

A June deadline for Europe

"At least five of the nine EEC governments will be lucky to survive until the next summit in June," announces the latest issue of the *Economist* magazine in its commentary on the decision taken at the March 12-13 European Community heads of government meeting to formally launch the European Monetary System.

The *Economist* is the mouthpiece of the City of London-based opposition to the peace through development strategy associated with the EMS since it was conceived last year: typically, the threat is couched in the form of a prediction. The five targeted cabinets are those of EMS founders, West German Chancellor Schmidt and French President Giscard: the cabinets of Irish Prime Minister Jack Lynch and Italy's Andreotti; and the British Labour government under James Callaghan.

In Callaghan's case, the decision to depose him is one with the decision to install an Alexander Haig presidency in the United States. The issue is not Callaghan's position on the European Monetary System, but the strategic requirements to install a suitable Tory government in London to lead the Cold War, militarist reorientation against the Soviet Union that Haig would direct from the Washington side.

The pressure on Western Europe is threefold. First, London and Co. want to transform the new monetary alliance into an instrument of austerity — an adjunct to the bankrupt International Monetary Fund. They have geared their approach to intersecting existing weaknesses of the EMS founders and to exploiting control of the bulk of the international media.

Second, again using the media to retail the slander that the Federal Republic of Germany under Helmut Schmidt is capitulating to the Soviets (being "Findlandized"), Henry

Kissinger, James Schlesinger and other Haig cronies are attempting to shatter the two key elements of Schmidt's EMS policy — the detente accords signed with Soviet President Brezhnev last May, and Schmidt's commitment to exporting nuclear technologies for economic development of the Third World.

Third, the political groupings around Otto Habsburg and their "left" or "greenie" counterparts have launched a drive to create what a U.S.-based terrorist controller termed "mass support for fascism" in Europe.

The most dangerous signal is that West Germany and France are compromising on vital issues, hoping to ease the threats and blackmail against Bonn. High-level West German sources told *EIR* that the Bonn Finance Minister agreed at the recent International Monetary Fund interim committee meeting that West Germany would halt its attacks on the IMF for three months. If this deal sticks, the sources said, "Turkey is finished, and Africa will be set back 20

years."

Moreover, there are growing indications that neither Schmidt nor Giscard intends to mount a real fight against the Camp David war pact, even though French Foreign Minister Francois-Poncet scored Carter policy in the Mideast as "not peace but bilateral pacts" in a Paris press conference March 20.

The world was spared thermonuclear holocaust this past month because the two European leaders refused to toe the Washington-London-Peking line when China invaded Vietnam. But when the Kremlin map-watchers see no independent European buffer against a Haig war policy, nothing will remain to restrain them from an early decision to go to thermonuclear war. If the Europeans fail to blast the U.S. military pact with Israel going under the name of "Camp David," their governments may not last until June — or war may overtake their opportunity to make that decision.

The Week in Brief

The **Soviet Union** has pinpointed **NATO blackmail of European governments** and the recent public adoption by the United States of a "**counterforce**" **military strategy** as direct strategic threats to the Soviet Union.

In a three-part series in *Red Star*, a leading Soviet military strategist, Major-General Simonyan, identifies the strategy as a **U.S. first-strike scenario**. "A state which has as its aim the destruction of the military objectives of its 'potential enemy' must strike first, since in the opposite case

its nuclear warheads will hit empty silos."

Simonyan also warns of U.S. pressure against other NATO members, citing provisions of the NATO treaty under which the U.S. can assume control under **conditions of "internal disorder"** in Europe.

And a Novosti article made available to this news service details how NATO is endangering world peace through (1) a conventional arms buildup; (2) bringing the Mideast into NATO — i.e., Camp David; (3) the military flanking of the socialist na-

tions through the NATO-China link; and (4) the development of exotic new weapons.

Current NATO strategy, as outlined by British General Hackett, envisions a steady encroachment by NATO of the Soviets' global strategic position, leading to a decisive confrontation sometime in the early to mid 1980s.

At the **March 19 meeting of European Community finance ministers**, the Belgian delegation put forward the position that the European Monetary System will not work without **serious austerity measures**. This has of course been Britain's line since the EMS was first proposed last July. The ploy is designed to exploit the **weaknesses of the EMS founders**, typified by the Barre government under French President Giscard, which stands for a domestic austerity policy completely at odds with the aims of the new monetary system.

British Finance Minister Denis Healey piped up to announce that London would veto any economic aid to Ireland and Italy that was not matched dollar for dollar with EMS aid to the United Kingdom. Rather cheeky, old chap — **Britain isn't even in the EMS!**

Turkish Prime Minister Bülent Ecevit issued a **sharp attack** against the International Monetary Fund March 21, charging that the Fund is promoting **policies aimed at stopping economic development**. Turkey, which was recently forced to adopt a stringent austerity package by the Fund (see MIDDLE EAST), requires a policy of increased production and investment, Ecevit said.

Criticizing Turkey's **West German and other European allies** which failed to come through on promised aid to the debt-strapped country, Ecevit stated: "If lack of interest on the part of our allies regarding Turkey's economic problems continues, we would in-

evitably, not because of choice but because of necessity, have to introduce changes in our foreign economic relations. And this could, in due course, have a certain impact on our external political relations too."

The Turkish situation is a major **test case** for the new **European Monetary System's commitment** to financing Third World development; so far, the EMS has deferred to the IMF on the Turkish issue.

In the aftermath of the West German NATO debate we reported in our last cover story, **Henry Kissinger** stepped in personally to threaten the Schmidt German government for its opposition to the London-backed international war buildup. According to Italy's Il Giornale, Kissinger sent a letter to West German "friends" warning that Schmidt was **"capitulating" to the Soviet Union**. Meanwhile a meeting of the **Atlantic Bridge** institution "offered" the Germans the opportunity to collaborate in **NATO plans to secure the Persian Gulf**. West Germany was also proffered a chance to work with James R. Schlesinger in seeking "alternate" **non-nuclear** sources of energy.

One recipient of the Kissinger missive may have been **Otto Habsburg**, the would-be European emperor (see our **Counterintelligence** report). Habsburg's collection of avowedly fascist political groupings, which announced at its last meeting in summer 1978 the aim of splitting the continent into warring "ethnic" regions, will be holding a **strategy meeting in Munich** in late March.

Stilled by the British-influenced U.S. national news media, the presidential campaign of Lyndon H. LaRouche, Jr., the U.S. Labor Party chairman who is closely identified with the EMS and is the leading U.S. proponent of detente and war avoidance policies, has begun successfully taking its

message to the public with a paid media campaign that is unique in the history of U.S. "third" parties. The campaign also differs from prevailing Democratic and GOP media practice in its focus on in-depth treatment of issues rather than "image-making."

The LaRouche approach is typified by a taped television broadcast March 19 in Detroit, a half-hour discussion of U.S. Mexico policy in which he blasted the Carter Administration's policy as "un-American" and developed an alternative approach focused on helping Mexico to become a high-technology nation.

The LaRouche media drive has also included paid advertisements in several major daily newspapers, and has resulted in greatly increased public exposure and media coverage for the candidate.

Not everyone on Capitol Hill is buying Mr. Schlesinger's "Crash of '79" **Oil shortage hoax**, reports our Washington bureau. So, last week the **Senate Energy Committee held hearings** on the impact of the Iranian oil loss, and who should pitch in for Schlesinger but the **Central Intelligence Agency** of Stansfield Turner. According to a classified CIA report released at the hearings by Sen. Mark Hatfield (R-Ore.), "Unless Iranian production is seen restored to a level of about three to four million barrels per day, or oil consumption is restrained, stocks will fall to abnormally low levels by midyear." The report says that "This will inevitably lead to **increased rationing** of supplies by oil companies, **higher prices** and **curtailed economic growth**."

At the same hearings Robert N. Delph, president of Exxon International, denied **contentions that oil companies are overstating the seriousness** of the Iranian situation and deliberately hoarding oil supplies to drive up prices. He did admit that **Exxon is doing a brisk business at increasing profits** in Europe as a result of events in Iran. (For the hard facts on oil supplies, see our **Energy** section).