

## Britain speeds effort to chop globe in three

by Webster Tarpley from Wiesbaden

Statements by authoritative spokesmen for the British intelligence establishment have established the strategy now being pursued by the London-Geneva-Zurich bankers' cabal and its oligarchical co-thinkers elsewhere on the European continent. These forces are manipulating world political and economic affairs toward economic depression and superpower confrontation out of which they expect to precipitate a new tripartite world strategic constellation composed of the following elements:

1) **Mother Russia**, a neo-Stalinist military dictatorship deprived of economic cooperation with West Germany, Japan, and other states in the development of Siberia, and in which the combined effects of excruciating internal economic bottlenecks and hostile encirclement exacerbate the paranoid xenophobic elements in the national ideology;

2) **Fortress America**, characterized by a paranoid xenophobia of its own specific neo-isolationist variety, in which the Goering-like economic doctrines of the Bush-Iklé-Weinberger Team B military buildup presides over the busting up of trade unions, the demolition of social legislation and pensions, and the general collapsing of the civilian sector of the economy; and

3) **An "Independent Europe"** dominated by a British-Swiss condominium, anti-American and anti-Soviet at the same time, with its own specific form of zero-growth fascist ideology and economics, in which such figures as French President Mitterrand, Italian Socialist leader Bettino Craxi and Bavarian-based CSU leader Franz-Josef Strauss would adapt pragmatically to the basic frame-

work of the extinction of the dollar as a world currency and the concomitant emergence of currency zones, toward which various areas of the underdeveloped sector, notably the Middle East and China, would tend to gravitate.

In such an arrangement, the British, Helvetian, and Venetian oligarchs would seek to manipulate and manage a series of confrontations between the twin paranoid superpowers. British agents of influence, especially in the United States, are now proceeding to act out a series of frontal attacks upon European national interests and sensibilities which will facilitate a breakup of the older NATO structures, including a likely withdrawal of U.S. troops from Europe, in favor of a revived European Defense Community as prescribed by the "Cercle" (Le Cercle Violet) networks. The high U.S. interest rates imposed by Swiss puppet Paul Volcker of the Federal Reserve are the most fundamental cause of the U.S.-European estrangement, followed closely by the economic warfare obsessions of Team B's Caspar Weinberger. The same European oligarchical networks who own expendable assets and agents of influence like Volcker and Weinberger are at the same time the most vociferous in publicly deploring their agents' handiwork. Winning the prize for two-faced hypocrisy are surely those British intelligence networks who have words of respect and recognition for West German Chancellor Schmidt in public, but whose less visible machinations aim at an early overthrow of the Chancellor, as for example through the watertight efforts of *Der Spiegel* magazine.

## Creating the European third force

The overthrow of Schmidt, not to mention Italian Prime Minister Giovanni Spadolini, and the thorough wrecking of Vatican Secretary of State Cardinal Agostino Casaroli's diplomacy, are the necessary preconditions for the successful creation of the projected London-Geneva "European Third Force."

In this remaking of the strategic constellation established, not at Yalta, but in the course of the London-promoted Cold War of the late 1940s, the economic issue predominates. High U.S. interest rates, copied, as we should recall, from Margaret Thatcher's great experiment, are now causing a world depression. Former British Prime Minister Edward Heath, a leading member of the World Bank/Brandt Commission, visited Westminster College in Fulton, Missouri, to call upon Europe to decouple economically from the United States in order to defend itself from these interest rates (see below).

Of course, if Heath and his friends were seriously determined to change U.S. interest rates, Volcker would be out of office in 24 hours. But the devastation wrought by these interest rates is designed to provide sober and patriotic Europeans with the proof that the United States has gone collectively insane.

Beyond this, other oligarchical spokesmen are elaborating concepts for the exploitation by the European third force of the power vacuum left behind as the hard-pressed United States dwindles, in French Foreign Minister Cheysson's phrase, into a "regional power." As *EIR* reported March 16, Heath's associate Simon May sees excellent possibilities for "European" intervention into the upcoming Sahara-Polisario crisis (see Africa Report) and Aegean-Cyprus crisis—with "Great Britain as the guarantor power" of course.

## Mitterrand's role

The visit of François Mitterrand to Israel last week represents a significant advance for the British goal of a nonaligned Europe. Mitterrand, who since coming to power last year has reversed France's close alliance with Chancellor Schmidt's Germany in favor of ties with London, established close political and intelligence links with the Israeli government, including especially Defense Minister Ariel Sharon. Despite Mitterrand's rhetorical support for a "Palestinian state," a number of accords were reportedly reached on resumed French arms sales to Israel, closer French-Israeli cooperation in Africa, and French diplomatic mediation of Israeli-Arab relations.

Having already positioned France in the Arab world by reaffirming France's traditionally good links to Arab capitals, Mitterrand now believes that Paris can serve as the broker of Middle East affairs, operating jointly with such British Arabists as Lord Caradon, who was in

Jerusalem with Mitterrand. In Washington March 12, Mitterrand may ask President Reagan to step back and allow France to take charge of Middle East diplomacy. Sources in Paris and London report that French influence in Saudi Arabia, established during the era of Giscard d'Estaing, may be used as leverage to pull Saudi Arabia away from its traditional reliance on the United States.

Most British spokesmen join in condemnation of the new "global unilateralist," tendency in the United States represented by Weinberger, Fred Iklé of the Pentagon, and Irving Kristol and Norman Podhoretz of *Commentary* magazine. Weinberger's "go-it-alone" attitude has repeatedly exacerbated frictions between Europe and the United States, notably in his hard-line demands that the Europeans scrap the Siberian gas pipeline and accept a Polish debt default, regardless of the damage such measures would inflict on their national interests. Ironically, this tendency has been fed by the Heritage Foundation, deeply influenced by British intelligence, in Washington. The excesses of these unilateralists elicited the comment of one German think-tanker recently that these Americans are "hysterical." Other attacks on the lunacy of U.S. strategy have come from such pro-British sources as Theo Sommer in *Die Zeit* and Arrigo Levi in the *London Times*.

## Carrington and the Hamburg mafia

In contrast to wild men like Weinberger, British Foreign Minister Lord Carrington can cut the figure of olympian restraint and rationality, and the chief of British diplomacy is exploiting the moment to the hilt. Carrington's German audience in Hamburg in early March took an instinctive firm grip on their wallets when they heard him remark: "It is a pleasure for me to be in Hamburg once again, one of Europe's greatest states. I almost have the feeling that I should be treated as an honorary member of that legendary force in German politics, the 'Hamburg mafia.' . . . My presence here is, I hope, symbolic . . . of the excellent relations between the Federal Republic of Germany and Great Britain. I believe those relations have never before been so close, so warm, and so important. And that says a great deal, if one considers how far into the past the links between Germany and Great Britain stretch, and how manifold they are. Our languages are closely intertied.

"The German element in our populations still exhibits itself today in physical traits; we are occasionally still referred to today as Anglo-Saxons, although the true Saxons live on this side of the North Sea. . . . Close bonds continue to exist between our own royal family and the royal families of Germany; the most British of our Queens, Victoria, spoke German with her household."

## Ted Heath renews bid to isolate America

*Below are excerpts from a speech by British Conservative Party leader Edward Heath, delivered as the 38th John Findley Green Lecture at Westminster College, Fulton, Missouri, on March 2. Emphasis is in the original, as provided by the British government.*

### The changing face of power

... We continue to live in a world in which the preservation of freedom and the continuation of liberal economic systems depend absolutely on our power to resist the expansionist energies of the Soviet Union. These energies derive their momentum not merely from the simple lust for power, but also from the frustrations of a restless empire in Eastern Europe; from the demoralisation of an economic system which has failed in every Soviet Republic and satellite; from the humiliation of a political creed which has failed utterly to inspire the millions in whose name it is perpetrated; and from the inability of Soviet leaders to derive psychological security from any source other than their growing military arsenal. It is this *combination* of facts which makes the Soviet Union such a peril to civilisation and freedom everywhere. . . .

This brings me, Ladies and Gentlemen, to the next challenge to Western strategy in the years ahead. It is to involve the major regions of the Third World gradually in a full partnership with the West in every sphere of international affairs. . . . Perhaps the most vivid testimony to this necessity is the damage which has been done to the security interests of the West in the Gulf, in the Horn of Africa, and in South Asia by the failure of the United States to develop a close political partnership with India. This is a country which in the next century is set to become one of the world's principal industrial powers, one of its major suppliers of a host of raw materials, and one of the leading architects of international order. . . .

In El Salvador, the [U.S.] administration has claimed the right to intervene militarily should the opposition forces look like winning the civil war. This is justified by the assertion that these forces are the product largely of external communist support. In my judgement, this view fails to give due recognition to the primary causes of the upheaval in El Salvador and in

some other Central American countries. The first is the long history of repression and exploitation of ordinary people by the government in league with an oligarchy of business interests. The second is the devastating effect which the rise in the cost of oil, low prices for the commodities which they export, high interest rates, and a shortage of foreign credit have had on their rural economies. . . .

*In Saudi Arabia, the United States still has, in my view, a political profile that is far too conspicuous. The West must beware of pressuring the Saudi government into formal agreements on matters of security. . . .*

*The inadequate efforts of West European members of NATO to improve the conventional defence of their territory will, I believe, make the use of nuclear weapons significantly more probably should war break out. Moreover, by enhancing Europe's dependence upon nuclear protection by the United States and upon the vagaries of American nuclear policy, these inadequate efforts make nuclear strategy an issue which is immensely controversial and therefore damaging to the cohesion of the Alliance. These facts provide European leaders with a powerful argument for increasing expenditure on conventional defence, which I believe they have failed sufficiently to use. . . .*

*In Europe many ordinary people feel that should war break out they would be faced with alternative nightmares: on the one hand, desertion by the United States; on the other hand, a nuclear exchange fought by the two super-powers but confined to the European battlefield. . . . The belief of some U.S. strategists in the concept of "limited nuclear war" and in the notion of prolonged nuclear "war-fighting" has not provided solace to the Europeans. . . .*

*I remain convinced that the causes of this can only be dealt with by closer integration within Western Europe in the realm of security. Only this would give Europeans real confidence in their ability to influence the defence policies by which their security is maintained. It would require us in Europe not only to develop the procedures for coordinating our defence policies within NATO, but also to deepen our co-operation within the European Community in the sphere of diplomacy. The need for common European diplomacy is particularly great in those areas such as the Middle East and Cyprus where Europe has a role to play which is both distinctive from and complementary to that of the United States. . . .*

*The West can only influence the process of change in Poland, as well as in the Soviet Union, by long-term policies which provide support and encouragement for those who are committed to gradual reform. This cannot be done without deepening our communications with those countries in the realms of trade, political consultation, and discussions on human rights. . . .*

We should not, I believe, make ourselves so dependent upon Soviet markets or supplies of raw materials

that we end up by giving her a significant source of leverage over us. Nor should we resume the extension of credits to Poland if no progress is made towards liberalisation and economic reform in that country. . . .

*The new religion of so-called "self-reliance" which holds sway in London and Washington will, I believe, suffer its demise as it becomes plain that it damages not only the economies of others but their own as well.* In the United States, the unprecedented overvaluation of the dollar caused by the contradictory pursuit of high interest rates and loose fiscal policies is bound to produce large trade deficits and to do further damage to its economic growth. Sooner or later, this will lead to a major fall in the value of the dollar, which in its wake will bring more instability to the world's currencies and impart a powerful impulse to inflation in the United States itself.

The determination of the American authorities to avoid intervention in the exchange markets to help control the value of the dollar will exacerbate these effects. Only the speculators will draw comfort from this situation. The ranks of the unemployed will continue relentlessly to swell. And the rest of the world will probably wait patiently for the next shock which a collapse in the dollar will impart to the global system of trade, finance, and investment.

*Yet I believe that Europe neither need nor should wait patiently for this to happen. The Community ought to take action to insulate itself more effectively from changes in U.S. interest rates which are geared primarily to American needs.* This could be done by the selective use of exchange controls and by greater supervision of the Euro-currency markets. It would require the Community to develop a more effective policy towards the dollar for the European Monetary System than exists at present. And it would need to be supported by greater harmonisation between the member states of their fiscal instruments, particularly taxation on portfolio investments.

The alternative to these policies is that Europe will be condemned sheepishly to follow U.S. monetary objectives. This will leave it with no choice but to tighten fiscal policies even more sharply. The almost inevitable result would be to endanger expenditure on defence and security. . . .

Some may say that these policies would contribute to the further erosion of international cooperation. I believe that they would do the opposite. First, by helping to stabilise currencies they would contribute to the maintenance of an open international trading system, precisely because turbulent exchange rates are such a potent cause of protectionist pressures. And second, *they would contribute towards the development of a regional approach to the management of global economic and monetary affairs—which I believe will be the only successful approach in the long term. . . .*

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## Third World Diplomacy

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# India stresses joint North-South stakes

by Daniel Sneider, Asia Editor,  
from New Delhi

How developing countries will face what Indian Prime Minister Indira Gandhi characterized as the "visible deterioration in the global economy even in this short period of four months since the Cancún Summit" was the topic of three days of consultations in New Delhi beginning Feb. 21.

The meeting, requested by Mrs. Gandhi, brought together representatives of 44 developing nations to seek a common perspective on future North-South negotiations to promote modernization of the "South," or underdeveloped sector. Of immediate concern to the participants was the continued foot-dragging by the Reagan administration on entering such talks, and the related administration failure to address the world economic crisis. This crisis, Mrs. Gandhi warned in her opening speech, has "disastrous consequences for mankind."

The New Delhi meeting intersected an apparent intensification of disunity among the developing-sector nations themselves over how to respond to the Reagan administration's stalling tactics. Frustration and anger is running high in all the developing countries over the lack of progress in the North-South talks that have been off and on since at least 1974. A group of radical, "hard-line" nations led by Cuba and Algeria is using this mood among the developing countries to argue for, alternatively, an inflexible confrontationist attitude toward the United States, or a virtual abandonment of North-South talks with a "go-it-alone" strategy for the developing countries.

India, with strong backing from Mexico, sought to use the New Delhi talks as a forum to organize the other developing countries around a viable strategic perspective for future talks. The element Mrs. Gandhi emphasized was the *reciprocity of interest* between the developed and developing countries—the industrialized countries can only recover if they export technology to the so-called Third World.

In the end, the talks failed to reach the desired agreement on how to approach the Reagan administration's foot-dragging, because the developing countries