

What China can expect from Clinton's visit

by Helga Zepp-LaRouche

The state visit of President Bill Clinton to the People's Republic of China from June 25 to July 3, will take place under conditions which make it essential that the two governments address the life-or-death problems which affect the population of the entire world: The continuing systemic crisis of the global financial system is claiming new victims, the second round of the Asia crisis is affecting Russia, eastern Europe, and Ibero-America, and is beginning to have serious effects in China, western Europe, and the United States. The real economy in an increasing number of countries is being hit, and unemployment is rising. And, the most explosive problem, is that the situation on the international financial markets is fully out of control, state bankruptcies are piling up, the derivatives bubble is about to burst, and the International Monetary Fund (IMF) is de facto bankrupt.

As early as April 1994, Lyndon LaRouche developed the perspective, in the course of a series of seminars with leading economists, politicians, and scientists, during a visit to Moscow, that only a return to the alliance policy of Franklin Delano Roosevelt, i.e., the alliance among the United States, Russia, and China, could represent the basis for carrying out a necessary reorganization of the bankrupt world financial system. Only such a combination of nations, around which others like India and hopefully states from other continents would group themselves, would be powerful enough to defend the interests of their populations against the international financial oligarchy.

Now there is no doubt, that President Clinton personally places great weight on the relations between the United States and China, and that he sees in them the conditions for a peaceful ordering in the 21st century; just as there is no doubt that he is fascinated by the enormous potential of Chinese culture. Also, in the realm of economic cooperation, President Clinton's orientation is on the mark, as was clearly expressed in

the policy of his late Commerce Secretary Ron Brown: state-to-state cooperation, especially in infrastructure and in other projects in the common interest, as, for example, cooperation of the Tennessee Valley Authority in the Three Gorges Dam.

Unfortunately, this is not sufficient. Since the beginning of October, at the latest, the Clinton administration has stopped taking into active consideration the reorganization of the world monetary and financial system, which LaRouche proposed, in the tradition of FDR's policy. Instead, the Clinton administration has assumed a position which is untenable even in the medium term, in that it has explicitly defended mega-speculator George Soros, who, through his attacks on the Southeast Asian currencies in spring 1997, triggered the first round of the Asia crisis, which then exploded as the regional expression of the global financial crisis, from October 1997 to January 1998.

The oligarchy's 'attack dogs'

Thus, President Clinton has taken those international financial circles under his protective wing, which in the final analysis are the ones lurking behind the assault against the institution of the American Presidency: Independent counsel Kenneth Starr and House Speaker Newt Gingrich (R-Ga.) are acting like attack dogs for the financial interests which know very well that their system has come to its end, and which, through an endless series of orchestrated scandals, including "Chinagate," and eventually an impeachment process, want to prevent President Clinton from reviving the FDR tradition and acting according to it.

Even though there have been well-meaning efforts on the part of Treasury Secretary Robert Rubin to find a "new architecture in the international financial system," the Clinton administration has in point of fact propped up the incompetent, murderous policy of the IMF in the Asian crisis and in



Presidents Jiang Zemin and Bill Clinton, during President Jiang's visit to the United States in 1997. Clinton places great weight on relations with China, but is unwilling to face the reality of the global systemic financial crisis. Therefore, anyone hoping that he will define a new China policy, along the lines of what Franklin D. Roosevelt would have done, will be disappointed.

Russia, and thereby, as Malaysian Prime Minister Dr. Mahathir bin Mohamad has correctly established, helped to spoon out the medicine which will kill the patient. A continuation of the policy which Soros, the IMF, and the World Bank stand for, means, with 100% certainty, that an uncontrolled disintegration of the international monetary and financial system will ensue—and it is precisely this, which would plunge the administration into the abyss. As things stand at the moment, the Clinton administration is threatened with overthrow, not through the actions of Starr and Gingrich, but through its own financial policy.

Therefore, anyone who is hoping that President Clinton will define a new China policy, oriented toward correcting the axiomatic errors of the current economic and financial order, will be disappointed. As long as President Clinton follows the policy of consensus, which led him in 1996 to make a fatal compromise with the Republicans on the Welfare Bill, he will not face the reality of the systemic finance crisis. Consensus politics and reality-oriented thinking and acting, are mutually exclusive.

Nevertheless, the form of reorganization which Lyndon LaRouche has proposed, with his concept of a New Bretton Woods system, remains the only alternative to worldwide chaos and a collapse into a new Dark Age. However, the initiative is not to be expected under current conditions, from the United States or from western Europe.

The financial and economic crisis in Asia is not the “fault” of the governments there, but rather, Asia is simply the region where the worldwide casino economy, created through 30 years of neo-liberal policies, happened to blow up first, triggered, but—note well—not caused by George Soros. The

characteristics of the crisis make clear, however, that despite tertiary problems, nations such as China, India, Indonesia, and other Southeast Asian states have a fundamental common interest.

Reconstruction measures

Internationally operating currency speculators and globalization represent a threat to the existence of the nations of South, Southeast, and East Asia and their populations. Unscrupulous financial interests destroy within a few weeks, what hundreds of millions of people have worked their entire lives to build, and thrust them into hunger and chaos. If it is to be at all possible for national governments to spare their populations untold suffering, then they must unite around the idea of a revival of the Non-Aligned Movement, and together resist the pressure of globalization and defend their economies through a package of protectionist measures.

China and India, which alone represent 40% of the world population, must constitute the kernel of a new bloc, and, together with the other threatened nations of the region, claim the same right that the United States under FDR, or Germany, for example, in the postwar reconstruction phase, claimed. Banking policy must be oriented to the creation of a scientifically and technologically advanced internal market, along the lines of the Kreditanstalt für Wiederaufbau and the philosophy of the industrial banker Hermann Abs. This is also the only way that trade among strong, sovereign national economies can be brought to flourish.

Significantly, under the impression of the dramatically worsening crisis in Asia, India and Pakistan have broken through the barrier of technological apartheid and established

their sovereign right; and no outcry on the part of the neo-Malthusian community is going to squeeze the genie back into the bottle. Anyone who is seriously concerned to prevent the danger of the deployment of nuclear weapons, under the conditions of chaos unleashed by worldwide financial collapse, for example, in the case of the breakup of Russia, has only one alternative, namely, the concept LaRouche elaborated at the beginning of the 1980s, which President Ronald Reagan declared to be U.S. policy in 1983, known as the Strategic Defense Initiative (SDI). What is required is the most broadly arrayed development of antiballistic-missile defense, based on “new physical principles,” with whose help nuclear weapons can be rendered obsolete for the first time.

A crisis of civilization

The problem the world faces—and only in this context can “national interests” be meaningfully discussed—is the fact that the systemic crisis of the global financial system is only one aspect of a comprehensive crisis of civilization, whereby 30 years of wrong, neo-liberal policies, have thrown all institutions out of kilter. The dimensions of this crisis will rapidly overshadow everything which resulted from the collapse of the Soviet Union.

Mankind will be spared a descent into barbarism, only if a “new, just world economic order,” an idea which was last seriously discussed in the 1970s, in the Non-Aligned Movement, is implemented, allowing for all nations on this planet to seize the right to development worthy of human dignity, for all their citizens. This is possible only to the extent that all nations have unfettered access to scientific and technological progress, including access to so-called “dual-use technologies.” At the same time, protectionist measures must protect especially the weaker nations in their reconstruction phase, and a new, just system of tariffs and trade conditions must secure the international exchange of goods.

One approach to this is provided by the old Bretton Woods system, as it functioned rather well in the 1950s. The only qualitative difference required now, is that the so-called Third World must be given an equal voice, and this means overcoming as rapidly as possible the status of being the “Third World.”

It is unfortunately a fact, that the political direction of the United States, western Europe, and Japan, today, is indefensible. Even when the relevant governments would rather not hear it, it is a fact: The governments of China, India, or Malaysia are doing much more at the moment to defend the interests of their populations, and therewith, actually, those of the entire world.

We find ourselves in such a fundamental, historic, revolutionary phase, in which the question will be brought forward by force: Why should two-thirds of mankind let themselves be ordered around by the governments of less than one-third, when the policies of these governments for the past 30 years, have proven to be an utter, tragic failure?

Horn of Africa war disrupts London's plans vs. Sudan

by Joseph Brewda

The outbreak of fighting between former close allies, Isaias Afwerki's Eritrea and Meles Zenawi's Ethiopia in May, is the latest setback hitting Ugandan strongman Yoweri Museveni, who had been counting on those countries' continuing military support for his British-backed plans of establishing a Tutsi empire of “African new leaders,” dominating the entire Horn of Africa, East Africa region. But while the conflict undermines this particular British gameplan, it might serve another: the continuing effort to break up the Ethiopian state, if Eritrea moves to spark ethnic rebellions within Ethiopia, especially among the Oromo, Somali, and Gambella peoples.

The alleged basis of the dispute is a 155 square mile, rocky border area within the Ethiopian province of Tigre, 600 miles north of the capital of Addis Ababa. On May 6, Eritrean troops crossed the border, and on May 12 took control of the area, claiming it as their own. Serious fighting broke out on May 31. The Eritrean bombing of the Tigrayan provincial capital, Mekelle, on June 5, and the Ethiopian bombing of the airport in the Eritrean capital of Asmara that same day, escalated the conflict. As we go to press, tanks and troops are pouring into the region from both sides, and the war is spreading to new border zones.

The dipatching of Assistant Secretary of State for Africa, Susan Rice, into the region on May 16, in an effort to stem the fighting, and coordinated diplomatic efforts by Britain and Italy, Ethiopia/Eritrea's former colonial masters, have been unsuccessful. The common concern is that the conflict may undermine a long-standing British Foreign Office gameplan to make Uganda the overlord of a vast empire, comprising Ethiopia, Eritrea, Somalia, southern Sudan, Kenya, Rwanda, Burundi, and Congo-Zaire, all subject to looting by the British mineral cartels.

The Ethiopian-Eritrean war puts a brake on this whole invasion war plan, especially as Afwerki took the “non-lethal military assistance” given him by the United States for use against Sudan, and has instead used it against his enemies in Ethiopia.

Reality reasserts itself

Although the war was reportedly unforeseen by British strategists, observers from the region stress that it is the natural result of Ethiopian nationalism reasserting itself. At issue