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producers' demanded price for oil, is in fact aimed at clearing the way for recycling those funds now held in New York into just such fascist forms of investment. After specifying his terms to the Arabs, Simon will return to the U.S. via France, Germany and Britain, where he will inform the respective governments which sectors of their economies will be supported through the collapse by the injection of these investment funds.

Already Britain's Chancellor of the Exchequer Denis Healey has stated his willingness to enforce the kind of austerity which will win such funding. At a lunch of the American Chamber of Commerce in London, Healey told his audience that it was no use trying to balance payments deficits caused by the oil crisis by increasing exports. That would be the road to disaster. All such deficit-ridden countries should work instead to create the domestic conditions appropriate to the profitable investment of Rockefeller's Arab funds.

At the same time, Schlecht of the German economics ministry issued a call for the imposition of export controls on the economy of West Germany — in other words, the destruction of the machine tool industry and engineering in that sector. Such measures would be accompanied by controlled domestic investment directed into public works infrastructural schemes, such as another round of Speer *autobahn* construction. These

measures would be matched by a tight wages policy, with no increases permitted beyond ten per cent.

At the same time, in the wake of this week's meeting between Schmidt and Giscard in Bonn at which the decision was taken to reduce the French rate of inflation from 15 per cent to an acceptable German level of seven per cent, parallel measures are in the works for France. This was underlined by French Foreign Minister Jacques Sauvagnargues who stopped off in Strasbourg at the European Parliament on his return from Bonn. There he declared that French energy policy could not possibly be conducted in opposition to the wishes of Washington.

Such austerity policies are concomitant with the centralization of credit in the grip of Rockefeller-dominated financial institutions, as affirmed by the central bankers. To the extent that Europe's politicians administer that collapse by implementing fascist policies, destroying production and trade, they will qualify for their reward — funding to intensify the process of the destruction of the working class.

In that situation, Labor Committee organizing for debt moratoria and expanded trade with the Soviet Union is now implicitly admitted by Rockefeller — through the column of his *New York Times* mouthpiece Clyde Farnsworth today — to be the limiting factor in governments' abilities to implement just these fascist measures.

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## Swedish Paper Attacks ELC; Organizing Gains

July 15 (IPS) — The leading newspaper of the Swedish Liberal party *Dagens Nyheter* published a libelous attack on the Labor Committee July 7. Titled "American self-criticism: Why did the left become split into sects?", the article serves as the pretext for reporter Lars-Olaf Franzen to focus on the Labor Committee. Using a tawdry series of lies originally printed in the counter-culture weekly *Rolling Stone*, Franzen writes: "one group, the National Caucus of Labor Committees, that promised to be an alternative both to the violence of the Weathermen and the passivity of the drug culture...[They] worked with marxist organizations of workers at the factories...They have now fallen into a leader-cult...so violent that they sent no less than 40

members to the hospital last summer."

The reason this garbled lie appeared in the Stockholm paper at this time is not accidental. *Svenska Dagbladet*, another Swedish daily, the same day devoted no less than five paragraphs in its coverage of the International Metalworkers Federation conference in Stockholm to quotations from a leaflet distributed to conference delegates by the European Labour Committees. In addition, Labour Committee intervention into Scandinavian politics on the possibility of fusion energy as an imminent solution to the energy crisis has caused considerable embarrassment in government circles in recent weeks.[See IPS Nos. 8 and 9]