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***Political Economy* by Dave Goldman**

Three Way Deals Pave Way for IDB

Sept. 28 (IPS) — Western European industrialists, developing nations, and East bloc countries are combining their resources in three-way trade and development agreements which point the way out of the spiraling economic collapse of the capitalist sector. In form, the three way accords follow the outline presented for an International Development Bank proposed by U.S. Labor Party Presidential candidate Lyndon LaRouche in April this year.

In striking contrast to the Rockefellers' renewed drive for thermonuclear holocaust to somehow bolster his Dollar Empire, the East and West German governments combined for the first time to undertake a joint venture to build a 6000-ton capacity textile plant in the Sudan. The textile deal involves a cost of 103 million DM.

In the last weeks, such unprecedented deals have been signed at an accelerating rate. However, without the immediate imposition of debt moratoria on dollar-denominated debt, such deals will represent well-meaning but totally inadequate efforts to reverse the process of worldwide economic decay. Without the formation of an international centralized credit institution, like an International Development Bank, to replace the bankrupt International Monetary Fund and World Bank, the credit generated for three-way agreements cannot possibly offbalance the negative growth rate perpetrated by Rockefeller's worldwide looting of productive capacity to maintain dollar debt.

In the meantime, the Western bourgeois press has continued to ignore the three-way deals which are paving the way for the "new world economic order."

Focus on the Mideast

Leading the way in three-way trade among the industrial nations is the increasingly desperate Japan. A spokesman for C. Itoh, a key Japanese industrial firm, confirmed to IPS that Japan and East Germany have agreed on major trade expansion, including Japanese assistance in marketing East German goods in third nations. The Japanese are currently negotiating with the Soviet Union for a joint railway project for Iran. The line would be used to conduit Soviet goods to the eastern regions of Iran, thus easing a bottleneck at the northwestern border town of Jolfa.

But the driving force for development in the Middle East region is Iraq. According to the Italian newspaper Il Fiorino this week, an Iraqi representative at a recent trade fair in Italy declared that Iraq must spend over $6 billion on agricultural machinery alone in the next five years if the pro-Soviet nation is to meet its targets for agricultural development. The Iraqi declaration is an implicit offer for productive work to the thousands of auto and steelworkers now joining the unemployment lines throughout the capitalist sector.

The Iraqis have also issued a proposal calling for the construction of a 578-mile railroad to link the Persian Gulf with the Mediterranean through Syria, while announcing their plans to develop newly found raw material deposits of phosphates, high-quality glass-making sand, marble, iron ore, and chrome. All of these projects would require large inputs of Western and Soviet technology and capital goods.

A significant step in breaking Rockefeller oily stranglehold over the Middle East — a precondition to the full development of the region — was also undertaken last week by the Kuwaiti government which established its own International Petroleum Company to circumvent a Rockefeller-contrived oil hoax. Drawing its oil supplies from Kuwait, Iraq, and other Mideast producers, the company has set up its own independent marketing and distribution network in Western Europe. Using Danish distributors, Italian refiners, and British, French, and Swiss oil firms, the Kuwaiti move ensures that Western Europe will not be left dry by a Rocky oil hoax.

Contrary to the Rockefeller policy of constricting oil production and consequently worldwide industrial production, the Iraqis are following a policy to rapidly upgrade the rate of exploitation of oil capacity in the Mideast in expectation of the development of controlled fusion power and increased industrial production for the development of the Mideast itself. This week the Iraqis invited over 119 international companies to attend an international petroleum conference and exhibition in Baghdad this October, where joint development projects will undoubtedly be discussed.

In the same regard, discussions are now underway between the Soviet Union and France for joint research and development of Soviet offshore oil reserves in the Behring Sea, according to the French press. The French wuold deliver drilling equipment and sea platforms as well as technical assistance in exchange for Soviet crude oil. While the two French oil-producing firms are jubilant over the proposed agreement, French affiliates of U.S. firms are reported to be "reticent."

Indonesia: Case in Point

The potential for the cooperation between the Soviet bloc and the advanced sector in developing the capacities of currently Third World nations is exemplified by those two sectors' ongoing interest in the debt-strapped nation of Indonesia. Earlier this year, Rockefeller's World Bank deliberately tried to bankrupt the major source of the country's revenue, the Pertamina oil company, in order to collect its debts. Now, while continuing a policy of increased ties to Comecon, the Indonesian government is also depending upon development-focused trade and investment expansion with the West German Schlotbaronen.

The Soviet embassy in Jakarta declared that Soviet exports went from $3.4 million in 1973 to $13 million in 1974. Trade between Poland and Indonesia rose 15-fold this year to $43 million. Soviet exports include textile equipment, autos, stone crushers, diesel generators, and chemicals; and the Soviets announced their intention to supply machinery and transport ships.

This month a delegation of A. F. Krupp visited the country, touring Pertimina's major industrial projects. Aid for roads and port construction is expected. According to the Schlotbaronen daily Handelsblatt, West German companies like Kloeckner machine-tool firm are continuing their exports and investment to Indonesia despite the drastic liquidity shortage in the country. Says Handelsblatt, "There is no substitute to increasing the technological level of Third World nations," a clear denunciation of the Rockefeller-World Bank policy of labor intensive looting.

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