

The 'real conspiracy'

What N.M. Rothschild's Managing Director John Loudon (see **ECONOMICS**) characterized as "the real conspiracy" was in full swing this week: Schmidt and Giscard are gently running a coup to take charge of world monetary affairs. The long list of Canossa-style retractions by a list of West German bankers who previously had attacked the Franco-German European Monetary Fund, and now publicly endorse it, should clue in close observers of the European situation. The press flak from the International Monetary Fund's Annual Meeting in Washington, by the meeting's close, had begun to circulate the actual story: Britain's Chancellor of the Exchequer Denis Healey had turned from the hunter to the hunted.

The Sept. 29 *Frankfurter Allgemeine Zeitung* editorial by Herr Robert Dohm of the Commerzbank, West Germany's third largest, is the most visible smoke-signal that Schmidt has sent up so far. It is not much different in content from similar statements issued by the Deutsche Bank's Christians and the Dresdner Bank Friderichs, but is most representative in terms of content, and particularly significant, given Dohm's public opposition to the Schmidt monetary plan up to a few days ago.

Contrary to its detractors, Dohm argues in the extraordinary piece of directorial journalism, the European Monetary Fund is not inflationary. It will promote stability and growth. Most important to consider, Commerzbank's chairman added, is the question of timing: it is bad to have political negotiations without a time-limit set, particularly when political questions are at stake.

This and other statements reflect a counter-coup in the works against

Mr. Denis Healey's proposal to drive the dollar out as a world reserve currency, hinted at in the Chancellor of the Exchequer's remarks at this week's Annual Meeting of the International Monetary Fund. The Europeans will preserve the dollar at all cost; for them, and the Japanese, and the Saudis, it means preserving world peace.

Readers should not expect the masterful hand of Helmut Schmidt to show itself in this process. The entire object of the Western European leadership is to make the transformation of the world monetary system appear to be the consequences of unprompted events. For that reason the West German, French, and Japanese delegations to the International Monetary Fund's affair paid formal lip-service to the hegemony of the IMF over and above their

proposed new monetary system. All such statements should be viewed as pure deception, intended to deflect political pressure from London.

Unfortunately, among London's allies at the moment are to be numbered almost all departments of the U.S. government. Zbigniew Brzezinski, Henry Owen, and the core Anglophile crew in the Administration are sufficiently hostile to the Schmidt-Giscard initiatives as to accuse Schmidt of disloyalty to NATO in retaliation. This ugly slander has been making the rounds of the British press, Henry Kissinger's Future of Business programs at Georgetown University, and the leak-channels out of Brzezinski's office. The most encouraging feature of this sordid group of events is the extent to which the West German government pays closer attention to America's potential than to its current state of mind.

— David Goldman

The effects of expanding NATO

As *Executive Intelligence Review* goes to press, intense fighting is reported in northern Lebanon between Falange and Syrian troops marking a deadly deterioration in the Middle East. The Lebanon carnage is accompanied by destabilizations and war threats in north Africa and along the Egypt-Libyan border, the toll of massacres carried out by Israeli-armed dictator Somoza in Nicaragua, the re-emergence of terrorism in Italy, and an ominous turn in southern Africa.

This is the initial accounting of the badly misguided "peace initiative" taken by President Carter in the recently concluded summit with Egypt and Israel, which we likened in our last issue to the 1938 Munich Pact that hastened the ad-

vent of World War II. This century's previous experiences with British geopolitics seem to have taught Britain and its American front-man little about the strategic consequences of "encircling the Soviet Union."

Secret documents circulated among the three leaders who met at Camp David reveal that the "Middle East peace" negotiations there were a mere diversionary cover for plans to achieve NATO-encirclement of the Warsaw Pact countries. The secret provisions include "two air bases in Israel and/or in the Sinai" which Premier Begin reports having offered to the USA, and the transformation of the Egyptian military into Israeli-controlled "special forces."

The strategic objectives of the

Camp David "victory" were addressed more fully at last week's Atlantic Treaty Association meeting in Hamburg. There Nelson Rockefeller, fresh from a personal Henry Kissinger briefing, NATO Secretary General Joseph Luns, and NATO Supreme Commander Alexander Haig, set up a chorus for extending NATO jurisdiction to the Middle East, Africa, and all "flank areas" of the Third World.

"NATO's frontier — the frontier of free Europe — is no longer just the frontier of Central Europe but is to be found in the Middle East and Africa as well," the former U.S. vice president said. "Soviet flanking moves in the Horn of Africa, the southern end of the Arab peninsula, and other areas must be matters of concern to the NATO nations and the whole free world. . . ." Rockefeller's prescription: "NATO must stand not only for the North Atlantic Treaty Organization, but for all nations against totalitarian oppression."

Fortunately, sane voices have been raised to dispute this policy for the Atlantic Alliance. At the Hamburg NATO meeting, Chancellor Helmut Schmidt rebuffed the geopolitical strategists and put forward economic cooperation with the socialist bloc and the Third World as the only viable policy. West German Foreign Minister Genscher, speaking for the entire European Community, told the United Nations General Assembly session on Sept. 26 that "detente in Europe and in East-West relations can and should release new political and economic energy to master the great challenge of our times: the elimination of hunger and want in the Third World." Genscher also indicated that Europe is taking steps to make the United Nations a real peace-keeping force.

Genscher's point was reiterated at the UN on Sept. 27 by Mexican Foreign Minister Santiago Roel, who said that more than avoiding war, what is required "is to win the peace in its dynamic concept . . . to resolve the vital needs of development of food production, health, education, work, housing and security for every human being."

Kissinger victor in South Africa

The conjuncture of the selection of the warhawk Defense Minister Pieter W. Botha to head the government of the Republic of South Africa and that nation's rejection of the previously agreed-upon United Nations settlement for the former colony of Namibia is an ominous sign for the securing of peace in southern Africa.

It would be foolhardy, however, to think that the policy of South Africa is in the hands of its government. The real winner in the fight for the successor to resigning Prime Minister Vorster is Henry Kissinger, whose growing influence upon the Carter Administration made P.W. Botha's selection possible.

Botha's own statements this week that the East-West conflict overshadows any internal racial problems echoes precisely Henry Kissinger's scenario for a super-power showdown in Africa. Last week the former Secretary of State attacked the Carter Administration for being "needlessly compliant towards Soviet geopolitical expansionism," adding emphatically that "the Soviets have gotten away with more than they should in" Africa.

Kissinger's gaining control over U.S. foreign policy through his protégé National Security Council chief Zbigniew Brzezinski has succeeded in wrecking the positive policy initiatives in the region by UN Ambassador Andrew Young. Numerous signals from Kissinger's own Center for Strategic and International Studies (CSIS) at Georgetown University and the invitation by 27 U.S. senators to Rhodesian Prime Minister Ian Smith to visit the U.S. were ample evidence for South African hardliners that the U.S. would not disapprove of South Africa's intransigence.

At the same time, the Rhodesian situation is fast moving from any negotiated settlement as the U.S.

foreign policy collapse has permitted Great Britain to proceed with trying to split Rhodesian nationalist forces, the Patriotic Front, and impose a phony British-dominated settlement on Rhodesia.

Britain is now following the guidelines put forward by CSIS Africa analyst Chester Crocker in the *Washington Post* Sept. 25: If Smith submits to British authority, says Crocker: "London would move ahead with establishing all parties commissions and councils to take decisions on such matters as security, elections, the constitution and the civil service. All groups would be urged to participate but none would be offered a decision-making vote."

But like London's Camp David, Crocker's "all party commissions" are a hoax. They are predicated on maneuvering the labile Front leader Nkomo into a settlement with Smith, breaking his partnership with Front leader Robert Mugabe. Such a fake settlement would be absolutely unacceptable to the front-line states bordering Rhodesia and South Africa. The Rhodesian armed forces are now running daily murderous raids into Mozambique, where Mugabe's forces are based.

The end result, as Kissinger and his masters in London know, can only be an escalation of guerrilla warfare in both Namibia and Rhodesia. The hardline turn in South Africa now promises to bring that country to Smith's aid, with U.S. de facto approval, forcing the frontline states to seek Soviet help. Delivering Kissinger's promises, Admiral Thomas H. Moorer, former Supreme Allied Commander of NATO and presently an advisor to CSIS stated during a recent trip to South Africa and Namibia: "The U.S. would probably get more involved in the case of another Angola-type conflict in Africa."