

with the situation where it could no longer market its own paper a little more than a month ago, the British government was forced to resort to debt monetization which resulted in a 5 per cent increase in the country's narrowly-defined money supply. The British government, currently faced with a \$13 billion annual deficit, is now printing the money it needs to make up for what it cannot sell in the form of Treasury paper.

Underlying the collapse of the dollar is the basic illiquidity of the dollar and the sectors closest to it. Namely, the Eurodollar market's big annual rollover coincided with the collapse of the dollar. The New York banks have shipped \$1 billion or more per week abroad for the past several weeks creating at least \$15 — \$20 billion of new Eurodollar "liquidity." This "liquidity" acts against the dollar. Since the last Wall Street engineered run on European currencies last month, the Fed has been following in the schizophrenic position! First, it must pull out the stops to liquidity; then as was shown by its operations this week it must pull out the stops to destroy the liquidity it has just created. The space of time between these two operations is diminishing to the point of **simultaneity**, thus every action that the Fed takes is tending to further undermine the dollar and other currencies within the "dollar area." The fact that an identical process is underway in the sterling area merely accelerates the dollar's disintegration.

The continuing speculation in foreign currencies — a process which results in a further freeing-up of dollars on the market also accelerates the dollar collapse. As billions of dollars worth of short and long positions are taken in non-dollar currencies, the covering of short positions and going long on others results in massive increases in the overall aggregate dollars held by the banking system. To the extent that central banks dump dollars to protect their currencies — (the Bank of England which has spent \$1.1 billion in March and \$600 million this month from its wholly borrowed reserves) — this once again adds to the dollar liquidity pool.

Given the vulnerability of the dollar then, and with the only

available alternatives for Wall Street to postpone a collapse of their empire being outright fascism or printing press hyperinflation, the last thing the Japanese and West German central banks should be doing in supporting the dollar. The Bank of Japan has supported the dollar through purchases of \$350 million dollars over just the past two days, while the West German central bank, the Bundesbank, bought a significant portion of the \$300 million EEC (European Economic Community) Eurobond that will be channeled into Italy with murderous conditions attached.

A foreign exchange trader at a major West German bank, commenting on the latest Wall-Street provoked assault on European currencies this week said, "This currency crisis will only result in a monetary blowup by Easter, but what can we do." A former advisor to Chase Manhattan Bank chairman David Rockefeller who is now with a Wall Street firm, compared the crisis to one particular onslaught of German tanks during WWII which he somehow managed to "muddle through." A spokesman for the Ball-Harriman-Rohatyn Atlanticist faction and aide to Big MAC chief Felix Rohatyn admitted that the current crisis of the dollar was comparable to that of the sterling but added: "We will work out some form of debt moratorium for the Third World only when there is a full-blown crisis that would force everybody to act. Not before."

It is precisely this criminal stupidity on the part of such people that finally leads them to accept the Hitlers and the Rockefellers who at least are willing to act decisively. Wilhelm Marx, a partner at the investment bank of Sal Oppenheim, Jr., in Frankfurt, West Germany, after first admitting that "Europe is not prepared to coordinate economic and conjunctural policies." dictated by Wall Street, looked forward to plague-carrying rats from Mandalay, Burma, solving the dollar crisis. Commenting on the threatened worldwide spread of plague from Burma, he said "Perhaps epidemics are the only solution to overpopulation. It's a biological fact," adding, "men need self-control...nature can help."

## European Governments Hit the Rocks; U.S. To Impose Argentine Solution

April 1 (IPS) — The unceremonious dumping of the leading Atlanticist heads of state in Western Europe emerged this week as a major topic of private and public discussion in high Atlanticist circles in Washington this week. While the New York Times carried an undisguised obituary for West German Chancellor Helmut Schmidt, State Department sources report that state is now conducting studies on the shape of "post-Giscardian France."

As Wall Street sees it, the leading Atlanticists Schmidt and Giscard, despite their intentions, have proven their incapability to "cut the mustard" on austerity enforcement and are now targeted for early removal. The U.S. policy for Europe now is the extension to all of Europe of the National Security Council sponsored "Agnelli Plan" for fascism in Italy: the mere national sector pacesetter for the "Argentinization of Europe." Under this U.S. policy for Europe, a process of "destabilization" operations modelled on the last year's chaos in Argentina will culminate in the early im-

position and consolidation of Schachtian strong-man regimes in every significant European sub-sector.

Under the "Argentinization" scheme, the intended victim country or region is put through a wringer in which Atlanticist operatives engage in maximizing the sense of despair and haplessness in the population around the weekly heightened horrors of total economic collapse. Parallel to this, arises an exponential increase in Atlanticist "special operations" to engulf the victim in a rampage of engineered social chaos and terror.

As the hideous outcome of the Argentine "experiment" at-tests, these operations act to create, in the absence of programmatic opposition, a political vacuum, achieving the thorough discrediting of all political institutions associated with bourgeois democratic forms of government.

### Requiem For a Leaderless Group

The Atlanticists' "Argentinization" goals are absolutely incompatible with the continued existence of parliamentary

regimes in Europe. Authoritative Atlanticist house organs like the New York Times, the controlled West German press, as well as the U.S. State Department, have already expounded publicly — in advance — their obituaries for the regimes of Schmidt, Giscard, Britain's Callaghan, and Italy's Moro. Loyalty and slavishness to the U.S. by Schmidt et al. count for nothing in the eyes of crazed, desperate, Rockefeller-Kissinger.

The New York Times obituary for Helmut Schmidt is exemplary for its candor as to why Schmidt must go: 'Schmidt is no longer seen as leader for Europe ... he's very depressed ... turning inward,' and, "Bonn (Schmidt) can no longer make Italy and Britain enforce the necessary (austerity) measures." On the same day, April 8 the West German press, led by the Frankfurter Allgemeine proclaimed in banner editorial headlines; "It's All Over For Schmidt." By April 10, the Times rubbed the message in with an editorial announcing that Schmidt's days are numbered because of "tensions in West Germany's ruling Social Democratic-Liberal (FDP) coalition." The scenario for a Bruening-style national unity government then concludes by predicting an FDP walk out and a resulting Grand Coalition between the Social and Christian Democracies.

The treatment that Schmidt is now receiving from his masters has a distinct *deja vu* quality. The last time that a loyal West German Atlanticist puppet — namely SPD chairman Willy Brandt — was sacked on account of higher Atlanticist circles' considerations, the exact same type of press campaign was waged. Willy was then portrayed as a "depressed, despondent, Chancellor." The same type of destabilization operation that brought Schmidt in — is now sweeping him out.

The current Atlanticist blitz by Her Majesty's press in Britain against the newly installed Callaghan Labour Party government falls within the same framework. The Callaghan government — as its budget emphatically concretizes — cannot and will not implement austerity beyond certain limits due to its heavy Trade Union Council-weighted cabinet composition. Such limits are totally unacceptable to Rockefeller, Kissinger et. al., to whom moderation in austerity is anathema.

Following the announcement of Callaghan's budget, all hell broke loose. The extreme rightwing Daily Express denounced the government as "fascist," as did most other papers. The London Times warned of "all-out class war by the fall," adding that "Britain is now totally ungovernable."

Atlanticist maneuverings paralleling the press blitz cohere with that last observation.

The Labour Party, through recent deaths and resignations of Labour M.P.s in rather curious circumstances, is now in a minority in the House of Commons. In the wake of Labour's lost majority, Atlanticist spokesmen for the opposition Conservative and Liberal Parties announced they would undertake the following operations to render the Callaghan government inoperable: 1) Move to block passage of all Labour legislation 2) In accordance with House of Commons rules, unseat the Labour Party from stewardship of parliamentary Committees.

#### Let France Rot

The National Security Council and the State Department are all agreed that Giscard is "a dead horse who is no longer a reliable agent." A Wall Street Journal feature has already summed up who the Atlanticist replacement for Giscard will be; "Socialist Party leader Mitterrand looks more and more like a Prime Minister."

In the immediate sense, however, as high State Department and CIA sources have admitted, Gaullist strength and Mitterrand's lack of effective control over "his" party and base, preclude the "Mitterrand option." CIA Vice-Director Vernon Walters at a recent top-level meeting confirmed that the Atlanticist immediate orientation is to stick with agent Prime Minister Chirac's fascist austerity, slave-labor recycling schemes. Atlanticists thoughts can be paraphrased thusly; "For now, let France rot with what we've got — Giscard-Chirac." Letting France rot is a policy of Argentinization. Let it rot until it's ready to be remolded under a final Schachtian regime.

In terms of *modus operandi*, there is nothing new or original in the NSC's "Agnelli Plan for Europe" that was not present in the prolonged "controlled destabilization" operation that cleared the path for the Nazi Videla regime now following International Monetary Fund genocide dictates in Argentina. The same m.o. was operative in the 1945-1948 U.S. financiers' "turnip winter" forced starvation policies towards post-war Europe, from whose outcome the existing satrapial relationship of Western Europe to the U.S. Atlanticists emerged. Aside from the 'time differential' inherent in the U.S. "Agnelli Plan" for Europe, as compared to Argentina which would telescope the Argentinization process to mere weeks — the fundamental, overriding distinction in the Agnelli Plan from earlier "models" lies in devastating and irreversible implications — fascism, probable nuclear war, certain ecological holocaust — should it succeed.