

a bona-fide international development institution. Previously, the ADB has functioned as a Japanese-run franchise of the Rockefeller-controlled World Bank in Washington, D.C. But the Tether call, reprinted in other European newspapers, comes in a special context. A major national bankruptcy is in the works now in that region, as yet unidentified; it has created a banking panic as of the end of last week, with interbank dollar rates pushed up to more than 22 per cent, three times the normal rate. This threatens a virtual shutdown of Japanese exports to this critical area, already down 20 per cent over the previous year.

A hotbed of diplomatic activity indicates that the Tether proposal was intended for immediate realization. Pro-development West German political leader Gerhard Stoltenberg is now in Japan, speaking to large business audiences on German-Japanese cooperation, particularly the shipbuilding industry, which Stoltenberg is closely allied to in Northern Germany. A French Communist Party delegation is in Japan simultaneously, following closely a visit by a British sympathizer of Stoltenberg, Energy Minister Anthony Wedgwood Benn. A Bulgarian trade delegation is now in Moscow en route to Tokyo, while Indian

government representatives are also in Moscow discussing India's next five-year plan with top Soviet officials.

New York City's insipid cliffhanger is not the cause of these developments. It was merely the last straw for a world facing economic ruin. Since the International Caucus of Labor Committees' circulation of the International Development Bank proposals in April 1975, the solution to the crisis, viz., the freezing of current debt-service attached to productive activity, and the creation of alternative credit-issuing institutions, has surfaced first among Third World nations, and now in the industrialized sector.

Rockefeller Is Instigating An International Trade War

Oct. 18 (IPS) — From U.S. Federal Reserve Chairman Arthur Burns to right-wing and Second International European and U.S. agents alike, Rockefeller's associates internationally this week raised obscene calls for trade war on a scale sufficient to send European and Japanese production back to the Middle Ages via destruction of market demands. In his October 14 speech to the International Iron and Steel Institute, George Stinson, President of the U.S. National Steel Corporation, called for national protectionism — import controls and production cuts — "basic rules . . . toward a more stable steel trade."

New York banking sources meanwhile revealed yesterday that the Fed is firing the first real shots by pressuring U.S. banks to dump their investments in European and Japanese industry.

Every penny thus "freed" from production cuts is to be sucked into New York to prop up the dollar — for one more day. The operation depends on exploiting the worst — every-man-for-himself tendencies of capitalist mentality in an international collapse — "to hell with production, give me liquidity!"

More fundamentally, the trade-war scare is a purely defensive reaction to wholesale European moves this week to decouple from the rotting dollar. Given the overwhelming international preference for expanded production and trade over sinking with the dollar, no one in Europe or Japan is buying protectionism but Rocky's discredited agents.

Banking sources report that Fed chairman Arthur Burns is now ordering U.S. bank-holding companies to sell off their holdings in foreign companies since "these will not provide us with the

kind of profits we expected" when the U.S. rushed Europe in the early 1960s. Particularly under pressure is the First National Bank of Chicago whose President Chauncey Schmidt was recently described by the Soviet press as an example of pro-detente and East-West trade forces.

This has already torpedoed Italian and Japanese production. The financial paper *Il Sole* reports this week that prices on the Italian stock market have collapsed due to U.S. investors' dumping of stocks. Japan, after previously high growth rates, lost a full \$80 million in foreign securities investments in September alone, producing a negative balance of payments for the month.

Beggar Thy Neighbor and Thyself

National Steel's chief Stinson signifies an explicit U.S. intervention into a riot around steel trade war in the European Coal and Steel Community (ECSC) orchestrated to crescendo this week. Key agents in the war are right-wing CNEP (French Employers Association) Vice-Chairman Jacques Ferry; the Second International's Sir Montague Finneston, Chairman of the Labour government's British Steel Corporation; and European Economic Community Commissioner for Italy Altiero Spinelli, openly affiliated with the Institute for International Affairs of the CIA and Italian Communist Party.

Ferry has reopened his year-old call for national import controls, production cuts, and artificial price supports known as "declaration of manifest crisis" under founding Article 61 of the ECSC hoping to suck disparate steel-makers into insane calls for government protection. This would in fact Balkanize EEC trade, bankrupting companies right and left as markets shut. Undaunted, Spinelli with Finneston's support, has had himself com-

missioned by the EEC to produce recommendations for implementation by Oct. 22.

West German steelmakers, which the U.S. Treasury claims are the "most outspoken proponents of protectionism in Europe" as well as being heavily involved in East-West trade, are particularly targeted. As West German firms go broke under conditions of cut throat price competition, the government Kartellamt trustbusting agency is investigating Krupp, Thyssen, and other Soviet business partners for illegal high price fixing. This is again geared to make the firms clamour for "legal" government protection.

Behind this European paranoia is six months of U.S. Treasury witch-hunt investigations of European and Japanese auto exporters, on charges of "dumping" instigated by the CIA's auto union chief Woodcock. The Treasury has threatened all EEC exports with tariffs by charging that the EEC tax rebate system constitutes "price support."

Pro-development forces, however, are not sitting still. *Handesblatt*, newspaper of BRD industrialists, leads the attack on the mutual cannibalization of protectionism in its Friday headliner. Attacking the Rockefeller-Ford Administration for "losing control" over protectionist forces, it branded the Treasury dumping charges "a protectionist superweapon." Dr. Dieter Spethmann, Chairman of Thyssen stressed that although BRD steel demand had fallen by 30 per cent "You haven't heard a word that international restrictions should be imposed," according to the *Financial Times*. First National Bank of Chicago's Schmidt, in a London speech Thursday, similarly called for international cooperation to avoid "an avalanche of protectionism."