

tempting to keep. Their attitude toward Carrillo and similar types must be stated: "Why do we put up with this piece of rubbish any longer? Let's clean house."

Over the past several weeks, I have been picking up a pattern through Israeli, Arab, Western European, and American sources. There has been nothing in modern history to compare with the way in which the Soviets are moving during the present period.

It's All to the Good

You should be pleased with the overall developments on the Soviet side. The New York banks are absolutely going to collapse very soon. The only chance they could be saved from collapse would be for them to turn to me for cooperation, and so far they haven't shown the brains to take that route. So, unless they change their policy fast, the biggest depression in world history is about to break loose, either during the summer or next fall.

Your pensions, insurance, and savings will be wiped out. The New York bankers are already moving to steal your pensions and savings, and there isn't a thing you can do to stop it while Senator Hubert Humphrey has an arm-lock on the Congress. They will swipe everything you have in a useless effort to save themselves while the banking system goes down for the plunge. Everything you have saved will go the way of the pension funds Victor Gotbaum turned over to David Rockefeller and Felix Rohatyn. Unless you dump Humphrey, Humphrey's sidekick Mondale, and Carter now, there isn't a damned thing you can do to stop it.

When that bust comes, and your savings have been cleaned out by the Hump's New York cronies, when you're out in the streets looking at a shut-down plant, wondering where your family's next meal is coming from, what do you do then?

Then, you turn to me — if they haven't assassinated me first. How do I get you out of this depression? With the Labor Party's Third National Bank legislation and with

my private international central bank. How do I get the world economy started again? The beginning depends upon two crucial elements: the Arab Monetary Fund and the Soviet-linked T-ruble.

Naturally, the *New York Times* is drooling over the Arab funds. They can't reach them — unless they wish a general war. London bankers desperately want the T-ruble and the Arab reserves. That combination is the "big potato." Every group of bankers is lying to one another, saying, "Of course, we're all on the same line." In fact, every group of bankers is out to cut the other group of bankers' throats in the race to get to the T-ruble and Arab reserves while the other bankers go under. They won't get either, any of them, on the terms they presently demand.

However, I and the Labor Party, working together with leading congressmen and others, can pull the United States out of any depression, with the aid of an international banking program which includes major participation of the T-ruble and Arab Monetary Fund.

We could do it right now, before the depression strikes, provided you and others like you mobilize with full support around the Labor Party. The fact that the Soviets are being tough, the fact that they are cleaning up garbage such as Carrillo, means that they are capable of moving rationally and moving quickly in cooperation with the United States on any sound economic cooperation package which means an end to the danger of general war. They will never contribute a single T-ruble to bail out the bankrupt monetary system as it is presently organized. In their present outlook, they will enter into economic cooperation with any Whig forces who put the United States on the track toward national and world economic recovery the Labor Party has proposed.

Meanwhile, our thanks to the Soviet leadership for helping to clean up some of the self-styled Communist garbage polluting our backyards. I say, that's pretty good news, things being what they are.

U.S., European Bankers Begin Emergency Planning For Collapse

Frantic meetings and negotiations are taking place on both sides of the Atlantic in response to the immediate danger of monetary collapse. A top-secret meeting of U.S. Federal Reserve and Treasury officials, with leading New York bankers in attendance, took place earlier this week to plan for emergency measures including massive government bailouts for the bankrupt international banks, and vicious austerity against both the populations of Third World debtor-nations and the industrial working class of the advanced sector.

At a scheduled meeting of European finance ministers in Luxembourg this week, officials of the nine European community countries weighed an Italian proposal for the creation of a gold-backed European currency, in response to the imminent collapse of the dollar.

Federal Reserve Governor Henry Wallich chaired the government and bankers' meeting, which decided that

public officials "should acknowledge that the debt situation is difficult," and should call for the U.S. government to assume the risk on existing bank loans and provide additional taxpayers' funds for rolling over developing countries' debt.

To shore up the debt-servicing ability of these countries, the meeting decided, the banks must put them through an austerity wringer, allowing funds only for "development projects" that will produce quick export revenues, such as cheap-labor factory assembly operations.

For the industrial countries, the Wallich meeting demanded enforced "energy conservation" to reduce national oil bills; coal gasification and other forms of Nazi-type investment; breaking of the cost-of-living adjustment clauses in trade union contracts; and "the psychological use of the prime rate," keeping the system

saturated with money to prevent panic. This combination of hyperinflation and austerity is a page torn from the annals of the Hitler-Schacht regime in Nazi Germany.

However, the short-term prospects of swindling the U.S. Congress into providing bailout funds for the banks are still virtually nonexistent. A coalition of conservative congressmen, according to the spokesman for Congressman Rousselot (R.-Cal.), is forming to ensure that no such bailout goes through.

European Moves

Western European leaders, by contrast, are throwing out a set of proposals that verge on being viable, without showing the *political* will to put them through.

A leading such proposal was made by Italian central bank official Giovanni Magnifico in the pages of Italy's leading daily *Corriere della Sera* June 21 for a gold-backed European currency and central bank. This plan, which is being hotly debated in open meetings of Italian leaders and economists, has certain "technical" merits, but this betrays its problem: it is a scheme floated to no one in particular, with no real commitment to its success.

More importantly, the European Economic Community finance ministers responded, after 18 months of stalling, to an initiative by the Soviet-led economic alliance, CMEA for full-dress collaboration between the two groups. The European ministers agreed that two top European Commission officials, incoming president Henri Simonet and Economics Commissioner Wilhelm Haferkamp will meet with the CMEA in September to negotiate bilateral relations.

What the content of this relationship could be is clear from newspaper reports that Soviet President Brezhnev offered the use of the currency used for international trade within the CMEA, the transfer ruble, and CMEA credit institutions, as the means of financing a 300 percent increase in the Soviet Union's trade with France.

According to the Paris daily *Le Matin* June 20, Brezhnev's offer "would revolutionize international trade." Immediately, the introduction of the transfer ruble into general usage in Western Europe would free the continent from the burden of supporting the bankrupt U.S. dollar, and open prospects for immediate economic recovery through increased levels of real trade and investment.

Elsewhere in Europe, West German industrialists are anxiously awaiting signals from the East for the use of the transfer ruble in their own trade with the CMEA. According to banking sources, leading West German industrialists made approaches to the Soviet monetary authorities and to Hungarian central banker Janos Fekete, a leading East bloc proponent of a new monetary system, to establish T-ruble accounts several months ago. Now, West German industrialists say, the moment may have come.

The Monetarist Solution

The type of proposal that Italian central banker Magnifico offered could, in principle, link up with the CMEA initiatives. But it is not certain how far this plan, presented as a "technical" initiative on behalf of "currency stability" at last weekend's meeting of

economists at the Villa Santa Colomba in Siena, will proceed.

According to the Magnifico plan, also presented by his colleague Rainer S. Masera, the European countries would all pool together a portion of their gold reserves, and use them to fund a European central bank. The central bank would issue a new currency, the "Europa," on the basis of gold, and extend credits for trade to the Third World and the East bloc.

Part of what is wrong with the plan emerges from the guest list at the Santa Colomba meeting, traditionally a monetarist sounding-board for academic scheme specialists like Prof. Robert Triffin of Yale and conference chairman Robert Mundell of Columbia University.

Among Magnifico's enthusiastic listeners was top City of London banker Rubert Hambro, who has been travelling through Italy making pro-Italian noises for the benefit of the press. Hambro's tendency in London banking circles has decided that a collapse is inevitable, and is rooting around for alliances, deals, maneuvers, schemes, anything that will keep them afloat. Obliging, Magnifico suggested that the first thing that could be done with the Europa is to float paper denominated in the new currency on the City of London-based Eurobond market.

Another Voice

Other forces in Italy take the need, to rebuild the monetary system more seriously. Italian Communist Party spokesman Umberto Cardia, in a speech yesterday in Rome, called on the Italian Communist Party to take "a more incisive role" in building relations between Europe and the East Bloc and the Third World. Blockage of the development of the Third World, and the gigantic debt burden of the developing countries, are the obstacles that must be overcome in order to create a new monetary system, he said. Lending particular weight to Cardia's remarks is the fact that the core of the Italian diplomatic push for a new monetary system, including Trade Minister Rinaldo Ossola's forthcoming visit to Moscow and Prime Minister Andreotti's visit to Libya and Iraq later this month, is the alliance between the Andreotti faction of the ruling Christian Democracy, and the Italian Communist Party.

The proposals floated at the Siena meeting, by contrast, appear to originate from City of London banking circles. The London-based monetarist faction, although it is anxious to survive the demise of David Rockefeller, nonetheless insists on collaborating with Rockefeller where its particular interests would seem to benefit. One top British public figure told *NSIPS* that he would be absolutely delighted to have access to the CMEA's transfer ruble — but wants to keep his options open, including cooperating with the U.S. Administration's plan for war in southern Africa.

What the chiefs of state of the CMEA countries, who will hold their annual summit meeting this week, must think of this nonsense is not difficult to imagine. The question of war or peace hinges on how the monetary collapse is dealt with, and the Soviets have made themselves abundantly clear on how close the world now is to war.

— David Goldman