

INTERNATIONAL MARKETS NEWSLETTER

Are Europe's Atlanticists Ready to Break with the U.S.?

March 27 (IPS) — Western European political factions allied to U.S. financial interests are considering a break with the Atlantic Alliance, on the grounds that it is impossible for them to rule Europe under conditions of monetary collapse and mass strikes.

British, Scandinavian, and West German Atlanticist circles are heatedly pushing for debt moratorium and other concessions to the Third World, warning that the Third World's \$200 billion debt overhang is destroying Europe's export markets.

West German industrialist circles normally subordinate to NATO began to negotiate a major expansion of economic ties to the Soviet sector this week, centering on Economics Minister Hans Friderichs' trip to Moscow on March 22. With \$12 billion of Eastern European import orders at stake, the West German industrial community, led by steel manufacturer Otto Wolf von Amerongen, is horrified at Washington's dangerous "show of force" posturing towards the Soviets.

More significantly, the West Germans have a closer view of the Soviets' "tripwire" position, namely, that the Atlanticists' current efforts to impose fascism throughout Western Europe are a provocation for nuclear war. A spokesman for the West German trade organization which Amerongen heads, the German Conference on Trade and Industry, this week denounced U.S. threats against Cuba. "Germany needs a reasonable political climate for trade with the East," the spokesman said. A West German banker with close ties to Britain added, "The U.S. made an idiot of itself with these threats to Cuba. It was purely to save face. France has been lost to the Gaullists. The British are behaving like Beggars towards the Russians."

At the same time, West Germany's business press is running a continuous editorial campaign for debt moratoria in the Third World and East-West trade for Western Europe. The leading financial daily Handelsblatt warns of the "inevitability of debt moratoria" throughout the Third World in an international banking supplement this week. Handelsblatt has taken a consistent editorial position in favor of moratoria on the grounds that the third World debt burden is the main obstacle to West German export industry. In a shift of editorial stance, the Atlanticist daily Frankfurter Allgemeine Zeitung warned that "the main problems of debt and transfers of resources have not been solved."

Swedish Atlanticists are also backing debt moratoria: Swedish banker Tore Browaldh indicated this week that he endorsed plans for a new international monetary institution to finance development now under discussion in Great Britain. London Times editor Peter Jay last month published "an offer the world cannot refuse," in the form of a watered-down version of the ICLC's International Development Bank program. Browaldh, who runs Scandinavia's second largest bank, also endorsed Third World debt moratoria.

Driven by Desperation

These European groups have no clear program or outlook. Rather, they are driven to consider proposals such as the International Development Bank, already hegemonic in the Third World and converged upon by the Soviets, out of pure

desperation. Next to its coverage of the debt issue, Handelsblatt prints headlines on the mass strike developments among West German and Italian workers. Certain British financial circles have frankly admitted that if the Atlanticists' plans for a European "Big MAC" looting operation run into too much political resistance, they will have little choice but to support a new international monetary system. The rift in the post-war Anglo-American alliance to control Western Europe, in turn, has a tremendous influence on areas of British influence on the Continent, especially Scandinavia and West German industrial and financial circles.

This European Atlanticist grouping is sending desperate messages across the Atlantic to Harriman, Ball and Co., demanding an end to the American brass-knuckles approach to austerity, which threatens to topple them. Helmut Schmidt, West Germany's Atlanticist chancellor, has pressed the panic button on the issue of the European Big MAC, which West Germany would have to finance.

At the same time, West German industrialists report, Schmidt is trying to subvert the opening of closer economic ties between West Germany and the east. A turning point, industrialists say, was a series of meetings between Otto Wolf von Amerongen and top Soviet and East German leaders at East Germany's Leipzig Trade Fair earlier this month. Ironically, Amerongen is a former Nazi, a notorious U.S. agent, and a member of the International Advisory Board of David Rockefeller's Chase Manhattan Bank. But fear and confusion among European Atlanticists gives additional maneuvering room to the West German "smokestack barons," who are European-based and depend on trade with the Soviets. Despite George Ball's public boast this week, "Amerongen is a good friend of mine and he'll be no trouble," the ball is momentarily in the court of the pro-trade industrialists. At least a half-dozen of the leading industrial firms in West Germany are committed in principle to the International Development Bank.

West Germany is caught in a vicious political battle between capitalist circles who want to appease the U.S. at any cost, and the industrial group, which recognizes that the U.S. plans for European fascism would destroy them. The latter faction has prevented the Schmidt government from revaluing the West German currency to paper over Europe's \$40 billion debt. Advisors to the Schmidt government are attacking the so-called "safety net" as a hyperinflationary disaster.

Hinges on France

But the European situation as a whole hinges on France. The industrialists' newspaper Handelsblatt opens its columns this week to French banker Jacques Denizet, who wrote that Western Europe and the Soviet Union have a common interest against the United States on the gold issue. Western Europe could use gold as part of a program to dump the dollar and create economic links with the Soviet sector. In an editorial Friday, Handelsblatt repudiated the Atlanticist lie that the pro-development Gaullist party can be contained. Warning of a social explosion in France, the newspaper recalled that the Gaullists came out on top last time this happened in 1968.