

Chase Pushes Relocation Projects in Norway

Sept. 2 (IPS) — A virtually stagnant Norwegian economy has been driven to new extremes in its search for industrial development. Large scale plans for the development of the "Klondike of Scandinavia," the North Sea oil exploration project, have been confirmed by IPS.

The desperate condition of Norway's economy is revealed in a report by the Norwegian Federation of Industries which shows a drop of 10 per cent in real industrial investment since 1973. For smaller industries the drop is as high as 70 per cent.

An IPS interview with Leif Aafbo, the Scandinavian Section Representative of Rockefeller's Chase

Manhattan Bank in New York City pinpoints the cause of Norway's continuing economic troubles: "Reluctance of certain groups within Norway who so far are unwilling to uproot nearly 50 per cent of its population from inland to the west coast," he said.

Chase Manhattan knows that the success of the North Sea oil scheme and other so-called development projects depend on massive relocation of populations. The bank is therefore impatient with "discrete attempts of the Norwegian government to discriminate against a large foreign influx."

Western Europe Fears Economic Collapse

Sept. 2 (IPS) — Throughout Western Europe there is general fear that the increasing deflationary trend in the United States will bring the European economy to its knees. Last week, major European stock exchanges took sharp downward turns in response to the tightening of U.S. credit markets which sent U.S. Treasury three-month bills up to a record interest rate of 9.09 per cent.

In Germany especially, the celebration last week over an announced trade surplus rang hollow in light of a general expectation that it will not last. The German Confederation for Trade already has predicted poor export sales to England and Italy, the first European sectors to come under Rockefeller's heel.

To have any semblance of economic growth in Germany, there would have to be stimulation due to an easing of credit in the United States. But the news from last week's Treasury auction was interpreted in Germany as a sure sign that such a reflation is not in the offing.

Unemployment

German workers have real cause to fear that layoffs will mount. Volkswagen expects losses of "some hun-

dreds of millions of marks," and raises the likelihood that "we aren't very far from the point where the battle will be made in Brazil and shipped to Germany."

A telephone equipment producer in Frankfurt, which has already laid off 1250 workers and will soon lay off 600 to 700 more, has adopted the slogan "to produce and sell more with lower employment."

Bankers Fearful

Even top German bankers are becoming uneasy. An official at the Dresdner Bank expressed doubt to IPS that the Bundesbank (the German Central Bank) has much time to retreat from its course of restricting credit before it collapses the economy. But at the same time, the official rejected injecting too much money into the economy to support failing industries.

Just recently, another small German bank, the Frankfurt Handelsbank collapsed following massive withdrawals. The bank is a trade association which is closely tied to the meat-processing and packing industry in Frankfurt.