OECD Economic Report as Deliberate, Criminal Fraud

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Dec. 10 — Contrary to misinformation disseminated through the Organization for Economic Cooperation and Development (OECD), as of the end of 1975, a chain-reaction collapse of approximately $800 billion of international and U.S. debt will be unavoidable. The consequences of this collapse — unless appropriate countermeasures are taken by responsible government — will be the immediate devastation of international trade and production, opening the Third World and large parts of the advanced sector to ecological catastrophe in the succeeding two years.

The OECD November published report that the industrialized countries' economies are in a modest upswing is a deliberate fraud which is in fact part of the Rockefeller Hilex 75 economic warfare operation. In reality, the current world economic situation is this: The imports of industrial countries, the broadest indicator of economic activity on a world scale, fell by approximately 18 per cent in physical volume in the year ending Sept. 30, 1975, adjusting the most recent International Monetary Fund data for inflation. This reveals a far worse collapse than the miserable, bloated GNP figures bandied about by OECD and similar agencies indicate. This measure includes a 24 per cent drop in imports for the U.S.; 22 per cent for Japan; 20 per cent for France; 28 per cent for Switzerland; and 17 per cent for Great Britain.

Not coincidentally, the key flashpoint for an international liquidity crisis is approximately $40 billion in short-term international credits in world trade owed by Third World countries, $30 billion owed by Japan, and smaller amounts owed by weaker sectors in terms of balance-of-payments position. This, in turn, is hooked into a larger mass of international banking credits, an additional $30 billion-plus of Eurodollar medium-term credits to Third World countries, the core of the $220 billion Eurodollar structure.

At least $10 billion of this debt — a closer estimate is $20 billion — is now in default, putting terrific immediate strains on the short-term side of the international market. Only the injection of about $5 billion in central bank funds during the past two months, much of it channeled through the Bank for International Settlements in a kind of "open market" operation, has prevented the detonation of the international market as a whole.

Third World Debt

In addition, virtually all international funds available since June 30, 1975, have been channeled into debt refinancing, shutting off key flows of commodities and capital investment both to the Third World and parts of the advanced industrial sector. In the Third World, the most devastating example is Brazil, the "flagship" model of capitalist development, which will have cut imports by approximately 30 per cent under 1974 levels by the end of this year. This shutoff in imports derives from Brazil's need to refinance approximately $3.4 billion in debt maturing during 1975. While precise data are not available, Argentina's situation is similar; a minimum of $3 billion of its $3.5 billion repayment obligation this year is now in default. As the accompanying chart indicates, the predicament of the sector which capitalist economists have viewed as the healthiest among developing countries applies broadly to the Third World as a whole, indicating a dropoff of imports of this sector of at least 30 per cent during the second half of 1975. In turn, the import shutoff of the industrial nations reflects strongly on the exports of Third World commodity producers.

Therefore the International Monetary Fund figures do not represent the "summation" of an already-past world recession, but the takeoff point of a geometric rate of collapse in international trade.

The balance of defaulted Third World debt is now subject to overnight refinancing, raising the possibility of a general collapse of international credit markets at any moment, and the virtual impossibility of rolling over the mass of illiquid debt past January.

A Three Months Leeway

The single exception to the virtual certainty of the collapse of dollar-based financial markets is the possibility of massive refinancing through the imposition of a 30 per cent cut in living standards on the working class of the industrial countries, either through austerity or hyperinflation in the next few months ahead. Leading financiers in New York and elsewhere are considering the efficacy of such a policy, but are generally aware that even if such efforts succeeded, they would at best prolong an unstable situation for a further three months. Broadly, these layers are committed to military-directed top-down controls over the world economy under the Helix 75 format.

In the industrial countries themselves, industrial output and orders began falling during October, according to the most recent official statistics, starting with a collapse of heavy-machinery orders in Japan and other major producers. The leading trading nations have avoided the worst effects of the collapse thus far mainly through the doubling of the percentage of their exports to the socialist countries. This

The Financial Background To Hilex 75

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The National Caucus of Labor Committees financial intelligence staff has determined that since the May 1975 NATO Shapex manuevers, the entire network of banking, credit, monetary and trade institutions associated with the Rockefeller family's financial interests has pursued policies leading directly into the now operational NATO Hilex-75 nuclear confrontation gameplan.

As was expected by the leading members of this financial faction, an approximately $40 billion in short - term international trading credits to Third World countries — owed principally to the leading Rockefeller banks and their overseas branches — went illiquid as of the June 30, 1975 debt rollover deadline. Since the deadline, large portions of this mass of debt have been refinanced in the Eurodollar market with 24-hour to seven - day funds. This refinancing burden, on top of $30 - $40 billion in illiquid medium - term bank credits of Third World countries, now threatens to detonate the entire international banking system.

As international trade and industrial production are gutted in the service of this growing cancerous debt, it was clear, even to the Rockefellers, that under present conditions the Dollar Empire would not last beyond early 1976. Hence, the design of Hilex-75: manuevers aimed at sabotaging international motion toward debt moratoria and the establishment of an International Development Bank institution, while preparing to open the East bloc to Rockefeller's looting operations through a thermonuclear showdown by early 1976.

The U.S. Federal Reserve System has been the linchpin in the Hilex scenario financial deployments. This week, the head of contingency planning at the Federal Reserve System in Washington D. C. confirmed that the nations's central bank is part of the "live" NATO excercise. According to him, the Federal Preparedness Agency (FPA) fully coordinates the Fed's participation in Hilex.

The Sabotage Operation

Rockefeller-dictated U.S. and Western European credit and monetary policies, and the manipulation of the foreign exchange rates and the money markets have caused a massive accumulation of funds in the banking system in the periods approaching the June 30 and September 30 rollover crisis. A similar pile up of liquidity in New York banks is going on the present period approaching the December 15 debt rollover deadline. This availability of funds to meet demands for the selective refinancing of Third World and advanced sector debt has been assured only by the accelerating collapse of advanced sector industry and international trade.

Both U.S. and European monetary policies and interest rate strategies have been geared toward the manipulation of both money market and foreign currency exchange rates with the express purpose of providing this optional liquidity for the dollar sector. The timing of the sale of the Treasury's short-term paper has meshed almost exactly with the banking system's need for income-producing assets. The dollar has been purposely weakened at crucial points, generally three to four weeks prior to a major rollover deadline — thus allowing European central banks to purchase massive amounts of dollars which over the immediate short term flow nowhere else but into the coffers of the Eurodollar banks at subsidized rates. Subsequent to rollover deadlines, as the dollar appreciated, the European central banks have sold millions to prop up their own currencies and relieve dollar - sector banks from incurring carrying charges.

In the case of Great Britain, where the Bank of England did not have the available reserves to engage in such transactions, the pressure on the pound has come invariably one month or so prior to a rollover deadline, fueled by media rumors of immediate sterling collapse. Interestingly however, the pound has generally stabilized within a week after the rollover deadline passed. This operations has provided liquidity to the dollar sector as OPEC and Commonwealth depositors in the sterling zone have temporarily transferred their funds out of sterling and into dollars.

Domestic Japanese and European pump-priming and interest-cutting has caused an other crucial drain of liquidity into the near bankrupt and higher interest-rate-yielding dollar sector.

In the U.S., Federal Reserve Chairman Authur Burns has been passing bank—balance sheet window dressing to the four leading New York City banks, which, although they show a 50-70 per cent margin of bad assets on their books, have not been required by the Fed to write off any of these assets. Burns' early Christmas present to these Rockefeller owned enterprises — packaged in his promises that he will "not allow the banking system to collapse," — is the only reason why banks stocks have not yet gone through the floor. Taking Burns' goodwill message on faith, investors have continued to buy IOUs (certificates of deposits) from leading New York banks in limited amounts. Similar assurances by Burns that the U.S. Federal Reserve is ready to meet all domestic contigencies have also allowed the New York banks to bail out the Eurodollar market on the eve of recent rollover crises with huge infusions of funds to Europe.

The Operatives

In league with the Federal Reserve System and the leading New York bankers, the following governments and agencies have conspired to prop-up the Dollar Empire even if it means the nuclear incineration of most of the world's population by January 1976:

*** U.S. Treasury** — The primary role of this agency has been the sabotage of Soviet, related French Gaullist, and pro-development West German industrialists' efforts to establish a gold-backed European currency bloc as a stepping stone for international acceptance of the Soviet gold-backed transfer ruble as the international reserve currency. Additionally, the Treasury has publicly followed a policy of busting OPEC — the oil cartel that both Iraq and Algeria have used as the launching pad for their demands for a "new world economic order." The Treasury has timed the flotation of its debt issues in accordance with needs of the banking system. Finally, the Treasury has deliberately sabotaged inter-bloc trade and development deals, best exemplified by the recent busting up of EEC-Arab League negotiations in Abu Dhabi by Treasury Assistant Secretary Gerald Parsky.

***International Monetary Fund, and the World Bank** — The IMF has consistently pushed SDRs, Oil Facilities, Third Windows, etc. as substitute debt refinancing schemes to stop the international motion towards debt moratoria. It has supported commodity stockpiling schemes for Third World raw material producers which correspond directly with the trade embargo