



NEW SOLIDARITY International Press Service

SPECIAL REPORT

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Super-Capitalists Fall Out

The following article was written for, but did not appear in, the regular Lombard Column of the London Financial Times, Jan. 16.

BY C. GORDON TETHER

What lay behind the decision of the Washington Post to publish what the U.S. Comptroller of the Currency, Mr. Smith, described as a "sensational and out of context" article on the solvency of the First National City Bank and the Chase Manhattan when — assuming Mr. Smith's own assessment is to be believed — they continue to rank among "the securest banking institutions in the world?"

The question is obviously interesting in itself. But it becomes very much more so when account is taken of one other highly relevant fact. This is that, if the assessments of the international newsletter writers are anywhere near being on target, there are quite a number of other major New York banks that have been caused a good deal more embarrassment than these two by the deterioration in "classified assets" positions.

In the absence of another satisfactory explanation, it is pretty certain that the singling out of these two "Rockefeller-related" institutions for unfavorable mention is going to fan a suspicion that close watchers of the underlying politico-financial scene in the U.S. have been talking about for some time past. This is that a major power-struggle is developing between American super-capitalist groupings, the outcome of which — bearing in mind the importance of the "behind the scenes" part the U.S. banking system is often alleged to play in shaping Washington's internal behavior — could have great international significance.

What with the recent torrent of revelations about the undercover activities of the CIA and the political maneuverings in and around the White House, the U.S. has become a particularly happy hunting ground for "conspiratologists" in recent months. It is, therefore, more necessary than ever to avoid falling into the trap they so often do — adding two and two together and making, not just five, but eight or even ten.

However, the evidence that something in the nature of a major schism is developing between the heavyweight financial interests usually known as the Eastern banking establishment (and which includes the Rockefellers) and those based further west is not unimpressive.

Whether and, if so, how far the rift arises from what may be called, for want of a better term, personality clashes, it is impossible to say. It does seem clear, however, that there is a major difference of opinion between the two groups as to which scenario the U.S. can most appropriately adopt in its approach to the big world issues of the moment.

Thus the Eastern banking establishment, which hitherto has been most assured of getting Washington's ear, appears to be calling for the continuance, in greater or less degree, of existing U.S. policies. By contrast, the rival faction is in favor of a more outward-looking approach altogether. This would feature the promotion of world development and greatly expanded East-West trade. And it would, among other things, require the U.S. to stand ready to go to such lengths as spearheading moratoria arrangements for Third World countries with serious debt problems if it is to help create the necessary improved international financial environment.

Their theme — so far as can be gathered from recent public statements by some of the group's more articulate apostles — is that such a reorientation provides the only hope of disposing of the "Big Power" tensions now jeopardizing world peace and, at the same time, containing the threat to the international financial system implicit in the drift towards bankruptcy in so many developing countries.

As Mr. Solzhenitsyn, the Russian author, pointed out in a speech he made last year in the U.S., the rivalries of American super-capitalists are apt to be a matter of great significance for the rest of the world. This is not only because of the impact they have on the formulation of American policies; it is also because, the international ramifications of these empires being so extensive, such hostilities tend to produce reverberations of great potential consequence in many other countries.

If, therefore, the U.S. super-capitalists are becoming involved in another bout of internecine warfare, the rest of the world would be well-advised to start taking an interest in it. For coming at a time when the global structure is in such a vulnerable position in the military, political, economic and financial senses, all other countries have a great deal at stake.

It is also to be hoped that such a development will produce some long-needed deep thinking — in the U.S. as well as in the world outside — about the morality of a state of affairs that allegedly permits a small number of people to exercise, with little regard for democracy, immense power over their fellow human beings.

Half a century ago, President Wilson wrote: "Some of the biggest men in the U.S. in the fields of commerce and manufacturing know that there is a power so organized, so subtle, so complete, so pervasive that they had better not speak above their breath when they speak in condemnation of it." If, as is sometimes alleged, the situation has not materially changed since then, it is time that something was done about it.