

## POLITICAL ECONOMY

# Rocky Bankrupts NYC, Britain

by Dave Goldman

**NEW YORK, May 16 (IPS) —** Every sector of economic activity in the world capitalist sector is the targeted victim of a combined offensive by the Rockefeller banking machine and the mad bombers of RAND Corporation. Every national or local political grouping that has a bowing acquaintance with its constituents is set up for dissolution, or a twilight existence as local kapo for Rockefeller looting operations.

Using nuclear terror to neutralize the normal resistance of political institutions, RAND and the banks intend to put the world economy through a vast Chapter 10 bankruptcy proceeding. Entire national sectors will be put through this wringer, from "liquidation of assets," to "change in management," to "sale to the highest bidder."

New York City is the first-strike target for the United States. Two of the incidental victims, Mayor Abraham Beame and New York State Governor Hugh Carey correctly pointed to the banks' motives: New York City is to be made an "object lesson" for every municipality and state government in the country. The banks have chosen to take on the biggest first: next on the list are Pittsburgh, Chicago, Boston, Philadelphia and a score of other big cities. To guarantee \$200 billion of municipal and state debt — a sum larger than state and local yearly revenues — the banks and their agents will enforce levels of austerity which would return urban life to the Dark Ages (see article this issue.)

### Cut Adrift

Britain is the paradigm for calculated national ruin in the advanced sector: the financial weekly, *Economist*, writes, "Three economic measures will have to be taken: (a) a large cut in government expenditures; (b) a freeze of real wages; (c) a devaluation of sterling (the British currency)...It will mean doing precisely what (Nazi

finance minister-to-be) Herr Schacht did to terminate Germany's inflation in November, 1923." Specifically, British Chancellor of the Exchequer Denis Healey has warned that local governments in Great Britain will be limited to a 2 per cent annual rate of spending increase, which, with an annual rate of inflation (second quarter of 1975) of 35 per cent, involves a real spending cut of one-third, more than anyone has yet proposed for New York City.

Schacht's formula is simple. From Rockefeller's standpoint, bankruptcy is merely a legal question; the real question is, who dictates the disposition of the assets? World exports during the first half of 1975, estimated at \$300 billion, cannot pay all the expense of their production and also sustain \$115 billion in international rollover obligations due by mid-year. The bankruptcy of Italy, Britain, Argentina, Indonesia, Zaire, Colombia, and others is assured. Rockefeller demands the right to dictate terms of default. In many French municipalities, per capita debt is higher than per capita income. In German municipalities, total debt is twice the cities' annual revenue. The entire structure of Italian municipalities is already caught up in a de facto debt moratorium.

### The Ultimate Weapon

To run the bankrupt or soon-to-be-bankrupt assets of Western Europe at "adequate" levels, the current setup of European politics must be scrapped in favor of the RAND Corporation's military scenario for the continent. As IPS has documented, the "Eurogroup" military arrangement, with tactical nuclear weapons provided by French President Valerie Giscard d'Estaing, is a key vehicle for confrontation with the Soviet Union on the European front.

According to an internationally-known advisor to several European governments, "Europe will be forced to try and strengthen its own stability.

There is a relationship between military and economic independence. Some countries felt they were dependent on the American military umbrella, so that they could not get into European economic affairs. The great indication is that Giscard announced he would no longer celebrate Victory in Europe day, but celebrate the independence of Europe instead." Giscard's rejection of the victory against fascism has been the subject of massive protest from almost every spectrum of French political life.

This advisor added, "Europe will leave an empty chair for Britain until it can settle its own affairs." Britain is the New York City of Western Europe, the subject of an internationally-coordinated assault on its currency. Britain has taken Italy's place in the barrel. Italy has sustained a year of austerity, production cuts, layoffs, destruction of services, and terror at the hands of Bank of Italy chief Guido Carli and his enforcer, the agent leadership of the Italian Communist Party.

West Germany, which exported almost \$50 billion worth of goods to other European countries last year, has felt every blow aimed at the "sick men" of Europe. Slated to be the major battlefield for RAND's confrontation with the Soviets devastated economically by the Rockefeller austerity program, West Germany's industrialists and their political representatives in the Christian Democratic Union (CDU) have no interest whatsoever in the post-war alliance. Discussion of the ICLC's International Development Bank proposal has penetrated from the large industrial enterprises, heavily dependent on current Soviet trade and even more so on new Soviet orders, to the West German military, some of whom identify the IDB plan as a means of ensuring peaceful relations with the Soviets (see page 11).

There is no way for Rockefeller to counter this motion except to suspend all political life through

straightforward terrorism:  
manufacture hysteria through an  
international confrontation with  
the Soviets, and override all sane  
aspects of political discussion.

RAND and its plug-in extension  
unit, Secretary of Defense  
Schlesinger, are creditor-  
Rockefeller's ultimate court of  
appeal for the forced liquidation  
of the world economy. This sub-  
human crew denies that its ac-  
tions will destroy the world  
through military means — but,  
by their own admission, they  
propose to destroy the basis for  
continued human life on this  
planet.