

3. EMS pries London's grip from Third World

In a bold confirmation of the European Monetary System's *political* aims, a widening group of developing and advanced-sector nations appears to be joining forces to crack open London's 200-year-old stranglehold over international commodities trade.

Just as European Central Bankers made it public Nov. 14 that all the outstanding technical problems connected with implementation of the EMS on Jan. 1, 1979 had been resolved, European leaders behind the creation of the EMS revealed moves underway on three continents to bring developing nations rapidly into the EMS and its development bank, the European Monetary Fund.

Already Zambia and Malaysia, both former British colonies, have revealed plans to use the EMS to finance exports to Europe of copper and rubber. Spokesmen from both nations stated their determination to bypass London's gambling casino-styled commodities exchange, and attract capital investment from France and West Germany.

The full range of trade and cooperation deals under discussion between the EMS founders and Asian nations will be revealed towards the end of this week, at the conclusion of talks in Bonn between foreign ministers from the ASEAN organization and West German Chancellor Schmidt.

Results of parallel significance are expected from the tour of Latin America by Spain's King Juan Carlos, beginning Nov. 17. Just last week Spain officially confirmed that, along with Greece and Ireland, it will be joining the EMS on Jan. 1.

French wire services reported Nov. 15 that the overriding desire of Spain's leadership is to now use Juan Carlos's meetings in Mexico, Peru, and Argentina to launch an Ibero-American Community of Nations led by Spain and modeled on Europe's EEC. Spain, which will soon also be a full member of the EEC, would then serve as the bridge for financing high-technology European exports to Latin America.

Stable trade and development loans

Clearly Chancellor Schmidt and French President Giscard, the central figures behind the EMS, are determined that a visible consensus will have been created by Jan. 1 throughout the Third World favoring the EMS over the International Monetary Fund and World Bank. The latter British-run enforcers of genocidal austerity use the argument that nations must be denied resources for development until they have proven their creditworthiness by balancing their budgets and reducing inflation.

The EMS will immediately begin to overshadow the

IMF-World Bank by introducing fixed exchange rates — government established rates for trading currencies backed by centrally held gold reserves — within the European Community. European leaders are also taking every avenue to marginally strengthen and stabilize the U.S. dollar, pending a decision by U.S. leaders to join the EMS.

In a speech before the Foreign Press Association Nov. 13, Schmidt stated that only one year ago, he too thought that it would be impossible for Europe to link its currencies unless "divergent" inflation rates and budget deficits were first brought under control (per the commands of the IMF). Today, however, he is certain that "a return to fixed exchange rates is indispensable to prevent a disintegration" of the Community.

Schmidt also praised the recently concluded \$30 billion swap agreement between West Germany, Japan, and the U.S., to provide the U.S. Federal Reserve and Treasury foreign currency to support the chief victim of the British game of floating exchange rates, the floundering U.S. dollar. "Were (the swap measures — ed.) taken immediately after the economic summit in July," the occasion on which Schmidt announced the founding of the EMS to President Carter, "the dollar would have been spared much of its troubles," he explained.

The commitment by EMS-allied forces to stabilize the dollar from abroad was underscored by Japan this week. Japan, which has contributed more than any other nation to bringing the Third World and EMS member nations into alliance, announced that as part of its "swap" agreement to lend the U.S. several billions of dollars worth of yen, Japan is prepared to share "50-50" any foreign exchange losses which the U.S. Treasury is forced to assume, in case the dollar falls.

By assuming this responsibility, Japan is asserting its own, and West Germany's, right to increasingly orchestrate U.S. policy from the outside, to counter the powerful British influence inside Washington.

Within Europe, the hegemony of the EMS is irrevocably certified. On Nov. 13, the Nordic Council, a Parliamentary group from Denmark, Norway, Sweden, and Finland, officially endorsed the new system and assigned those nations' finance ministers to elaborate a plan for monetary coordination between Scandinavia as a whole and the EEC.

On Nov. 14, Austria announced its intention to join the EMS. Italy is being rapidly consolidated into the French-German program by stated commitments to pour capital investment into the devastated Southern Italian region through the multibillion dollar European Monetary Fund.

No bailout for London

The only nation that Schmidt et al. have offered nothing to as an enticement to join — and according to Schmidt on Nov. 13, the only European nation unlikely

to join — is Britain.

Over the last two weeks, the following chain of events unfolded.

Over the weekend of Nov. 4-5, the Royal Institute of International Affairs held a conference to decide whether or not Great Britain would enter the EMS by Jan. 1. The elite of London banking left that conference preaching the need of UK adherence. The characteristic line, as typified by Lloyds chairman Jeremy Morse, argued that the EMS could only be "improved" from within, with London a full-fledged member. Prime Minister James Callaghan spoke to Parliament in positive tones on the issue.

Just one week later, Prime Minister Callaghan was telling the audience at the Nov. 13 Lord Mayor of London's banquet that he was pessimistic about whether the country would be able to join the new system by Jan. 1 or even at a later point. On Nov. 14, William Solomon of London's REA Bros. authored a piece for the West German *Die Welt* stating categorically that the City of London bankers were *not* in support of the EMS as it was currently constituted — belying the testimony of these same bankers to Parliament just days earlier.

What happened?

For one thing, the West German and French government leaders of the new EMS made it clear that they could not be swayed into providing bailout funds for the industrially collapsed British sinkhole. Said one highly placed West German official: "We always have to tell our British colleagues that the European Monetary System is for the growth of the entire European economy, not for bailing out London."

— Renee Sigerson

4. Europe says 'no thanks' to arms buildup

For the second time in two months, the West German government has found it necessary to denounce officially the written allegations of a British subject, Robert Moss, concerning West German defense policy matters.

A spokesman from the West German Defense Ministry attacked Moss for writing in a recent London *Daily Telegraph* article that West Germany would "drastically reduce" all future NATO military maneuvers on its territory. "*The Daily Telegraph* may believe in the practice of getting at the truth by repeatedly printing false and biased information. I do not believe in such a policy," the spokesman declared.

The last time around, Moss had written that certain West German Social Democratic Party officials were secretly conspiring with Moscow to have West Germany withdraw from NATO. Government spokesman Klaus Bölling had only one word to describe that allegation: "Baloney."

To an outsider, it may seem strange that the West Germans — usually so reserved in their official statements — would bother to single out for criticism the crankish lies of a writer for the London *Daily Telegraph*. Robert Moss, however, is far more than that. Because he is part of the inner circles of the British oligarchical elite, Moss represents the crucial obstacle to a new economic and military order currently being evolved by West Germany and France. And because Moss is controlled by the same grouping that controls NATO Supreme Commander Alexander Haig and Henry Kissinger, Moss provides the key to understanding the rapid shifts in the offing in Europe's defense posture.

The Moss line

Robert Moss functions as the coordinator of the flow of disinformation from the British oligarchical elite into the United States news media. Compare, for example, the following statements from his Nov. 13 *Daily Telegraph* article, "U.S. Defense Policy — Why the SALT Sellers Are Wrong," with what has subsequently appeared in the U.S. media:

"Soviet military writers state explicitly that nuclear superiority is politically usable and that the Russians believe that, if they achieve it, they would be ready to carry their advantage to the limit. . . . This is not to say that the Soviet leaders want a nuclear war. Of course they don't. They want to use evident strategic superiority to pursue their political objectives through a combination of diplomatic pressure, the deployment of proxy troops like the Cubans, and perhaps, in the near