

Mideast crisis: Thatcher targets German unity

by Kathleen Klenetsky

On Oct. 3, the two Germanys finally became one nation, ushering in the prospect for a new era of unprecedented peace and prosperity for Europe. With its highly productive economy, a reunited Germany has the capacity to become not only the center of an industrial renaissance that can salvage the dying economies of Eastern Europe and even the Soviet Union, but the powerhouse for a global economic recovery.

Yet George Bush, Margaret Thatcher, and François Mitterrand all turned down invitations to attend the formal ceremonies in Germany marking the new union, on the grounds that they had more important things to do. That snub speaks volumes about the real attitude of the Anglo-Americans toward German unity. Margaret Thatcher may have fired her Chancellor of the Exchequer, Nicholas Ridley, last summer, for publicly comparing the current leadership of West Germany to Adolf Hitler, and charging that Germany was scheming to “take over the whole of Europe,” but he was only saying in public, what his confrères among the British and U.S. Establishments were ranting about in private. Ridley’s statements represent the actual policy of the Anglo-Americans towards reunited Germany—as well as to any other country, such as Japan, which has the temerity to have a functioning, productive economy, and the potential for using that economic power as a basis for contesting Anglo-American political dominance.

The Anglo-Americans’ bitter hostility has manifested itself in numerous areas, increasing in intensity over the past several months. The media in the U.S. and Britain have been full of scare stories warning that a reunified Germany will become a new “Fourth Reich,” that Europe will be dominated by Germany, that Germany is turning East. Racist propaganda about the “nasty Japanese” who want to “take over the U.S. economy” has reached fever pitch.

Moreover, the U.S. is waging a full-scale trade war against the two countries, a war which has escalated significantly since the Gulf crisis erupted.

During the course of the 101st Congress, more than 60 pieces of anti-Japanese trade legislation have been introduced. Since “Operation Desert Shield” began, numerous measures mandating trade sanctions or other forms of punishment



The aircraft carrier USS Saratoga, which is now deployed to the Mideast as part of the reckless Anglo-American show of force in the region.

U.S. Navy

against countries that don't do their "fair share" to support the lunatic U.S. deployment, have been proposed. Germany has been accused of "contemptible tokenism" and other sins for failing to deploy troops—an act expressly forbidden by its constitution.

President Bush himself upped the ante in his speech to the International Monetary Fund-World Bank conference on Sept. 25, in which he demanded that the upcoming Uruguay round of General Agreement on Tariffs and Trade (GATT) eliminate agricultural subsidies. This was an attack on Western Europe, whose agricultural base would be wiped out.

And finally, Washington, acting at the behest of its British cousins and on the ludicrous pretext that the Soviet Union no longer represents a threat, not only has reoriented its military to fight depopulation/resource wars against the South, but has also shifted the focus of its intelligence apparatus away into economic warfare against its European and Asian allies.

A new Roman Empire

Why should the United States feel compelled to line up with a bunch of British losers to wage war against its allies—and against its own self-interest?

For the simple reason that the Anglo-American elite considers German reunification to be a major challenge to its economic and political power, and rightly so. If Germany, along with Japan, continues to demonstrate the success of dirigist, production- and investment-oriented economic policies, and uses these policies to develop Eastern Europe, Ibero-America, Asia, and Africa, then the free market, "post-

industrial" lunacies promoted by Washington and London will, like communism, collapse of their own dead weight.

The Germans and the Japanese are becoming more open in acknowledging that they are seeking to create a new global economic system, out of the decaying shards of the present one. In a recent issue of the monthly Japanese magazine *This Is*, author Toshiaki Matsumoto cited a Japanese analyst who observed that, while the socialist system has collapsed, and the future of the American-style free market economy looks dim, the systems which are proving successful are those of Japan and Germany. These two economic systems, he noted, have several common characteristics, including the fact that their respective governments intervene to foster the process of industrial development and production. The analyst concluded that the world is seeking a new economic system, and that Japan and Germany are serving as models.

By the same token, the British and Americans are now aggressively marketing their version of a "new global order." Both Bush and Thatcher have recently called for the creation of a new order—a concept which bears a striking resemblance to the very Nazi model that has been fraudulently invoked against German reunification, since the model that the Anglo-Americans are following is that of pagan imperial Rome.

There is nothing stopping the Anglo-Americans from junking their own failed policies, in favor of the "American System" ones that have proved such a success in Germany and Japan. But, in a classic case of cutting off one's nose to spite one's face, they have opted instead for a strategy of undercutting German and Japanese development—even

though, by doing so, they will be wiping out the basis for their own potential economic recovery.

The British in particular have been brazenly open about their intentions. In his infamous *Spectator* interview, Nicholas Ridley defined Britain's mission in Europe thus: "We've always played the balance of power in Europe. It has always been Britain's role to keep these various powers balanced, and never has it been more necessary than now, with Germany so uppity."

Mideast war against Europe and Japan

The Anglo-Americans had been counting on the Soviet Union to derail, or delay, German reunification, but Moscow frustrated that plan, when it decided that its own catastrophic economic situation required the assistance which a united Germany could offer. At that point, London and Washington decided that more drastic steps were necessary, namely, triggering the current crisis in the Mideast.

The final decision to turn the Iraqi move into Kuwait into a full-fledged military conflict occurred at the 40th Anniversary of the Aspen Institute in Colorado Aug. 3-5. For the few days following Iraq's action, Bush had not shown any particular inclination to deploy the U.S. military. But all that changed when he and Thatcher got together at Aspen. Suddenly, the President was howling for blood, and "Operation Desert Shield" got under way. The British press made no bones about the fact that it was the Iron Lady herself who had "put some spine" into Bush, persuading him that war was a small price to pay to show the world just who is in control.

It was hardly a coincidence that, at the Aspen fête, Bush unveiled a new U.S. military strategy in which the mission of the American armed forces is now defined as fighting "regional wars"—code words for colonialist interventions—or that Thatcher's speech dwelt on the supposed problem of "overpopulation"—since these are crucial elements of the Anglo-American new global order.

Operating under the dangerous delusion that such an inherently unstable situation can be crisis-managed, the Anglo-Americans believe that the Gulf mess can be used against Japan and Germany in several principal ways.

The most obvious is the "oil weapon." Both Germany and Japan are deeply dependent on Mideast energy sources; Japan, for example, receives 12% of its oil imports from Iraq and Kuwait, and 30% from Saudi Arabia. Ninety percent of Europe's energy is provided through imports. Bush's oil embargo has sent shock waves through the Japanese economy, and has put an additional burden on a Germany struggling to finance the reconstruction of its eastern half.

And the situation is getting worse by the day. With the price of oil rising to \$40 a barrel, amid predictions that it could soar to \$80 or more, the global economy will suffer catastrophic damage. Skyrocketing oil prices are already wreaking havoc on the fragile economies of Eastern Europe and the Third World—the obvious markets for German and

Japanese industrial exports.

In September, when oil was approaching \$30 a barrel, Morgan Stanley calculated that at that price, it would take 38% of Poland's hard currency income, 90% of Czechoslovakia's, and 20% of Hungary's, to pay for oil imports. In poorer nations of Asia and Africa, the situation is even worse. Aside from destroying these countries' ability to pay for any other needed capital investments or goods, the economic dislocations caused by Bush's oil embargo will create political instabilities that could threaten the development of democracy in Eastern Europe, leading to the destabilization of the entire region.

Even more dangerous is the prospect that the United States will occupy the Mideast oil fields permanently—as hinted at by U.S. government officials and advisers, and warned about by James Akins, the former U.S. Ambassador to Saudi Arabia (see *EIR*, Oct. 5, 1990, page 30).

The Anglo-Americans are also using their rigged crisis to try to blackmail the Germans and Japanese to adopt the same neo-colonial looting strategy that lies at the core of the Bush-Thatcher new world order.

The U.S. has already managed to extort billions of dollars from Germany, Japan, and other nations, to pay for its lunatic adventure in the Gulf, but continues to insist that they take on a direct military involvement. The U.S. Congress is doing its bit, by passing a slew of measures to slap various forms of trade and other sanctions on Germany, Japan and any other country which doesn't do its "fair share" in the Gulf. The point is not simply to get additional forces into the area, but to line up Germany and Japan with the British and Americans, against the nations of the South. In addition, the U.S. and British governments are exploiting the Iraqi situation to push through a new round of international non-proliferation measures, aimed at shutting down the transfer of technology from advanced industrial countries to the Third World. We explore this issue in greater depth in the following article.

Even if we are very optimistic, and assume that a Mideast military conflict will not spill over into general global war, the consequences of the Anglo-Americans' stupid games will nevertheless be tragic.

The world as a whole is in dire economic straits. Britain's economy is a pathetic joke, and America's is fast becoming one. Whole parts of the Third World, especially in Africa, are dying. The newly liberated countries of Eastern Europe will be unable to survive without massive infusions of capital. In this crisis, German and Japanese economic strength are desperately needed as the levers to a new global economic system, based on the concepts of investment for production associated with Alexander Hamilton. The United States' future survival depends on the success of German reunification and the Japanese miracle. If President Bush continues to line up with the British side, it will be destroying its last hope—and that of the world—for avoiding the worst economic collapse in history.

Main target is Europe

From an interview with Jordanian Prime Minister Mudar Badran published in the Jordan Times on Sept. 19:

The U.S. forces were aiming to deploy at the oil fields so that Washington can reign supreme in the coming decade as a sole superpower in the face of a united Europe by 1992, which would constitute a major world power competing with the United States. Washington . . . realizes that whoever lays his hand on the oil of this region will be able to control the fate of Europe.

From the Center for Security Policy's report "Rabtagate: The Inside Story of German Collusion in the Libyan Chemical Warfare Program":

. . . The record suggests that there exists at the highest levels of German industry and officialdom a fatal willingness to subordinate common security interests to narrow parochialism and greed. . . .

In light of this evidence, the Center renews its call for President Bush to utilize authority available to him under existing U.S. law to impose import sanctions against German companies judged to have violated regulations controlling exports. It also urges Congress to hold urgent hearings into German export practices and to examine with care the real risks they pose to American and Western security interests—and the additional costs imposed on U.S. defense expenditures.

Under no circumstances should the United States assent to German demands for further liberalization of the multilateral export control regime unless and until Bonn can demonstrate the adoption of a far more conscientious technology security policy and effective enforcement of existing arrangements. Such an approach should, in particular, govern the U.S. Senate's imminent action on legislation reauthorizing the Export Administration Act (due to expire on 30 September 1990).

From "German profits über allies," by Frank Gaffney, director of the Center for Security Policy, published in the Sept. 4 Washington Times:

. . . The view of both the German government and many German companies toward export controls might be best summed up as Profits über Allies. This reckless and irresponsible course was ill-advised when, with the fall of the Berlin Wall and prior to the Iraqi invasion of Kuwait, many in the

West indulged in the naive belief that a new, threat-free world had arrived. But today it should be crystal clear that such a policy is unacceptably dangerous.

If Germany is to enjoy the status of a leading Western power it so desires, the willingness of some unscrupulous German entrepreneurs to disregard elementary common security interests in order to make a profit—and of the Bonn government to tolerate, if not facilitate, such practices—must end.

President Bush can help bring this about by utilizing authority available to him under existing U.S. law to impose import sanctions against German companies. . . . Congress should hold hearings into German export practices. The model for these hearings could be the congressional inquiries of half a century ago when those who sold Japan scrap metal subsequently used to attack U.S. forces were held to account.

From comments on the floor of the House by Rep. John Dingell (D-Mich.), in introducing the "Desert Shield Burden-Sharing Act of 1990" on Sept. 11:

I have to join my colleagues and all citizens of this nation in expressing my outrage at those nations who have chosen to sit upon the sidelines, hoping to reap the windfall of a secure and stable oil supply at the expense of American effort, American money, and American lives. . . .

I am therefore introducing a bill to encourage meaningful contributions from our world neighbors for resolving this crisis. The "Desert Shield Burden-Sharing Act of 1990" would impose an additional 20% duty on the goods of nations that the President decides are not paying their fair share for Operation Desert Shield. . . .

During this crisis, the President has been able to encourage many nations to provide support; however, it is noteworthy that the Japanese propose to give us \$1 billion, less than one month's cost of this undertaking, and West Germany has indicated that it will pay the Soviet Union \$8 billion to house and support some 300,000 Soviet troops in East Germany, while contributing only a minuscule amount to the support of our undertaking. . . .

Peregrine Worsthorne, stepson of Montagu Norman, the Bank of England head who bankrolled the Nazis, has been a rabid critic of German reunification. The following is from a colloquium essay on "America's Purpose Now," published in the Fall 1990 issue of The National Interest:

The end of the Cold War does not put an end to the need for some American presence in Europe. But it changes the justification for that presence. During the last forty years, the justification has been to keep the Russians out. In the next period the justification will be to keep the Germans down; or if not exactly down, at any rate not too triumphantly up. . . .

I see a British-French-American military alliance as being a successor to NATO with the purpose of maintaining some sort of European balance of power.