

The rest of the EEC, Japan, Mexico, Iran, and even the Soviet Union have joined the ranks of the supporters of the Schmidt-Giscard money plan, and only the United States remains undecided. The British, the Israelis, and the evil Maltese Order that controls them stand desperately opposed — and ready to ignite world war to prevent its success.

Gromyko To U.S.: 'This Is A Serious Danger'

Soviet Foreign Minister Andrei Gromyko issued a firm warning to the Carter Administration during an Aug. 30 luncheon in honor of visiting Syrian Foreign Minister Khaddam. Separate negotiations only "encourage the aggressor and those who support him," said the Soviet Foreign Minister. "Behind the attempts to work out in the dark and without the participation of other interested sides the so-called principles of negotiations, lies the desire of the country patronizing the talks (the U.S. — ed.) to expand its position in the Middle East, including the military aspect." Gromyko specified that "This is a serious danger," not only to the Arab countries, but to world peace.

"It would be well to recall in this connection that the area of the Middle East is in the direct proximity of the borders of the Soviet Union and the countries of the socialist community," he said. "We are by no means indifferent to how events will develop there."

The Soviet Foreign Minister further said:

"The Soviet Union will further contribute to the strengthening and development of our relations with Syria. There are objective prerequisites for this.

"The fundamentals of a Middle East settlement which our countries, the Soviet Union and Syria, are upholding are well known. They include full withdrawal of Israeli troops from all the Arab territories occupied by them in 1967, exercise of the inalienable rights of the Arab people of Palestine, including their rights to self determination and creation of its own state, and assuring the right for all states in that area involved in the conflict to independent existence and security.

"A just Middle East settlement is attainable by virtue of its essence and character only through collective efforts of all the sides concerned. There is also the appropriate international mechanism, the Geneva Peace Conference on the Middle East. . . .

"As far as the Soviet Union is concerned it will further invariably side with the Arab peoples waging a struggle for the elimination of the consequences of the Israeli aggression and for the attainment of a just and lasting settlement in the Middle East."

Europeans Offer U.S. A Way Out

Pegging dollar to new money system would aid peace, development

The September deadline for activation of the European Monetary System (EMS) having arrived, the West Germans, Japanese, and Saudis are acting aggressively to win the U.S. Administration to a policy of pegging the dollar to the EMS and participating in peace-ensuring economic development projects around the globe.

The far-reaching significance of the EMS preparations — and especially the escalating efforts to draw the U.S. dollar into the new credit and development arrangements — was backhandedly acknowledged by the circulation of an August internal memorandum of the Bank of England entitled "Growing Structural Vulnerabilities of the U.S. Dollar." The Bank of England memorandum (for text, see ECONOMICS) falsely claims that the new system is an antidollar European regional currency bloc. But it admits the major importance of the EMS by comparing it to the Bretton Woods agreement, the postwar monetary system founded in 1949.

Because the EMS threatens to sweep away the London-dominated International Monetary Fund and

annihilate City of London-Black Guelph financial power, those quarters are deliberately spreading disinformation about the EMS, and last week launched a massive assault against the dollar in the foreign exchange markets, in order to undermine European and other support for the U.S. currency.

For a Positive Policy

The present aggressiveness of the Europeans in organizing Washington around a positive monetary and economic policy was highlighted by articles in the *Frankfurter Allgemeine Zeitung* and *Le Figaro*, the West German and French dailies, on Sept. 1, both of which urged the U.S. to gear up not for East-West confrontation in Africa, but for a massive development effort in Africa alongside the Soviet Union. The West German paper called for wideranging negotiations between what it termed the two economic blocs — Zaire and the U.S. and Angola and the Soviet Union — thus recognizing the crucial point that world peace and security and economic development are inextricably linked.

Efforts by the West Germans and Japanese to buoy up the U.S. dollar preparatory to U.S. coordination with the EMS later this month are reported in detail in the ECONOMICS section of this issue. What is involved is massive dollar purchases by West German and Japanese banks and companies — in the case of West Germany, centrally orchestrated by the Bundesbank.

The large scale currency intervention by these quarters in August was indeed politically motivated. The nature of the motivation behind the European and Japanese market maneuvers is revealed by a further development on the monetary and foreign currency front: the way Japan has begun to recycle its accumulating dollars for development purposes in Mexico and elsewhere. The Europeans and Japanese are working to strengthen the dollar in the context of putting together a new world monetary system.

The Gold Issue

In a further development, both Japanese Premier Takeo Fukuda and a group of Japanese trading companies and mining firms are now working to establish the creation of a gold market in Japan, according to a report in the *Journal of Commerce* Sept. 1. Powerful members of the ruling liberal Democratic Party, including Prime Minister Fukuda, are said to favor increased gold imports and the establishment of a gold market. And according to Finance Ministry statistics, Japan has already imported some \$323.20 million worth of gold in the first half of 1978, more than twice the previous year.

While the *Journal of Commerce* concludes that these developments mean that the Japanese are buying gold as a hedge against the falling U.S. dollar, surrounding events make it clear that the gold market idea is actually an advanced stage in Japanese-European efforts to establish a new gold-backed development-oriented monetary system, with the U.S. Prime Minister Fukuda's offer to the U.S. and the USSR to engage along with Japan and other advanced sector nations in the development of thermonuclear fusion power indicates Japanese commitment to world economic development. The Japanese are simultaneously stressing the need for joint East-West development of the vast resources of Siberia.

The Japanese gold purchases hint at another aspect of the emerging Grand Design configuration: undoubted participation by South Africa — the world's major gold producer — in the Grand Design negotiations. Bringing the developments and our coverage full circle, it should be remembered that Juergen Ponto, the late chairman of the Dresdner Bank, was engaged in negotiations with South Africa both as a gold producer and the critical catalyst for high technology development in southern Africa in his efforts to establish a new world monetary system, shortly before his murder at the hand of Baader-Meinhof terrorists in the summer of 1977.

Terror Threat Increases Against USLP's LaRouche

The weapon of terror has been sent full force against the enemies of the core of oligarchic and Zionist financial power. At the top of the hit list is Lyndon H. LaRouche, the chairman of the U.S. Labor Party, who authored the International Development Bank proposal on which the European Monetary System set up by the Bonn and Bremen economic summits is based.

The terror activation is, more broadly, aimed to derail any support in Europe, the U.S., or elsewhere, for the EMS and the threat it represents to the oligarchs' policies of dollar collapse and Mideast war. LaRouche and his party have come under fire in particular because of their insistent denunciations of the Israeli intelligence role in world terrorism and their exposure of the axis of Zionist and "Black Guelph" financiers as the control behind terrorism and some of the most dangerous operations against the world economy and world peace.

The latest in a continuing series of death threats against the U.S. Labor Party chairman occurred on the night of Aug. 29, when an anonymous caller telephoned the party's New York headquarters with the message, "LaRouche dead."

At the same time, European and U.S. intelligence sources have privately confirmed to Labor Party officials that the danger of an attempt on LaRouche's life is greater than ever.

Just as significant is the sudden step-up of actions against members of the U.S. Labor Party and of the cothinker European Labor Party and North American Labor Party.

In the U.S. and Canada

U.S. Labor Party candidate for Congress in Maryland Debra Hanania-Freeman received a threatening phone call following a half-hour broadcast over Baltimore area television. Mrs. Hanania-Freeman gave a full briefing on the source of international terrorism, the danger of a Middle East war, and the content of the Bonn-Bremen economic initiatives under British-Israeli attack. Shortly afterward, a male caller to the Freeman residence warned, "You better tell your lady to lay off, or she'll get hurt."

Mrs. Hanania-Freeman had replaced the scheduled speaker on the broadcast, USLP chairman LaRouche, who had cancelled his appearance due to the threats on his life.

On Aug. 30, a U.S. Labor Party organizer was almost hit by a speeding automobile in Massachusetts. The driver swerved to hit the organizer, missed, then drove off. A Michigan party member suffered a