

though, the City of London controllers of Roy Jenkins, European Community Commission footpad, who has proposed to undermine Franco-German monetary and industrial cooperation by introducing a "monetary integration" of the Common Market that would share out British-style inflation while wrecking national control of investment.

In short, despite the refusal of a pro-pound craze to materialize once the *Al Nahar* rumor was discredited, London is still out to cannibalize the production portion of dollar-sector assets and gain control of world speculative capital flows, as trumpeted in the Nov. 9 *Guardian* by columnist Hamish Macrae under the headline, "Demise of the Dollar." Macrae outlines a future run against the dollar precipitated by "a switch of OPEC countries'

revenues out of the dollar" à la *Al Nahar*, and concludes by bragging that for the first time since 1972, an internationally marketed medium-term bond has been denominated in sterling (by S.G. Warburg for the European Coal and Steel Community).

British demolition of the "snake" — which would also have immediate disruptive effects on European trade payments — might, of course, backfire, and force the French and West Germans to replace what is, at this point, merely a defensive instrument with new channels of coordination, speeding up their timetable for international development bank arrangements. Until this occurs, the currency front will remain a very weak flank indeed for progrowth forces in Europe as well as the U.S. and Japan.

## The Basel Washerwoman's Cartel

*The following statement was issued on Nov. 4 by U.S. Labor Party chairman Lyndon H. LaRouche, Jr.*

The recent meeting of the powerful Bank of International Settlements (BIS) at Basel, Switzerland turned out like an economics debate among drunken adolescents in an El Paso, Texas pool and snooker hall. The net result of the BIS meeting was the establishment of an international washerwoman's cartel.

The image of the drunken snooker-session is morally no exaggeration. The incompetence of the BIS staggers the professional imagination as much as the meeting's results are already staggering the U.S. dollar and economy.

In brief, it was agreed in effect that the USA should balance its foreign trade by increasing its exports while decreasing its imports. Given the present situation in the world market as a whole, what is being proposed by the BIS meeting's outcome is that all nations simultaneously increase total world exports, while reducing total world imports.

Among economists and management consultants in the USA such harebrained schemes are traditionally identified as "taking in each other's laundry." It used to be said of a chill, rainy season in Miami, that the hotels attempted to survive a collapse of the tourist trade by such means. Now, the world's principal central bankers have, on balance, come up with the same derisible schemes as a proposed band-aid cure for the present depression. The BIS meeting turned the world's principal central bankers into an international washerwoman's cartel.

It is a fact that the majority of the world's leading bankers are hopelessly incompetent in economics, but most of them are not usually fools in monetary matters. The newsworthy feature of their performance during the Basel fiasco is that the BIS behaved on balance as a gang of cretins on the monetary side.

The general reasons for this astonishing cretinism by the BIS ought to be well known.

The general cause for the falling USA trade-balance is the slashing of the Third World nations' hard-commodity capital inflows. Under drastic pressures from Henry Kissinger and his allies, the August 1976 Colombo, Sri Lanka resolution was crushed by combinations of goonery and Kissinger's role on the political side. The IMF, World Bank and key New York, London, Chicago and Swiss banks forced developing nations to make savage cuts in imports and to stop capital development programs. So, during Kissinger's tenure, beginning with the Kissinger-directed bloody horror-show of September 1973 in Chile, the trend has been for looting Third World production levels, in order to concentrate all international capital flows of these nations into support of a Eurodollar financial bubble in international debt refinancing. This Kissinger-spearheaded loansharking orgy has dried up USA export markets both directly, as in Latin America most notably, and indirectly, in respect to USA exports to other OECD nations which themselves have suffered the effects of a spiralling contraction in Third World export markets.

Until Kissinger's lunatic policies are repudiated and reversed, this situation must worsen, and the present world depression must accelerate on its downward course. The present collapse of the USA's dollar is primarily a heritage of Henry Kissinger's tenure at the State Department, and a result of the continuation of the same foolish basic policies by the Fabians, like Blumenthal and Schlesinger, presently controlling U.S. economic and monetary policies.

### *The Alternative*

The only way to stop this collapse is to effect a general reorganization of the Third World and related debt, which means to "freeze" all sections of the Eurodollar market but those elements which are either in hard-commodity form or immediately convertible to hard-commodity forms. A new, gold-based international monetary system must be established, bringing in Third World nations one-by-one, on condition that those nations convert their banking system to national banking along the lines exemplified by Alexander Hamilton's policies and

conceptions. That method will immediately reverse the present depression, by opening up the Third World for massive inflows as long-term, hard-commodity capital from OECD nations such as the USA.

This fact is known to every leading banker and principal industrialist in the world, as to most of the governments of the world, both in the OECD nations and the Third World. Privately, the overwhelming majority of such officials has already agreed in major detail with the U.S. Labor Party's programmatic analysis.

The reason these programmatic analyses have not been put into practice already is the dominance of forces allied with Lazard Freres and like-minded forces centering around the City of London and Manhattan. Henry Kissinger's goon-show performances and the massive operations of the British Monarchy's intelligence networks have terrified otherwise sane and sensible governments, bankers, and industrialists into capitulating along lines typified by the 1975 Rambouillet Summit in France.

The key to the gross stupidity of the recent BIS meeting is that the majority of the nations represented lacked the guts to take on London and Blumenthal directly. So, in groveling before London and Lazard, these bankers attempted to retain a sort of shallow appearance of dignity for themselves by concocting fantastically foolish rationalizations. The result of the combined London insanity and the cowardice of others was the international washerwoman's cartel.

So, for the moment, the world staggers down the road to a deeper depression under the guidance of a policy which is not only foolish but downright imbecilic.

#### *The Schlesinger Factor*

Rostow-allied ultra-Fabian James R. Schlesinger is a key factor in the savage deepening of the world depression and thus a principal cause of the collapse of the USA dollar.

Without increased energy-density in basic production in industry and agriculture, no economic recovery is possible, either in the OECD nations or the developing nations. The principal parameter of high social productivity in industry and agriculture is rising energy-densities of infra-structure. Without massive energy products in the Third World, no sustainable program of hard-commodity capital-flow into that sector exists. Without a major emphasis on export of full-cycle fission-energy production in the Third World, there is no feasible solution to the present depression.

For related reasons, without a massive commitment to a full-fuel-cycle fission energy-production and forced development of fusion energy in the United States, there is no technological basis for halting the growth of black unemployment in the U.S.

The black worker has two principal routes to an economic future open to him or her. One, which has been excessively emphasized during the 1960s and 1970s, is in bureaucratic, clerical and related non-productive em-

ployment, especially on government payrolls. The other is seen in the growing ratio of black skilled and semi-skilled operatives in basic industry and related forms of productive employment. In socio-economic terms, basic industry is the way for the black worker and the black worker's household. It is the pathway through semi-skilled into skilled employment, to technician and engineering positions, and into standards of household and neighborhood life in which an increasing ratio of scientific professionals is achieved among that sector of the population. This typifies the case applicable to so-called minorities in general.

While the U.S. Labor Party is specially preoccupied with these and related problems of the black and hispanic strata in the USA, we are citing that point here because of the immediate correlation between employment of black skilled and semi-skilled operatives and the basic health of the U.S. economy as a whole. It is the rate of productive employment of skilled and semi-skilled operatives which is the indicative parameter of national economic health. And the rates of black skilled and semi-skilled industrial employment are the color-visible key indicators of the rates of employment of operatives generally.

The one technology which is the key to a revival of basic U.S. industry is fission and fusion technology. It is only fission and fusion technology which can generate massive revivals of employment and production-rates in such up-stream supplier industries as steel and related basic industries.

By attempting to destroy fission and fusion development, and with the aid of a stupid "non-proliferation" argument, Schlesinger and his cronies are in fact sabotaging the U.S. economy massively from within. Schlesinger and Felix Rohatyn are the visible spokesmen of the enemy "fifth column" inside the United States.

The Schlesinger "energy-saving" program is worse than a farce. In general, the methods of "energy-saving" proposed by Schlesinger *cost more energy than they save*. This short-term energy-saving accomplished will be less than the energy which must be wasted to put the so-called energy-saving measures into effect. The most important aspect of the energy-consumption-reduction program is not, however, the so-called energy-saving part, but the effort to eliminate large chunks of high-technology production in favor of low-energy, labor-intensive forms of make-work employment. This means a drastic drop in the average social-productivity of the U.S. economy, plus a worsening of the effects through non-productive, leaf-raking, Humphrey-Hawkins-type or CETA-type boondoggles in the name of "full employment."

Obviously, only a pathetically ignorant layman or a raving professional lunatic could support Schlesinger's treasonous proposals, or tolerate the degradation of the world economy to an international washerwoman's cartel.