

Chinese government sends a clear signal to Clinton

by Helga Zepp-LaRouche

Now and then in history, documents appear which, with hindsight, turn out to have been a turning point in the course of events. Apart from the question of whether we succeed in overcoming the current existential crisis of mankind with a just, new world economic order, or whether our civilization collapses into chaos and war, one thing is certain: The article with the title, "Ally with China, Not with London," published on Jan. 5 in the official Chinese newspaper *Reference News*, is one such document. The article says, "As Lyndon LaRouche recently pointed out, Washington must choose between London and China; there is no 'middle road,' " and that characterizes precisely the alternative that the United States now faces.

The global systemic financial crisis is entering its final phase, and the leading bankers in London and on Wall Street are reacting to the Brazil crisis, which has gone completely out of their control, with the same panic they evidenced last September, when the collapse of the largest hedge fund in the world, Long Term Capital Management (LTCM), threatened to cause a meltdown of the whole system: On the one hand, they want to pump unlimited liquidity into the system, but they also want to enforce austerity, on the model of Hitler's Economics Minister Hjalmar Schacht. The international financial oligarchy, however, is also pursuing a very definite military-strategic course.

The same forces who moved behind President Clinton's back to manipulate him (during his recent Mideast visit) into the attack against Iraq, are pursuing a policy which is entirely different from Clinton's also with respect to Russia and China. The members of the so-called Principals Committee are among these forces: Vice President Al Gore, Secretary of State Madeleine Albright, Defense Secretary William Cohen, and Joint Chiefs of Staff Chairman Gen. Henry Shelton.

While Clinton is genuinely convinced that peace in the

21st century will depend upon a strategic partnership between the United States and China, parts of the American establishment, as well as the Blair government in Britain and the Netanyahu government in Israel, believe that a unilateral Anglo-American imperialism must rule the world, and that Russia and China must be built up as the new "enemy image" in a new Cold War. In order to "sell" that policy with some credibility, these forces are pushing for a rapid collapse of the Primakov government in Russia, which is supposed to be replaced by a "Pinochet solution," i.e., a blood-thirsty dictator. The insane book by Harvard's Samuel Huntington serves as the script for this insane plan, the supposedly imminent "Clash of Civilizations."

The nuclear war threat

The previous strikes against Iraq, and the new attack on Iraq planned by Blair, Cohen, and Shelton, are supposed to represent the model for all future wars: a combination of air strikes and deployment of Special Forces. In view of the many crisis spots in the world, some of which involve the danger that nuclear weapons might be employed regionally, such as in the Middle East, and the fact that the Russian Armed Forces have been reduced to the nuclear component alone because of the economic crisis, it is clear how fast these regional conflicts could go out of control. Moreover, as the first Gulf War showed, which took a half-year to prepare, Western conventional forces are not in good condition. The first-use doctrine of NATO, for the possible use of nuclear weapons, could then, under acute crisis conditions, mean that the fuse for actual use of nuclear weapons could be very short.

U.S. National Security Adviser Sandy Berger threatened on Jan. 12 that the United States would impose sanctions on three Russian institutions, which were accused of having

given Iran nuclear and missile technology. On Jan. 13, State Department spokesman James Rubin threatened not to launch American satellites into space with Russian rockets, which is tantamount to a financial boycott against the Russian space program. As was to be expected, the Russian government responded by pointing out that the threat of sanctions would considerably disrupt the Russian-American relationship, and they denied the accusations.

If one takes account of the escalation of the various campaigns against China currently driven by the media in the U.S.A., the Republican Party, but also by Gore and Albright, it becomes clear that these are the same forces who are pushing the impeachment of President Clinton, and they are attempting at the same time to reverse Clinton's foreign policy initiatives, point for point.

Thus, if the article in *Reference News* expresses concern that it is the tendency in Washington to lean toward London in connection with the financial crisis, and against the Asian countries, and especially against Malaysia, and also that this way will lead to disaster, then this is all the more true for an alliance of Washington and London in military-strategic matters.

The signal from Beijing

Even if the recent attack on Iraq has considerably shaken Beijing's confidence in Clinton, for the Chinese government it is still a strategic priority to have a good relationship with the U.S.A. The Chinese government has done absolutely nothing in recent years which might have disrupted relations with Washington in any way.

If Beijing now expresses itself as the *Reference News* article suggests, and cites Lyndon LaRouche to the effect that Washington has to decide between London and China, then that is a political signal of the first order. Not only are the analyses and proposals of LaRouche well known and respected in the Chinese leadership; the article represents a clear invitation to President Clinton to work together with China on the solution for the world financial and economic crisis, along the lines of the proposals LaRouche has made.

In view of the terminal condition of the global financial crisis, which expresses itself in the escalating depression of the real economy worldwide and in the extremely precarious strategic situation, it is likely that President Clinton will not receive many such invitations as that contained in the article from China. If he wants to realize the vision of securing peace in the 21st century by contributing to a strategic partnership with China, then he has to take the Chinese advice now.

All the governments of Europe, and not least that of Germany, face the same decision. Will we let ourselves be drawn into economic and military confrontations with Russia, China, and the developing countries, on the side of London, or will we cooperate in the realization of the Eurasian Land-Bridge, the New Silk Road, and together with these nations bring about a new, just world economic order?

Documentation

'Ally with China, Not with London'

Here is the text of "Ally with China, Not with London—American Publication Discusses the Strategy of the U.S. Government in Dealing with the Financial Crisis," Can Kao Xiaoxi (Reference News), Jan. 5. This authoritative Chinese publication carries summaries and reports on what is seen as the most important material covered in the foreign press. The title of the article evidently refers to EIR:

That the Clinton administration is dangerously delaying resolving the world financial crisis, is no secret. "How to deal with the crisis" is the subject of heated discussion; however, it clearly appears that the President is counting on the new European grouping—the Social Democratic group led by Tony Blair—to be its partner in weathering the coming storm. The hope is to let Prime Minister Blair become active, calling together an urgent meeting of the G-7 countries; the consultations between Washington and London are becoming more and more frequent. It appears that Washington is leaning toward the British in opposing the measures taken by Asian countries against international financial speculators, and especially opposing the measures taken by Malaysia.

Besides this tendency, which will lead to disaster, there is fortunately another, opposite choice: The U.S. should form a strategic alliance with China to deal with the crisis. As Lyndon LaRouche recently pointed out, Washington must choose between London and China; there is no "middle road."

China is insisting on maintaining currency and exchange rate control, and she is relying on national credit to fund a large-scale program of basic infrastructure construction—epitomizing the approach which all nations should adopt. Although this approach of self-defense cannot replace the action of burying the present international financial system and replacing it with a new Bretton Woods agreement, nevertheless it is a first step in that direction. Besides, everyone knows that China is an important supporter of the capital control measures realized by Malaysia, which makes the international financial speculators anxious.

In the last week of October, the media mouthpieces of those speculator circles, the *Wall Street Journal* and *Financial Times*, launched a new attack against China. This attack had the obvious purpose of influencing the stance of the Clinton administration and intimidating some other countries.

To intimidate people, the *Wall Street Journal* on Oct. 23 published a lead editorial on the "China Model." The paper raised the following possibility: Some other countries might

adopt China as a model, because China, by maintaining capital controls and realizing an infrastructure development plan using national credit, was able to withstand the onslaught of the Asian financial crisis.

The editorial said, this approach must not be taken. Beijing will in the end go broke because of its state investment plan. “The lesson for the developing countries of Asia and other regions is, that the method of using capital controls and excessive financial stimulation, in order to avoid creative destruction, doesn’t work.”

Of course, “creative destruction” is the conscious ideology of radical free market businessmen, it has never benefitted the ordinary people. But it sweeps away the barriers to robbing and looting by the Wall Street speculators.

China has merely moved quickly to adopt an intelligent approach to its national economy—using national sovereignty to protect its population, and investing into the tangible economy.

The Clinton administration has established extremely positive contacts with the Chinese government, discussing the just-formed “relations of strategic partnership.” Seen from the standpoint of London, this potential alliance is worrisome, to say the least. For this reason, London is making big efforts to change Clinton’s attitude, to make sure he will never again support China’s policy of national capital controls and a government plan for basic infrastructure construction.

The unavoidable financial crash will destabilize the smooth realization of London’s designs, and with the help of the LaRouche movement, will wake up Clinton to reality.

But the sincere advice must be clear: Ally with China, not with London.

Russia’s new ICBM signals dangerous strategic shift

by EIR Staff

The austerity measures imposed on Russia by the International Monetary Fund and free-market “reformers,” have created a situation in which the danger of thermonuclear war is now greater than at any time since the collapse of communism in 1991.

Ten years ago, the Soviet Union had immense conventional forces, whose actual fighting power was perhaps overestimated, but they were enormous nevertheless. Following the disastrous collapse of the real economic potentials of the former Soviet Union over roughly ten years, the Russian Armed Forces are today but a shadow of their former strength.

The Russian Army has shrunk radically, the matériel has rotted away for the most part, and the personnel are demoralized. What remains are some 10,000 nuclear weapons, in particular those of the strategic missile forces.

On Dec. 27, 1998—one week after the British-U.S. air attack on Iraq—something very unsettling happened in Russia. Defense Minister Marshal Igor Sergeyev announced the deployability of the newest Russian intercontinental missile, the Topol-M/SS-27. Sergeyev said: “This is a very important event, for even under the difficult financial conditions of the year 1998 we have succeeded in making the expenditures to finance this area of highest priority. . . . In order to deter those who might be tempted to solve their problems with Russia by means of armed force, we must intelligently carry out our reforms and in no case lose our nuclear potential.” Sergeyev also emphasized that nuclear weapons could deter not only a nuclear attack, but also conventional aggression.

Behind these words exists a strategic program, about which there is a bitter debate in the political and military leadership of Russia. Sergeyev, who comes from the strategic missile forces, wants to carry out a “healthy shrinkage” of the Russian Armed Forces overall. He wants to take the nuclear branch of the Armed Forces away from the responsibility of the General Staff and establish a new command for the nuclear forces. This nuclear command would then assume an all-dominating position in the Russian military structures.

Sergeyev’s Russian opponents correctly point out that Russia, with such a strategic policy, can only respond to crises with “all or nothing.” Even in the case of limited threats, Russia would only have the option of making a counter-threat with nuclear strikes. If these threats had no effect, Russia would either have to give in or actually employ its nuclear weapons. That would mean that a new “Cuban missile crisis” is pre-programmed.

In response to Sergeyev’s announcement, four generals resigned on Jan. 11. They are the commander of the early warning missile attack forces, Gen. Lt. Anatoli Sokolov, and his three deputies. Sokolov voiced his opinion that the Topol series of missile systems should not be produced and used in combat any longer, because they are “old-fashioned systems,” and U.S. missile defense systems could easily bring them down. He added that it would have been wiser to develop reconnaissance and information technologies, rather than spend large amounts of money on nuclear missiles, which are already plentiful in Russia.

Russia’s defense posture

The significance of Russia’s shifting to overwhelming reliance on its strategic nuclear arsenal, in view of the take-down of conventional forces under pressure from the economic crisis, has been under intense discussion within the country and among Russia-watchers since even before Strategic Missiles Corps officer Sergeyev became Defense Minister in 1997. In June 1997, for example, the late Gen. Lev Rokhlin