

# A world twice as dangerous

Events of mid-March, 1979 have called the question that we pose in our cover story this week: will London and its Washington puppets propel NATO into a thermonuclear war with the Soviet Union that the West will lose—or will NATO itself give way to the new kind of alliance crystallizing around the European Monetary System?

Certainly, the constellation of measures adopted March 12 and 13 by the Council of Europe, the heads of government of the European Community, has set the framework for an enduring world peace premised on prosperity. The Council formally inaugurated the European Monetary System, thus bringing to an end three months of open sabotage by Great Britain.

And, out of the Council's Paris meeting, chaired by French President Valery Giscard d'Estaing, came a mandate to the French President to carry his diplomacy of exchanging high-technology transfer for raw materials—so spectacularly successful two weeks ago in Mexico—to the entire developing sector, especially to the strife-torn Middle East and Africa.

It is entirely lawful that the strategic triumph of the EMS leadership this week in Paris should have coincided with the hideous sham of Jimmy Carter's "Peace in Our Time" anti-Soviet military alliance with Israel and Egypt. The efforts of the British oligarchy to prevent an EMS-centered new world monetary system from destroying the City of London's global financial and political empire have hardly been a secret over recent months. The key to Great Britain's strategy is the "geopolitical" concept of "conquering the Eurasian heartland"—i.e., the Soviet Union—by manipulating Washington into a series of confrontations with the USSR.

Carter's British-dictated "peace" in the Middle East has made the world twice as dangerous as it was even a month ago, when the Chinese invasion of Vietnam under the aura of a tacit American nuclear alliance with Peking set the strategic situation careening toward thermonuclear superpower confrontation. The Teng regime in China, despite the press camouflage under announcements of "withdrawal," has renewed its drive to annex Indochina by combining a genocidal scorched-earth policy in Vietnam with the full-scale invasion of neighboring Laos.

As our cover report this week details, the West Germans—strategic linchpin of NATO—made it clear, in rejecting the "China card," that if Washington and London pursued the transformation of the Atlantic Pact into an aggressive alliance against the Soviets, they could count Europe out. It is also clear that Western Europe's approach to the Middle East is more than incompatible with the reckless folly of Camp David. Giscard's mandate from the Council of Europe centered on bringing together the oil producing and oil consuming nations—a proposal fielded by Mexico and being urged by Saudi Arabia, the country most immediately threatened by the Egypt-Israel war pact—in a conference to mutually avert the destabilizing shocks of oil price rises.

The EMS leaders and their allies, including the Brezhnev grouping in the Soviet leadership and the Lopez Portillo government of Mexico, rightly see this kind of institutionalized "North-South" framework for solving the immediate and future world energy needs as the key to peace. This week, Mexico took full-fledged leadership on behalf of the developing sector for a new world economic order premised on expanding rates of energy production and consumption both in the United Nations and International Monetary Fund contexts.

The Council of Europe's mandate to Giscard confirms that the overreaching political purpose of the new EMS is exactly what this publication has maintained since the system was first proposed last July in Bremen—not a mere "currency stabilization" scheme, but the seed-crystal of a new global economic order whose impetus was the Europeans' understanding that only cooperation for developing the Third World could stem the tide toward war between the Warsaw Pact and NATO.

Now, the sealing of Camp David has placed an urgent political necessity at the top of the agenda for the EMS leadership. Nothing short of a vociferous European denunciation of that pact for what it is — the placing of a U.S. and NATO nuclear umbrella over Israel for that British puppet state's planned aggressions against the Franco-German peace efforts — can make fulfillment of the promise of the EMS possible.

—Nora Hamerman

## **Nuclear umbrella over Israel**

Reports published this week in the Washington Post, as well as information from sources in the Central Intelligence Agency and information cited by Washington journalist Daniel Schorr at a White House press conference March 15, confirm earlier leaks that the crucial content of what Jimmy Carter consolidated during his visit to the Middle East was a military pact between the United States and Israel. This puts Israel under a U.S. nuclear umbrella for any military adventures it chooses to undertake in the Middle East—including against Soviet-allied Iraq and Syria, Israel's neighbors.

Reports from the region portend that the U.S. commitment to come to Israel's rescue as soon as any hostilities break out may soon be called upon. Riots have been triggered in the volatile West Bank, which under the Camp David Pact the United States has agreed to police, and threaten to spill over into Lebanon.

## **Giscard: EMS to alleviate crises**

French President Giscard d'Estaing announced on the first historic day of the European Monetary System's official existence that "the planning and implementation of the EMS took place against a background of international crisis. One of the aims of the EMS," Giscard added, "is to alleviate these crises. The EMS has been designed as a contribution to peace, cooperation, and security."

The EMS member-states also put out a condemnation of Rhodesia's murderous raids into Mozambique. European Community foreign ministers issued an important statement expressing "concern over what the real intentions of China in Indochina might be."

## **EMS, OPEC to break with Seven Sisters Cartel**

The Council of Europe summit that concluded March 13 in Paris called for "the appropriate ministers and their staff to get precise and clear information on what illegal activities are being performed by oil companies in Rotterdam and elsewhere." Informed circles are reading this as an initiative to expose the speculators and profiteers that have launched economic warfare against the European Monetary System. Rotterdam is Europe's biggest spot market for crude oil and has been the speculative playground for trading companies directly fronting for Royal Dutch Shell and British Petroleum.

The European investigation will dovetail with Mexico's proposal for a world energy development conference that, in the words of a Mexican columnist, "challenges the oil control of the Seven Sisters." The semi-official daily *El Nacional* took special note that French President Giscard's statement giving European Community backing to the proposal "reveals the degree to which the policy suggested by Mexico is appropriate to the circumstances now obtaining throughout the planet."

## **Mexico fights inflation with production**

"There is no other way to fight inflation than to increase production and productivity," stated Mexico's Minister of Industry and Natural Resources, Jose Andres Oteyza, in his March 13 presentation of the outlines of Mexico's ten-year industrial development program. Oteyza announced that the plan aims at an overall economic growth rate of 12 percent, and a 20 percent rate for the capital goods sector.

The plan targets 1,700 industrial projects for public and private investment, with an emphasis on consumer goods production and on

those "strategic state sector" areas such as steel and petroleum. The Deputy Director of Mexico's state oil company, Petroleos Mexicanos (Pemex), simultaneously announced plans to build 50 petrochemical plants over the next four years, ten of which will be among the largest complexes in the world.

## **The war is not over**

Reports from a variety of sources make it clear that the war in Indochina between the invading Chinese and the Vietnamese is far from over. While Peking issues statements that the withdrawal is "complete," the Vietnamese have charged that Chinese forces remain in their territory and have moved border markers to carry out a Chinese occupation of territory now claimed by China. Chinese troops, the Vietnamese further assert, have carried out a "scorched earth" policy of destroying everything in sight as they move out of areas. Vietnamese diplomatic sources at the United Nations described the situation as one where they had to wait to let the Chinese come in and develop their main point of attack, so as not to have to defend the entire 1000-kilometer long border. Now they say the Vietnamese armed forces, whose strength is relatively untouched, can pick and choose their line of counterattack. Teng Hsiao-ping, as his Western friends may have been warning him, is indeed stuck in the "quagmire" in Vietnam and may only be extracted by the force of Vietnamese military might — perhaps at the cost of his political career.

## **China invades Laos**

The Laotian government, an ally of Vietnam, has accused the Chinese of invading its territory sending two battalions through the Lang Namtha province. The charge follows earlier charges that China

was massing troops along the Laotian-China border within striking distance of strategic points in Vietnam and Laos.

Charges that the Chinese are "sending spy teams into Phon Saly and Luang provinces and that during the past two weeks many companies of Chinese troops have crossed the border" were leveled at the Chinese by a Laotian government spokesman. The government has also called on the Chinese to withdraw over 1000 Chinese construction workers building roads through northern Laos because they had been "engaging in espionage activities." The government called for China to "immediately withdraw all armed forces that have infiltrated into Laos."

### **Brezhnev calls for 'collective resistance' to China**

While China's touted withdrawal from Vietnam has given most of the U.S. press the excuse to put Indochina on the back pages, the threat of that conflict spreading into global nuclear war is still on the front burner. Here are a few of the Soviet warnings issued during the past week:

*March 11* — Soviet President Brezhnev, in a speech to visiting Polish President Gierek, called for "collective resistance" against China. "Otherwise, mankind could not avoid a catastrophe," he continued. "We will do everything necessary" to help Vietnam and "to avert new provocations threatening world peace," the Soviet President concluded.

*March 11* — Soviet Prime Minister Kosygin on television in India: "Peking has announced the withdrawal from Vietnam. But they are consolidating their positions on Vietnamese soil and are continuing their occupation. The efforts of all people and countries must be directed to putting an end to China's aggression."

*March 13* — Soviet Central Committee member N. Inozemtsev has explicitly stated that the USSR will intervene militarily in Vietnam if China continues its invasion.

### **Bank takeover probe 'worries' Britain**

The congressional probe of attempts by the Hongkong and Shanghai and other British banks to snap up \$23 billion in U.S. banking assets (see ECONOMICS) has begun to draw British howls of pain. Notably, the London *Guardian* hit an accurate note March 14 when it complained that the holdup of a decision on the takeovers by the New York State and federal authorities is "cramping the maneuvering ability of the British banks" internationally.

"British Takeovers Worry American Bank Officials," ran the headline in the *Daily Telegraph* the same day, repeating warnings in the *New York Times* of March 12 that the U.S. banking community is now "organizing a defense effort" against the takeovers.

In Washington March 12, a private Capitol Hill meeting of federal officials heard New York State Banking Superintendent Muriel Siebert present her objections to the British takeovers on the grounds that through them, the British government will control U.S. monetary policy. At the meeting were top Fed and Treasury officials and House Banking Committee chairman Henry Reuss (D-Wisc), who tried to urge the Federal Reserve to act on the current applications before the Siebert-instigated congressional review could proceed. Mrs. Siebert objected violently; the Fed refused to comment.

### **Peanutgate: familiar cast**

The spectrum of righteous judges who have suddenly taken an interest in irregularities of the Carter family peanut business has an eerie

familiarity to those who watched the "Watergate" destruction of Richard Nixon five years ago.

The *Washington Post* — remember Woodward and Bernstein? — got in on the act this week by finding a former Carter warehouseman to allege that the Carters had less-than-legal financial dealings with the bank of former federal budget director Bert Lance. In Congress, none other than Sen. Howard Baker (R-Tenn) and Rep. Peter Rodino (D-NJ) of Watergate fame are now leading the clamor for a "special prosecutor."

But the clincher is the resurfacing of Alexander Haig, the lame-duck NATO commander. Haig used the 1974 Watergate debacle to temporarily seize control of the White House together with Henry A. Kissinger, in flagrant defiance of the Constitution. Now Nixon's old speechwriter columnist William Safire, who has pushed "Cartergate" since Jimmy took office, is backing Haig's high-profile candidacy for the Republican nomination to presidential candidacy, and has joined calls for a special prosecutor.

### **ERRATA**

In the Asia section of the March 13 issue of the *Executive Intelligence Review*, headlines were reversed for two features. The article beginning on page 41 should have been headlined "The war in Indochina: withdrawal or *Sitzkrieg*?" The article on page 43 should have been titled, "China's economy: More signs of trouble."

The chart depicting French aid to the developing sector from 1974-1976 on p. 16 was improperly aligned, and the identification for the "Total" category was omitted. For example, in 1974, the amount of aid from the public sector was 916.3 million francs, aid from the private sector was 7,497.6 and the total was 16,188.7.

The key was omitted from the World Trade Review on page 56, the correct key appears in this issue.