CIA: Don't build up former East bloc

by Gabriele Liebig

The Bush government flaunts its intention to give no aid worth mentioning to rebuild the former Soviet Union, even after recent momentous changes. But the motives are new: Whereas up to now the excuse was that one should not throw money "down the drain," but should "await further reforms," now the CIA, in a new study, has named a motive that comes closer to the truth. With western support, the now semi-independent republics could turn into a "new economic superpower"! This process should be nipped in the bud, not encouraged, says the CIA.

Two years ago the U.S. secret service set up a "Directorate 5," which exclusively deals with economic competition to the U.S.A. These CIA economic experts have now drawn up a paper for Bush analyzing the medium- to long-term development outlook of the former Soviet republics. According to the German daily paper *Leipziger Volkszeitung* of Sept. 4, the CIA concluded, "With the aid of western states a new economic structure with profitable firms and transport routes will arise. The inevitable result will be the birth of an economic giant and direct competition in the world market against the United States."

It takes no great genius to recognize that this study is less a reaction against existing aid measures from the European governments, which are barely under way, than a warning against implementing Lyndon LaRouche's "Productive Triangle" plan for reconstruction, based on the creation of a high-speed rail network and other infrastructure in the heart of Europe, with links into the old East bloc, as well as northern and southern Europe, the Mideast, and Africa.

The CIA sees the republics emerging out of the Soviet Union not as a sinkhole, but as "expanding countries" with the best potential for development. No region on earth is richer in petroleum, coal, uranium, gold, silver, and strategic minerals. Farming could, with a small investment, achieve higher yields than in the United States. Moreover, the average Soviet high school graduate knows more than his U.S. counterpart.

The expected Soviet "economic miracle" will be sped up by the Russia's geographical and cultural proximity to Europe. Any western "development aid" will hasten the former Soviet Union's growth into an economic giant and competitor to the United States.

Despite the upheaval in Moscow, the Bush administration is sticking to the COCOM list of high-technology goods which cannot be exported to the Soviet Union. Bush even promised a government loan guarantee of $315 million, which the Russians could use to buy U.S. grain, but no single U.S. bank would back the loan. Four European banks jumped quickly into the breach.

Yugoslavia—foretaste of things to come

The ugly truth about the strategic clash between Europe's interests and what the U.S. intelligence establishment has defined as "U.S. national interests," can no longer be hidden. This conflict is the real basis of Serbia's war of aggression against Croatia. Bush and Baker gave the green light because they wanted this "wound in the body of Europe." Thanks to the British government and French President François Mitterrand, a truly European intervention has been sabotaged for months. If Europe's impotence can be proven—as chaos, war, and floods of refugees are unleashed against the West—investors will lose the desire to invest in eastern Europe.

The horrors in Yugoslavia are just the prelude to what is in store against the former Soviet Union. Mere speculation? Consider the following quote from Prudential-Bache's *Wall Street Newsletter* of Aug. 21, gloating over the potential for coups and civil wars: "The biggest European trade development after the hardline coup will be the movement of refugees from East to West. . . . I forecast that . . . diminished excitement about future prospects in Europe and that the coup will make the United States a more interesting place to invest."

The Bush administration's interest in stopping the rebuilding of eastern Europe corresponds to the policy Harvard Professor Jeffrey Sachs and the International Monetary Fund call economic shock therapy. This includes immediate convertibility of the currency, lifting of all price controls, and privatization of all companies—a formula which has plunged Poland into chaos. Former Russian Prime Minister Ivan Silayev, who now heads the economic transition committee for the Union of Sovereign States, has ruled out such a shock treatment.

But neither Harvard, nor the IMF, nor the CIA and the Bush administration are going to slacken their determination to impose the IMF chaos policy. They are still ruthlessly pushing the Polish regime to keep up the Sachs mania. After an IMF delegation visited Warsaw and Polish Prime Minister Jan Bielecki traveled to Washington, the new Central Bank chief Marek Dabrowsky said that the new Polish government—after the Oct. 27 elections—will have no choice but to pursue the austerity plan for at least 18 months more, even at the risk of "uncontrolled social unrest."

President Lech Walesa said on Sept. 11 in an interview with *Le Monde* that he feels the West is playing Poland like an idiot: "In our reforms, Poland made a mistake, we chose to go fast to keep up with you. As a result, we have terrible problems today."