

Can Shultz accomplish what he now intends?

by Criton Zoakos

During his 10-day junket to France, Turkey, Greece, and Italy, U.S. Secretary of State George Shultz did his utmost to lay the basis for a disengagement of the United States from the Mediterranean Sea and from the general European sphere. His mission was not exactly a sterling success, though through no fault of his own: His long-scheduled trip coincided with an unforeseen, but dramatic, affirmation, in Western Europe, of a growing willingness of political constituencies and leaders, to resist the planned Soviet takeover of Europe.

Shultz's trip had been planned to accomplish several things, among them, to undermine the pro-Western government of Turkey, to strengthen the pro-Soviet Papandreou regime in Greece, bolster the faction in the Italian government opposed to the Strategic Defense Initiative, led by Defense Minister Giovanni Spadolini and Foreign Minister Giulio Andreotti, and to undermine the newly elected, pro-SDI, French government of Jacques Chirac. The broader purpose of Shultz's trip, appears to have been to encourage the motion toward the formation of a purportedly neutral, in fact anti-American coalition of "Mediterranean states," long in preparation by Libya's Qaddafi, Greece's Papandreou, the French Socialist Party, and other figures of the Socialist International, including Bruno Kreisky and Willy Brandt.

The overall scheme for the political removal of the United States from the vital Mediterranean waterways had been worked out by Lord Peter Carrington while he was still in the British Foreign Office, and was put into action immediately after Carrington became secretary-general of NATO, in the spring of 1984. The political intentions of Lord Carrington's scheme to hand the Mediterranean over to the Russians, had been reflected in an interview of Soviet boss Yuri Andropov given to *Der Spiegel* magazine of Hamburg the year before,

in which Andropov made the overt proposal to the United States, to redefine world spheres of influence by recognizing the Soviet Union as the world's principal "land power," and the U.S.A. the principal "sea power." This, Andropov explained, would put Asia, Europe, and Africa under Soviet jurisdiction, while the United States could have the Western hemisphere and its surrounding seas.

This Andropov proposal was followed by secret discussions between Moscow and London, over Lord Carrington's appointment to the NATO post. The principal emissary was Kurt Waldheim, who traveled repeatedly between London, Moscow, Vienna, and Corfu, Greece's principal Venetian island, orchestrating the arrangements.

George Shultz is known to have been in principled agreement with the prospect of turning Europe (and the Mediterranean) over to Moscow, since, at least, his appointment as secretary of state in August 1982, when he reaffirmed in public his agreement with Henry Kissinger that "the principal task of American diplomacy during the 1980s is to reduce U.S. influence to approximately 25% of its postwar extent," presumably in order to make the "American sphere of influence" commensurate with the shrunken U.S. economic and military strength.

The State Department's program

If the American public knows next to nothing about the foreign policy objectives of the State Department, part of the explanation lies in the fact that the mass media of information, which systematically refuse to print the truth about the State Department, have been, since the days of Henry Kissinger, the principal partners of a small policy-making cabal at the top of the Foreign Service. Some of the most senior

officials of the State Department, past and present, are newspaper and TV personalities: Leslie Gelb of the *New York Times*, Richard Burt of the *New York Times*, Bernard Kalb of NBC-TV, and, not least, Cyrus Vance of the *New York Times*.

Since at least the days of Henry Kissinger, the policy of the State Department has been the policy of the interests which own the mass information media, and this is the reason why the American public does not know what U.S. foreign policy is: Those with the means to inform, have the greatest interest in concealing.

Yet, enough has been said in public, for the patient researcher to piece things together and reconstruct, from the massive but scattered evidence, what the exact purposes of the State Department cabal really are. George Shultz, as secretary of state, has acted as the protector of this treacherous cabal, and he himself has acted as one of its inspired leaders. Shultz's and the cabal's philosophy, is, in the final analysis, quite simple.

From his days at the University of Chicago, Shultz had formed the firm belief that the only efficient and viable form of organization of public affairs, on the international and national level, is the model of the transnational corporation, organized around clear targets of profitability, productivity growth, resource preservation, and overall corporate efficiency. Shultz and his intellectual associates from the "Chicago School" of economics hold that the two principal obstacles to such supranational corporate efficiency are 1) politically influenced governmental structures, and 2) the large proportion of the population who, according to Shultz's outlook, are "losers," "laggards," "unable to cope," and thus a drag on corporate efficiency.

Governments which are elected or otherwise influenced by constituencies, according to Shultz, invariably tend to promote economic policies which are "inefficient," because they promote the interests of such "laggards," and "losers," at the expense of the supranational corporations. Shultz has often argued that, since the supranational corporations of today account for approximately one-third of all of world trade and also one-third of all industrial production, and approximately 80% of all Western-world patents and inventions, they should be encouraged to become the ruling forms of organization of mankind, replacing elected governments in this role.

This, more or less, is the content of U.S. foreign policy under George Shultz, as it was under Cyrus Vance and Henry Kissinger before him. This policy perspective, in its more "theoretical" and academic form, was explicated and presented to the public in a set of volumes titled *1980s Project*, published, under the direction of the *New York Times's* Cyrus Vance, by the New York Council on Foreign Relations just before the Carter administration took office, with Vance as its secretary of state. The *1980s Project* report argued that the "principal conflict," in international affairs, is no longer between "capitalism" and "communism," but rather between

governments and private corporations over control of the world economy.

This reorientation of U.S. foreign policy is, in the final analysis, the cause for the collapse of numerous governments which, throughout the postwar period, had been known as "friends of the United States," from Iran in 1979 to the Philippines in 1986. Also, every major political party previously known as "friends of the United States," has either been actively opposed by U.S. foreign policy, or simply cut off. The reason for this is simply that, around the world, since the end of the Second World War, "friends of the United States," was the generic name of nationalist political formations, whose nationalism was explicitly riveted to programs in support of strong national governments, with strong national economic policies—very similar to the old American economic model associated with Alexander Hamilton, Henry and Matthew Carey, the Henry Clay Whigs, and Friedrich List: in short, the "American System of economics."

The State Department's universal and unqualified hostility to such pro-American power-centers worldwide is, of course, coupled with equal hostility to "American System" political tendencies within the United States itself. Under Shultz, this tendency for Foreign Service meddling into domestic U.S. politics have been more pronounced than even since the time Henry Kissinger forced the resignation of President Richard Nixon.

The principal instrument Shultz employs to influence domestic affairs, is economic policy. A look at his principal lieutenants in the State Department is revealing: Deputy Secretary of State is John C. Whitehead, of the investment firm Goldman, Sachs, long a proponent of the *1980s Project* policies; Undersecretary for Political Affairs is Michael H. Armacost of the Bank of America, one of the original proponents of the plan to "privatize" every government in the world, including the U.S. government; Undersecretary for Economic Affairs is Allen Wallis, the "Chicago School" economist and a major ideological influence over Shultz, a man with a wide reputation for personal brutality.

These persons, drawn from the world of multinational banking, are in close alliance with White House Chief of Staff Donald T. Regan of Merrill Lynch, and have formed a common policy toward the U.S. government, which they view in the same way as a creditors' committee views a bankrupt company: They represent the private banks to which the federal government is indebted for over \$2 trillion, and they therefore have the right to dictate terms.

The budget-cutting and austerity policy of these creditor bankers was imposed on the United States by means of the Gramm-Rudman bill, which was promoted, inside the administration, by these friends of George Shultz. The same group around Shultz also took measures to ensure for Paul A. Volcker a third term as chairman of the Federal Reserve.

Shultz, in addition, is fully exploiting the Gramm-Rudman Bill for purposes of foreign policy, in the following way: It has been argued that the defense budget cuts mandated by

Gramm-Rudman, will make it impossible for the United States to maintain a military presence in either Western Europe or in the Pacific, and that therefore, an "orderly withdrawal" should be planned.

Shultz's Mediterranean trip

Prior to Shultz's departure for his recent Mediterranean junket, an extensive effort was launched, involving House and Senate leaders of the Armed Services Committees, to "fundamentally redefine" United States military commitments and strategic objectives around the world, "in light of the Gramm-Rudman legislation." Many of the participants in this effort told reporters of this news service, that the United States, under its present financial circumstances, will have to dramatically cut its defense programs, probably by \$70 billion for fiscal 1987 alone, and much more later, reducing its military personnel by 250,000 to begin with, and, in the midst of these drastic cuts, rethink the entirety of its military objectives, and accept, however reluctantly, a minor world role—perhaps as a policeman of the Western hemisphere. On the whole, a perspective virtually identical with Yuri Andropov 1983 *Der Spiegel* proposal.

Shultz's trip to the Mediterranean countries was timed in anticipation of these defense budget debates, which are to begin soon before Congress begins to vote on the next year's budget. The intended purpose of the trip was to bolster up

policies and factions in the Mediterranean nations, which would facilitate an American withdrawal from there. It was only a partial success.

When Shultz arrived in Paris on March 24, a new republican-conservative government under Jacques Chirac had been sworn in, to replace the Socialist International government on which Shultz had counted in the past. The French electorate's vote during the general elections of the previous week, was a long-anticipated repudiation of the policies of appeasement and philo-Sovietism of the previous government; this French vote, in turn, was a continuation of a new phenomenon in Europe, which began with the Spanish referendum at the beginning of March, in which the Spanish people voted overwhelmingly in favor of joining NATO.

These turns in the tide of European public sentiment occurred amid other events which make Shultz's prospects more difficult. NATO's Nuclear Planning Group meeting unanimously endorsed the U.S. Strategic Defense Initiative and the (Weinberger-dictated) American response to Moscow's disarmament proposals, thus nearly burying Shultz's hopes for a 1986 superpower summit. Finally, despite serious shortcomings in the accord, the Federal Republic of Germany became the second U.S. ally to sign an agreement of cooperation on the Strategic Defense Initiative. Shultz can anticipate serious difficulties ahead for his program of national sellout.

U.S. action on Libya—a strategic shift?

Following the March 24 and 25 actions at the Gulf of Sidra, the major question to be answered was whether the terrorist Colonel Qaddafi's regime would survive or not. The answer to this question, in part, lies in Washington: The State Department insists that the Qaddafi regime must be preserved. Indeed, after the U.S. Sixth Fleet defended itself against Libya attacks on its maneuvers, Shultz and his co-thinkers, who were horrified at the Pentagon's decision to hold the maneuvers, won out when the maneuvers were ended several days before the scheduled date of April 2.

Sources inside Libya report that the Colonel's domestic prestige plummeted since the beginning of these U.S. naval exercises, during which Qaddafi's attempts to enforce his arbitrary "line of death," resulted in repeated humiliations of his forces—and of his Russian allies' SA-5 anti-aircraft missile batteries.

In the political coterie surrounding Qaddafi, "humiliation" is such a potent political factor, that many opposition Libyan leaders, both inside and outside Libya, stress that a mere continuation of the U.S. Sixth Fleet maneu-

vers, conducted in the same spirit of resolve, would have been enough to topple Qaddafi's regime. The effectiveness of the U.S. deployment lay in its simplicity: The Sixth Fleet was instructed to conduct routine maneuvers inside international waters—a standard international practice pursued by all navies in the world; the Sixth Fleet was also instructed to automatically and without prior consultation fire to defend itself if attacked—also a standard international practice.

What has destabilized Qaddafi's regime is its inability to enforce its irrational claims of exclusive control over waters considered by all, even the Soviets, as international waters.

It appears that the world is moving toward a major strategic shift, defined by a serious American determination to sweep aside those political cliques which have preserved Qaddafi since 1969, when he came to power in Libya under protection of then-National Security Council Adviser Henry Kissinger and a little cabal in the State Department and the CIA best described as "Colby's faction in the CIA."