

## political economy

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# Finance in Rockefeller's Fourth Reich

NEW YORK, Sept. 19 (IPS) — Delegates to the Sept. 30 meeting of the International Monetary Fund in Washington, D.C. will be deluded that they are attending a funeral for the capitalist markets that have prevailed — barring a brief period of suspended animation in Nazi Germany — for the past several centuries.

In reality, the representatives of capitalist countries have accepted the Rockefeller family's invitation to a funeral for the human race. The victims, whose burial plots already are marked out in coal mines, offshore oil rigs, hydroelectric dams and "development pockets" flung across the globe, are being notified separately: through unemployment pay expiration notices in Detroit, empty shelves in Italian groceries, and mass layoffs in Germany and France.

What David Rockefeller has insisted upon during a month-long run of brow-beating sessions with finance ministers and top bankers is this: The market system, the form of finance in bourgeois democracy, is as broken as your congresses, parliaments, and political parties. You are bankrupt in the face of a world credit collapse. I control the world's money. You will survive on my conditions only.

Rockefeller is as grimly predictable as any TV crime show psychotic. His psychosis is geared to the *need to obtain profit upon capital investment*, from the standpoint of capitalist bookkeeping. This dictates the stripping of productive industry, the faked series of "oil crises," and the energy pyramids built by slave labor.

In its annual report, published this week, the International Monetary Fund calls for:

- "International cooperation of a quality rarely achieved in the past," forbidding "unduly nationalistic policies." Bluntly, national governments have no discussion rights with respect to Rockefeller's demands.

- Centralized control of national budgets to achieve a "higher level of savings and investment." As practiced in Italy, this means both gutting essential services — such as sanitation, water, and health — and rationalizing away public sector employment and subsidies for industry.

- Wage controls and productivity drives defined by international standards.

- Abandoning the sinking ship of the international money markets, in favor of "alternative channels of

finance," that is, international replicas of Hjalmar Schacht's *Metallforschungsinstitut* during the first years of Hitler's rule.

Prior to the conference, the line is circulating through the finance minister's conference circuit. West Germany's finance minister Hans Apel lowered the boom on European governments in Brussels two days ago, wrecking a French proposal to by-pass the Rockefeller gang by seeking a \$2.5 billion loan from the Arabs.

Bleeding cash at the rate of \$5 billion a year (and down another \$400 million after the Mark II Oil Hoax) France sees Italy's face in the mirror. French finance minister Fourcade sought a respite — after all doors closed in the Rockefeller-controlled international lending market — by proposing a common loan of the nine European Economic Community member governments.

Apel sneered on three counts: First, where is your collateral? Germany demanded and got \$2 billion of Italian gold reserves as backing for its loan last week. Second, precisely whom is the money going to? And third, exactly what projects will be funded?

Rockefeller-agent Apel's conditions are straightforward. First, Europe, go through a credit collapse; second, discard the remnants of democratic governments and parties; third, specify the number of human lives to be ground up in development projects as collateral, and add to that your remaining gold reserves. Then we give you money.

What the EEC finance ministers did agree upon was a "Project Independence" for Europe, jumping off from Britain's North Sea oil. Their package includes mandatory cuts in consumption of petroleum products, and supervision by Henry Kissinger's Atlantic energy committee.

### End Of Markets

Among the obituaries for the Eurodollar market — the \$85 billion international lending pool — the most eloquent was published this week by the London *Financial Times*:

*"The transformation of the international banking scene in the last two years is hideously complete ... leaving behind a structure which is all too visibly crumbling at the edges, as a few banks fall and a larger*

number find themselves subjected to tight dealing and credit limits.”

Citing the “official” version of the “Chileanization” bankers’ conference exposed in IPS, the *Financial Times* continues, “Among the specific threats they identified were a ‘breakdown of confidence, rising bankruptcy rates, and a fear of banking runs.’ Capital markets were ‘drying up.’ ... The Euromarkets in particular are seen as under threat, with unstable exchange values and ‘a spreading gangrene of doubt.’ ”

Every mechanism of capitalist activity is clogged with corpses. The volume of trading on the short-term international money market, which involves \$100 billion of cotton-wool, is down by 30 per cent, according to an authoritative estimate. Volume on the foreign exchange market — the speculative circus which saw the downfall of Franklin National Bank, Herstatt, and half-dozen others — has dropped by 40 per cent since July.

On the long-term credit market, which involves upwards of \$80 billion of international loans, lending has dried to a trickle. In the last two months, the Rockefeller banks have permitted none but top-priority loans to pass the cashier’s window: offshore oil loans for Ekofisk and Phillips Petroleum, related to the North Sea slave fields; \$50 million for CIA General Spínola of Portugal; \$400 million for New Zealand, a week prior to a visit by the CIA Shah of Iran; \$50 million for Brazilian highways.

Meanwhile, third world countries in hock to Rockefeller banks for over \$40 billion have been ruled out of the markets as of April of this year. Bankers Trust chief William Moore told a London audience this week that these nations could go bankrupt in 6 to 12 months; IPS Intelligence estimates that the time span is closer to 2 to 14 weeks. While the collapse of commodity prices has cut these countries’ earning ability by about 20 per cent, they have a \$10-15 billion debt and a \$10 billion oil bill to meet by the end of the year.

National stock markets are a disaster area, with drops in value ranging from 30 per cent in New York to 50 per cent in Italy and 85 per cent in Hong Kong.

### Fascist Finance

The greatest lie circulating in the press — echoing from “Economic Summit” meetings from Denver to Pittsburgh — is that there is a world capital shortage, pegged at \$650 billion during the next decade in the United States.

On the contrary, there is every bit of “capital,” as capitalists used to talk about it, available. There is \$100 billion of unusable short-term funds on the Eurodollar market. There are the printing presses of the U.S. Treasury, controlled by Rockefeller stooge Karl Klagen.

On top of the national currencies, there are the scrip Special Drawing Rights of the International Monetary Fund, which can be “allocated” to needy nations right off the IMF Xerox machine. There are any number of Rockefeller think-tank proposals for “regional SDRs,” paper backed up by nobody’s government, such as Hambro’s Bank brainstorm involving an “Arab-Currency-Related Unit.” There are funny-money ideas making the rounds that would make William Jennings Bryan turn in his grave.

And there is so much fluffy “capital” churning around in the international markets without a home that these markets will blow up within the next several weeks.

What Rockefeller means by the “capital shortage” is this: Money cannot be called capital until it can be invested for a profit. All of the half-trillion dollars in shares of U.S. corporations paid a miserable \$2.5 billion in the first half of the year, after “inventory profits” are deducted — a profit rate on one per cent annually in a time of 15 per cent inflation. As commodity markets fall, “inventory profits” are already turning into “inventory losses.” In Britain, after inventory profits are subtracted from companies’ midyear results, they suffered a 20 per cent loss.

Under “normal” capitalist conditions, there is insufficient profit to meet \$2 trillion in American debt. After inflation, there is a negative rate of profit, a loss of more than 10 per cent per year!

This debt is attached to 50-year-old steel plants like Sparrows Point in Baltimore, 50-year-old auto plants like River Rouge in Michigan, and 100-year-old slum real estate in New York City. For Rockefeller to invest in productive industry would obliterate the book-value of his existing holdings.

Rockefeller plans to pump money into slave-labor pyramids. This is made “profitable,” by fascist book-keeping standards, through the artificial rise in the price of energy — the successive oil hoaxes, the shutting off of cheaper natural gas, and sabotage of nuclear fusion power. This “profit” is paid in to the development-project coffers as a *charge to the rest of society* for the use of energy, milking workers’ incomes and cannibalizing the cash flows of companies. Rockefeller’s political machine will “alleviate cost pressures,” by feeding workers on Krupp soup, eliminating (by John D. Rockefeller III’s estimate) one billion souls in the process.

Rockefeller is not concerned with the fate of his *capital*, which he claims is in such short supply; he has shown himself willing to permit \$100 billion of this to go up in smoke on the Eurodollar market. This presents no problem. According to IMF bigwig Jeremy Morse, that body is already considering a proposal to permit commercial banks to deal in SDR funny-money — in case they run out of Eurodollars, presumably. Rockefeller is

concerned solely with setting up the political conditions which will permit him to invest capital for profit.

According to the dictates of Rockefeller's psychosis, the fixation on paper profit, the capitalist class is compelled to burn everything it has worshipped and worship everything it has burned for three centuries. It is forced to sacrifice everything for a share in "energy projects" which, even by normal capitalist standards, are a

massively inefficient waste. It is forced to abandon the "free market" in return for "a niche in the state's increasing function," as *Euromoney* magazine advises bankers this month.

And the ranks of the capitalist class, gathering in Washington for the annual meeting of the IMF 10 days hence, will be whipped into a corps of murderers that would make the old Nazi SS hang their heads in shame.