hint a critical margin of credibility by persuading President Gerald Ford to instruct the U.S. Treasury to conduct a general reappraisal of America's pro-floating policy. Rumsfeld, a former NATO ambassador, is a long-time friend of NATO creation Schmidt.

This reappraisal, which Treasury sources say is unprecedented since the U.S. floated the dollar against other leading currencies on Aug. 15, 1971, has been assigned to Treasury Undersecretary Jack Bennett. Sources say that Treasury Secretary William Simon was "upset" at the White House instruction. Bankers contacted by IPS expressed surprise at the sudden decision to "review" the floating-rates policy; up until yesterday, both State Department and Treasury officials claimed that it was a U.S. objective to "institutionalize" floating rates, whatever their effect on international trade, at next week's meeting of the Interim Committee of the International Monetary Fund in Paris.

White House sources vigorously denied that Rumsfeld ordered the study in order to aid Chancellor Schmidt against domestic opposition, although Rumsfeld is a long-time friend of the West German leader and the only leading White House official likely to take such an initiative.

Schmidt's Cologne speech, made no mention of East-West trade as a stabilizing factor for the West German economy, a frequent theme in industrialist circles. Instead Schmidt acidly attacked "all this talk about a new economic order."

Coming in advance of a scheduled June 16 debate on development policy, slated by sections of Schmidt's Christian Democratic opposition as a major assault on his economic policy, Schmidt's attack on development was viewed by

much of the audience as a preemptive strike against their own party's pro-development efforts. In this context, Schmidt drew some political cover through his hints of a return to fixed exchange rates.

Yet what the Schmidt-Rumsfeld tactic will accomplish for the beleaguered Chancellor is questionable. While CDU opposition grows unabated, even a state secretary in Schmidt's own Finance Ministry, Karl Otto Poehl, told a gathering of foreign bank representatives in Frankfurt yesterday: "Today we are still as far away as we were two years ago from a return to fixed parity rates."

Today's London Times attempted to cover over the scandalous Schmidt-Rumsfeld conspiracy with an article headlined, "Herr Schmidt sees no return to fixed parities in the near future," completely reversing the content of Schmidt's Cologne address. Schmidt's hint, it seems, was intended for a few ears only, and no press were present at the Cologne gathering — except for IPS.