emergence of non-dollar-denominated bond markets in Europe to subvert the Luxembourg-based banks. Consistent with the Brookings Institution's seven-year-old push for a "dollar-deutschemark" axis, London sees the several billion of dollars in deutschemark bond issues as a steppingstone to a "multi-currency" international financial bloc that could shore up both a constantly depreciating dollar and a defunct pound sterling.

From 1971-1975, Rothschild-Lazard networks made use of their control over Kredietbank, S.A. Luxembourg, a subsidiary of Belgium's leading Flemish bank, to introduce $1.3 billion in bonds denominated in European Units of Account (EUA), an artificial currency first introduced by the European Economic Community to finance labor-intensive "regional development" projects. Yale Economist Robert Triffin, an early proponent of London's "multi-currency" hoax, is a member of Kredietbank's board.

The EUA game was put into motion by unwitting Scandinavian corporations, which have been forced until now to use the Eurobond market for the bulk of their financing operations. Prior to the Kredietbank's EUA venture, Scandinavian issues were controlled by Hambros Bank of London, with the aid of the London-connected New York houses of Kuhn Loeb; Lazard Freres; and Drexel-Harriman.

Suddenly, following a major publicity campaign on the EUA, Kredietbank S.A. Luxembourg became the leading underwriter for Scandinavian issues—raising the obvious suspicion whether Lazard had not handed their credit-starved customers over to Kredietbank's general manager André Coussement, a former colonial administrator in the Belgian Congo. On the purchasing side, Kredietbank disposed of the issues through a private network of Flemish customers. Since it is illegal to advertise bond marketings in Belgium, private information networks run by messenger out of Luxembourg and Zurich, Switzerland have impenetrable control over Belgian international bond investments.

By 1975, Kredietbank had become Europe's leading bond underwriter, although at the close of that year it took a drubbing when it failed to market an issue for France's national electricity firm, EDF denominated in another London-inspired funny money, the International Monetary Fund's Special Drawing Rights.

London's Inside Job on European Banking

Kredietbank has also been used by London to organize an "insiders" network in West German banking circles. Walter Seipp, international operations director for Westdeutsche Landesbank, has sat on Kredietbank's board since 1963, when Westdeutsche shoveled large investments into the Luxembourg subsidiary, transforming it from a minor, local bank into an international commercial banking outlet for London. A major outcry erupted in West Germany last year when Westdeutsche offered to bailout and to merge with the bankrupt state bank of Hesse—this would have given Westdeutsche the largest bank assets in Western Europe.

London has made use of European terrorist networks under the control of British MI-5 to break up the networks in the Luxembourg project. The July 1977 murder of Dresdner Bank chairman Jürgen Ponto and the January 1978 kidnapping of ARBED chairman Baron Empain are cited by leading European circles as acts engineered by London to prevent Luxembourg from becoming the focus of a gold-backed monetary system.

Similarly, the mysterious December 1976 death of French Gaullist-connected industrialist Jean de Broglie has been used by the London *Financial Times* to "keep warm" a potential "corruption" investigation of 4,000 corporate holding companies set up in Luxembourg by international firms in the past few years. The "investigation" into de Broglie's murder has led to the accusation that an illicit holding company operating in his name in Luxembourg was used to launder European contributions to President Nixon's election campaign.

Ghost Of Nixon-Brezhnev Detente Haunts Exim Hearings

The Feb. 6 hearings of the Senate Banking Committee's Subcommittee on International Finance on the rechartering of the Export-Import Bank have occasioned the dusting off of a few skeletons. These hearings themselves will not only shape ensuing Congressional debate on the rechartering issue but will help to decide the future shape of U.S. export policy overall.

However, the arguments pro and con, at least in general outline, are not new. London merchant bankers have fought tooth and nail to prevent the Eximbank from assuming its due responsibilities as the primary agency for financing major U.S. technology exports since the early days of the Nixon Administration.

At that time, President Nixon and leading members of his Cabinet, including Secretary of State William Rogers and Commerce Secretary Maurice Stans, sought to use the Eximbank not only for financing exports but as a central mechanism in securing détente with the Soviet Union on the basis of expanded East-West trade. These men knew that the best way to shortcircuit a British Cold War revival was to ground "superpower" relations in the two countries' mutual interest in bringing their own economies up to the level of the most advanced technologies then available as a springboard to extending that technological development to the rest of the world.

Thus, it should come as absolutely no surprise that British-oriented press and other conduits of London are now concocting the shabbiest of pretenses to shut down the Eximbank once and for all during the upcoming congressional debates. The AFL-CIO has most recently fallen prey to the arguments of these Cold Warriors as indicated in first-hand reports that the AFL-CIO will do everything in its power to stop the Eximbank from "exporting jobs."

In 1972-73, London did not let up its efforts to destroy industrial trade-based détente until Nixon himself had been watergated from office and until the very institutions of constitutional government in the United States had been seriously weakened.

This time around, however, Congress will be well armed with U.S. Labor Party documentation of this early British subversion of the Eximbank and with a Labor Party proposal for the expansion of the Bank's lending facilities from its current paltry $9 billion to $200 billion — a sum large enough to accomplish what the Nixon Administration failed to do and then some.

Nixon-Brezhnev Summit

In August 1971, the United States unwittingly contributed to a major shakeup of the international economy when the Nixon Administration was bamboozled by British agents-of-influence into severing the dollar from gold. As a partial countermove, Nixon personally, under the advisement of his Secretaries of State and Commerce, undertook to put an end to all major points of conflict — including the tragic Vietnam War — between the United States and the Soviet Union through mutual industrial recovery.

In early 1972, the American chief of state announced the historic eight-day May summit meeting in Moscow with his Soviet counterpart, Leonid Brezhnev. London, momentarily caught off guard, jeered that the trip was a "vote-getting stunt for the fall presidential elections."

In the course of those eight days, Nixon and his staff finalized a series of draft communiqués and treaties that blew gaping holes in the Cold War smog then hovering over the world.

The May 29 announcement of the first SALT agreement between the U.S. and the USSR was a critical first step. The clear thrust of the agreement rested on "the need to make every effort to remove the threat of war and to create conditions which promote the reduction of tensions in the world and the strengthening of universal security and international cooperation."

Other landmark agreements announced the same day included cooperation in space, science and technology, health and medicine, and trends and commercial relations. The agreement on Science and Technology was exemplary in its provisions for joint work in the "development and implementation of programs and projects in the fields of basic and applied sciences," including the harnessing of nuclear power, and joint exploration of outer space.

The second major step in founding the era of détente was embodied in the U.S.-Soviet Agreement on Trade. That agreement heralded the opening of unimagined opportunities for trade between East and West and, by clear implication, North and South with its prescription that "total trade during its three-year period *will at least triple* to an aggregate amount of at least $1.5 billion."

The accord also called for the granting of most-favored-nation status between the U.S. and Soviet Union; the establishment of a U.S.-USSR Commercial Commission with offices and trade representation in each country; and provisions for reciprocity of government credits, which on the U.S. side, were to be provided *exclusively by the Eximbank.*

A White House Fact Sheet on the trade agreement, published in fall 1972, reported that "the Soviet government states that it expects substantial orders to be placed in the United States for 'machinery, plant and equipment, agricultural products, industrial goods, and consumer goods.' " U.S. corporations applied for export licenses for equipment valued at well over $1 billion in anticipation of successful bidding on contracts for the huge Kama River truck plant construction projects. Development of Siberian natural gas reserves, a multi-billion-dollar contract, promised to meet a portion of U.S. energy needs and offered opportunities for joint scientific work with Soviet scientists in Novosibirsk in explosive dynamics and other areas on the frontiers of science.

Orders for U.S. goods continued to flow in at the very favorable *export ratio of 3 to 1 — that is, the U.S. exported three times what the Soviets exported to the U.S. largely in capital and technological goods.*

The impact of the Trade Accords was noted by at least one honest U.S. trade expert, who reported that on only "two previous occasions (has) the Soviet Union used a Mixed or Joint Commercial Commission to manage foreign operations with a free economy country. A Trade and Navigation Agreement with Italy (March 5, 1947) provided for such a Commission," but was disbanded in 1948. "The idea of the Joint Commission was revived in French-Soviet relations...on June 30, 1966...in order to strengthen their economic, scientific, and technical cooperation." According to this expert, the 1972 U.S.-Soviet accords were consciously modeled on the earlier agreements reached between General Charles de Gaulle and the Soviets, which led to record trade levels.

The far-reaching thrust of the May package of agreements was further reflected in an October 1972 press briefing from the Secretary of Commerce's office:

> We shall be seeking funds from Congress in a budget jointly prepared by State and Commerce to *step up our commercial programs worldwide.* Without waiting for this, we have been juggling positions so that we could put some additional commercial manpower into Eastern Europe. We recently added a fourth officer in Moscow. We are putting a second commercial officer into Budapest (Hungary) and expanding the commercial section in Bucharest (Romania). We are hiring a commercial specialist locally in Prague (Czechoslovakia).
>
> We are shifting our budget priorities and Commerce is undertaking its new programs because we think that it is the time for American business to make its move in Eastern Europe. We have spent 20 years erecting discriminatory walls around this trade, allowing West European firms to gain a dominant position. American assets as we now reappear in the commercial arena, include a technological and management edge, a scale of operation that is large enough to be suited to the massive investment approach of the planned economies.

Finally, to guarantee that the initial impulse written into the May agreements was sustained on the basis of a Hamiltonian *dirigistic* approach, the Eximbank was drawing up the plans for a Development Corporation and Development Institute.

London Counterattacks

The Nixon Administration's initiatives were a cause for hysterical outrage on the part of London's leading financiers, who suddenly saw their painstaking efforts, since 1971 to foist a common fund commodity cartel on the Third World going down the drain. Nixon and his close advisors were clearly a threat to their monetarist interests and could not be tolerated in the White House.

As Costas Kalimtgis has documented in his series of articles, "Expel Britain's Kissinger For Treason," *(1)* British agents-of-influence wasted no time in eliminating the key individuals through the Watergate scandals. And as early as October 1972, a reporter with the Lazard Freres-owned *Washington Post* sounded London's call to sabotage Nixon-Brezhnev détente because of Soviet violations of "human rights."

The Jan. 6, 1973 issue of the London *Economist* outlined in deliberate detail the dangers inherent in the May initiatives, advising the U.S. that:

> They do not end up actually subsidizing through faulty pricing the economic growth of the East. *Soft credits or prices* will do more harm than good...The West's money and knowhow will be used to enrich and beef up the ideological enemy.

Feeding potential Soviet paranoia the *Economist* then slyly continued:

> The West has capital. The East has resources. The use of one to exploit the other will turn it into a semi-colonial disaster, unless both East and West watch out.

The *Economist* enumerated the evils of the multibillion-dollar Siberian natural gas deal; denounced any barter or buy-back deals; and after labeling East-West trade "the Waltz of the Elephants," boasted, that "it was good to see how Mr. Peter Peterson, (of Lehman Brothers, who succeeded Maurice Stans — ed.), American Secretary of Commerce, slapped down a man like Armand Hammer or a company like Tenneco when their claims of *mammoth deals* about to be signed with Russia ran crudely ahead of reality."

But, most telling of all, the *Economist* morosely contemplated "how far this affair will go between America and Russia, leaders of two hostile camps, will determine much about East-West trade as a whole."

The *Economist's* credentials as a mouthpiece for City of London merchant banks are illustrated by a look at its editorial board: Chairman Evelyn Rothschild, also Chairman of N.M. Rothschild & Son; Editor Andrew Knight, member of the select governing Council of the Royal Institute of International Affairs; Trustee Viscount Harcourt, a former chairman of Morgan Grenfell bank and currently Chairman of the Board of the Rhodes Trust.

"Fighting For Our Lives"

In the 12 months following this signal piece, Britain's unrestrained war against the Nixon-Brezhnev détente succeeded in grossly distorting U.S. domestic and foreign policy. By year's end, President Nixon was a captive of Watergate paranoia and the Middle East was in flames, thanks to the handiwork of National Security Advisor Henry Kissinger. Nixon's expanded trade and world peace policy lay shattered.

Recalling the atmoshpere of siege that gripped Washington in 1973-74, a former Eximbank officer under the Nixon Administration angrily explained, "We had started 1973 planning to greatly expand the operations of Exim. To our shock, we found that we had to fight to save the Bank's life and to prevent the Bank's charter from being extinguished."

Despite the fact that Watergate was daily stripping Nixon of constructive powers, and Republicans and old line Democrats alike were being prodded into line, the Eximbank did not shut down immediately. Eximbank financing and the attendant growth of exports hit record highs in 1973. The full weight of Watergate did not hit until 1974.

In 1974, Tories in the U.S. Congress clamped down on East-West trade by ramming through the Jackson-Vanik Amendment of the Trade Act, which hamstrung trade to MI-6-created East bloc dissident groups. The Jackson-Vanik Amendment, ostensibly protesting the "lack of free emigration" for minorities in the USSR, placed an incredible $300-million ceiling on U.S. lending, through the Eximbank, to the Soviet Union. It also denied the Soviets most-favored-nation status, which would have normalized trade relations between the U.S. and the USSR.

In rapid succession, the congressional traitors fired through bill after bill to finish the job started with Watergate and the Jackson-Vanik Amendment. In 1975, Eximbank financing, when corrected for inflation, plummeted, and U.S. exports, when corrected for inflation, stagnated.

Leading the list of legislation and subsequent Executive Orders from President Carter, are:

* The "Human Rights" Act of 1976, which imposes restrictions on U.S. trade with countries that allegedly violate human rights.

* The Ribicoff-Rosenthal "Anti-Boycott" Amendment of the Export Administration Act of 1977, which legislates against firms complying with the Arab boycott of Israel and thoroughly cripples U.S. Mideast trade.

* The Carter-Schlesinger "Anti-Nuclear Export" Executive Order of 1977, which forbids all U.S. export of nuclear fuels and technology.

Finally, in 1976, the AFL—CIO dumbly bought into the British "action" with its charge that "U.S. exports cost American Jobs." The AFL-CIO hammered out its "position" on the Eximbank at a conference held at Rye, New York in December, 1976, cosponsored by the AFL-CIO and the Carnegie Endowment for International Peace, and including speakers from the Ford Foundation. Carnegie Endowment, which is also the chief financier of the Trilateral Commission, turned the Rye, N.Y. meeting into an anti-export brainwashing session for the trade unionists present.

The AFL-CIO now plans to present its arguments at the hearings on the Eximbank and is spending large sums to bribe or blackmail others into adopting its position.

—Richard Freeman

1. See *New Solidarity*, Vol. VIII, No. 89, Jan. 17, 1978; No. 90, Jan. 20, 1978; and No. 93, Jan. 31, 1978.