

1988, without firing a single nuclear warhead. A brief review of the distribution of the world's industrial potential tells most of the story (Table 5).

With present trends of industrial collapse in the Americas, and continued rates of decoupling of Western Europe, the Middle East, Africa, and Asia, from the United States, the Soviet empire's sphere of strategic influence could readily expand to about 84% of the world's industrial potential by 1988. Given this pattern of trends, without economic and political cooperation between the United States and Premier Nakasone's Japan during the months and years immediately ahead, a global strategic disaster for the United States is assured.

Already, even before the productive capacity of Europe is placed at the disposal of Soviet buyers, the wide margin of Soviet military expenditures over the U.S.A., since the 1972 SALT I and ABM treaties, is ominous enough. Moscow would not have been able to sustain this growing margin of military advantage, even with sacrifices, had the Soviet economy not continued to grow while U.S. industrial potential was being collapsed (Tables 6 and 7).

If these trends continue, and if the United States does not build a strategic defense system to match the system which the Soviets will have deployed by approximately 1988, the Soviets will be capable of surviving and winning a total war against the United States launched suddenly from a "cold start," the number-one option in Soviet Marshal Nikolai Ogarkov's general war-plan. If Western Europe is "decoupled" from the U.S. military program by 1988, presently a most likely prospect, the United States would have little option but to capitulate to Soviet dictates, or be crushed totally within about two weeks of the launching of a Soviet assault.

Without disputing the merits of the President's proposed defense budget, U.S. spending at levels of less than something between \$400 and \$450 billion a year, ensures the possibility of Moscow's ability to implement Ogarkov's war-plan by about 1988. The needed levels of spending would include staffing and equipping in-depth "conventional war-fighting" capabilities, and would signify rebuilding the capacity for producing new steel far above the approximately 40 million annual tons at present, to about the 130-million-ton capacity of a few years ago. The same general approach must be taken toward production of machinery, especially machine-tools. The collapsing level of U.S. civilian industrial output is a national strategic disaster.

Such are the follies into which our government's policy-making falls, when we measure "economic progress" as the amount of money we are spending, rather than the quantity and quality of physical output we are producing per capita. If we were more sensible, instead of exporting our tragedies to Japan, we would insist that Japan export its economic policies of practice into the United States, the same policies which once made the United States powerful and great.

Africa threatened with recolonization

by Thierry Lalevée

The March 31 resignation of Egyptian Economics Minister Mustafa al Said in Cairo, and a large crowd of 10-20,000 people demonstrating on April 3 in Khartoum for the resignation of Sudanese President Gaafar Numayri, are not merely part of the process now destabilizing Egypt and Sudan, for the aim is not merely the overthrow of those two regimes. The entire African continent is the target.

There, in the *Financial Times* of London, the daily representing the international interests of the City, in black and white for the first time outside of *EIR*, was a statement of the actual policy of the International Monetary Fund and the World Bank: the recolonization of the continent of Africa. More precisely, the policy is to recolonize those countries rich in raw materials, while others will simply be destroyed, or given to the Soviet sphere of influence.

"In a sense, we are talking about a kind of recolonization—about sending smart white boys to tell them how to run their countries," said an IMF official quoted in the *Financial Times*' April 3 edition. Helping along the process, the *Financial Times* detailed, is the drought and starvation. "Mass starvation . . . is routine" in Africa by now, it reports happily. What makes the present crisis "one of the central events of our time," however, are the political and social consequences which are allowing a new "orthodoxy" to emerge: recolonization.

The resignation of Mustafa al Said amid allegations of corruption is a serious political setback for Egypt's President Hosni Mubarak, to whom he was a close and trusted associate. This is the latest blow in the not-so-diplomatic negotiations between the Egyptian government and the International Monetary Fund. The same day his resignation was announced, the government-connected weekly magazine *October* called Said a "scapegoat for Egypt's financial troubles."

Indeed, there are indications that Said was forced to resign because the financial and monetary measures he had imposed were successfully sabotaged by the bankers of the mafia and the black market he was trying to destroy with those measures.

His attempt to destroy the black market, which made a mockery of central bank regulation of the dollar/Egyptian-pound exchange rate, was met by an insidious campaign of rumors which scared foreign investors away and temporarily

paralyzed the inflow of remittances from Egyptian workers abroad. A foreign-exchange crisis ensued, which, as sources report, was used by Prime Minister Hassan Ali, a long-time opponent of Said, to force him out.

Under normal circumstances, a rebuff to the economic policy of the government would have been treated as a matter of collective responsibility, inasmuch as economic policy is certainly not the concern of only one minister. However, Hassan Ali, a good friend of Henry Kissinger who travels regularly to Switzerland (not merely to cure his bad health), and whose position as prime minister rests on a thin thread of blackmail, was determined to throw Said to the wolves.

Although it is too early to judge Said's successor, Sultan Abu Ali, it is significant that his previous position was chairman of the General Authority for Investments and Free Zones—an administration ruling over the kind of black economy/"Free Zones" that the IMF and the World Bank are advocating all over the developing sector to generate enough financial income—as in drug-trafficking—for those countries to pay their debts. Whether this will be Egypt's fate immediately, however, is doubtful. Begun by Sadat under the name *Infitah* or Open Door, the policy made Port Said a "free port" with minimal or no regulation. The process was slowed down under Mubarak, however.

With Said's resignation came the announcement that Mubarak himself, through a committee of economists and experts, would be directly and personally involved in daily economic policy. However, the mafia will certainly not rest content with the resignation of only Said, and there is no solution immediately in sight to Egypt's growing foreign-exchange difficulties. The simple fact is, most of the country's liquid reserves of hard currency are now used to pay its back debts. Less and less is available to import food.

Deepening the crisis was the official announcement that next May, the Egyptian parliament or *Majlis* will begin a debate on how to implement the Islamic law or *Sharia*. A direct consequence of Numayri's decision to apply the *Sharia* in the Sudan in 1983, such a move has now gathered a majority in the *Majlis*, in both the opposition and government parties. In fact, the debate will focus not on whether the *Sharia* is to be applied, but how—on the Iranian, Sudanese, or Saudi model. This is a tremendous boost to the official Muslim Brotherhood, which has one representative in the parliament.

Whether President Mubarak can actually deal with the problem is not clear. During the month of March alone, no fewer than three terrorist plots were uncovered in Cairo. The most dangerous involved members of the Al Jihad group within the armed forces responsible for President Anwar Sadat's murder. Later, it was discovered that members of other fundamentalist groups were receiving huge amounts of money and planning attacks on Christian (Coptic) interests. Then, on March 31, police arrested a group of 10 Egyptians trained in guns and explosives in Libya.

A sure indication that the plot against Mubarak's regime is much wider than merely local fundamentalists—namely, the international financial interests behind Cairo's banking mafia—is the fact that when Islamic fundamentalists were arrested, a Coptic fundamentalist group was also dismantled. The group was planning terror activities against Islamic interests.

There is little doubt that both brands of fundamentalism are being run by the same interests at a much higher level than the Middle East. According to certain sources, the assessment is that Mubarak may be in a more difficult situation than even Sudan's Numayri. Besides the infiltration of the army by fundamentalists, his defense minister, Marshal Abu Ghazalah, has some strange ideas about the development of Egypt. For instance, he told an American military audience in March that he hoped Egypt would "become the Singapore of the Middle East."

Threat from the south

Mubarak told the Kuwait news agency on April 4, "Egypt will come to Sudan's aid in case of external threat, but what is happening today is purely internal. We do not want to interfere." But he could not hide the obvious worry in Cairo over events in Sudan. Apart from any concern for Numayri's political survival, Cairo's first preoccupation is the security of its water supplies, which depend on a cordial relationship with whomever is in power in Khartoum. This is Egypt's very lifeline, and it is already threatened.

Fighting in southern Sudan forced the French company constructing the badly needed Jonglei canal to halt the project when it was nearly 80% complete. The waters of the Nile remain at an alarmingly low level within the Aswan Dam. Power failures and a danger of the turbines being blocked by a higher proportion of sediments than usual could be the first signs of a terrible catastrophe.

Scenarios for a smooth transition of power in Sudan to a more neutral personality who could sponsor a "national reconciliation" have little chance of success without a massive influx of credit and economic aid. Latest figures indicate that between 4 and 7 million of the 22 million Sudanese may be in danger of starvation during 1985 if 600,000 tons of grain are not delivered by June. Even this amounts to no more than 400 grams of cereals per person per day, the bare survival level.

The immediate danger in Sudan which Cairo—better informed than Washington—ponders, is the disintegration of the country. Drought, starvation, and epidemics, coupled with organized guerrillas in the south, have created another growing phenomenon: organized banditry. Large gangs now roam the south, loyal to neither the government nor the "official" rebels, but only to their tribe or small village.

If the Sudan that many academics are suddenly discovering is an "artificial" country were to disintegrate, it is Egypt and the whole of Africa which would plunge into a dark age.