Capitalists Move Against Dollar; Gold is Way to New World Order

by Ali Baz

NEW YORK, Dec. 24 (IPS) — Anti-Rockefeller industrialists and financiers in both Western Europe and the U.S. Midwest this week began a coordinated effort to dump the U.S. dollar and move into gold. Interviews with spokesmen for these interests both here and abroad have confirmed that they intend to seize upon a Dec. 19 agreement to sell gold by the International Monetary Fund's Group of Ten industrialized countries to get out of the dollar and set up a gold-backed European currency bloc. The influential American daily Journal of Commerce yesterday noted correctly that such a move would quickly destroy the "hegemony" of the inflated dollar worldwide.

The move to gold is a conscious transitional step toward a New World Economic Order. The replacement of the dollar by a gold-backed currency system in Europe will bankrupt Rockefeller's New York banks and thus give Rockefeller's U.S. opposition the opportunity to enter into direct trade and credit negotiations with Europe, Japan, the East bloc and the Third World, unencumbered by Rockefeller's dollar debt. This purpose to the gold shift was underscored this week by French Gaullist, Swiss banking and Midwest financial sources, all of whom immediately followed the Dec. 19 agreement with strong public statements in support of the Third World's demand for a New World Economic Order at the on-going North-South economic conference.

Ironically, the Group of Ten's gold agreement had been rammed through by the U.S. Treasury as a means to prop up dollar-based debt repayment. The agreement allowed the IMF to sell one-sixth of its gold reserves (25 million ounces) over the next four years — with profits from the sale going into a trust fund to be used in refinancing the dollar-denominated debts of the poorest Third World countries — and to return another one-sixth of the IMF's gold to its original donors. Most significantly, the agreement also allows the Bank for International Settlements (BIS) to act as an intermediary, buying gold at the market price on behalf of European central banks — and thereby bypassing legal constraints in the IMF charter barring central banks from purchasing the metal at anything other than the low, official price of $42 per ounce.

From Rockefeller's point of view, this arrangement would ensure that European central banks — which were expected to buy the gold with their domestic currencies — would free up their dollar reserves for use in supporting debt rollover demands on the Eurodollar market. The market price of gold would be depressed due to the huge sales, according to Rockefeller's plan, and the IMF's gold could be used to refinance the Third World's debts to Rocky's banks.

"Gentlemen's Agreement" Collapses

However, the last five days have confirmed that the nine non-U.S. representatives at the Group of Ten meeting had an entirely different purpose in signing the agreement. The same day as the accord was signed, the price of metal shot up by ten dollars an ounce on the Chicago market, triggering speculative inflows into gold from dollar holdings — **not** from the European currency reserves. The price on U.S. markets has continued to rise since Friday, reflecting traders' assumption that the more gold put on the market, the more dollars would be dumped for it. The dollar itself has depreciated dramatically since Dec. 19, despite coordinated action by the New York banks to virtually shut down the foreign exchange markets.

French Finance Minister Jean-Pierre Fourcade fueled speculation by announcing to the press, as soon as the accord in Paris had been reached, that his country's central bank would begin acquiring gold the IMF will put on sale as soon as the full IMF membership confirms the Group of Ten agreement at its meeting next month in Jamaica.

A European Executive Director of the IMF has told IPS that there is nothing more than a "gentlemen's agreement" between the Ten restricting central bank purchases of gold. With the last five days actions, it is clear that the gentlemen of the Western European nations are probably not to be held to that agreement. The same IMF source has noted that the Executive Board of the Fund has been in extraordinary sessions lasting late into the night in an effort to come up with some way of annulling the accord. Evidence of a complete European shift to gold has prompted the Journal of Commerce, the leading U.S. trade daily, to state in a lead article yesterday that the gold accord will mean the destruction of the dollar's "hegemony," and bluntly predicted a gold-pegged dollar in the not-too-distant future.

Panic at Rockefeller's financial bureaucracy at the IMF also reflects the knowledge that the shift to gold is a conscious transitional step to the "New World Economic Order" which will replace Rocky's debt-collection apparatus completely. The strong Third World position at the Paris North-South meeting, and the unequivocal support for it given by the East bloc, has forced much of Rockefeller's opposition into the open over the question of the New World Economic Order. It is also probable that Secretary Kissinger's openly psychotic attempt to sabotage détente and development this week — including his warmongering over Angola and the transparent, CIA-rigged terrorist attack on OPEC headquarters — contributed strongly to the shift.

Chi Supports Gold Move

In an interview yesterday with IPS, a source who is acknowledged to be an economic spokesman for the powerful Chicago faction of anti-Rockefeller interests stated, "I support the New World Economic Order as put forth by the Third World bloc at Paris," adding that the gold accord was a step in this direction. The source claimed that the Chicago group would support a gold-pegged dollar.

This private statement has been matched by several public notices by European sources that the dollar is going to come under heavy attack. The late French President Charles De Gaulle's ex-personal secretary Monsieur Guichard in a rare public statement Monday declared: "The monetary disorder and financial unseriousness of the last period are due to the abusive reign of the dollar, which is the cause of the present crisis," adding, "It will be necessary to attack the cause to get at the symptoms." Previously, Gaullist economist spokesman Michel Debré had called for an international monetary conference with East bloc participation. Guichard's statement was backed up by a similar statement from the UDR (Gaullist Party) Secretariat, which proposed a Third World development perspective by which industrial countries must provide a relay for their own development by developing the Third World.

The daily Neue Zürcher Zeitung reported Monday on Kissinger's defeat at the North-South conference, and editorialized that the way to deal with Third World countries' demands is to make productive technology available to them. The author of the editorial subsequently confirmed to IPS that he was expressing the views of the Swiss government and the Swiss banking community. Earlier in the month, the Swiss government had dispatched a high-level finance ministry official to Baghdad for trade consultations with pro-Soviet Iraq.

Throughout the rest of Europe, according to a vice president of one of the world's largest currency and bullion trading houses, there is now a faction fight raging in the boardrooms of the major banks and the top echelons of finance ministries over the gold shift, and whether it should become the basis for a transfer ruble-based new economic order.

In the Mideast, two former close allies of Rockefeller, Iran and Kuwait, are waiting for the signal from Western Europe to dump dollars for gold themselves, according to informed money market sources in New York.

Trying to Build Opposition

Cognizant that this dollar-dumping sentiment is spreading like wildfire, the U.S. State Department — which has led the "hard line" resistance to the Third World moves — has softened its public position overnight. The assistant to Assistant Secretary of State Thomas Enders sounded like French President Giscard — Henry Kissinger's "soft cop" mouthpiece in dealing with Third World negotiators — in an interview with IPS this week: "The ministerial meeting (of the North-South conference) is only the first step in the process of dialogue" he said, adding enthusiastically that the State Department was "following" some possible solutions "to deal with the terrible problems of the Fourth World...very serious and compelling problems." Sources at the IMF claim that that organization has also begun to line up some Third World opposition to the gold agreement.

The garnering of such opposition seems unlikely. The Third World is much more likely to vote as a bloc for the agreement, following the position laid out by Mexican Central Bank Governor Hurtado as early as the IMF meeting last September, where he noted that moves toward the monetization of gold were a necessary stepping stone toward the New World Economic Order.