presented us with their position then and we are still in the process of talking about it...

NSIPS: Now they are threatening with a unilateral debt moratorium if the U.S. continues to refuse to negotiate...

Pelican: I have not yet seen the document that you are talking about and I am not willing to comment on the basis of rumors; if they present us with new demands we will discuss them.

NSIPS: But the context is changed now from the beginning of the summit. The supposedly controllable Group of 19 demands an International Debt Court, credits linked to development, everyone has realized that you cannot continue paying your debt while you divert resources from development and industrialization to pay back a debt...

Pelican: I don't agree with you... I do not see a move away from development in order to pay debt. As a matter of fact a number of countries that were experiencing difficulties are now in very good shape; look at Korea, India...

NSIPS: Let's take the countries involved alphabetically. Argentina...

Pelican: I don't know what is happening in Argentina...

NSIPS: Brazil...

Pelican: I do not know about Brazil...

NSIPS: Chile...

Pelican: There you go again, talking about individual countries that I don't know anything about....Why don't you look at the worldwide recovery, the Third World will be able to increase their exports...

Collapse Of Eurodollar Near

"Green Slime" Invades Japan

NEW YORK, Sept. 4 (NSIPS) — Wall Street bankers have released hundreds of millions of worthless Eurodollars onto the Japanese stock market in the last month in a final effort to latch onto some equity — paper linked to real productive wealth — before a Third World debt moratorium sends the entire Euromarket down the drain. The assault on Japan, which has as its ultimate objective the forced revaluation of the yen and the elimination of the huge Japanese trade surpluses, was redoubled this week when a similar invasion of "green slime dollars" into West Germany was beaten back by that country's central bank.

The West German Bundesbank announced Sept. 2 that it would fight "tooth and nail" against the hyperinflationary effect of the dollar inflow, which has been forcing the West German government to print up 2.5 deutschemarks for every dollar presented. The New York banks had hoped to force an upvaluation of the deutschemark. On the sameday,the Ruhr-based newspaper Deutsche Zeitung informed West German bank participants in the Eurocurrency markets that their loans to the Third World must be regarded as "grants," since there is no possibility that they will ever be repaid. At best, Deutsche Zeitung wrote, the loans might result in export orders for depressed West German industry. The Deutsche Zeitung commentary shows how close the West German "Junior Yankees" are to joining the rest of Western Europe in junking the Eurodollar markets and supporting the Colombo Non-Aligned Summit's call for debt moratorium and a new world economic order. According to a leading Swiss banker, West European bankers have been liquidating their short-term exposure in the Euromarkets over the last month in anticipation of a collapse — leaving the New York banks holding the bag.

Zeroing In On Japan

Defeated in their efforts to revalue the deutschemark, a panicky Wall Street is now focusing its speculative offensive almost exclusively on Japan. With Western Europe and the Third World already bled dry, Japan is one of the few remaining countries outside the socialist sector with wealth left to loot. "Japan represents the only international investment we have left," admitted a top economist at a leading New York investment bank. One New York commercial bank alone has bought $100 million in Japanese securities in the past week.

With the anti-Atlanticist faction led by Prime Minister Miki still in power, Japan is even less likely than West Germany to tolerate dollar inflation. "The Japanese can always take their dollars and buy gold," said one Wall Street source.

The Atlanticist offensive has left the West Germans and Japanese with ***no other choice*** but to break with the dollar. Wall Street has demanded: "Either revalue your currencies and destroy your industrial exports, or allow our green slime to hyperinflate your economy." It is an offer that both countries must reject.

European Payments Crisis Fuels Break with Dollar

The worst payments crisis in modern European history is now staring both Wall Street and Europe right in the eyes. This week, Italy agreed to repay the West German government $500 million of its $4 billion gold-collateralized loan. The loan had been given Italy last spring to prevent the lira from collapsing and Itlay defaulting on its debt payments. But the Italians' willingness to repay is based on their perception that a new monetary system will soon be created, rendering such agreements meaningless. According to the Italian economist Vitangeli, writing in the financial daily Il Fiorino, said, that the anti-Atlanticist Andreotti government did not mind paying in dollars — as long as they did not have to give up any more of their gold holdings. The dollar, Vitangelli had written last week, will soon be worth less than toilet paper.

European capitalists need only look to Britain to discover "what policy not to follow." The Bank of England has spent an astonishing $5.6 billion in supporting the faltering British pound since the beginning of this year. Meanwhile British borrowing abroad has risen 9.5 billion, for a total foreign debt of about $80 billion: A special study release by the British National Institute for Economic and Social Research this week reveals that, as a result of the gutting of British labor power to repay the debt, British labor productivity is now even lower than in Italy.

Wall Street's list of European victims does not stop there. It includes Belgium who was forced to spend $565 million of its reserves in currency support last month; Denmark, where government economists are pleading for continued Bundesbank support of their beleaguered currency, kroner; and the Netherlands, whose guilder, once one of the world's strongest currencies, is now classified as "weak" by foreign exchange traders.

In France, the population has been hit by double-digit inflation — consumer prices rose 2.5 per cent in the month of July alone — while Atlanticist French President Giscard d'Estaing's Wall Street-ordered credit squeeze has produced soaring interest rates and shrinking money supply.

Is it any wonder that all of Western Europe is on the verge of breaking with the New York banks and their Dollar Empire?