Soviet capabilities, Schlesinger replied to my representative's question that the questioner evidently did not understand the principle of the 'aura of power.'

The notion of a mere appearance of real power, 'the aura of power,' as the instrument of geopolitical bluffing, is the basis for the leading features of Carter administration policy today: 'the China card,' 'the Islamic card,' 'the captive nations card,' and so forth and so on. Brzezinski's policies, and therefore the policies of Brzezinski's and Kissinger's puppet, Carter, is accurately described as a strategy based upon 'a house of cards,' as Brzezinski wrote in a Rand Corporation paper he composed during the middle of the 1960s.

What happens when Moscow puffs gently against the Kissinger-Brzezinski-Carter 'house of cards'?

The result is three U.S. carriers (two ready for retirement) lined up in close order on parade, perfect targets for a single tactical nuke, in the potentially hostile zone of the Indian Ocean. Carter threatens capable Soviet forces in Afghanistan with a gang of drug addicts scraped out of the barracks of U.S. forces stationed in West Germany.

These facts are true. The denunciation of the 'systems analysis' policies/traditions of Kennedyite Robert S. McNamara are also valid, even when those criticisms come from the mouths and pens of such followers of the Nazi Goering as Gabriel and Savage.

Why Gabriel and Savage are kooks

When Lord Milner's Round Table group mobilized Britain for World War I, at the turn of the present century, Milner and company adopted the 'dirigist' economic-development policies of Alexander Hamilton as a policy of reference. It is broad-based technological progress, high rates of capital formation in the civilian economy, which give a modern nation in-depth logistical strength for its required military capabilities.

It was because of Milner's adoption of a policy of technological progress for the civilian economy that kook-cultist Bertrand Russell walked out of the Milner group in a display of infantile pique. As H.G. Wells states, referring to Russell's walkout in his own autobiography, Wells agreed with Russell philosophically, but 'compromised' by proposing that high-technology development be limited to the military side of the economy, while applying zero growth collapse to the civilian side. Nazi Goering was the direct outgrowth of H.G. Wells's 1920s articulation of that policy.

Gabriel, Savage, and their 'Team B' group of Bush backers, are rabid, zero growth kooks, who disagree with the lunatics of the Clamshell Alliance only on the point of military spending, while agreeing with the Clammies on nearly every point concerning the civilian economy.

The report of the Commission: end

by Daniel Sneider

"We believe that certain elements of what might be called international government are already called for to meet both mutual and national interests, and that by the end of this century the world will probably not be able to function without some practicable form of international taxation; and a decision-making process which goes a good deal beyond existing procedures."

This rather incredible and blatant call for the surrender of national sovereignty, including even taxation, to a one-world government is the conclusion of a report issued this past month by the so-called Brandt Commission, otherwise known as the Independent Commission on International Development Issues under the Chairmanship of Willy Brandt. The signers of this report, North-South: A Program for Survival, are a group of bankers, politicians, economists and similar misfits from around the world who were assembled late in 1977 at the behest of the President of the World Bank, former U.S. Defense Secretary Robert McNamara, a misfit in his own right.

The designated purpose of this group was to carry on the much vaunted "North-South dialogue" through the agency of an "independent" group of prominent persons. After more than two years of work the Commission has managed to produce a series of proposals which are really nothing more than a well-padded and little disguised promotional pamphlet for the well-known prescriptions of zero-growth economics and fascist austerity of the sponsors of the group, the International Monetary Fund (IMF) and World Bank. While the 300 pages of text of the report are insufferably boring as a result, they contain gems of insight into the world in which these One-Worlders would have the rest of us live, provided we surrender our governments and nations to this self-appointed elite.

The principal conclusions of the report can be briefly summarized as follows (please see selected excerpts below for elaboration):

26 Special Report EIR March 4-10, 1980

Brandt nationhood

- 1. The one world system. National sovereignty over economic policy and related matters should be surrendered to a one-world government (including they hope, China and the Soviet bloc) which would have powers of taxation over certain items of world trade, including arms, and which would control not only the existing IMF and World Bank but also new institutions like an energy institute and "World Development Fund" which would control global credit flows and development policy.
- 2. Zero growth and malthusianism. The report repeats the familiar formulae of over-population as a cause of underdevelopment, the problem of industrialization and urbanization ruining the ecological balance and straining fixed, limited resources, and a call for the end to continued economic expansion, both for the advanced and developing sectors of the world.
- 3. Basic needs and appropriate technology. The report offers the familiar World Bank formula for a development strategy in the Third World, that is, ending "disproportionate efforts into developing the urban and industrial sectors," emphasis on rural, labor-intensive, anti-technology agriculture (i.e., "appropriate technology" like sticks and cow dung) and small industry. This is combined of course with mineral and raw materials development in the developing sector.
- 4. Solar energy not nuclear. The energy section calls for extreme cuts in consumption in the advanced countries, including setting of standards controlled by "international agreement and surveillance," the promotion of solar energy and similar labor-intensive, "renewable sources" while treating nuclear energy as "problematic" and marginal at best.
- 5. Strengthen the IMF, make the SDR the international reserve. The section on international monetary issues is the crucial section, calling for a strengthening of the IMF/World Bank system, the destruction of the dollar as a international reserve currency along with the elimination of any role for gold and the promotion of the IMF controlled Special Drawing Rights (SDR) as the formal

international reserve currency, of course under the control of the IMF. They further call for the creation of an additional World Development Fund, which along with an expansion of the IMF/World Bank by several fold, is intended to absorb the surplus petrodollar and other funds to control their recycling in the international credit system. They call for certain domestic "reforms" of the system in order to bring more "participation" by developing countries, a response to Third World complaints about advanced sector control of the IMF/World Bank. They also call for China and the Soviet Union and East European countries to be brought into this revamped international monetary system.

The origins of the Commission and its real purpose

Having thus summarized the report (and hopefully saved some readers the pain of reading it themselves) we must now examine the origins of the Commission and its real purpose in the present strategic situation. The Commission was the idea of World Bank head Robert McNamara but the circumstances of its promotion coincide with the collapse of the ill-fated North-South talks in Paris, the Conference on International Economic Cooperation, a negotiation of some 24 advanced and developing nations which had begun in 1976 under the leadership of French President Giscard. The CIEC talks had been pushed in part by then Secretary of State Kissinger as an attempted oil producers-consumers meeting, but at Third World insistence had been broadened in order to block an attempted confrontation set-up with OPEC

The CIEC talks dragged on for almost two years with no result, characterized by a constant game of sucker played by Kissinger on sometimes stupid, sometimes naive developing sector governments, who, like in the famous Charlie Brown cartoon, kept rushing up to a football marked "New International Economic Order" held by Kissinger, only to fall flat on their faces when Kissinger pulled it away at the last minute. Finally, the talks came to an ignominious conclusion in the spring of 1977, when, after waiting for the new Carter administration and finding out that the "pro-Third World" Carter administration had the same policy as Kissinger, the developing sector participants ended it with no result.

It was at the point of collapse that McNamara unveiled his proposal for the Commission, and asked Willy Brandt, another social democratic "pro-Third World" type, to chair it. With the collapse of the CIEC the Commission began in the fall of 1977. The purpose of the group was to keep the developing sector engaged in a dialogue around the policies of the IMF, the very policies which have been responsible for the global economic crisis of this past decade.

The composition of the Commission's members (see

EIR March 4-10, 1980 Special Report 27

biographies below) give the aim away. With few exceptions the members from both the advanced and developing sector countries are of the Fabian social-democratic/liberal variety, well worn practioners of the Delphic game of covering over severe Malthusian anti-growth policies in the thin velvet of social welfare doctrine and Fabian distributionism. While Henry Kissinger hovered in the background of the Commission's work, from the beginning his unpopular policies were worked over by these types with an eye toward duping two important constituencies—the developing sector itself, including particularly oil producing countries, and the Soviet Union and its allies, as well as China.

The image is that of men of 'reason' and 'practicality' who are concerned to avoid a North-South confrontation. The course of the Commission's work, starting with its first opening session in Gymnich, West Germany in mid-December of 1977, included 10 formal meetings and countless meetings of Commission members with governments and heads of state across the world. Such meetings included a meeting of Brandt with Soviet President Brezhnev in May, 1978, followed by a full scale exchange between the Commission staff and representatives of the Soviet Institute of World Economy and International Relations (IMEMO), an institution known as a key penetration point of British intelligence into the Soviet Union.

The strategic setting of the Brandt commission today

The final unveiling of the report, featuring presentations by Brandt to UN Secretary General Waldheim and to President Carter, began the next phase of the operation—the selling of the policy. The features of the report dealing with the North are already the policies of the Carter administration, the Thatcher government and others—in short, energy conservation and consumption cutbacks, overall economic slowdown and deindustrialization of the advanced sector, and a "decoupling" of North from South in the guise of halting transfer of advanced technology in favor of 'self-sufficient' "appropriate technologies."

The Brandt policy of deindustrialization of the Third World is the Dark Ages policy that characterizes the Khomeini madness in Iran, the Pol Pot policy in Cambodia, and the generalized rural anti-industry policy advocated by the World Bank. At the point at which such destabilizing operations in the developing sector create such chaos that the Soviet Union acts forcefully—as it did in Afghanistan—people like Brandt and former British Prime Minister Heath advocate a pull-back from the brink of confrontation while spreading those destabilizations elsewhere.

A point of linkage between the Brandt circles and this strategic policy is revealed in the focus placed on the Middle East and the necessity expressed in the report of grabbing hold of surplus petrodollars and channeling them into IMF/World Bank control both for recycling of existing debt and for maximum control of all credit, blocking any real development-based investment in the Third World. Edward Heath makes this clear in an article he wrote on Feb. 26 in the London Times which goes slightly beyond the published document to suggest that the first step of implementation be "a meeting of a small group at the highest level, first perhaps between the North and the OPEC countries, later to be joined by some representatives of the non-OPEC countries, later to be joined by some representatives of the non-OPEC countries in the South."

Heath suggests that the "alternative is for the world to go sliding deeper and deeper into recession...and for the South to become so frustrated by its impotence that it puts pressure on OPEC to use oil once again as a political weapon, so denying the North the energy it needs." It is important to note that Heath's proposal for the meetings is precisely that of Henry Kissinger's original North-OPEC version of the North-South dialogue. Further Heath is associated with circles in Britain, including Foreign Secretary Lord Carrington, who are pushing for the creation of a Palestinian state of some kind, obviously the bait for their "deal" with OPEC. Brandt circles in the European social democracy have also put out the same line.

Behind the entire Brandt Commission concept, particularly this OPEC grab, is the fact that the Brandt proposal is consciously conceived as a counterproposal to the new world monetary system and credit and development system embodied in the next phase of the European Monetary System. While Heath bids for OPEC funds for the IMF, the French and Germans are also looking to bring the oil surplus in behind the European Monetary Fund, creating a liquidity pool that will be available for lending to the developing sector.

The crucial difference is that while Brandt's plan views a future for the Third World of backward agriculture and low technology "small is beautiful" labor-intensive industry, the EMS and its backers are looking to carry out real, large-scale industrialization, including nuclear energy development and high-technology agriculture. The insistence by the Brandt Commission to maintain and even strengthen the IMF system, their opposition to gold, which would be the reserve unit of the EMS, and their call for making the SDR the international reserve unit, reveal the larger purpose of the plan—to defeat the pro-development forces of Europe and the developing sector.

28 Special Report EIR March 4-10, 1980

What the Brandt Commission recommends

Following are the key excerpts from the Brandt Commission report, covering the major themes included in the study.

The 'One World' strategy

"We believe that it is precisely in this time of crisis that basic world issues must be faced and bold initiatives taken. We see signs of a new awareness that mankind is becoming a single community ... There must be room for the idea of a global community or at least a global responsibility evolving from the experience of regional communities." (13)

"Why would it be unrealistic to entertain the idea of imposing a suitable form of taxation on a sliding scale according to countries' ability? There could be even a small levy on international trade, or a heavier tax on arms exports. Additional revenues could be raised on the international commons, such as sea-bed minerals ... (We must) strengthen the notion of universal, collective burden-sharing. One might argue that it is hard to imagine international taxation without international government. But we believe that certain elements of what might be called international government are already called for to meet both mutual and national interests, and that by the end of this century the world will probably not be able to function without some practicable form of international taxation; and a decision-making process which goes a good deal beyond existing procedures." (22)

"We are also aware that long-term world security and development will depend on the participation of both the East European countries and of China, each of which have their own important experiences of rapid development ... We therefore hope that the eastern governments and their peoples will participate more fully with the rest of the world in joint endeavors to find solutions to the world's problems ... and prevent a retreat into the dead-

end which results from the pursuit of short-term self-interest." (270).

"We believe that a system of universal and automatic contributions would help to establish the principle of global responsibility, and could be a step towards comanagement of the world economy." (274)

Malthusianism

"There is a real danger that in the year 2000 a large part of the world's population will still be living in poverty. The world may become overpopulated and will certainly be overurbanized. Mass starvation and the dangers of destruction may be growing steadily—if a new major war has not already shaken the foundations of what we call world civilization." (11)

"Whether the nightmarish vision of a hopelessly overcrowded planet in the next century can be averted depends gravely on what is done now to hasten the stabilization of population ... expanded and more effective family planning services are needed." (107)

Technology versus ecology

"Everywhere there are people who see their whole planet involved, at a breathtaking pace, in the same problems of energy shortage, urbanization with environmental pollution, and highly sophisticated technology which threatens to ignore human values and which people may not be able to handle adequately." (19)

"It is imperative to find a balance between the chances offered by modern technology and the existence of individual peoples and regions which do not want to, and must not, lose their individuality. The solutions to these problems cannot be uniform. The dangers of 'cultural' imperialism should not be overlooked ..." (24)

"... There have been examples of unthinking transfers of inappropriate techniques, mechanization leading to significant job destruction at the local level and illadvised application of agricultural chemicals. The need to develop farming systems appropriate to local circumstances, attentive in particular to employment creation in rural areas which may help stem the drift to the cities, and to ecological balance, is part of the case for increasing local research capacity." (95)

Development strategy

"The focus (of development) has to be not on machines or institutions but on people. A refusal to accept alien models unquestioningly is in fact a second phase of

EIR March 4-10, 1980 Special Report 29

decolonization. We must not surrender to the idea that the whole world should copy the models of highly industrialized countries." (23)

"The rich of the world could also help to increase food supplies if they used less fertilizer for non-food purposes, and also if they ate less meat: to produce one unit of meat protein uses up eight units of vegetable protein, which could be consumed directly." (101)

"Appropriate technologies can include cheaper sources of energy; simpler farm equipment; techniques in building, services and manufacturing processes which save capital; smaller plants and scales of operations which can permit dispersal of activity ... the question of appropriate technology is relevant to both rich and poor countries. Industrialized countries too need more appropriate technologies which conserve energy and exhaustible resources, which avoid rapid job displacement and which do not damage the ecology." (196)

"(We should) create jobs through low-cost labourintensive industry and create the necessary social and economic infrastructure." (241)

Energy

"Solar energy is particularly suitable for use in sunny rural areas where there is considerable dispersion of population and where the cost of distribution of electricity by transmission is high. The introduction of commercial solar energy into those areas would be a major catalyst for structural change ... We support the provision of greater funds for the research and use of solar energy in the poverty belts." (84)

"... The industrial countries will have to alter lifestyles which they have based on abundant energy. This need not have severe economic consequences. The relationship between growth in GNP and the consumption of energy has been found not to be immutably fixed ... We believe it is time for the major oil consumers to set themselves ambitious targets for energy conservation.

Who's who on the Brandt Commission

Chairman: Willy Brandt, West Germany. Chairman of the Social Democratic Party, former Federal Chancellor 1969-74, Minister of Foreign Affairs 1966-69, Mayor of Berlin, 1957-66.

Executive secretary: Goran Ohlin, Sweden. Professor of Economics Uppsala University, member of Pearson Commission 1968-69.

Director of the secretariat: Dragoslav Avramovic, Yugoslavia. Top World Bank official, 1965-77. Senior Director and Advisor to UNC-TAD, 1974-75.

COMMISSION MEMBERS

Abdulatif Y. al-Hamad, Kuwait. Member of the Governing Body,

Institute of Development Studies, Sussex (the IDS is the thinktank of the British Ministry for Overseas Development and the institution which first conceived and developed the concept of "basic needs" and "appropriate technology"), Director General of Kuwait Fund for Arab Economic Development, Member of Visiting Committee, Center for Middle East Studies Harvard University.

Rodrigo Botero Montoya, Colombia. Economist, former Minister of Finance, 1974-76. Montoya is known as a close associate of the World Bank.

Antoine Kipsa Dakoure, Upper Volta. Advisor to the President of Upper Volta since 1976, Coordinating

Minister for Drought Control in the Sahel 1973-75, formerly Minister of Planning and Agriculture.

Eduardo Frei Montalva, Chile. Leader of Christian Democratic Party and former President, 1964-70. Supporter of Pinochet coup against Allende government.

Edward Heath, Great Britain. Member of Parliament for Conservative Party, former Prime Minister 1970-74, leader Conservative Party 1965-75.

Amir H. Jamal, Tanzania. Politician. Minister of Finance, Communications and Transport, 1977-79, Minister of Finance and Economic Planning, 1975-77, previous ministerial posts since 1962.

Khatijah Ahmad, Malaysia. Economist and banker, Managing Director of KAF Discounts, Ltd. since 1974.

Adam Malik, Indonesia. Politician, Vice-President of Indonesia, President of National Assembly, 1977-78, Minister of Foreign Affairs, Developing countries also must make such efforts wherever possible ... Ultimately such standards should themselves become the subject of international agreement and surveillance." (163)

"For the present stage of nuclear energy, the problems of radiation risk in power production and in the storage and transport of nuclear wastes are unsolved ... the nuclear alternative is thus problematic, and in most countries cannot be expected to make more than a partial contribution to overall energy use in this century." (167)

Financial proposals

"It is in the context of an overall set of reforms and policies that the IMF 'surveillance' mechanism can be made to work." (208)

"An SDR has one outstanding feature: It is the only means of meeting international payments which has been established through international contract ... The SDR therefore represents a clear first step towards a stable and permanent international currency ... (209)

"... The IMF has been exploring the idea of a 'substitution account', to enable private or offical holders of unwanted dollars to swap them for SDR's ... The strengthening of SDR's as the principal reserve asset will also require a further demonetization of gold." (210)

"The World Bank is now in the process of increasing its capital subscription from \$40 billion to \$80 billion ... This expansion will not in itself be sufficient ... It would be quite possible for the bank to expand its gearing ratio to 2:1 or more without really increasing the risks; such a change would of course make very large extra funds available to the developing world. The expansion could be gradual, so as not to disturb the present high rating of bank bonds. It should go hand in hand with the reforms we have proposed." (249)

"The creation of a new institution, which might be called a world development fund... would make universal membership possible... The proposals for a new institution is not an alternative to the reform and restructuring of existing institutions." (249)

1966-77 and previous government posts.

Haruki Mori, Japan. Diplomat. Ambassador to U.K. 1972-75, Vice-Minister of Foreign Affairs, 1970-72, Ambassador to OECD 1964-67.

Joe Morris, Canada. President, Canadian Labour Congress and Vice-Chairman of International Labor Organization, 1970-77, 78-79 and Chairman, ILO, 1977-78.

Olof Palme, Sweden. Chairman of Social Democratic Party, former Prime Minister 1969-76 and previous government posts. Palme is close associate of Brandt within the social-democratic Second International.

Peter G. Peterson, U.S.A. Member, Council on Foreign Relations, banker, Chairman of the Board of Lehman Brothers, Kuhn Loeb, one of the leading investment banks in New York, former Secretary of Commerce 1972-73, Presidential Assistant for International Economic Affairs and Director of Council on International Economic Affairs and Director of Council on International Economic Policy, 1971-72.

Edward Pisani, France. Senator, Member of European Parliament, former Minister of National Equipment and Agriculture in 1960s.

Layachi Yaker, Algeria. Ambassador to U.S.S.R., Member of Central Committee of the party of the National Liberation Front (FLN), Member of Parliament and Vice President of National Peoples Assembly, 1977-79, Minister of Commerce, 1969-77.

Katherine Graham, Chairman of the Board of the Washington Post since 1963, Publisher, Washington Post 1969-79. Graham is the daughter of Eugene Meyer, founder of the New York branch of the investment bank Lazard Freres and a former President of the World Bank. Member New York Council on Foreign Relations, Trilateral Commission.

Shridath Ramphal, Commonwealth Secretary General, Minister of Foreign Affairs and Justice, Guyana 1972-75, Ramphal was key to the formation of the commodity buffer stocks policy through his role as Commonwealth Secretary General. Known to be very close to British ruling circles and close to Henry Kissinger.

Lakshmi Kant Jha, India. Governor of Jammu and Kashmir, Ambassador to the U.S.A. 1970-73, Governor of the Reserve Bank of India 1967-70. Jha is an intimate of the World Bank and an opponent of Prime Minister Indira Gandhi.

Jan P. Pronk, Netherlands. Member of Parliament 1971-73 and since 1978. Minister for Development Cooperation 1973-77. Research Assistant to Professor Jan Tinbergen 1965-71. Pronk and Tinbergen were mainly responsible for the RIO (Reshaping the International Order) proposal of the Club of Rome and Pronk is a Dutch Social-Democrat very close to British social democratic and Brandt social-democratic circles.

EIR March 4-10, 1980 Special Report 31