

Chase Manhattan and Citibank of New York, Shirk will crack down on operators of the illegal Cayman Islands swindle. Sen. William Proxmire (D-Wisc.) and Rep. Benjamin Rosenthal (D-NY) are frantically trying to block this Ford appointment because, a Rosenthal aide said, "Shirk knows too much."

Secondly, the Securities and Exchange Commission, at Ford's direction, has asked for tough new legislation to give Federal Courts subpoena powers to investigate securities dealings in the banks' Caribbean setup. Shady securities dealings have been a Wall Street specialty in conduiting Mafia, CIA, and other dirty money through the Cayman Islands.

Third, Ford has given strong backing to the Securities and Exchange Commission's proposal to introduce so-called "current value accounting" into bank regulation. This would force the 15-20 Eurodollar operators to write down about \$50-60 billion of defaulted debts, which they now carry on their books at a fictitious face value, to their "current value" of about zero. "This wouldn't hurt Northwestern, Midwestern, or Southwestern

banks much," a top Wall Street bank analyst commented, "but it would really hurt Wall Street."

In response, the New York banks are making frantic attempts to bully Ford into backing down. "I wouldn't bet on Ford," a Wall Street investment banker bragged. "David Rockefeller (of Chase Manhattan) and Walter Wriston (of Citibank) are much more powerful." An officer at Chemical Bank added, "We're going to need \$100 billion to bail out Italy, France, and the Third World, and we're going to get it. West Germany and Japan will kick in, and Ford will back down. I know it's hyperinflationary, but it's better than having a war."

But regional bankers are confident that Ford will stick to his guns, and the White House staff is "screening out" telephone calls from the Lower Manhattan swindlers. Reportedly, one top banker up to his neck in bad Eurodollar debts asked Fed chairman Burns: "Arthur, you wouldn't let the big American banks go under, would you?" The beleaguered Burns shot back, "Maybe."

Europeans, Japanese Resist Wall St. Currency Attacks

Aug. 7 (NSIPS) — West German and Japanese capitalists "counter-punched" this week against an all-out Wall Street campaign to revalue their currencies and transform the deutschemark and yen into new international reserve currencies as a "buffer" for the bloated dollar. Wall Street's revaluation policy means that the West Germans and Japanese are forced to cut their industrial exports, converting substantial balance of payments surpluses into deficits, while hyperinflating their currencies into so much toilet paper — all to support the Dollar Empire.

As part of this "Dollar-Deutschemark-Yen-Atlantic Axis" strategy, the New York banks declared unremitting war on the French franc this week. Chemical Bank's blood-thirsty foreign exchange department promised the pressure would not let up until "we get a 30 per cent devaluation of the franc against the deutschemark." By the end of the week, the franc had depreciated another 1.4 per cent against the dollar. Only heavy intervention on the part of the West German central bank, the Bundesbank, and other European central banks averted the total collapse of the weaker European currencies still belonging to the "snake" agreement — the Belgian franc, Danish kroner, Dutch guilder, Swedish kroner, and Norwegian kroner.

But by mid-week a Bundesbank counteroffensive had emerged into public view, including a linking up with anti-dollar devaluation co-factioneers in the United States itself.

In an August 6 interview, one Bundesbank spokesman fairly bristled when informed that Brookings Institution economist C. Fred Bergsten was pushing deutschemark-yen revaluation, a repeat of the August 1971 "devalue the dollar . . . screw our allies" scenario. "Bergsten is full of . . . full of . . . unklarheit," the Bundesbank sputtered. "Deutschemark revaluation or dollar devaluation . . . there's no reason for it." West Germany is "tired of being forced by so-called market forces into a de facto reserve currency position," another Bundesbank spokesman complained.

On August 5, the leading West German financial paper Handelsblatt reported that the Bundesbank had adopted an

"extraordinary" intervention policy to defend itself. Instead of printing up deutschemarks and selling them to foreign exchange speculators in exchange for Belgian francs, Danish kroners, etc. — thereby adding to the huge, potentially hyperinflationary growth of the Euromark market — the Bundesbank had begun to dump dollars. At the same time, it was reported that the Bundesbank had borrowed 1,150 million deutschemarks abroad during July — 750 million through a swap arrangement with the Swiss — ostensibly to finance government budget deficits. The effect of both these measures was to "soak up" excess deutschemarks held by foreign investors, thereby reducing the hyperinflationary danger for the West German economy. The moves also threatened to detonate an uncontrollable crisis for the U.S. dollar and the notorious "Eurodollar market" bubble.

The most spectacular resistance, however, came from Japanese industrialists, responsible for the recent exposés in Japanese magazines of Rockefeller's role in "watergating" former Prime Minister Tanaka. Japanese factioneering in the U.S. resulted in an August 3 Wall Street Journal editorial "Those Naughty Japanese," which ridiculed Bergsten's yen revaluation-dollar devaluation scenario as "improving your economy by making your people poorer." Investigation revealed that the editorial was inspired by a pro-trade faction in the U.S. Treasury Department and Federal Reserve, centered around Pittsburgh-based Assistant Treasury Secretary Yeo.

\$100 Billion Bail-Out of War

In the meantime, the New York "monetarists" are advancing their "solution" to the world payments crisis: a combination of hyperinflationary bail-outs and arm-twisting, designed to stall off a blow-out of the international monetary system until Wall Street candidate Jimmy Carter gets into office and imposes a full-fledged fascist economy.

A review of the financial press reveals that the U.S. Atlanticists and their West German junior partners are already resorting to "under the table" inflationary bail-outs of every European debtor financed through the Eurocurrency markets.

Britain has received \$300 million in Eurodollar loans **per month** since the early spring, the Financial Times reports, while the London Times leaked word of a further \$1 billion Euroloan in the works. Every one admits that Britain has no hope of repaying the \$5.3 billion emergency loan — due this November — having spent \$2 billion of it already defending the pound.

West German banks arranged a package of loans for Denmark this week totalling \$330 million, but the country will need at least another \$480 million to cover the \$1 billion balance of payments deficit run up in the first half of this year. Denmark's total foreign debt has been placed by some West German sources at more than \$9 billion — an amazing sum for so small a country.

Excerpts from Japanese Press

Lockheed Scandal In Japan Exposed As Rockefeller Conspiracy

Aug. (NSIPS) —The excerpts below are translated from an article by Seichiro Tahara, which appeared in the July issue of Chuo Koron, Japan's most famous and widely read literary magazine.

The article, entitled "Kakuei Tanaka, Who Stepped on the American Tiger's Tail," is an exposé of the real story behind the Lockheed scandal in Japan which has now resulted in the jailing of former Prime Minister Tanaka on charges of having illegally received payments from the Lockheed Corporation. Mr. Tahara presents a convincing expose of the role of the Rockefeller financial interests in setting up and forcing both the resignation of Tanaka from the premiership in November, 1974 (on similar 'corruption' charges) and his political destruction resulting from the Lockheed scandal. Tahara presents this as the Japanese spinoff of what was a "Phase 1-Phase 2" political battle in the U.S. between the Rockefeller interests and Western U.S. based corporations linked to the Mellon family (Gulf Oil, etc.) who were behind former President Nixon: Phase 1 was the "Watergate" affair itself and Phase 2 the wave of "corporate Watergate" scandals hitting the anti-New York corporations.

Tanaka's particular crime — and Nixon's as well — that brought on him the wrath of "emperor" Rockefeller, according to Tahara, was his efforts on behalf of Japanese industrialists to pursue a policy of "resource nationalism" for Japan. This included his organizing a de facto economic alliance between Japan, Western Europe, the Soviet Union, and the developing countries to free Japan from the clutches of the Rockefeller multitis — particularly the oil majors.

The Chuo Koron expose is actually on one of many such articles now breaking our in the Japanese media, including an equally explosive two part series in the June and July issues of Bungei Shunju, the leading Japanese monthly. The Bungei articles — still in translation for NSIPS — hit directly at the Rockefeller conspiracy in its attempt to set up a supra-national dictatorship, covering some of the same ground as Tahara's article and more. Together these articles are the leading edge of the counterattack of the "resources faction" of the zaibatsu — Japan's big business conglomerates — against the Rockefeller organized insurrection to destroy Japan's constitutional government. The inside man for the Rockefeller interests in Japanese political circles is the present Deputy Prime Minister Takeo Fukuda, whose drive for the premiership was blocked by Tanaka and his faction (Fukuda is at least implicitly attacked for his role in the Rockefeller conspiracy in these articles.).

Italy's massive \$17 billion debt will be "consolidated," New York bankers told inquirers this week. Italian Prime Minister Giulio Andreotti called for an extension of the \$2 billion gold-backed loan from West Germany — due the first week of September — rather than attempt to enforce the brutal austerity necessary to repay the debt.

The French government has also applied for a \$500 million Eurodollar loan on top of the \$3 billion borrowed on the Euro-markets since last September to prevent the French franc from going through the floor.

Behind the massive bail-outs, leading Atlanticists concede, is the bankers' fearful recognition that full-scale austerity programs cannot be put into effect until after the U.S.-West German elections and Carter-imposed fascization.

The attacks on Rockefeller — and Fukuda — come not a moment too soon. Japan's current pro-development government of Premier Takeo Miki is hanging on a thread. Fukuda is leading an effort to force Miki's resignation, a move which would allow the Rockefeller man to take over the leadership of the ruling Liberal Democratic Party and the premiership.

The Atlanticist game plan, already in motion following the Tanaka arrest, is to take aim at the present Secretary General of the LDP, Yasuhiro Nakasone, Miki's remaining major party ally. Nakasone along with other members presently of the Miki cabinet is being accused, mostly in the press, of having links to the Lockheed scandal. Such charges are designed to force Miki's own resignation, making him "take the rap" for 'corruption' in his government. With the LDP facing general elections which must be called before the end of the year, Miki himself has cut off his options by definitively associating his political career with the outcome of the investigation of the Lockheed affair.

The publication of these articles and their shock effects in Japan and internationally may well alter the political calculations of the Atlanticists and their Japanese allies.

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