The 'Crash of '79'— a chronology

Acting in close coordination with leading New York and London banks, elements in the Carter administration have organized and staged the Iranian crisis from the very beginning. Their aim is to use U.S.-Iranian confrontation as a pretext with which to impose a feudalist world economic reorganization along the following lines:

1. The termination of the U.S. dollar's role as the world's primary reserve currency, while simultaneously upgrading the position of the British pound sterling.

2. The destruction of national governments' sovereignty over their economic policy, including the abrogation of U.S. national economic sovereignty.

3. Transformation of the International Monetary Fund (IMF) into a world central bank possessing dictatorial powers over world credit allocations.

4. Instigation of a "controlled" world depression.

Although the Anglo-American policy establishment has favored such a program since at least the end of World War II, it was not until the September 1979 IMF that a certain "kook" faction within that elite made the decision to "go for broke" and implement the full program—even if it meant risking nuclear holocaust. At that conference, held in Belgrade, Yugoslavia Sept. 30 to Oct. 5, the Anglo-American elite confronted an awesome threat to their power: a growing coalition of Western European governments, Arab petrodollars holders, and other Third World nations. Led by French President Giscard and West German Chancellor Schmidt, this international grouping was pressing for an end to the IMF's austerity conditions, and was taking steps to expand the European Monetary System (EMS) into a global gold-backed monetary system for the industrializaton of the Third World. It was the threat that some OPEC nations might channel their petrodollars through the EMS, terminating in one stroke the authority of the IMF, which precipitated the decision to rig the Iranian crisis.

Since the IMF meeting, U.S. and British policymakers have taken the following steps against the dollar and the dollar credit system in rapid-fire succession, removing any possibility that the Iranian events are a mere "spontaneous" occurrence:

October 6: Federal Reserve chairman Paul Volcker announces his three-point "anti-inflationary" package, including a hike in the discount rate, higher reserve requirements on U.S. banks' borrowings from the Eurodollar market, and a Fed commitment to curb the growth of monetary aggregates—no matter how high U.S. interest rates went. The result is the onset of a new U.S. depression, already highly evident in the auto, steel, and housing sectors, and the danger of a "synchronized slump" in Western Europe, Japan, and the developing countries.

October 20: The Carter administration grants permission for the Shah to come to the U.S. following intense lobbying from Henry Kissinger and David Rockefeller, Chase Manhattan chairman and "the Shah's banker." The decision is made despite warnings by some government officials that the Shah's presence in the U.S. could provoke Iranian action against the U.S. embassy.

October 26: At a conference sponsored by the Friedrich Ebert Foundation in Port Chester, New York, U.S. Treasury Undersecretary Anthony Solomon delivers a harsh verbal attack on European governments. Solomon particularly takes the Europeans to task for their close economic collaboration with the OPEC nations and their failure to follow U.S. monetary leadership. U.S. officials' outrageous behavior at the Port Chester event is commented on by the West German business daily *Handelsblatt*, which remarks that an unidentified American had even compared the present West German government to that of Hitler!

October 30: The British government announces that it is about to bring to a close 30 years of exchange controls, thus eliminating the last remaining technical obstacle to a resurrection of the pound sterling's reserve role. This British move is taken at about the same time that officials at the U.S. Federal Emergency Management Administration (FEMA) begin mapping out contingency plans for the seizure of Iranian assets, a step which will accelerate the diminution of the dollar's role while boosting sterling.

November 4: Iran seizes the U.S. embassy in Teheran.

November 5: The Iranian central bank requests that Chase Manhattan transfer $4 million from its account to make an interest payment on a Chase-managed loan falling due Nov. 15. (See 'November 22')

November 4-10: A team of central bank experts working under the direction of the Switzerland-based Bank for International Settlements (BIS) prepares a plan to sharply curtail international lending by private banks. According to the *Financial Times*, the plan will force the banks to lend only a specified percentage of their total capital to any given country. Banking sources report that the BIS plan has in fact already gone into effect, that Euromarket funds have dried up for all but the most "creditworthy" Third World countries, even these are being compelled to accept harsher terms. The credit rationing is under the central control of Alexandre de Lamfalussy, the BIS economist who is also associated with the Rothschild-linked Banque Bruxelles Lambert and U.S. Comptroller of the Currency Robert Heymann. Both the BIS and the Comptroller's office run a top-secret, computerized monitoring system of individual banks' activity, which permits them to apply heavy pressure to those banks which persist in lending. FEMA also has access to this data.

November 14: The Carter administration announces that it has frozen all Iranian government assets held in the U.S. and in U.S. bank foreign branches, ostensibly in retaliation to an Iranian threat to transfer those assets to non-American banks.

November 15: The Bank of England announces an increase in its Minimum Lending Rate (equivalent to our discount rate) by three percentage points to an all-time high of 17 percent, an overt act of financial warfare against the dollar. The pound jumps from $2.1150 to $2.18 within two days, while Italy's *Il Giornale* editorializes: "International markets have already chosen the currency to replace the dollar: the pound sterling."

November 21: U.S. Treasury Secretary G. W. Miller embarks on a six-day visit to Saudi Arabia, Kuwait, and the United Arab Emirates. Miller informs the press that he is seeking OPEC support for "SDR substitution," a plan which would eliminate the dollar's reserve role by compelling all governments to turn their dollars in to the IMF in exchange for the IMF's paper IOUs.

November 22: Chase Manhattan and other U.S. banks declare Iran in default on a $500 million Chase-managed syndicated loan, despite Iran's Nov. 5 request for payment.

November 23: Iranian Foreign Minister Bani-Sadr announces that Iran will default on all of its foreign debt, totalling $15 billion, and use the funds to finance worldwide Islamic "revolution."

November 28: Morgan Guaranty moves to attach Iran's assets in two of West Germany's largest industrial firms, Krupp and Deutsche Babcock.

What is the meaning of

Abolhassan Bani-Sadr's Nov. 28 fall from Iran's foreign ministry leaves in doubt whether his announcement of a unilateral debt moratorium on between $10 and $15 billion of Iranian debt will be enacted. Most banking commentators entirely missed the point, however, by centering attention on the Iranian events. Bani-Sadr's apparently out-of-the-blue announcement was not an Iranian matter. It was the first public announcement of a Club of Rome plan to "de-link" the developing sector, in a wide-scale repetition of the Pol Pot solution for "excess population."

The Club of Rome plan to "de-link" developing sector nations from international trade is now the subject of a quiet but intense promotional scheme, centered at the United Nations' Institute for Training and Research (UNITAR), under the direction of Club of Rome operative Ervin Laszlo. Nominally an employee of the UNITAR agency, Laszlo reports directly to his principal funding source, Club of Rome President Aurelio Peccei.

Laszlo, in discussions with Third World leaders, is urging them to declare unilateral debt moratoria of the sort Bani-Sadr proposed as the first step to "total independence" of the developing sector from world trade. The shock effect of these debt moratoria, which Laszlo admits would enforce a shutdown of all imports from the industrial sector, would impel the developing sector nations toward de-urbanization and depopulation.

According to sources close to Laszlo, the Club of Rome spokesman envisions the debt moratoria plan as a form of implementation of the Sorbonne doctoral thesis of the former President of the regime of deposed Cambodia butcher Pol Pot.

A trial balloon

Bani-Sadr's abortive declaration was a trial balloon for broader use of the Club of Rome plan. The former Iranian foreign and economics minister was trained through British intelligence installations at the Sorbonne in Paris. Bani-Sadr—who graduated in the same class as his co-thinker Khieu Samphen—came under the direction of Club of Rome leader Maurice Guernier. Guernier is the funding conduit between Peccei's Club of Rome and UNITAR's Ervin Laszlo.

As the *Executive Intelligence Review* has shown elsewhere, the Iran crisis was pre-rigged to break up