

International Intelligence

Volcker 'shakes Japan's economy'

"High U.S. interest rate shakes Japan's economy" is the front-page lead headline of the weekly English edition of Japan's business news daily *Nihon Keizai Shinbun*. This paper's pronouncements are usually taken as the consensus of Japanese business.

Following an editorial the previous week denouncing Volcker's interest rate escalation, the May 26 lead article says the rising U.S. rates "may deal a serious blow to the Japanese economy, which is finally beginning to show signs of recovery in recent months." The reason is that the rise in U.S. rates has reversed the previous decline in Japan's own domestic rates and because they have sparked a flight from the yen, lowering its value by 10 percent from 200 per dollar to 220. The impact on Japan has been much less than on the European economies, but is still regarded as serious by Japan's policy-makers.

The *Nihon Keizai* editorial and lead article are regarded as particularly significant because previously the Japanese had supported Volcker.

KGB, social democrats escalate in Poland

The development of pluralism in Poland, hailed by the Socialist International as a model of socialist-Christian cooperation, has taken an ominous turn with the emergence of the arch-chauvinist "Grunwald Union." This formation, which has a KGB provocateurs' profile, staged anti-Semitic demonstrations in Warsaw last March. It is now claiming an active membership of 100,000. The French daily *Le Monde* describes Grunwald's propaganda as reminiscent of "extreme right-wing French press between the two world wars."

The Grunwald Union has just started publishing a weekly paper called

"Reality," which in its first issue boosted Stefan Olszowski, the Bukharinite economics boss who now puts himself forward as Moscow's most reliable friend in the Polish leadership. The Katowice party organization, run by Olszowski's ally Zabinski, has just issued criticisms of the "hesitations and inconsistency" of the present Polish leadership. Commenting on the Katowice document, *Le Figaro's* Paris correspondent asks if "there are forces in the party in Poland who would be ready to accept favorably a Soviet intervention."

On the other side of the political array, British Poland-watchers' predictions of a fissure of the Polish United Workers Party (PUWP) or its transformation into a social-democratic party are rapidly coming to life. Juliusz Garztecki, a Polish journalist and self-described social democrat now visiting Sweden, says that the Polish Socialist Party, which merged with the Communists to form the PUWP after World War II, will soon reconstitute itself as an independent party and seek affiliation with the Socialist International.

CANDU's future is in doubt

An official Canadian government review of that country's nuclear industry concludes that nuclear component manufacturers will be "without business" by 1985-86 and that "even the most optimistic scenario is that the current industry cannot be maintained in the 1990s."

Prepared by a team from the Canadian Energy, Mines and Resources Department, the report goes on to state that Atomic Energy of Canada, Ltd. has overplayed the technical superiority of the CANDU reactor.

The report also states that Canada's export safeguard restrictions are even more stringent than the U.S. which "allows more discretion in special cases." It states that even were Canada to modify these stringent restrictions on exports, "the result would come much too late to

help the industry out of its immediate difficulties."

The report is expected to negatively influence countries such as Mexico, Argentina, and Yugoslavia currently looking at possible purchases of CANDU's heavy water reactors.

Africa conference hits Global 2000

Mobilizing the U.S. to reverse the State Department's Global 2000 population control policy that will condemn millions to death in Africa and elsewhere was the theme of a conference sponsored by *EIR* and the Committee for a New Africa Policy in New York on May 22.

Speakers, including His Excellency Youssoufou Oumarou, ambassador to the United Nations from the Organization of African Unity, Fusion Energy Foundation director of research Uwe Parpart, and *EIR* Contributing Editor Christopher White, among others, put forth a perspective for rapid development of water, agriculture, and industrial infrastructure in the African continent, which could be implemented almost immediately.

Mr. Oumarou called on Americans to understand that revolutions in Africa are similar in aim and aspiration to the American Revolution. "The problem in Africa is not race. . . . President Samora Machel of Mozambique has four whites in his government. They are there because they believe in the continent. The issue is not color, it is belief."

EIR's Contributing Editor Christopher White, a founding member of the Committee for a New Africa Policy, formed in 1980, when the East African drought was threatening 150 million people, said, "Since Carter was thrown out . . . we've found out what these people are up to behind the backs of the citizens of this country. I am talking about the State Department. These people are quite calmly sitting in Glastonbury, Connecticut, figuring out how we can deliberately reduce the world's pop-

ulation by 2 billion people. And they say it outright."

The Fusion Energy Foundation's Uwe Parpart, who recently debated Global 2000 planner Nicholas Yost in Washington, compared the Global 2000 policy to the policies of the British East India Company, under whose aegis, 20 million Indians died between 1800 and 1850.

Mr. Parpart also characterized the problem today in Africa as underpopulation. He called for a development program for Africa based on the most advanced technologies from the developed sector. "The only limit that exists is the limit Benjamin Franklin already pointed out; the only limit that exists at any given time is our own knowledge. And that is also our most important resource."

Debate 'Japan model,' 'appropriate technology'

A debate has broken out at a series of public meetings on whether the "Japan model" or "appropriate technologies" is best for the Third World.

The president of IBM Japan, T. Shiina, addressing a recent Pacific Basin Economic Council meeting in Hong Kong, denounced the "appropriate technology" approach. "Consider the case of Japan, one of the less-developed countries in the world a century ago. . . . There is no secret to Japan's success. Ever since the Meiji Restoration, her leaders have fervently encouraged the importation of technology from the West." Shiina also denounced the so-called boomerang effect theory—the specter of cheap products from developing countries causing unemployment in the advanced sector. "I, for one, am not concerned about any 'boomerang.' In fact, the best thing that could happen to the world economy would be for this process to create more 'new Japans.'" The answer, he said, is advanced nations "must constantly promote new industry with new technology. And then they must

transfer this technology and move on to even newer areas. . . . It is a continuous process."

Meanwhile Club of Rome President Aurelio Peccei told a Tokyo audience that developing nations must not copy the Japan model. The Club of Rome advocates zero population growth and "limited" economic growth. Peccei told a symposium on development sponsored by the *Yomiuri* newspaper that revitalizing U.S. industry was "a grand illusion." Peccei was echoed by former Calcutta University Dean S. K. Bhattacharya, who said "great leaps forward" such as were taken by Japan were not recommended for developing countries. Another speaker said such leaps cause only social unrest, citing Iran, China, and Indonesia. They complained that Third World elites had a "catch-up" ideology of "If Japan can do it, why can't we?"

Pakistan regime to put Bhuttos on trial

It is reliably reported that the military regime of General Zia Ul-Haq is preparing criminal charges against Mrs. Nusrat Bhutto, her daughter Benazir, and son Murtaza for alleged complicity in the March hijacking of a Pakistani airline plane. The *London Times* cited an interview with Pakistani Attorney General S. S. Pirzada as the source of this report. Pirzada denied his statement the following day but sources in London dismiss the denial.

The United News of India reported earlier on May 18 that the two women, who lead the Pakistan People's Party founded by murdered Prime Minister Z. A. Bhutto, will be tried by a special military tribunal. Murtaza Bhutto is living in exile. The regime has been carrying on a massive propaganda campaign for the past two months to try to link the Bhuttos and the PPP to the hijacking, but London sources have provided evidence that it was in fact set up by the regime itself.

Briefly

● **CASPAR WEINBERGER** was promoting Socialist Party leader Bettino Craxi's political fortunes during the defense secretary's recent trip to Rome, a well-placed Pentagon source confirms.

● **HENRY A. KISSINGER'S** friends complain that Socialist International vice-president Edward Broadbent of Canada's meeting with Thomas Enders of the State Department to discuss Central America gives the impression that Haig is coordinating with the social democrats.

● **ALEXANDER HAIG** and Admiral Stansfield Turner have been subpoenaed in the proceedings against Michele Sindona, reports the Italian magazine *Panorama*.

● **ARGENTINA** and Brazil, at a May 26 meeting of their heads of state, have publicly rejected the idea for a South Atlantic counterpart to NATO. The final communiqué declared that Presidents Viola and Figueiredo "reject any hegemonies, axis or zones of influence."

● **JAMES BUCKLEY** has told the Global 2000 Committee that he thinks the *Global 2000 Report* has become discredited as a Carter administration environmentalist tract. According to a Club of Rome member, the undersecretary of state said he will push instead the World Conservation Study produced by the International Union for the Conservation of Nature (IUCN) with the financial backing of the World Wildlife Fund. The IUCN was founded by Julian Huxley. Its director general, Dr. Lee Talbot, said May 23 in a speech in Kenya that "it was the development effort that contributed to the severe impact of the 1972 Sahel drought. The drought was no worse than in previous years, but they had more cows and people."