

## POLITICAL ECONOMY

# Why Rockefeller's New 'Independent Europe' Line Is Bound to Flop

NEW YORK, Jan. 29 — Responding to threats from the U.S. Department of Defense, the West German bankers' daily, the *Frankfurter Allgemeine Zeitung*, this morning published a suicide note for European industry where its lead editorial should have been.

"As a whole, German exports will not be seriously threatened" by Rockefeller's decision to abandon the U.S. dollar, the newspaper lies. Last week, the same paper reported that the breakdown of the United States economy compels West Germany to expand trade with Eastern Europe or die. Stupidly, the FAZ justifies its Rockefeller-adjusted change-in-line textbook arguments about the value of currencies as a means of ignoring the worldwide economic devastation which has spun off the collapse of the U.S. economy and its currency.

In a recent interview, Trilateral Commissioner George Ball summarized where the impetus for this self-destructive impulse came from. "I can see a much more serious problem," Ball told a European reporter, "in dealing with something like East-West trade than when you're dealing with the European position towards the oil-producing countries. This is fundamental. Western Europe is concerned that the United States still provides the bulk of the major element of their military defense."

This is precisely the same bluster voiced by banker John J. McCloy, Jr., a member of the "Atlantic Bridge" group of U.S. and West German capitalists, in an IPS interview last week: get out of line, and we'll kill you. "West Germany is inextricably tied to the U.S., notably through U.S. military installations (the insurance policy" of German capitalists — DG) and they are not going to disappear into the East."

Defense Secretary Schlesinger, Ball, and company are trying to

use the full threat of the "Rockefeller muscle" to pull West Germany away from the Soviets' proposal for expanded East-West trade and Euro-Ruble credit. Their key ally is the Social Democratic government of West German Chancellor Helmut Schmidt, as detailed elsewhere in this issue.

That this military threat is pure bluster is obvious from the Rockefeller faction's panic about the ICLC-Soviet thrust in the Jan. 28 *Financial Times*. Referring to Soviet plans to make the Eastern European "exchange rouble" the trading currency of Europe from the Atlantic to the Urals, FT correspondent David Lascelles writes:

"The Comecon (Council for Mutual Economic Assistance) announcement also laid great stress on the bigger role to be played by the transferable rouble, Comecon's accounting currency. According to the communique, concrete measures were envisaged for its further consolidation. This...has drawn comment in the West that Comecon may have shelved (?) such plans because of the West's current problems. (!)."

This contradictory nonsense is aimed at a European banking community buzzing with discussion about the Euro-ruble — the only alternative Europe has to utter ruin. Hysterical, the *Financial Times* is reduced to crying, "Unclean, unclean!" to ward off the Soviets.

The Rockefeller faction is aware of the devastation that continued reliance on the dead dollar will wreak upon Europe. In "compensation," it has reached for two "off-the-shelf" Schachtian economic devices: armaments production and Mideast "development" projects. Despite the commitment of Rockefeller agents Schmidt, Fourcade, and company to dance to any tune that Rockefeller plays, this idiocy will simply not work.

German Christian Democratic Union economics spokesman Herman Mueller told IPS today, "Rearmament should not be a measure to stabilize the economy, but, well, rearmament should be realized immediately, if the security of Germany requires this; I think in such a case rearmament is necessary." Today's *Frankfurter Allgemeine Zeitung* devoted a feature article to France, praising its arms industry as a source of exports.

The French government, meanwhile, signed an agreement with Egyptian President Sadat for the sale of fighter planes to Egypt.

But any attempt to pursue a Schachtian arms policy to the point required to build up industrial production will run up against a stone wall. War economy is the last thing that the European communist movement will tolerate. Mueller betrays his fear of this opposition in refusing to pump for military production without the appropriate manufactured "crisis."

### This is Development?

In addition, various Rockefeller spokesmen have proposed that the Europeans go sucking around for development project deals with oil-producing countries. George Ball said, "It's not a new idea that Europe should try to go ahead (with Mideast development projects) on its own. I think it would be very healthy if it would." In an editorial, the *Wall Street Journal* yesterday predicted that "The Europeans and Japan will continue to make their private deals with the oil producers," as a result of the collapse of U.S. economic leadership and the U.S. dollar.

But the backbone of the Rockefeller development effort — the \$1.5 trillion worth of international "energy projects" forecast by Chase Manhattan Bank last year — remains in pieces. All that is being discussed concretely is 1) agricultural development pro-

jects, focusing for the moment on the Sudan. Sudan will hold a meeting on the world food problem at the beginning of February, organized by David Rockefeller, who visited Sudan last week, and West German development specialist Egon Bahr. 2) Various "runaway shop developments. According to the West German magazine Der Spiegel, the Shah has arranged to import 80-90,000 South Korean "technicians," that is, individuals who know how to uncrate industrial equipment and plug it in.

Nonetheless, the opposition that wrecked the last set of "development plans" late last year confront this new and meagre effort. Western European workers have not yet agreed to move to the Shah's hellholes. Equally bad for Rockefeller, the Soviet Union's refusal to react "predict-

ably" in the Mideast leaves doubt about the political future of the Shah and other would be Persian Gulf Fuehrers.

Even the slimiest Rockefeller stooge in Europe, Italian central bank chief Guido Carli, is freaked out by the dumping of the dollar. At a conference in Washington, D.C., yesterday, Carli begged the U.S.-Rockefeller to "show leadership" and regulate the collapse of the U.S. currency. Otherwise, Carli said, European countries would be forced to fend for their own with "beggar-my-neighbor" policies.

Agent Carli is referring to rumors circulated by the French government and appearing in Le Figaro that France may declare a debt moratorium — "of which many examples can be found in the history of Germany, Russia,

and the Ottoman Empire," the French daily explained. "Less than three weeks ago I heard the same rumors about Britain," said a foreign exchange trader at Morgan Guaranty Trust. "That's hard to believe — but I believe that the French would do it!"

The immediate result of Rockefeller's last psychotic blunder — pushing the dollar down European throats at the International Monetary Fund meeting earlier this month — is the dollar's collapse and 20 to 40 per cent drops in output of the world's key industrial sectors. The result of this week's psychotic blunder, the abandonment of the dollar, will be a snowball organizing effect around the Euro-ruble program, now that Rockefeller has taken such pains to identify our proposal as the only point of sanity in Western Europe.