

# The 'strategic materials' hoax

*Richard Freeman documents why the U.S. is not dependent on southern Africa, and why there is no real basis for a shortage.*

The loud discussion coming from Secretary of State Alexander Haig, Central Intelligence Agency director William Casey, and their friends in the British Commonwealth oil and raw materials corporations about the "military economic importance" of strategic raw materials in southern Africa is based on a lie.

For the last two months, these agencies have been spewing forth a strategy that dates back to Rome's losing imperial policy: that to be militarily strong and economically sound, the United States must pursue an "international resources strategy." This means, the argument goes, confrontation with the Soviet Union in southern Africa over "raw materials access routes."

Now, a list of 18 critical raw materials upon which the United States is import-dependent is circulating in the Defense and State Departments, the CIA, the corporate elite led by the U.S. Chamber of Commerce, and the press, from the *Washington Post* to supply-side *Wall Street Journal* and *Fortune* magazine.

But there is no objective reason for the United States—or the Soviet Union—or any of their client states or allies to prepare for a showdown over raw materials. The United States and the Soviet Union are the two most mineral-rich nations in the world—with the exception of South Africa—with years of reserves still stored under the ground, untapped.

The Soviets possess gigantic reserves in the Urals and Siberia, to name but two regions.

The United States has stupendous reserves in the far west and Alaska.

As we shall show, there is no necessity for strategic superpower confrontation. The United States need only turn to the task of developing its own resources with many benefits accruing to the nation's entire industrial base.

## The hoaxsters

The argument for a raw materials resource war can be traced back to the companies centered in the British Commonwealth—Britain, Canada, Australia, and loosely affiliated South Africa—and in Belgium, Genoa, and Venice. These firms have "long memories," going back several centuries when they formed the corporate

nexus for the British and Hapsburg imperial resource looting of the world.

Today, these firms are fairly tightly organized into a minerals cartel, comprised of Rio Tinto Zinc, the Oppenheimer, Rothschild, and Bronfman groups, and the Seven Sister oil multinationals, led by British Petroleum and Royal Dutch Shell—the last two being owned by the Royal Households of the Netherlands and Great Britain.

Their strategy is threefold: shut down the mines and mining capacity of the United States, using the environmentalist movement and high-interest-rate warfare; force the United States to become dependent upon resources from southern Africa, itself under the control of the minerals cartel; and buy into the United States, so that U.S. mining capacity comes under its cartel control.

Organizing for this perspective came to public view in Pittsburgh last June with a conference under the strange billing: "The Resource War in 3D—Dependency, Diplomacy, Defense."

The conference was organized by the American Mining Congress, comprised of all U.S. mining firms but controlled from the top by the mining cartel. Presidents of the American Mining Congress are the chairmen of the boards of ASARCO, the giant copper producer. Charles Barber, current president of the American Mining Congress, received his graduate degree from the British at Oxford, England. Another sponsor was the National Strategy Information Center (NSIC), a group of social-democratic defense hawks, who hold "utopian" views about warfare. The third sponsoring group for this event was the Pittsburgh World Affairs Council, an unofficial affiliate of the New York Council on Foreign Relations, led by Pittsburgh leading families and firms, including the Heinz and Scaife families.

Herbert Meyer, associate editor of *Fortune* magazine, summarized the results of the conference. Using terminology that was lifted from the Genoese and British conjured up a situation that dictated a global showdown between the United States and the Soviets. The United

States is direly short of key strategic minerals, cobalt, chromium, and platinum, Meyer said, and must get them from the southern zone of Africa. The presentation was embellished with a map showing Zimbabwe-Rhodesia, Union of South Africa, Zaire, which have large minerals resources, and Mozambique, Angola and Zambia, alleged to be Soviet client states. The Soviets have developing raw materials shortages, too, or want to hoard their supplies and this means, claims Meyer, "The Soviet Union's minerals trading pattern is changing in a way that endangers Free World access to many strategic minerals. Unless we can assure continued access to strategic minerals, both abroad and here at home, our civilization in its present form may not be able to survive."

As the conference concluded, Meyer added: "We are suggesting the need for minerals to become an integral part of our national decision making. We must integrate our [minerals] economic policies with our foreign and defense policies."

According to Admiral Mott of the National Strategy Information Center (NSIC), the June 1980 "Resource War in 3D" conference was then piped into the team running the current administration. "Alexander Haig is the leader of this policy outlook," Mott told a reporter March 24. Haig would have attended the Resource War in 3D conference in Pittsburgh, but he had a heart bypass operation. "However," Mott added, "Haig gave testimony to the House Mining and Mines subcommittee supporting this theme and just wrote me a beautiful letter on this the other day."

"The other person who is a real guiding force is Bill Casey," explained Mott, "who helped make this an issue. During the campaign the American Geological Institute challenged all three of the presidential candidates for their view on mineral and strategic resources. Carter gave no answer, in the same way he messed up the last four years. Anderson didn't know what the subject was. We didn't think that Reagan would even come up with a response, until Casey stepped in. He made sure a policy statement was drafted, and it was a good one. Then Casey helped set up, after Reagan was elected, a task force on raw materials and resources policy. This group just delivered 33 recommendations to the President."

The chairman of the President's task force is Don McMichael, the head of the Pittsburgh World Affairs Council that sponsored the "Resource War in 3D" conference. McMichael is also chairman of the large Scaife family trust. Among the persons he and Casey hired to work on this task force was Robert Keating of the Pure Water Company, a proponent of the Global 2000 doctrine for worldwide population reduction.

Mott added that to make the raw materials policy work, "I am working with groups internationally. There

is the Monde et Entreprise group in France, the AIMS group in England, and the Konrad Adenauer Stiftung in Germany who are coordinating to make the resource war strategy work."

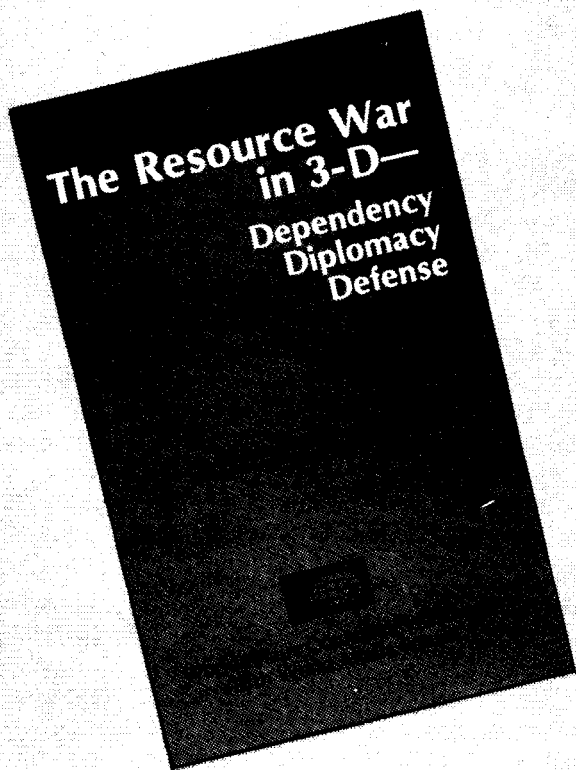
### The basic hoax

Even from the standpoint of defense, the claims of the minerals cartel are a hoax. Militarily, while raw materials are important, they are a third-rate consideration. First, the United States currently has neither the weapons output, the technological commitment, the industrial base, nor the policy commitment for a war-winning strategy against the Soviet Union (see *EIR* March 24). Second, under depressed global economic conditions arising from the Federal Reserve's credit policy, minerals demand will continue to fall.

Nevertheless, it is claimed that the United States lacks critical raw materials and is import-dependent to some extent on the following raw materials: manganese, 98 percent; cobalt, 97 percent; bauxite, 93 percent; chromium, 91 percent; columbium, mica, strontium, 100 percent, and so forth. Many of these minerals are needed for military aircraft engines, wing coverings and so forth because of their high heat resistance, strength, and other properties.

But the U.S. actually has abundant supplies of many of these minerals. We stopped mining and refining them because of the imposition of environmentalist restrictions and the oil hoax shut-offs of 1973-1975 and 1979-1980. As *EIR* has documented extensively the leading institutions of the environmentalist movement are controlled assets of the British-based Seven Sister oil companies, raw materials firms and investment companies. (see *EIR* Special Report, *Profile of the Environmentalist Conspiracy, 1965-1980*). For example, one of the founders of the Friends of the Earth environmentalist group in 1969 was Sir Mark Turner, the chairman until he died last year of the London giant Rio Tinto Zinc, who also directed the British office of Economic Warfare for the Special Operations Executive in World War II.

The environmentalists and their proponents in Congress succeeded in the period immediately after the Seven Sister's oil hoax of 1973-1975 in pushing restrictions on the auto industry, that, combined with the inflated price of oil, forced the auto industry to shift from using zinc for axles to the lighter material aluminum. This produced a downturn in the world zinc price, and U.S. zinc mines and refineries were shut down as unprofitable. Since zinc and lead deposits are mined in tandem from the same ores, lead mining became unprofitable as well. Thus the United States, with the largest combined zinc and lead deposits of any country in the world, lost control of its own industry and began shutting down production. Now, the *United States imports 57 percent of its zinc and 13 percent of its lead.*



*A resource-war handbook puffed by the business press.*

A similar picture developed with copper. The U.S. had heavy copper mine investment in New Mexico, Utah, and Arizona in the 1950s and 1960s, and currently has such enormous supplies that they comprise one-fifth of total world reserves of 500,000 tons. Yet in the last five years, one-fifth of the country's copper production has been shut down. The United States is now an importer, rather than exporter, of this metal.

As we move into the more exotic strategic minerals, the picture is exactly the same. According to the U.S. Department of the Interior's Bureau of Mines *Mineral Commodity Summaries 1981* book, the U.S. is not only not short of cobalt, but at a level of 700,000 tons of resources, it has 12 percent of all world resources, second only to Zaire. The Department of Interior reports one-half of U.S. resources, or 350,000 tons, are immediately recoverable reserves.

Then why hasn't the United States produced any cobalt domestically since 1971? According to Daniel Fine, of the MIT University Mining and Minerals Research Institute, who delivered one of the keynote speeches at the "Resource War in 3D" conference in Pittsburgh last June, "There is a world glut of cobalt. This is true with many of the strategics like chromium and platinum. Therefore, the price isn't high enough to justify investment."

Not only does the U.S. have gigantic cobalt deposits in Idaho and Minnesota, but it has platinum group metals in Montana and chromium (chromite) in Alaska and Montana.

New technologies are also fast reducing the demand for some strategic materials. The U.S. Department of Defense and some mining companies have developed the "rapid solidification process," which reduces the temperature of superheated metals very fast. This enhances the mechanical properties of certain alloys, while allowing them to use less strategic metals.

In the case of cobalt, one superalloy called 718 uses only 10 percent cobalt, where before 30 to 40 percent content was needed. And some superalloys are on line that would reduce the percentage of cobalt needed to as low as 1 percent.

On top of this is the emergence of ceramics—which are able to resist high heats, are strong, and are flexible. The advantage here is that ceramics rely heavily on the rare earth metals—bastnaesite, monazite, and so forth. The United States possesses 65 percent of the known reserves of the world's rare-earth metals.

The United States also has an international strategy open to it for the development of strategic metals. Mexico and Brazil alone could supply half of the U.S. foreign supplies of metals.

Mexico is the world's largest supplier of strontium and has vast reserves of fluorine, zinc, selenium, gypsum, barium, and titanium. Brazil has the world's biggest reserves of manganese, and is a supplier of columbium and tantalum. What is required is only a foreign policy from Washington that would deal with these countries on a raw materials for technology basis.

In the United States, the nation's vast reserves would be quickly opened to it with a twofold strategy. First, it's time to free more than 100 million acres of Western lands currently sequestered by the Department of Land Management of the Interior Department and lift environmentalist restrictions.

Second, the United States can carry out the North American water project (NAWAPA), which would bring Arctic water into the country through Canada. This would create enormous hydropower potential, and water supplies for irrigation and industrial use—two preconditions for efficient mining. The plan constitutes a \$5 trillion internal improvements package for the country.

Hence, in reality, the United States is not faced with a raw materials shortage. It is faced with the potential and opportunity to develop its own resources and upgrade vastly its technological and industrial output; or surrender to a British-dominated cartel that would not only place U.S. mining potential under colonial domination, but put the United States on a foreign policy course headed for disaster.