Relations, Nobuhiko Ushiba, and EEC Commission President Roy Jenkins in Brussels last week, the director general of the Commission's external affairs department, Sir Roy Denman, warned that the West's commitment to trade liberalization could be disastrously undermined if the "festering sore" of the Japanese surplus was not treated. Without further concessions from the Japanese, he said that "the western world as a whole, the Tokyo Round, and the future of an open trading system would be at a risk."

Pressure for the reference prices came from the British and French in particular. After the meeting, Edmund Dell, Britain's Secretary of State for Trade, said the reference price system "sounds like a very good scheme. Why don't we give it a try for a couple of months?" But the French representative, Jean-François Deniau, warned that his government had wanted agreement right away on a permanent trigger price mechanism without the intermediate bargaining period.

But the ministers' vote apparently hasn't satisfied the British. The Department of Trade is continuing talks with the Soviet Union and East European countries to significantly curb East bloc steel imports to Britain in light of British Steel Corporation's major losses. In the last 10 months, iron and steel shipments to Britain from the Soviet Union have risen from £7.2 million to £12.3 million. BSC's second target is Poland, whose steel exports have also risen drastically in the last year.

IMF Moves To Revive Kissinger's IRB Cartel Scheme

The International Monetary Fund has just issued a $480 million line of credit to the International Sugar Agreement, a recently organized cartel comprising many of the world's leading sugar-producing and consuming countries. Timed with a major organizing drive by the City of London to destroy the U.S. dollar and replace it with the IMF's own "funny money"—the SDR (Special Drawing Right)—the Sugar Agreement loan constitutes a step toward instituting International Monetary Fund control over the world economy.

COMMODITIES

The unprecedented loan was issued, contrary to usual IMF practice, not to a sovereign nation but to a commodity cartel for the purpose of financing a buffer stock. It is an attempt to reimpose on the world Britain's late 18th and 19th century system of world control through regulation of raw materials.

Asked to comment on whether the sugar loan represented a significant "foot in the door" for reintroduction of former Secretary of State Henry Kissinger's International Resource Bank plan, a looting scheme in which IMF SDRs would be collateralized with world commodity stockpiles, an IMF official said brusquely, "No comment."

No matter how you look at it, however, the scheme culminated with the Third World producer countries being funded to pay off their otherwise unpayable Eurodollar debts to the City of London and Manhattan banks.

Many of the world's commodities are still controlled by the City of London and its interlocked investment allies in New York. Britain has long specialized in subverting the interests of the sovereign nations of the world through precisely such supranational organizations and associated economic warfare potentials as the IMF and commodity cartels represent.

An additional feature of the International Resources Bank (IRB) revival scheme is that private commercial banks can use the sugar stockpiled by the agreement as collateral for foreign exchange loans. This is but one step removed from having the IMF directly collateralize the IMF's SDR.

The Debt Issue

The IMF governing board committed itself to the $480 million loan on Dec. 16, the closing day of a week-long preparatory meeting of the United Nations Council for Trade and Development (UNCTAD) in Geneva, which was called "to discuss the debt problems of the developing countries," as the IMF calendar puts it. In UNCTAD circles, the Kissinger plan is known as the "Common Fund."

In a related move the Dec. 19 *London Times* carred a feature article calling for the IMF to take on vastly expanded powers, to be superintended by a top-ranking monetarist as the IMF's new head. The article proposed that a similar shift take place at the U.S. Federal Reverve System, where the chairman's post is also up for grabs at the beginning of next year.

Henry Kissinger's IRB scheme first achieved wide circulation in connection with a drive in 1976 to halt Third World support for comprehensive debt moratorium. The lure of Kissinger's scheme was to hold out the promise of higher raw materials prices for the Third World. But since debt was to be dealt with by the "case by case" method of bullying, terror and destabilization, the new revenue extortions would go exclusively for debt repayments, not development—with the consumers of world paying the bill.

In its contemporary reincarnation, Kissinger's IRB scheme calls for the execution of the U.S. dollar Mafia-style, encasing it in concrete and sinking it somewhere in the Atlanticist Ocean (for example, off the Cayman Islands). With that burial nearly accomplished, the world's trading nations and multinational corporations would have no choice but to go for the IMF's SDR bumwad, for lack of a more suitable international trading currency. The SDR, in turn, would be "backed" by City of London-controlled commodity stockpiles, toward which the IMF-funded Sugar Agreement buffer stock is already a significant step. This would put the City of London in the position of being able to put the world economy under fingertip control — especially if such schemes are expanded to grains and metals.

The IMF — Sugar Daddy

Below, an IMF official describes the Fund's loan to the sugar cartel and its implications.

Q: The Dec. 20 Journal of Commerce *reports that the International Monetary Fund is issuing a line of credit to the International Sugar Agreement — of $480 million. Is this being done for any other commodities?*
A: The IMF will be examining the question of funding buffer stocks on a case-by-case basis for each commodity. Discussions are under way for doing this with rubber. that could take a year or so; the tea discussions could take one to two years. There are also talks going on for copper. But I wouldn't want you to have the impression there's a steamroller that'll get this stuff through all at once.

Let me stress also that the kind of cartels we are insisting on are those which include *both* producing and consuming nations. We wouldn't want to deal with cartels just involving the consuming nations, for reasons I'm sure you can well understand. The Sugar Agreement with its large number of member producing and consuming nations was ideal in this respect. It took a long time to put the Agreement together. Once that was done, the IMF board went to work quietly behind closed doors and came up with this loan last Friday.

Q: Isn't that unprecedented?
A: You could say so. There was something like this for coffee and cocoa before, but it didn't amount to that much. You could say that there's never been anything like this since the IMF was founded at Bretton Woods.

Q: Do you think this will help revive the fortunes of the Common Fund?
A: No comment.

Q: Is there anyone else at the IMF I could query on that subject?
A: I'm sure no one here would want to comment on that question. You'd better talk to UNCTAD (United Nations Council for Trade and Development) in New York.

Q: How would this collateralization work? The press says that private commercial banks could collateralize the stockpiled sugar, although the IMF couldn't
A: That's correct. A private commercial bank could issue a loan to a country based on its sugar stockpiled with the International Sugar Agreement. But some banks might not want to, because they would have no direct title to the sugar; the Sugar Agreement would. I should note that the IMF has set things up legally so that the country in question can't get a greater amount of foreign currency from the IMF and the commercial banks together than the value of the stockpiled commodity.