

State Department Policy Falls on Its Face in Paris

Oct. 15 (IPS) — U.S. State Department efforts to contain a growing alliance of European, Third World, and socialist countries flopped miserably at the close of a meeting of oil-producing and consuming countries in Paris today. Backed into a corner by Algerian demands that the countries slated to meet Dec. 16 in Paris consider a substantive agenda of development issues and deal with international monetary questions, the U.S. delegation sabotaged the conference, touted as the Atlanticist answer to last month's Special Session on Development at the United Nations.

Decisively, Japan, West Germany, and Great Britain crossed "industrial nations" lines to side with Algeria on key questions, which also drew overwhelming support from Third World country delegations. The conference, called by French President Valerie Giscard at the close of the September Special Session, was a pre-meeting for a foreign ministers' "Dialogue between North and South," now planned for Dec. 16. Observers compare today's results with a similar attempt at the French behest last April, whose lack of results seriously embarrassed the French government and the U.S. State Department.

Today's events peaked a rising tide of European and Third World determination to prevent Nelson Rockefeller from ruining them along with the United States. Yesterday, West German Chancellor Helmut Schmidt delivered the first anti-American speech of his political career, blasting the rottenness of the U.S. credit system as the source of Europe's economic woes. On foreign exchange markets today, banks sold massively against the dollar for 30 to 90-day payment, in expectation of a forthcoming dollar collapse. In a sudden switch of plans, representatives of the United Nations Commission on Trade and Development (UNCTAD) gained entrance to the Paris meeting as observers, fresh from Moscow talks on triangular trade and development between the socialist countries, the West, and the Third World.

Today's setback for the State Department and its French Judas-goats shatters the prospects for "cooperation" rather than "confrontation" between the Rockefeller Administration and allied financial interests in the

United States, and the rest of the world. With West German and Japanese backing, the Algerians demanded the constitution of a commission on international monetary reform, in addition to mooted commissions on energy, raw materials, and development.

According to highly reliable sources, the brunt of the Algerian proposal was the creation of a new international monetary system based on international development, following the lines of Mexican President Echeverria's United Nations address and Algerian Foreign Minister Bouteflika's statements to the European press last week. U.S. Treasury representative Gerald Persky countered that monetary discussions could only take place in the controlled environment of the International Monetary Fund, where the United States has a built-in veto on proposals of substance.

In related developments, leading Third World spokesmen elaborated the Echeverria proposals in a form virtually identical to the International Development Bank proposal of the International Caucus of Labor Committees. In an interview this week in the Egyptian weekly *Rose al-Yusef*, former Egyptian Finance Minister Ismail Sabri Abdullah proposed the creation of an "international central bank" to provide funds for world trade and development, and a new world currency that would replace the dollar. Abdullah also proposed dumping the dollar as an international currency and solving Third World debt problems by "renouncing some debt and reviewing the interest rates of the rest."

Dissolve Rocky Agency

Originally, Saudi Arabia had proposed the creation of a commission to discuss monetary problems, and won West German agreement for this program. The West Germans, meanwhile, combined with oil-producing countries to prevent discussions on the Kissinger energy program — the basis on which the U.S. had agreed to participate in the conference. According to West German Economics Ministry sources, Kissinger still planned to use the Paris conference to push the International Energy Agency, a supranational body designed to place world energy supplies under State Department control. West German Economics Minister Friderichs supports the dissolution of the IEA, sources close to him say, because "it is useless without

support from the Organization of Petroleum Exporting Countries."

British Foreign Minister James Callaghan disproved widespread rumors that Britain would "sabotage" the event by siding with the oil-producing countries against the U.S. delegation. According to reliable reports, British policy shifted following Finance Minister Denis Healey's visit to Iran last week. Healey, in search of Iranian loans, was told that bilateral Anglo-Iranian deals depended on British support for Third World demands for stabilization of raw materials prices. Callaghan, who had refused to accept British representation at the Paris meeting through a European bloc delegation, refused to take the U.S. side, contrary to earlier expectations.

Factional splits inside the joint U.S. Treasury-State Department delegation in Paris turned a U.S. defeat into an embarrassing rout. At the end of useless efforts to budge the Third World side from their position on the monetary question, State Department representative Thomas O. Enders announced that the U.S. had agreed to "discuss" the issue of commodity price stabilization, warning, however, that "this should not be construed as a concession." That morning, the U.S. Ambassador to France, Kenneth Rush, denounced the commodity stabilization concept on the front page of the Paris daily, *Le Monde*. In addition, Treasury officials intervened to prevent the State Department representatives from maneuvering on the monetary question. In effect, the two Departments function like ministries ruled by opponent parties in a European-style coalition government of several political parties.

Elsewhere in Paris, U.S. monetary negotiator George Schultz, a former Treasury Secretary now rumored to be the next head of the Foreign Intelligence Advisory Board, found his mission scuttled when Treasury Undersecretary Edwin Yeo III joined his party. Schultz, according to informed sources, planned to buy time for Nelson Rockefeller's foreign policy by offering a "grand compromise" on economic issues to the fuming Europeans. But Treasury Secretary William Simon, who reflects right-wing Republican views, got wind of the effort, and dispatched Yeo to "watch Schultz," in Yeo's words, and report back to Simon.

Simon, in turn, can afford open sabotage of Kissinger's efforts because the Schultz trip to France and West Germany is strictly a private operation outside of White House supervision.

The word at high levels of New York banks is that Kissinger will attempt to re-group and offer concessions on raw

materials prices stabilization to Third World countries, in order to circumvent the issue of debt moratoria. Even if Kissinger could convince the Treasury and Congress to back such an effort, which Assistant Secretary Enders hinted at late in the Paris meeting, the effect of a U.S. concession would only

consolidate Third World demands for debt relief, high UN sources maintain. UNCTAD, the UN agency close to the Algerians, Iraqis, and other leading Third World countries, regards the commodity issue as an appetizer to the more critical questions of debt and international credit for development.

Special Report:

Rockefeller, Agnelli Attack Cefis, Pave Way for PCI to Enter Gov't.

Oct. 12 (IPS) — Vultures gathered in Turin, Northern Italy this weekend under the personal leadership of David Rockefeller to discuss how to pick any remaining morsels of decaying flesh from the bones of the dying Italian and European economies. The immediate focus of their deliberations is the disruption of the political activities of Europeanist factions of industrialists represented by the Italian Cefis-dominated state-holding companies, in particular the petrochemical giant Montedison — and their working-class support.

The implementation of such fascist wrecking tactics in turn brings to the fore the question of the entry of the Italian Communist Party (PCI) into the Italian government. The PCI's agent leadership would be assigned the task of speeding the destruction of existing so-called mafioso political machines within Italy, represented by the old-line Democrazia Christiana (DC), which now stand in the way of the fascist restoration. The PCI's ascendancy will also carve the way for Rockefeller's European-wide Atlanticist policies of integration of armaments production, loudly retailed for public consumption by such spokesmen for Rockefeller financial interests as Leo Tindemanns of Belgium, Willy Brandt from the BRD, Giscard in France and Edward Heath of the British Conservative Party.

Planning "Financial Reordering"

David Rockefeller is, according to public accounts, attending a meeting of the world's top ten bankers at the notorious Agnelli Foundation. Further inquiry, however, reveals that this meeting is, in fact, a fraction meeting of European and American represen-

tatives of the Trilateral Commission. Attending representatives from Volkswagen and British Leyland auto-manufacturing companies demonstrate the European-wide implications of the meeting, and highlight the planned assault on Europeanist political factions.

Concurrently, Turin is the location for a second series of equally significant meetings, under the cover of a so-called conference to discuss the economy of the Piedmont region (the region whose capital is the city of Turin). The Agnelli-controlled Piedmont region has long been the pilot model for the implementation of Rockefeller's fascist austerity schemes in Italy as a whole. This weekend's conference marks a further escalation in that process for it regroups national figures from as "diverse groups" as the DC, PCI, and Communist trade union federation, who are discussing primarily national issues.

Public accounts of their deliberations constitute a clear outline for the implementation of national policy through changes in the present government. They address two principal problems: extending the decentralized, local control model of the Piedmont region — controlled since this summer's election by a so-called open giunta which includes the PCI — at the national level, and breaking up the Montedison group through changes in Banca D'Italia and central government finance policy for the benefit of the Agnelli family. As Libertini, PCI mayor of Turin, put it in his opening remarks to the conference, "It is necessary to implement a financial reordering of the large group, with control by democratic powers over the areas and plants in which rivers of public funds have been invested up to now."

With these conferences the Rockefeller brothers throw down the gauntlet to anti-Atlanticists throughout Europe. They make plain for all to see that they are willing to use their control of the agent layers of the PCI against opposition to their policies throughout Western Europe in the same way that they have used that party's leadership as a club against the Soviet bloc and Leninist currents within Western

Europe's CPs. They aim to destroy the Cefis-controlled companies, and to use the loot pillaged in that process to finance the reconversion of equally bankrupt Agnelli-controlled industrial capacity to bus and armaments production. This in turn is but the leading edge in a planned reorganization of European steel, auto and aerospace industries along the lines previously demanded by Belgian Rexist Leo Tindemanns and his Italian collaborator on the Commission of the European Economic Community, Altiero Spinelli, CIA agent and European Federalist.

Provocations Against Cefis

To achieve the implementation of these programs, Italy is presently being thrown into the gravest political crisis it has yet seen. The word is out, among informed circles in Rome, that the present government may not last until the end of the month. The Agnelli press, namely the Turin daily La Stampa, and the weekly Panorama are openly mooting the entry of the PCI into the government.

Agnelli himself is doing his utmost to exacerbate the situation. On Thursday this past week the management of his FIAT concern broke off contract negotiations with the Metalworkers Federation. The workers' demands were described, ironically, as "too radical." Agnelli himself first formulated the relocation demands that the unions were pushing. On Friday, FIAT announced that selected factories would be locked out for the rest of the month. On Friday, too, representatives of the national government followed Agnelli's lead and broke off negotiations with national union federations.

The purpose of such provocations is only fully revealed by examining who is being set up as their target. Over the past two-week period there have been a series of meetings at the highest levels of Italian government, involving every major economics-related government agency. The official agenda for the meetings was the problem of state indebtedness. Unofficially, however, Montedison has been the subject of the discussions. Montedison is the largest recipient of credit from the above in-