

peasant federation, founded in 1974 by Velasco government to defend agrarian reform, is dissolved.

Peru's Standing With The IMF

At this moment, Peru is renegotiating its stand-by agreement with the IMF. According to banking circles, Peru will accept "week-by-week monitoring" by the IMF and repeated rounds of austerity shocks in return for IMF approval of its refinancing of its public and private debt. The "moratorium" granted by the private banks is conditional on persistence in triage policies. Chase Manhattan telexed Peru an ultimatum that debt relief is also dependent upon Peru giving special privileges to

Southern Peru Copper Company, the Lazard Freres operation which has \$700 million invested in a new copper pit in Peru.

While the government has been siphoning off 55 percent of export income for paying its debts, private industry has fallen \$130 million in arrears to suppliers, and is unable to obtain further vital supplies. The *Wall Street Journal* June 2 quotes Samuel Drassinower, Peru's most successful industrialist, "The time has come when paying the government debt isn't top priority anymore. We must use all the foreign exchange we need to keep the country productive."

The Consequences Of Brzezinski's Folly

The deterioration of U.S.-Soviet relations engineered for the past eight months by British Special Intelligence Service U.S. operatives Henry Kissinger and Zbigniew Brzezinski has turned U.S. foreign policy into a dangerous shambles, putting America on track toward a European theater nuclear confrontation with the Soviet Union in the near term, over Africa or the Middle East.

Jimmy Carter's June 7 speech to the U.S. Naval Academy (see below), a mismanaged product of the "unity program" instituted in the White House in an attempt to keep the Administration faction fight over SALT and dealings with the Soviets from perpetually erupting into the unfriendly hands of the *Washington Post*, is only the most obvious symptom of the problem — that National Security Advisor Zbigniew Brzezinski was hopelessly manipulated by the Chinese on his recent trip to Peking, and is manically furthering the Chinese scenario for a war between the world's two superpowers.

The realization that near-term Atlantic theater nuclear war is likely has provoked a split in the ranks of the same British intelligence gamemasters who run Brzezinski and Kissinger — British SIS, which has sought to promote a U.S.-Soviet showdown *in the Pacific*, with the British as a leading surviving power. In recent days, the London *Financial Times*, *Toronto Star*, *Christian Science Monitor*, and the *New York Times*, all British-connected outlets, have run editorials warning that Brzezinski's NATO-in-Africa antics and campaign to destroy detente could produce war; and broadly suggesting that "evidence" that the Soviets and Cubans were responsible for the recent Katangese invasion of Zaire, evidence "collected" by Brzezinski's factional ally CIA Director Stansfield Turner, is a hoax.

Even more indicative are statements by British Prime Minister James Callaghan, who is defending detente with the Soviets in a way that has not been seen in Britain in years. Callaghan in Parliament warned last week that the world is a "powder keg," and that "the Soviet Union understands that this government is not anti-Soviet for its own sake...we intend to live with that country in the world and not set up artificial confrontations with it....I am trying not to raise the temperature with the Soviet Union. I am trying to lower it." Callaghan concluded, "We don't want a new Cuban missile crisis," in

defending his attempts to work with Carter to secure a SALT II agreement.

Paralleling the split in Britain, in the U.S. the so-called "left" in the Democratic Party, the heirs of the British Fabian Society, has begun to deliver strong warnings to Carter that Brzezinski-inspired confrontationism in Africa will destroy his Presidency. Although the liberals have been most vocal, the Brzezinski-Turner "evidence" is being greeted with outright disbelief in much of the U.S. Congress, which understands that the U.S. population is in no mood for Cold War frenzy and military showdowns.

The Carter Administration has announced that it is scheduling another round of negotiations on SALT II between Secretary of State Cyrus Vance and Soviet Foreign Minister Gromyko in early July, and informed Washington sources say it is still possible for a SALT treaty to be concluded by fall. But new anti-Soviet provocations by Brzezinski are occurring daily — the most recent, reversal of a previous Administration decision not to sell certain military-related technology to the Chinese. The same technology is denied to the Soviets on national security grounds; the decision will no doubt be read in Moscow as a further evidence of a NATO-directed "two-front war" strategy against the USSR.

The major foreign policy debate over Africa opening up in Congress, however, provides an opportunity to stabilize the Administration by forcing adoption of a broad-ranging economic development program for the African continent, in a context of continued detente. Without such a commitment, no "geopolitical" balance-of-power gimmicks can stabilize an international climate rapidly deteriorating toward general war.

Carter To Soviets: Buy Detente On Brzezinski's Terms

President Carter's speech to the U.S. Naval Academy June 7 got wide advance billing as an effort to "clear the air" on U.S.-Soviet relations and to organize political support for a SALT II agreement which is "95 percent complete." It will have precisely the opposite effect.

True, Carter said "prospects for a SALT II agreement