

## International Credit by Renée Sigerson

### Socialists plan takeover of world finance

*The newly formed Institute for International Economics is a front for the Socialist International.*

A group of top leaders of the Socialist International, the Social Democrats, and Democrats who support zero economic and population growth, met in secret in mid-March to plan new policy initiatives which they say will allow them to "take over" the world financial system.

The unusual part of this Socialist International meet was that it took place at the boardroom of the elite Lehman Brothers, Kuhn, Loeb investment bank at 55 Water Street in lower Manhattan, led by Lehman Brothers Chairman Peter Peterson.

The occasion was the first Board of Directors meeting of the Institute for International Economics (IIE), a new center set up by the German Marshall Fund with a \$4 million grant last November. The purpose of the IIE and of the meeting, one participant told a journalist, was "not just to talk about policy, but to bring it into effect. We are a channel for deliberating, making, and carrying out economic policy."

Governments, said the source who is close to the German Marshall Fund, will be forced to do as the IIE says, "when we put forward our proposals in time of crisis. We will make sure they get into the implementation stage," he added.

The men who met to dictate terms to the world's governments included Peter Peterson, who is also the U.S. Chairman of the Brandt

Commission, the Socialist International's lobbying group for negative economic and population growth in the Third World; W. Michael Blumenthal, Jimmy Carter's Treasury Secretary and leader of the Council on Foreign Relations 1980s Project for "controlled disintegration" of the world economy; Karl-Otto Poehl, the Socialist head of the West German central bank; Lane Kirkland, head of the AFL-CIO and leader of the Socialist International; Andrew Young, former Carter U.N. Ambassador and Brandt Commission associate; Donald McHenry, head of the Agency for International Development under Carter; and Anthony Solomon, liberal President of the New York Federal Reserve Bank.

Also present were "right-wingers" who are in fact leading supporters of the Socialist International. These included Raymond Barre, former Prime Minister of France; Alan Greenspan, former Nixon Council of Economic Advisers chief and current White House adviser; George P. Shultz, Chairman of President Reagan's Economic Advisory Board; and Dennis Weatherstone, Chairman of the Executive Committee of the Morgan Guaranty Bank.

The IIE and the German Marshall Fund are interested in using what they say is a coming "crisis" in the world economy to promote their aims. "I wouldn't want to characterize the world situation as

the 1930s, but we expect to see the same economic collapse going on now, extended into the future," the source said.

The policies they plan are identical to those put forward by the Brandt Commission's 1980 report, "A Blueprint for World Survival," which was written to carry out the Carter administration's *Global 2000 Report*.

The three-point agenda would mean the death of more than 2 billion people:

- 1) A new reform of the International Monetary Fund to make more LDCs dependent on the IMF by "softening" its harsh conditionalities and granting LDCs more members on the IMF board. Immediately, commercial banks will slash their loans and force LDCs to adhere to IMF demands or starve.

- 2) A new international monetary/foreign exchange system of "multiple currencies," replacing the U.S. dollar system. As high U.S. interest rates cause European currencies to collapse, the IIE intends to use the crisis to "make a proposal in a timely manner" for nations to move off the dollar standard, which will greatly restrict world trade and reduce dollar credits to LDCs in particular. Rudiger Dornbusch, an IIE Advisory Board member, has already written a plan for Europe to impose capital controls against the dollar in the form of an "Interest Equalization Tax" against European investment in dollars and in the U.S. itself.

- 3) A new world trading system which would restructure world industry, telling each country what it can produce and where it can export. This would shrink world industry and destroy capital goods exports to the LDCs.