



Weekly Edition

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CIA Social Democrats Mount Corporativist Drive Across Europe

by Nikos Syvriotis

NEW YORK, March 2 — At the current juncture of total programmatic stalemate of Rockefeller's forces internationally, the entirety of Western Europe's CIA agents assigned to the top political posts of the Second International has undertaken a tightly coordinated but desperate effort to temporarily maintain political control over the continent by means of a massive, European-wide push of right-Social Democratic corporatism in Italy, France, Germany, Spain, Portugal and the Scandinavian countries.

This massive maneuver, coordinated directly from Nelson Rockefeller's general staff through his liaison channels from the Tavistock agents in the British Labour Party, is designed to accomplish three simultaneous objectives as aspects of a desperate holding action. Rockefeller hopes to buy himself some desperately needed time to pull together his sadly crumbling political forces before he can move to a counter-offensive. These three temporary objectives are: 1) The maintenance of the necessary high rates of looting of the European working class for the duration of the interim crisis period. 2) The preparation of the political terrain for the emergence of the presently too weak authentic right-wing forces exemplified by such European politicians as Franz-Josef Strauss. 3) The attempt to disorient somehow the Soviet leadership with such ploys as the Portuguese "progressive" turn extended on a European-wide scale.

The evidence available so far indicates that this tactic went into implementation after Nelson Rockefeller and his brother David had a series of meetings with such European pseudo-Socialist personalities as Jaques Soustelle, a close ally of the French Reformateur Party, Harold Wilson of the British Labour Party plus the actual controllers of this layer of State De-

partment "socialists" such as Secretary General Luns of NATO and the leadership of the West German Christian Democratic industrialists such as Biedenkopf, Kiep and von Lamsdorff. As soon as these consultations were concluded, it became evident that the entire European Social Democracy had decided on the following division of labor: in the North European countries where hardly any non-Social Democratic political entities are of any consequence, the ruling Social Democracies, under the nominal leadership of Swedish Prime Minister Olof Palme were compelled to undertake a twin role of hard-line war mongering as well as democratic-faced corporatism.

In Southern Europe, where there are sufficiently strong, but not quite strong enough, authentic right-wing political forces, the Social Democracy, including the present leadership of the Italian Communist Party (PCI), undertook the role of covering up the feverish activities of the militarists and pro-war production freaks while they themselves are in the midst of a renewed corporatist organizing drive.

The entire European operation is handled by the international social-democratic "old boys" network mainly consisting of Willy Brandt, Helmut Schmidt, Gaston Deferre, Francois Mitterrand, Olof Palme, Denis Healey, Harold Wilson and the assorted Italian pappagali of the Italian Socialist Party (PSI) and the PCI under the guidance of Ugo La Malfa and Guido Carli.

The Northern European tactic mainly consists of a hard push for Swedish integration into the war production apparatus of the NATO countries — a push mainly centered around sales of Swedish-made jet aircraft and tanks to NATO countries. This initial push is now accompanied by an effort to officially integrate the Swedish Air Force under NATO command — a matter to be discussed in this week's upcoming visit of a NATO delega-

tion to Stockholm. Simultaneous with this pro-NATO push is another desperate effort by Palme to stalemate any new pro-peace initiatives that come either from the Soviet side or from the Soviet-influenced Finnish government. The most characteristic two instances of such sabotage so far have been the Swedish rejection of the now celebrated Finnish proposal for a Nordic energy association that was designed to free the Scandinavian countries from the deadly grip of Rockefeller's International Energy Agency. The second instance is the outright rejection by Palme's Foreign Minister Anderson of the Finnish Kekonnen Plan for a nuclear-free Nordic zone: a conspicuously suspect rejection when it comes from such a confirmed "neutralist" country as Palme's Sweden.

The more intricate Southern strategy of the European Social Democracy is centered mainly on the corporatist drive by the PCI, which with the full public support of Rockefeller agents La Malfa and Carli as well as the lavish praise of the entire West European pro-NATO press, is now firmly pushing for a thorough-going corporatist scheme for Italy around CNEL (see Italian article on page 2 for details). An identical corporatist operation has been launched in France where the rudderless Giscard d'Estaing government has started a broad collaborative relation with the right-wing leadership of the socialist party with such characters as Gaston Deferre, the dope-pushing mayor of Marseille who also sits on the NATO Council, and Mauroy, the SP mayor of Lille who was one of the first targets of the PCF's Left Turn. In all instances of this collaboration between the French Government and the right-wing socialists, the subject was the establishment of corporatist local-control operations on the municipal level — exactly the kind of scheme that launched the Italian CNEL operation earlier on.

The final piece of the Southern strategy of this social democratic offensive is of course the Iberian Peninsula, more fully discussed elsewhere in this issue. All indications so far point to an imminent governmental changeover in Spain of the type that occurred last year in Lisbon. Directly involved in the preparations of this are Willy Brandt and Santiago Carrillo, the leading CIA agent in the Spanish Communist Party. It will be recalled that last year's Portuguese coup was carried out after orders were issued to General Spínola on April 19 from a Bilderberg Club meeting at Negeve, France under the chairmanship of Nelson Rockefeller, Helmut Schmidt, Denis Healy, Giovanni Agnelli, et al. The same fascist leadership is today ordering the transformation in Spain in

order to provide coherence to their European-wide tactic.

From the standpoint of immediate economic objectives, this sweeping European deployment of the Social Democrats is quite transparent. As also indicated in the discussion between NATO Secretary General Luns and Ford and Kissinger last week, the only way that Rockefeller has to push the world economy in the present collapse is toward massive increase in war production. Politically it is absolutely impossible for him to take such a step publicly in Europe. Without a massive "democratic" face-lifting job he would be risking total political upheaval if he pushed full speed for war production. Hence the massive corporatist push which, given the politi-

cal delicacy of the operation, must be under the watchful control of old, trusted CIA agents in the leadership of the Social Democracy.

Typical of the way Rockefeller hopes this tactic will work is how the PCI Amendolite leadership undertook to cover up, last week, for the massive appropriations for the increase of Italy's Mediterranean navy — on orders from James Schlesinger. The PCI, having already made this move in the Italian Parliament has already gone way beyond the point that the old German SPD reached in August 1914 when they had voted for War Credits for the Kaiser's Army. The PCI leadership has not only joined the Social Democracy. They joined the right-wing of the Social Democracy.

NEWS ANALYSIS

ROCKEFELLER LOSES INDOCHINA,

PREPARES LAST DITCH EFFORT IN MIDEAST

NEW YORK, March 1 (IPS)-- Military action in the last two days by the Cambodian Communist forces, including the capture of Toul Leap strategically near Phnom Penh's only airport, confirm that the fall of Cambodia's capital city and of the Lon Nol government is imminent. Rockefeller spokesmen have already concluded that the Cambodian situation is probably beyond hope. Rockefeller appears to be pulling out of Indochina and planning to hold the line against the working class at defensive positions in small parts of the Mideast, Europe and Latin America.

Although the Rockefeller Administration has ordered a massive and illegal Berlin-style airlift -- with flights by the CIA dummy airline, Bird Air, landing every 20 minutes -- Rockefeller spokesmen have conceded the obvious fact that they are wasting lives and an enormous amount of money -- money that legally should be going to Indochina reconstruction -- to keep the Lon Nol regime artificially alive.

In the last few days, U.S. Defense Secretary James Schlesinger has repeatedly characterized the situation as "grim," and somewhat optimistically termed Phnom Penh's chances for survival as "fifty-fifty."

"Who Lost Cambodia?"

Behind this admission stands the yet unsaid claim by the Rockefeller forces that it was Congress --not the incompetence of their own anti-communist strategy-- that led to Lon Nol's demise. With widespread working class outrage over the mere possibility of U.S. re-involvement threatening to turn discussion of Indochina into an indictment of the Rockefeller-CIA forces who illegally set up and maintained the butchering Lon Nol dictatorship, Rockefeller is cutting Indochina loose and hoping for some mileage out of the Congressional red scare that he plans for the next weeks. Under the banner of "Who lost Cambodia?" -- essentially the same technique used to justify the McCarthyite purges of the 1950s -- Rockefeller forces will be attempting to quash Congressional resistance to the already begun military buildup of Rockefeller's shaky satraps in the Mideast.

The terror campaign will automatically escalate when the hopelessly-rotten Thieu dictatorship in neighbouring South Vietnam falls without the large-scale illegal support that will be needed to keep it going through the next few weeks and months.

Last-Ditch Mideast Try

Totally uncalled-for "warnings" by the Rockefeller administration to the Soviet Union not to intervene in the Mideast this

week, indicate that the Administration is already beginning propaganda to justify re-arming the Mideast in order to stop it from becoming the next "domino" to fall under the "red onslaught." Meanwhile, NATO has begun rearmament of Turkey -- arms illegally conduited through West Germany as a preparation for NATO intervention in the area.

This planned Mideast war represents Rocky's last ditchtry to stop Iraqi and Soviet organizing initiatives which threaten his Mideast puppet governments, and to finally achieve another oil hoax and price rise -- a hoax desperately needed to maintain his defunct dollar empire.

THIS WEEK'S HEADLINES

ROCKEFELLER LOSES CAMBODIA TO KHMER ROUGE

MCCLOSKEY AND BARTLETT "PRISONERS" OF U.S. EMBASSY IN SAIGON

Feb. 25 (IPS)-- The Baltimore Sun reported today that representatives Paul McCloskey (R-Cal) and Senator Dewey Bartlett (R-Okla.) have had their activities closely monitored and directed by the U.S. Embassy in Saigon since their arrival in Vietnam yesterday, indicating that the Congressmen's avowals of conducting an independent tour may fall short of their expectations.

HOUSE "FACT-FINDING" GROUP LEAVES FOR VIETNAM

Feb. 25 (IPS)-- After a series of fits and starts a hastily formed House "fact-finding" group is scheduled to leave Washington for Saigon, South Vietnam, this morning.

CAMBODIAN GOVERNMENT SINKS FURTHER, CATHOLIC RELIEF AGENCY EVACUATES NEAK LUONG

Feb. 25 (IPS)-- The puppet Lon Nol government of Cambodia suffered several key military and political setbacks yesterday which led an American Embassy spokesman to comment, "I haven't heard any good news for so long that if somebody brings me some, I'll probably go into shock." Heavy shelling by Khmer Rouge forces of the strategic river town of Neak Luong has forced the evacuation from the city of the Catholic Relief Services team. Reports in the New York Times today quoted American spokesmen as saying that plans were being drawn up by the Embassy to get food into the town, possibly by parachute dropped from American planes.

NEW YORK TIMES DENIES PARIS PEACE ACCORDS ARE BASIS FOR CAMBODIAN SETTLEMENT

Feb. 26. (IPS)--An editorial in today's New York Times supports the continuing of the war in Southeast Asia under a thin anti-war cover. The Times says, "If a relatively small amount of money was all that stood in the way of negotiated peace or the survival of non-communist Cambodia, then no one would begrudge the request."

CAMBODIA: KHMER ROUGE CAPTURE TOWN

Feb. 26 (IPS)-- Associated Press reports that the Khmer Rouge have captured the old royal capital, Oudong, 20 miles north of Phnom Penh.

SCHLESINGER AND KISSINGER RESIGNED TO SEE CAMBODIA GO

Feb. 27 (IPS)-- Columnist Leslie Gelb in a front-page article in today's New York Times put out the latest line of the Rockefeller cabal on Southeast Asia. Gelb says that both Secretary of Defense Schlesinger and Secretary of State Kissinger now feel that Cambodia will fall even with U.S. aid. However, both claim that a cutoff of aid would undermine the credibility of U.S. commitments.

LUNS: U.S. ALLIES WOULD NOT OBJECT TO CAMBODIA'S FALL

Feb. 27 (IPS)-- The Baltimore Sun reported today that Joseph Luns, Secretary General of the North Atlantic Treaty Organization, said that if Cambodia was to fall, it would have little effect on U.S. relations with allies.

KHMER ROUGE ANNOUNCE INTENT TO TAKE PHNOM PENH: CALLS ON PEOPLE TO REVOLT

Feb. 28 (IPS)-- On a broadcast from a clandestine radio station within Cambodia, the Khmer Rouge announced their intention to take Phnom Penh shortly and called upon the population of the city to aid them in that effort.

TIMES MOANS TO CAMBODIANS, "TAKE ME TO YOUR LEADER, BUT WHO IS HE?"

March 1 (IPS)-- In a front-page article in today's New York Times by Bernard Gwertzman, the Times bemoans the fact that no clear-cut leader of the Khmer Rouge has emerged, adding that this will make it very difficult to carry out the U.S. preferred policy of negotiating a settlement to the Cambodian crisis between the Khmer Rouge and sinking U.S. puppet Lon Nol. The article continues that Prince Sihanouk is the only visible leader of the "insurgents" lamenting that Sihanouk himself admits he is not actually leading the struggle.

SIHANOUK SENDS "OPEN LETTER" TO FORD

March 1 (IPS)-- The Long Island Newspaper Newsday today made public a 2,000 word "open letter" to President Ford which it had received from Prince Sihanouk, the nominal head of the Royal Cambodian Government of National Unity in exile in Peking.

In it Sihanouk said, "If you decide to prolong or increase your aid...you should understand that you will only delay a few months or a year the inevitable date when things come due." He called for a "rapid reconciliation" with the United States and pledged that "we will not export our revolution to anyone."

GANDHI ATTACKS ANTI-SOVIET FORCES IN OWN PARTY

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GANDHI ATTACKS ANTI-SOVIET FORCES IN OWN PARTY

March 1 (IPS)-- Indian Prime Minister Indira Gandhi gave a

major speech Feb. 27 in Madras in which she accused high-ranking members of her own Congress Party of plotting to overthrow her and join with J.P. Narayan, CIA agent and (Mahatma) Gandhist demagogue.

According to the Yugoslav daily Politika (yesterday), Gandhi identified the opposing Congress faction as critical of her foreign policy and her increasingly close ties to the Soviet Union, commenting that the faction has "no alternative economic and foreign policy.

NEW YORK TIMES SELLS SIHANOUK FOR CIA

March 2 (IPS)-- Admitting that Phnom Penh is about to fall to the communist United National Front of Cambodia, the New York Times openly pushed a most recent CIA line -- that Norodom Sihanouk, now in exile in China, is the only legitimate successor to the Lon Nol government.

ESCALATION IN MIDEAST

FRANCE: \$9 BILLION ARMS DEAL WITH SAUDIS UNDERWAY?

Feb. 25 (IPS)-- According to the Feb. 24 French weekly Le Point Saudi Arabia is currently negotiating a 37 billion franc (\$9 billion at present rates) arms deal with France.

WEST GERMAN ARMS SUPPLIES TO GREECE AND TURKEY TO TAKE PLACE "IN THE CONTEXT OF NATO."

Feb. 25 (IPS)-- Die Welt reports today that Greek presidium Minister Rallsi is in Bonn, West Germany, talking with foreign Minister Hans Dietrich Genscher about West German supplies of arms to Turkey and Greece.

PRAVDA REPORTS ON ANTI-EAST-WEST TRADE HYSTERIA IN THE WEST

Feb. 25 (IPS)-- The Soviet daily Pravda Feb. 23 reported on the hysterical reaction of bourgeois newspapers to the proposal in the Finnish social-democratic newspaper Demari for a northern Europe Economic consolidation with the Soviet Union. Pravda's Helsinki correspondent, Y. Kuznetsov, commented that the wild criticism of the Demari proposal stems from the cold war policy of trying to force Scandinavia, and especially Finland, to break economic ties with the Soviet Union in favor of NATO and the common market. Recent articles in the Soviet press have strongly criticized the Swedish social-democratic government of Olaf Palme for violating its neutrality through cooperation with NATO.

FRANCE SUPPLIES ARMS TO GREECE

Feb. 26 (IPS)-- French Foreign Minister Sauvagnargues, meeting with his counterpart in Greece, is working out the possibility for France to re-supply the Greek army with Mirage F-1 fighters and AMX-30 tanks.

DAILY TELEGRAPH: IRAN "SURROUNDED" BY REDS"

Feb. 27 (IPS)-- In a frantic red-scare at the Soviet Union and Iraq, the CIA-linked London Daily Telegraph, in an editorial entitled "Russia presses southward," cites the growing isolation of CENTO partners Iran and Pakistan as India, pro-socialist Iraq and the Indochinese communist movement forge growing links along the boundaries of the Shah's grandiose New Persian Empire.

GREEK "COUP PLOT" FOILED

Feb. 25 (IPS)-- According to today's Washington Post and New York Times, the Greek government has placed its troops on alert around Athens after yesterday putting down an alleged "conspiratorial movement" of followers of the old Greek junta.

SOVIETS RIDICULE KISSINGER'S "STEP-BY-STEP" APPROACH TO MIDEAST CRISIS

Feb. 25 (IPS)-- The weekly news review in the Soviet daily Pravda, Feb. 25 and an accompanying feature article on the Mideast, criticized and ridiculed U.S. Secretary of State Henry Kissinger's recent trip through the Mideast.

DAILY TELEGRAPH SIGNALLING ESCALATION OF KURDISH WAR AGAINST IRAQ

Feb. 25 (IPS)-- In response to the growing Mideast initiatives of Soviet ally Iraq over the past weeks, London's rightwing Daily Telegraph of Feb. 24 headlines "Russia and Iraq try to Starve 500,000 People."

ISRAEL DECLARES NEW AUSTERITY WAR BUDGET

Feb. 25 (IPS)-- The Israeli government today announced an austerity budget and massive new taxes. The \$9.8 billion budget including 40 per cent for defense and 18 per cent for debt service, calls for drastic reductions in government services, while taxes take 64 per cent of the national income.

SCOTT INTRODUCES BILL TO RESUME ARMS SHIPMENT TO TURKEY

Feb. 27 (IPS)-- Senate Republican leader Hugh Scott (R-Pa.) introduced a bill yesterday allowing President Ford to resume military aid to Turkey.

WALL STREET JOURNAL LIES SET THE STAGE FOR WAR AGAINST IRAQ

Feb. 27 (IPS)-- In the latest series of CIA-planted press slanders against the pro-Soviet socialist government of Iraq, today's Wall Street Journal claims that Iraq has expansionist designs against Iran and Kuwait.

IRAQ CHARGES SYRIA AIDS KURDS

Feb. 27 (IPS)-- Agents of the Syrian Intelligence Service are actively aiding the CIA-instigated rebellion of Kurdish tribesmen in Northern Iraq, according to reports in the pro-Iraq newspaper Beirut cited by Washington Post writer Jim Hoagland today.

FRANCE TO SELL ARMS TO TURKEY

Feb. 27 (IPS)--Following a major arms deal with Greece, France is to engage in supplying armaments to Turkey as well, joining West Germany in the Kissinger plan for a new Mideast flareup. Le Monde reported Feb. 26 that French Foreign Minister Sauvagnargues flatly declared in Greece that "it is not impossible that conversations are going on between the Turkish government and French (arms) suppliers. We will act to prevent these contacts from having bad consequences on the political level."

SYRIA, PLO WAR-MONGERING OVER SADAT-KISSINGER COLLABORATION

March 2 (IPS)-- Syria and the CIA-controlled Palestine Liberation Organization attacked Secretary of State Kissinger and warned Egyptian President Anwar Sadat about the dangers of a partial settlement with Israel in an effort to use the Kissinger-Sadat collaboration as an issue to stir up arab nationalist frenzy.

SECOND INTERNATIONAL AND ITALIAN COMMUNIST PARTY MOVE BEHIND ROCKEFELLER FASCISM

WAR GAMES IN STOCKHOLM TO "PREVENT A COUP D'ETAT"

Feb. 26 (IPS)-- A front-page photograph in the conservative Stockholm daily, Svenska Dagbladet, Feb. 24, shows a Swedish

army recruit poised with a machine gun, falling on the pavement of a quiet residential street in the heart of the city. The accompanying article by John Tunsberger, who recently warned Swedes of an imminent Soviet invasion, mentions that the tasks of the army have changed from guarding harbors...now the tasks have expanded to cover the mission of preventing a coup d'etat in that city.

CIA FORMS COUNTERGANG TO PCF FARMER ORGANIZING

Feb. 26 (IPS)-- To counteract the stepped-up mobilization of the French Communist Party and its farmer organization, MODEF, to organize desperate farmers and peasant layers into a programmatic thrust with the French working class, counter-insurgents from the CIA-infiltrated union, the CFDT, have formed a new organization called MONATRA. The CFDT is affiliated with the French Socialist Party.

GISCARD MEETS WITH AGENT DEFERRE

Feb. 27 (IPS)-- The France Inter Radio station reported today that French President Giscard d'Estaing has left Paris for an unexpected visit with long-time agent and socialist party leader Gaston Deferre in Marseille. The object of the visit is not formally known, but may involve discussion of two burning topics: the immigrant worker question, and the redeployment of the French navy to the Mediterranean in anticipation of a renewed Mideast war. Marseille is strategically located to prevent inflows of "illegal" immigrants from North Africa as well as to monitor major naval/military moves in the Mediterranean.

CIA AGENT AMENDOLA PUSHES TOWARD LAMALFA

Feb. 27 (IPS)-- With the imminent historic compromise of the Italian Communist Party (PCI) and the Christian Democratic Party, the PCI press Unita, controlled by CIA agent Amendola is revealing its connections to known Rockefeller agents. Reporting on the recent statement of Republican party head La Malfa on possible support for the "historic compromise," Unita today launched an all-out defense of La Malfa's, describing criticism of him as akin to a McCarthyite witch hunt.

CIA-RUN PCI AGREES TO SECRET DISCUSSION OF NATO BILL

Feb. 28 (IPS)-- Unita, the newspaper of the Italian Communist Party (PCI) controlled by CIA agent Amendola disclosed Feb. 27 that the PCI has agreed that discussion on the Nato-inspired bill to give the Italian Navy new ships to the tune of 1,000 billion lire not be conducted openly in parliament. The proposal has thus been transferred from parliament to the closed Defense Commission of the Chamber. According to Italian parliamentary

custom, the bill will become law without ever coming to a vote, provided PCI deputies who compose more than 20 per cent of the Defense Commission do not object!

Unita says: "The communists (they mean the PCI) did not oppose that decision, though stressing their criticisms and their reservations on the measure, such as it has been conceived, to which the PCI deputies will present few, but essential modifying amendments."

FRANCO TO FALL THIS YEAR, SAYS ANTI-SOVIET, SPANISH CP LEADER

March 1 (IPS)-- Santiago Carrillo, general secretary of the anti-soviet faction of the Spanish Communist Party, claimed that the Franco regime in Spain is ceding and will probably fall this year, in an interview with the Yugoslav press agency Tanjug. According to a United Press International dispatch yesterday, Carrillo specifically stated that the regime will fall under the pressure of a "democratic junta" popular front coalition formed last summer and led jointly by Calvo Serer of the ultra-reactionary Opus Dei.

ITALIAN CP PRESENTS CORPORATIVIST SCHEME TO EUROPEAN CP AUTO SECTOR MEETING

March 1 (IPS)-- The Italian Communist Party (PCI) delegates to a conference of European communist parties on the crisis of the auto sector yesterday in Dusseldorf, West Germany, presented a plan for "industrial reconversion" of the auto industry on a European-wide, corporativist basis. The Italian plan, reports the PCI daily Unita, today, was put forward by PCI delegate Libertini who has been involved in setting up the "reconversion" program at the Italian Fiat plants.

THEO SOMMER: SCHMIDT THE GREATEST, ELECTIONS DON'T MATTER

March 2 (IPS)-- Theo Sommer, Nato and Trilateral Commission spokesman, writing in this week's Die Welt, called West German Chancellor Helmut Schmidt "the best chancellor we ever had." Whether Schmidt remains in the leadership or not depends very little on popular support within West Germany, Sommer stated. In fact, he says it would make no difference if the Social Democratic Party lost the state elections in North Rhine Westphalia, because legislatures have no function "in this government epoch."

A Brief on Market Reaction to the Euro-Ruble

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A Brief on Market Reactions to the Euro-Ruble

Introduction

The following is a tabulation of the world's political-economic ledger for the past month, contrasting the statements of leading financiers and monetary officials on both sides of the Atlantic on the respective fates of the U.S. dollar and the transferable Ruble of Comecon, the economic organization of the workers' states.

Since the Soviet news agency TASS first proposed in January that the Comecon's monetary instrument could apply to trade agreements between the Comecon sector and capitalist countries, raising the question of a new reserve currency to replace the crumbling dollar, the "Euro-Ruble" program has come to dominate capitalist policy discussions in Western Europe and to terrorize policy-making layers in the United States. Apart from press citations, the enclosed material has been drawn from the daily work of the New Solidarity International Press Service.

As a guide to the crucial policy issue of expanded

East-West trade, which requires the replacement of the dysfunctional capitalist credit mechanisms with the production-based credit instrument of Comecon, this brief is intended to give the reader an inside view of the discussions within capitalist circles on this topic. The material itself, selected from a considerable volume of IPS interview transcripts, is exemplary of these discussions as a whole.

At no time in modern history have leading capitalist circles been as willing to document their intellectual and political bankruptcy. The events of the last month leave no doubt that the Rockefeller faction of international capital has neither the means nor the competence to hinder a general breakdown of the international monetary system, and the resulting threat to world trade. One of the most dramatic indications of this factional bankruptcy is the willingness of capitalist layers allied to the Rockefeller clique to opt instead for the sane solution put forward by the Soviet Union and the German Democratic Republic.

But let the reader judge for himself.

RUBLE

DOLLAR

January 20

"There is no doubt that right now the Ruble is the most stable currency in the world." — a spokesman for Lloyd's International Bank.

"Something, some other currency must be developed as a reserve currency." — a European banker.

January 21

"I know Swiss banks will definitely like to increase their Ruble holdings...I don't think the Russians are ready to make a concerted effort to bring that about. All the same, I am now dealing in Rubles and I like to hold them myself. The Ruble is very, very stable and I trust the Russians." — a spokesman for Credit Suisse.

"I see nothing wrong with the idea of a Ruble bloc. It would be interesting to study it. I'll talk to a specialist." — an official of the CNPF, the French Employers Union.

January 22

"Now on the Ruble-bloc question, I think if enough people are interested then at some stage in the future it could indeed be a reality." — chief Forex trader Weatherstone at Morgan Guaranty Trust.

"The main reason (for the dollar "weakening") was the irresponsible fiscal policies of Washington..." — chief Forex trader, First National City Bank.

"God only knows!" Robert Triffin, monetary expert and professor at Yale, responding to the question "What will the U.S. do if OPEC carries through on its threat to dump the dollar?"

January 23

Economic Research Institute in Cologne advises a 50 per cent increase of West German exports to the East Bloc and OPEC. — London Financial Times.

“I think this will generate a lot of new thinking on the part of the business community.” — Robert Murphy, of Corning Glass and the Murphy Commission.

“Those circles who object to it are very conservative, let's say, absolutely pro-West, and never entertain favorable considerations that Germany would become overly dependent toward the East...I've heard about the Euro-Ruble...As we go down the road something like it might very well come about, but I couldn't comment on the technical implications...it's mainly a political issue. It's difficult to reach a joint policy between the EEC and the U.S. because no one knows what U.S. policy is — there are sufficient grounds to believe there is a lack of coordination of U.S. policy...” — spokesman for the Union Bank of Bavaria.

“Ach, that's right, that's exactly the logical thing to do, all industrial states are trying to get more exports, even the United States has a lot of pressure from behind the scenes to give the Soviet Union what it wants...” — Werner Chilton, German specialist, First National City Bank.

“Is that New Solidarity IPS? I don't want to comment.” — Robert Davis, Central European Office, U.S. State Department.

January 27

“Funny money.” — the Saudi Arabian Embassy, commenting on the dollar.

“The Swiss government and National Bank held urgent talks today on how to stop the drastic plunge in the value of the U.S. dollar. Dealers say the Bank would have had to buy several hundred million dollars to provide any effective support for the U.S. currency...So it took no action.” — Reuters

“Well, you know. You get these finance ministers meeting all over the world every week, every month. They can't come up with solutions...Tomorrow someone is gonna say something else and the thing's gonna reverse itself. Nobody expected the dollar to be weak; but there it is — it is weak. And...I...but...as you say...the...the 'funny dollar.' Ahhh...nobody trusted it, I guess. Only us, only us....” — an executive at Manufacturers Hanover.

January 28

"I can't seriously think that anybody believes that the dollar is moving towards a greater weakness. There is no reason why it should." — George Ball, of Lehman Brothers investment house and member of the Tri-lateral Commission.

January 29

"...it has been climbing in the past days, hasn't it?...the dollar is somewhat inflated, yet, but...Worried? No, I'm sitting here, fat, dumb, and happy." — U.S. Treasury Undersecretary Jack Bennett.

February 3

"If, say, the central bank of Germany tried to keep the dollar-level at about 2.35, they would get run over. There's no way in which central bank interventions can boost the dollar in any effective way. I would be surprised if they could do anything at all....The situation is so damn volatile! I'm beginning to despair of fundamentals." — Chief economist, Chemical Bank.

"We're not deliberately creating this situation. What we're doing is letting the market force take over..." — Vice-President, First National City Bank.

February 4

"...it is not entirely inconceivable that they are talking about the Ruble..." — Chief Forex trader, Bankers Trust, in reference to the recently announced Japan-East German trade deal.

February 5

"Our exports would collapse if the dollar collapsed." — spokesman for the BRD's Central Bank, the Bundesbank.

February 7

"We're concentrating on managing the U.S. economy, not the exchange rate of the dollar..." — Paul Bocker, chief monetary officer, U.S. State Department, Office of Monetary Affairs.

February 8

"A mere few years ago, it was commonly admitted that the USSR could not afford to render the Soviet Ruble convertible, but such an assertion must today be revised....Has the USSR today an interest in such a convertibility which under current circumstances would initially be limited to relations between the USSR state bank and other central banks? What would be the international prestige of a convertible Soviet currency, pegged, as the Soviets enjoy to say, on the fortune of a powerful nation to whom, furthermore, inflation is unknown?" — Le Figaro, Feb. 8.

February 10

"Yeah, I know, I talked to Simon last week in Washington, and he was asking me, 'Why is the dollar falling?' I've given up talking to Bennett." — financial writer for a leading New York business daily.

"No, no the dollar is really undervalued, everyone knows that. The U.S. budget is the strongest in the world on a full employment basis." (But unemployment is over 8 per cent....") "I guess you have a point there." — C. Fred Bergsten, economist, Brookings Institution.

February 12

"What a great idea!" — Robert Roosa of Brown Bros. Harriman investment firm, previous undersecretary of the U.S. Treasury and member of the Trilateral Commission.

"(Making the Ruble convertible) would be of some use....Third world countries with Ruble balances could use them to import from France and Germany, or other countries. That would be fine." — Paul Bocker, U.S. State Department, Office of Monetary Affairs.

"I can't answer that too quickly, since it deals with the question of a new leading currency. That would indeed have enormous, including political implications. France indeed has another interest through its specific relations to the state economy countries and its economic situation...Certainly that's not being discussed just in France....But the political implications! It's not just an economic question, it would have enormous political effect." — Ludwig Poullain, chairman, Westdeutsche Landesbank Girozentrale.

"Yes." — Ludwig Poullain, in response to the statement that the dollar is worthless.

February 13

"It is bound to be a consideration with the weakness of the dollar." — John J. McCloy, Milbank and Tweed, Supreme Allied Commander of the postwar German occupation.

"Europe, obviously, has much more interest than the U.S. in expanded trade with the Soviets..." — Larry Brainard, chief economist Chase Manhattan Bank.

"Look! I mean, why do you use such expressions as 'worthless'? That's a silly expression!" — George Ball, Lehman Brothers investment house and member of the Trilateral Commission.

February 14

“The Euro-Ruble issue is intensively discussed in the BDI...but the main problem is political...without the political implications, the idea would be very good...” — Secretary to Mr. Metzger, chief of the International Department of the West German Industrial Association.

“The Bundesbank is quietly selling dollars in favor of hard currencies.” — Forex trader, Morgan Guaranty Trust.

February 15

The ruling Finnish Social Democratic Party, in its newspaper Demari, calls for the creation of a Scandinavian trade bloc with the Soviet Union.

February 17

“Yes, but nobody wants to take a step. I don't think it's a very serious discussion yet because everybody speaks about it without taking action.... The question is: who would be the first? How would the market be created? It could be subject of serious discussion later but I repeat I have nothing against it.” —Walter Frey, General Manager, Swiss Bank Corporation.

“...The Americans, with their involvement in Vietnam, have long ago lost the strong position of their currency....” — Hans Juergen Koschnik, Mayor of Bremen, West Germany.

“Yes, but the Russians have to want that change. They have the wherewithal to make the Ruble convertible.... I would here say that I am not entirely sure whether Comecon and...ah...ah, whether the leaders in Moscow are ready to make their own currency convertible currency, then I can see the point of a reserve currency....the question is...how can the industrial states (1)find sufficient stability to prevent unemployment and (2)how can they at the same time take care that the Third World actually becomes better than it is today.” —Hans Juergen Koschnik, Mayor of Bremen, West Germany.

February 20

“I've raised this question since 1960. Because it is in our interest, **in our interest**, and the Soviet interest, to have a convertible Ruble, because if you have these monetary difficulties you are looking for other leading currencies in the world....” — Otto Wolff von Amerongen, German businessman and Trilateral Commission member.

“No, we're not worried about the dollar; no, we're not going to do anything....” — U.S. Treasury Department press chief, Jack Plum.

“This is a trend of the times...something like that will come, but we're not the body to have decisive talks about that....The Ruble to serve as a unit of account for international trade might be quite possible.” — Mr. Karl Hauenschild, head of the IG Chemie union and Trilateral Commission member.

“Well, I think, er, of course, you, we have er, not yet seen the last dollar weakness. I'm quite sure of this fact....” — Otto Wolff von Amerongen, West Germany businessman and Trilateral Commission member.

February 21

"Naturally the expansion of trade will raise this question more and more...It will be much more workable and better to have the Ruble convertible...but you need institutions!" — Mr. Vollmar, Westdeutsche Landesbank press chief.

"This is true." — Kurt Birrenbach, Krupp executive and Trilateral Commission member, in response to IPS statement that there was no one on the Trilateral Commission capable of finding a solution to the dollar crisis.

"I dunno...I dunno what could happen...but...it has not happened yet." — Mr. Titzhoff, assistant to Karl Klasen, West German central bank chief.

"I feel sorry for what is happening....There is such a number of uncertainties on the market...nobody knows...but my impression is that the dollar will continue to decline. It is also the impression of many dealers here...yes, if a 25 per cent depreciation is discussed around the market, there is trouble around, there will be trouble...when it will happen, in a month, in this year, nobody knows, all is speculation...." — Herr Bender, Forex dealer for the West German central bank.

"I agree, they are rotten, but one is not justified in talking of a Ruble when 90 per cent of all oil payments are done in dollars." — spokesman for Chase Manhattan Bank.

February 24

"All this seems very unlikely — why the hell the Soviets would go on an offensive like that I don't know. It's not what I'd look for...but then again there are lots of things I haven't looked for." — Deputy Director, U.S. State Department Policy Planning Staff.

"Yes there is something in the making....It is very interesting, if they come to convertibility, it will be a very new situation....I have been in East-West trade for some 20 years, and there was always rumors about the Ruble convertibility — but to see it just behind the door..." — Herr Kirschner, Comecon section head, West Germany Industry Federation.

"It's the last thing I would like to admit at the moment, but the dollar is the **only** weak currency at this time." — Forex trader, Morgan Guaranty Trust.

"If the U.S. government intends to let another 25 per cent devaluation to occur, it would derout (sic!) world trade, it would be a tremendous...a tremendous...disturbance for the normal competitive situation....Then we would seriously fear for our trade....If the dollar is devalued, then the French franc, the Austrian, the lira, the pound will follow immediately...what else could we do with the DM? We'd be overvalued. What will develop is very dangerous and has to be thought of very carefully...but what to do?" — Herr Kula, Mid-east section head, West Germany Industry Federation.