

Bush ready to justify Russian crackdown for economic pact

by Kathleen Klenetsky

The Bush administration is gearing up for the implementation of a far-reaching economic agreement with the Soviet Union, which could involve billions or even trillions of dollars in trade, credit, and joint ventures in the next 10-15 years. Financial interests with ties to the Bush regime are salivating at the prospects of vast new markets—promising huge profits—in the East, as a result of the so-called Wyoming Accords, the sobriquet given to the deal which Secretary of State James Baker and his Soviet counterpart, Eduard Shevardnadze, are expected to strike at their meeting in Jackson Hole, Wyoming, Sept. 22-23.

The administration and its supporters are fully prepared to follow through with these deals despite their expectation that Moscow is about to bring its fist smashing down upon the dissent which is sweeping its empire.

Multibillion-dollar deals

As *EIR* reported last week, the currently secret negotiations around the Wyoming Accords are expected to produce a dramatic, multibillion-dollar initiative, under which the U.S. will eliminate all major political impediments to expanding economic relations with the Soviet bloc—such as the Jackson-Vanik amendment, which prohibits granting Most Favored Nation status to the Soviets—while encouraging a gargantuan increase in money flows to the East, primarily from private sector sources.

Part of the deal calls for the U.S. to reopen the Eximbank spigot to American firms doing business with the Soviets—a move which is expected to encourage other countries, including Japan, to rapidly increase the tempo of their economic dealings with the East. In turn, Moscow reportedly will agree to certain cosmetic changes in its military force structure and in the “humanitarian” realm.

The Wyoming Accords represent President Bush’s re-

sponse to the extraordinary missive which Mikhail Gorbachov sent to the Group of Seven meeting in Paris in June, in which he urged the integration of the Soviet bloc into the West’s economic structure.

Bush’s principal motives for pursuing this policy are reportedly two-fold: First, despite the occasional utterances by administration “hard cops” like Robert Gates and Dick Cheney, about the dangers inherent in bailing out Gorbachov, Bush has fallen for the fiction that the Soviet leader truly is a reformer, and is prepared to go to ridiculous lengths to assist him. Second, Bush labors under the delusion that the Soviet bloc holds tremendous economic opportunities for the U.S.

“Bush thinks the U.S. can get raw materials, including energy products, from the Soviets at relatively inexpensive prices,” explained one source. “And he also believes that the U.S. will be able to get rid of some of its external debt through an explosive increase in exports of high-tech goods and equipment to the East.”

Though supposedly a well-guarded secret, news of the Wyoming Accords is circulating throughout the U.S. business and banking community—at least those sections plugged into the Bush network.

According to informed sources, the 10-day trip which Marshal Sergei Akhromeyev, the former head of the Soviet general staff, made to the United States in July, was crucial to finalizing plans for the Wyoming deal. Akhromeyev spent several days in Chicago meeting with top representatives of Midwest economic interests, and also met with officials of Merrill Lynch in New York.

One individual involved in the Chicago end of the marshal’s tour stressed that it had been “very, very, important” in the context of the evolving U.S.-Soviet “economic accommodation.” A series of intensive discussions with Robert Galvin of Motorola and Bill McDonough of First National

Bank of Chicago “convinced Akhromeyev that American capitalists are ready to be very flexible” in further dealings with the Soviets.

The line circulated in support of the Wyoming Accords is that it is in the “strategic interests of both countries that some kind of economic accommodation be reached,” as one source put it. “From the U. S. strategic standpoint, although there are a lot of troublesome areas, we should support Gorbachov’s reforms. The Soviet view of this, is that they need to get a lot of bars of soap and bluejeans on their shelves very quickly. They know they must get consumer goods in the shops ASAP. They need hard currency; we have the goods they need. So there obviously is the basis for the U. S. and Soviet Union to become major trading partners. Once we knock down the political barriers, such as Jackson-Vanik, then we can quickly establish the U. S. and Soviet Union as major trading partners.”

One component of the arrangement will reportedly center on a spectacular increase in Soviet raw material exports, especially oil and natural gas, to Western Europe, and possibly to the United States. “I foresee that the United States will soon be importing massive amounts of raw materials from the Soviet Union, not just oil and gas, but things like cotton, I’d say at least 10-12 other strategic goods,” said one businessmen familiar with the negotiations.

That view was seconded by the head of the international banking division of a major U. S. bank which has been in the forefront of U.S.-Soviet financial arrangements. The Soviet Union could become a major exporter of raw materials to the United States “beginning tomorrow morning,” he said. “All it would take is for Bush to give the word that it is legal for U. S. commodity brokers to buy things like chrome from the Soviet Union, and you will see a tremendous movement of goods begin immediately.”

U. S. purchasers will pay with dollars, he explained, which will be deposited in Russian accounts in U. S. banks, “giving the Soviets the hard currency they need. . . . Hopefully, the Soviets will use those dollars to buy our exports. We are a major debtor country, and the only way we can get out of that situation is by increasing exports. The Soviet Union is a natural market for them.”

If this transpires, the Soviet Union will supplant South Africa as the most important supplier of strategic materials to the United States—meaning that the U. S. defense industry, as well as such key sectors of the civilian economy as the auto industry, will become inextricably dependent on the United States’ worst enemy for vital materials.

This will accomplish a major Soviet strategic objective, according to a highly informed London source, commenting on the raw materials component of the Wyoming Accords. “This has been the purpose of the whole exercise of destabilizing southern Africa,” he told *EIR*. “They’re ready to sell vanadium, and a lot of other things. Probably, that’s the importance of their newest announcement of a giant natural

gas capability”—a reference to Moscow’s announcement Aug. 29 that the largest natural gas field in the world has just been discovered in the Kara Sea.

A Russian ‘Tiananmen Square’

Through an unwritten feature of the Wyoming Accords, the Bush administration will promise to take no action—beyond some cheap, rhetoric—when the Soviet authorities begin their anticipated crackdown against the Balts and other nationalists in Russia’s captive house of nations. Bush will react to a Russian Tiananmen Square, in the same way he responded to the June 4 massacre in the People’s Republic of China: with a few slaps on the wrist, at most. In fact, the Bush administration responded to the Tiananmen events in that way, in part because they wanted to set a precedent for how they will handle what is expected to be an even more brutal wave of repression in the Soviet bloc.

“Sure, the Soviets are going to have to take action,” a banker privy to the Wyoming Accords process confided. “The integrity of the state is at stake. . . . It would be unreasonable to expect a continuous stream of positive developments, without some kind of steps backwards. It would be contrary to human nature. Any momentous change, such as the Soviet Union has been going through, is of necessity a process of trial and error. . . .

Another individual with extensive involvement in setting up joint ventures between the U. S. and Soviet economies concurred with this reading. “The Soviet military is going to have to crack down on the strikers and other dissenters. I wouldn’t be surprised if it happens within the near future, depending on how violent and complicated the situation gets. We might see heavy military action. But they’ve got to do this. They’ve got to maintain order. If chaos erupts, forget it. . . . It’s horrible that people have to be killed, but that’s the only reasonable approach under the circumstances.”

Certain sections of the American business and banking community—namely, the stupid and the treasonous—have already begun to position themselves to cash in on the Wyoming agreement. Chicago-based interests are a case in point. Illinois Gov. Jim Thompson—a Bush Republican—is heading to Vienna in mid-September, for the express purpose of “meeting with people who can help us get around the problem which the non-convertibility of the ruble” poses for expanding economic deals with the Soviet empire. “Vienna is the place where these kinds of deals get worked out,” a Thompson spokesman disclosed. “We’ll be meeting with people who can help us get around some of the problems, like the ruble’s non-convertibility.” Expanding trade with the Soviet bloc “is the subject that’s nearest and dearest to our hearts right now,” he said.

Thompson was in the Soviet Union this past spring, where he signed an accord making Illinois the first state to open a trade mission in Moscow. “We’ve long been in the vanguard of East-West trade,” said a spokesman.