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From the Associate Editor

Will America join the China-Russia ‘Survivors’ Club’? asks Jonathan Tennenbaum, in his speech to an *EIR* seminar in Washington which we feature in this issue. The way things look right now, it will take a political earthquake to produce a positive answer to that question. But, as Tennenbaum notes, “We’re in a period of earthquakes.”

We provide documentation of what the “Survivors’ Club” is, and what potential it offers to an enlightened U.S. foreign policy. In addition to Tennenbaum’s speech, see the articles in *International* on Central Asia, and the fight by nations in that region to break with British geopolitics and embark upon construction of the new Silk Road: the Eurasian Land-Bridge.

On the other side, however, there is a highly dangerous thrust by the British-American-Commonwealth faction, the BAC, to prevent any such enlightened U.S. foreign policy from emerging. Manipulating the horror that all people of good will feel at what Serbia’s butcher Slobodan Milosevic is doing to the Kosovars, the BAC launched the NATO bombing raids, breaking off any possibility of collaboration between Russia’s Prime Minister Primakov and President Clinton. As Russian warships made their way toward the Balkan theater, State Department spokesmen cavalierly dismissed the Russian response as “not helpful”—apparently not noticing how close we are to World War III.

The leading article in our *National* section provides detailed evidence of how Al Gore’s Principals Committee brought this situation about, by a foreign policy coup that forced Primakov to turn around over the Atlantic Ocean, cancelling his scheduled visit with Clinton. In *International*, we report the Russian response to the NATO bombing campaign, as well as the British role, going back to the early days of this century, in fanning the flames of war in the Balkans. In the *Feature*, you will find quotations from Zbigniew Brzezinski’s book *The Grand Chessboard: American Primacy and Its Geostrategic Imperatives*, showing the insane mindset of the BAC geopoliticians.

There is no solution to the Kosova problem within the terms currently set by the NATO command. If you want to stop genocide, you will have to defeat the BAC, and join the Survivors’ Club.

Susan Welsh

EIR Contents

Interviews

40 Gilles Munier

Mr. Munier has been Secretary General of the Franco-Iraqi Friendship Society since 1986.

46 Chary Taganovich Kuliyeu

Mr. Kuliyeu, the Ambassador of the Republic of Turkmenistan to Germany, discusses his country's pipeline deal with Western oil companies.

Departments

53 Africa Report

Ugandans suffer from Museveni's wars.

54 Report from Bonn

A war that most people do not want.

55 Australia Dossier

Pushing for World War III.

72 Editorial

Justice for Kosova.

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Economics

4 Oil price shock threatens to topple financial dominoes

While the low price of oil has savaged the revenues of oil-producing nations, its sudden rise, to double its low point, according to some forecasts, could trigger a global financial collapse.

6 For profound reforms of the world's financial and monetary institutions

Part three of a three-part series by French economist Maurice Allais, Nobel Prize winner in Economic Science in 1988.

10 Colombia's economy is disintegrating

President Pastrana's secret deals with the IMF are killing the patient.

12 Business Briefs

Feature

14 Will America join the China-Russia 'Survivors' Club'?

A speech by Jonathan Tennenbaum to an *EIR* seminar in Washington, D.C. on March 24. "We're in a period of earthquakes. We're in a period when I think that everyone must do a lot of hard thinking about the basic assumptions and directions of policy, both policies in the United States, foreign policies, policies of other nations, directed toward how we are to get out of the strategic and economic mess which has been created in the world."

28 A Lexicon of 'Brzezinski-isms': Brzezinski testifies against himself

Excerpts from *The Grand Chessboard: American Primacy and Its Geostrategic Imperatives*, the zany geopolitical views of Zbigniew Brzezinski.

International

32 NATO bombings push Russia into military mobilization

The British propaganda apparatus is geared up to draw the United States into deploying ground troops in the Balkans, as the world gets closer to World War III.

36 Genocide in Africa: 'No one is talking, just looking on'

The human carnage now being carried out in tens of African nations—with barely a word of protest, let alone action, on the part of any Western government—is the *negative* proof that “humanitarian concerns” are hardly the motivation for the war-escalating actions now being undertaken by NATO forces in Kosova.

38 Project Democracy gets its coup in Paraguay

The democratically elected President of Paraguay, Raúl Cubas, has been forced to flee, under pressure from the United States and international financial institutions.

40 A French perspective on the war vs. Iraq

An interview with Gilles Munier.

44 How the British 'Great Game' has led to a number of smaller games

The spread of operations designed to create chaos throughout Central Asia, was the topic of a seminar organized by the School of International Studies at Jawaharlal Nehru University.

46 Turkmenistan develops its oil, gas resources

An interview with Chary Taganovich Kuliyeu.

49 President of Kyrgyzstan: Our foreign policy doctrine is the Great Silk Road

Askar Akayev, President of the Kyrgyz Republic, has issued a program entitled “The Diplomatic Conception of the Great Silk Route,” which is the “Doctrine of the President of the Kyrgyz Republic.”

56 International Intelligence

National



Among the members of the Principals Committee: Secretary of State Madeleine Albright, Vice President Al Gore, and Secretary of Defense William Cohen.

58 Gore and Co. drag U.S. toward World War III

The same concert of forces behind the failed impeachment of President Clinton, and the pointless attack on Iraq, prevailed on the President to forgo his vital summit meeting with Russian Prime Minister Primakov, and thus set the world on a course that could lead to the early eruption of World War III.

61 Cohen's GOP pals say: 'Obliterate' N. Korea

62 IMF, Gore spread Cold War lies vs. Primakov

The most serious civil war now facing Western civilization is in Washington. Will President Clinton will break with London, and turn his administration's strategic priorities back to the Germany-Russia-China orientation that characterized his best impulses?

63 Plan to privatize Medicare is defeated

66 Starr's dirty dealings bared in McDougal trial

67 Fight intensifies vs. death penalty in U.S.

69 National News

70 Congressional Closeup

Oil price shock threatens to topple financial dominoes

by William Engdahl

On April 1, crude oil prices hit their highest level in 10 months, with the world benchmark grade of oil, North Sea Brent crude, trading at \$14.89 per barrel. Four weeks earlier, it fetched \$11 per barrel. The question at this point is: How high is the price of oil likely to rise in the coming months? The answer could well determine if the world will undergo new shocks in the financial markets—the stock and bond markets, as well as in the currencies—of the Group of Seven (G-7) industrial nations, foremost among them those of the United States.

Since March 12, when the oil ministers of five of the major oil-exporting countries, led by Saudi Arabia, Mexico, and Venezuela, met in The Hague and agreed to broad terms for further oil-output cuts, the third attempt since March 1998, world oil prices have slowly begun to rise. Then, on March 23, the Organization of Petroleum Exporting Countries (OPEC) held emergency talks in Vienna, in an effort to ratify the preliminary deal of the five, to try to stop what had been a 50% fall in world oil prices since the beginning of the global financial crisis which broke out in Asia in October 1997.

Following those talks, OPEC ministers announced plans to cut another 1.7 million barrels per day (bpd) from their combined oil exports, bringing OPEC output down to 22.9 million bpd. Saudi Oil Minister Ali al-Niami, the spokesman for the OPEC producers, told the media that, unlike the two previous attempts by OPEC to cut supply to end a huge glut on world markets, this time he was confident that OPEC members would adhere rigidly to the quotas. “I’m telling you that compliance is going to be at its highest. Never has an agreement been signed so quickly,” he said. The Saudi minister forecast that oil prices would reach at least \$18-19 per barrel by the autumn.

Price may double

“The Vienna OPEC meeting represents a serious attempt to correct the decline in oil price,” noted a senior spokesman for the Nicosia, Cyprus-based *Middle East Economic Survey*, an oil journal with close links to the Persian Gulf oil states. “The price decline had gotten so painful for the producing countries that the consensus is they must act. This meeting is far more serious than the previous two,” he said. According to the spokesman, the crucial period will be April, May, and June. “The crucial issue is of credibility, after the failures of the past two attempts,” he said. “If OPEC reaches the agreed 22.9 million barrel level, which is to begin April 1, and manages to hold it through May and June, then we’re in a new ballgame. Then the huge excess stockpiles will begin to disappear and prices will respond accordingly.” Some oil analysts forecast that prices could go as high as \$20-25 per barrel by year end, which would be almost double its recent lows.

Indeed, there are compelling reasons why this OPEC action may hold. Unlike the oil price collapse of early 1986, when North Sea Brent briefly fell below \$9 per barrel, the price collapse this time has been far more serious. In 1986, the crisis was over as soon as OPEC members agreed to new quotas demanded by Saudi Arabia, and prices recovered within months. This crisis has proven far more enduring, lasting well more than a year. The prime cause has been the collapse of economic growth in Asia, which had been the fastest-growing oil market. That crisis spread to other emerging markets during 1998, and by the beginning of this year, began to affect growth in the G-7 economies as well, particularly Germany and Italy. The collapse of oil revenue has turned the situation of nations such as Indonesia, Russia, and Venezuela into economic and fiscal catastrophes. Last year, OPEC oil revenue fell \$50 billion from the levels expected at

the start of the year.

Barring creation of a New Bretton Woods financial system tied to government support for long-term infrastructure and industrial investment to reverse the worsening world depression, which would boost oil demand, OPEC is reduced to cutting supply in the desperate hope that the price will rise significantly. Ironically, this emergency OPEC action designed to rescue its members from fiscal crisis, could detonate financial market shocks later this year that would plunge the global economy into collapse.

Expecting the unexpected

“Today financial markets still believe the price of oil can only go down, not up,” said George Andersen, chief economist of a leading European bank. “The record highs in the Dow Jones and NASDAQ stock markets are tied to unbelievably low inflation. The lead indicator of future inflation is oil prices. If now we have an upward spike in oil, that will shatter the financial markets. This market is very, very sensitive to any spike in inflation.”

A dramatic rise in the price oil, to which the world economy is most sensitive, could, according to Andersen and other financial market analysts, detonate a collapse of major stock and bond markets in the United States and Europe within the coming three months. This prospect, considered all but impossible by most market participants even two weeks ago, has become a distinct possibility since the March 23 OPEC meeting in Vienna.

One of the strongest factors pushing U.S. and European financial markets higher, especially in the United States since the collapse of the Long Term Capital Management hedge fund last October, has been the historic low inflation rate, which has enabled the Federal Reserve and European Central Bank to maintain dramatically low interest rates. That, in turn, has fuelled a speculative buying binge, especially in U.S. stocks, on cheap credit. Oil is by far the most influential commodity for determining inflation levels for bond markets. Were the price of Brent oil to rise to \$20 per barrel in the coming two to three months, that shock would likely detonate a major crisis, first in the inflated U.S. bond and stock markets.

According to City of London bond strategist S.J. Lewis of London Bond Broking Ltd., “Were oil to hit \$20 per barrel, [Federal Reserve chairman Alan] Greenspan and the Fed would be forced to raise interest rates or lose credibility entirely in the eyes of bond markets, and face a crisis in the dollar as investors fled the U.S.” A rise in U.S. interest rates, in turn, would reverse expectations built into the present inflated stock and bond prices. In brief, it would likely trigger a panic sell-off. According to the economic model used by the Fed to determine the appropriate level of stock prices versus real economic growth, the U.S. market is 30% overvalued. Many American households continue buying at record levels based on the view that their savings invested in stocks would cushion them from any problems. Were stocks to plunge, con-

sumer spending would follow with a vengeance.

While many Wall Street pundits argue that the milestone of 10,000 for the Dow Jones index of 30 industrial companies is just the beginning of a new era of unlimited rise, every serious indication is that the U.S. stock market has become the world’s most colossal speculative bubble. At some point, that bubble will pop, and indications are that the pressures building for higher interest rates, because of fears of inflation over the price of oil, could be the trigger.

Detached from reality

According to every conventional indicator used to determine when stock prices have detached from underlying economic reality, the \$12 trillion U.S. stock market is beyond the pale. Since the end of 1994, the price/earnings ratio in U.S. stock markets has doubled, from 14 to 28. The P/E ratio is widely used as an indication of an inflated stock market. The P/E for Standard & Poor’s-500 stocks is at 26. That is, an average price 26 times a company’s after-tax annual earnings. For decades the rule on Wall Street, before the explosion of the “new economy” mania several years ago, was that a P/E of 7.5 was considered “healthy.”

The P/E for individual stocks is even more alarming. The company whose stock value, so-called market capitalization, is the largest in the United States, is Microsoft—at today’s levels, worth \$486 billion. It has a P/E of 68. The ten largest stocks on the S&P-500 have an average P/E of 48. America Online, an Internet company, has a P/E of 350. Its market capitalization is \$147 billion. On March 31, Priceline.com, a company which has operated only 11 months and racked up losses of \$114 million selling airline tickets over the Internet, went public with an IPO initial stock offering. By day’s end, the share price had risen 400%, from \$16 per share to \$69, giving the company a larger market value than United Airlines, Continental Air, and Northwest Air combined. “Each new Internet IPO is nothing more than red meat to the mad dogs,” said David Simons of Digital Video Investments. In short, the stock market is a bubble that could burst at the next major shock.

Commenting on the fragility of global financial markets, Lyndon LaRouche recently noted three decisive features of the current financial situation: 1) Japan entered its new fiscal year on April 1 with an unresolved \$2 trillion bank bad loan problem, which is pushing the world’s second-largest industrial nation into its worst depression since the 1920s; 2) Brazil’s crisis is in no way resolved, but rather is spreading economic decline across Ibero-America; and 3) the Russian and eastern Europe crises, which the G-7 and International Monetary Fund are desperately trying to contain from default, are worsening.

A crisis in the U.S. dollar or a hike in Fed interest rates, either one a likely consequence of dynamics set off by OPEC’s March 23 meeting, can begin to plunge Japan, Brazil, Russia, and, this time, the G-7, into collapse. That would bring OPEC and the world unintended consequences indeed.

For profound reforms of the world's financial and monetary institutions

by Maurice Allais

This is part three of a three-part series by French economist Maurice Allais, Nobel Prizewinner in Economic Science in 1988, which appeared in the French daily *Le Figaro* on Oct. 12, 19, and 26, 1998. (Copyright *Le Figaro*, no. 9812009.) Professor Allais has kindly granted EIR permission to republish his articles. Parts one and two appeared in the March 26 and April 2 issues of EIR.

For two more of Professor Allais's contributions, "On My Experiments in Physics, 1952-1960" and "Michelson-Morley-Miller: The Coverup; The Experiments of Dayton C. Miller (1925-1926) and the Theory of Relativity," see the Spring 1998 issue of *21st Century Science & Technology magazine*.

If we were to consider not only the history of the recent decades, but also that of the last two centuries, and undoubtedly of previous ones, it would certainly appear that monetary and financial factors have had an exceptionally significant role in the functioning of all economies.

Indeed, if appropriate monetary and financial conditions are not assured, experience shows that there can be neither economic efficiency, nor equity in income distribution. The resulting economic instability, underproduction, inequity, underemployment, distress, and misery are major scourges.

These profound disorders can in no way be considered the inevitable result of the functioning of a market economy: They have been, and they generally are, the consequences of financial and monetary policies implemented within an inappropriate institutional framework.

More than ever, reforms, very deep and radical ones, are necessary:

- reform of the credit system;
- stabilization of the real value of the unit of account;
- reform of the stock markets;
- reform of the international monetary system.



Maurice Allais

I. The system of credit

In fact, the system of credit we have today — whose origins must be wholly traced to contingent historical events — appears completely irrational. And there are at least eight reasons for this:

- irresponsible creation (or destruction) of money and purchasing power through decisions made by banks and individuals;
- the financing of long-term investments through funds borrowed on a short-term basis;
- the confusion between savings and money;
- oversensitivity of the credit mechanism to short-term economic fluctuations;
- the fundamental instability it causes;
- the distortion of the conditions of maximum economic efficiency;
- the distortion of the distribution of income;
- and finally, the impossibility of any efficient control of the credit system by public opinion and the Parliament, because of its extraordinary complexity.

On the basis of at least two centuries of experience with disorders of all kinds and with the recurring series of periods of expansion followed by recession, we must consider that the two major factors which have considerably amplified, if not caused, these disorders, are the *ex nihilo* creation of money and purchasing power by the credit mechanism, and the financing of long-term investments through short-term borrowed funds.

These two factors could nevertheless be easily neutralized through an overall reform which would considerably diminish the scope of, if not put an end to, these short-term fluctuations.

This reform must be based on two fundamental principles: The state and the state alone must have sole responsibility to create money. Any creation of money other than the money base issued by the central bank must be made impossible, so as to do away with the "false rights" now produced by the creation of bank money. Therefore, reform of the credit mechanism should involve excluding both *ex nihilo* creation of money and short-term borrowing to finance longer-term loans, and allow only loans whose maturity is shorter than that of borrowed funds.

To meet these two conditions, banking and financial

structures would have to be radically changed, based on breaking up banking activities such as they are carried out today into three distinct and independent categories of institutions:

- *deposit banks, with no right to lend*, whose only function is to ensure the collection, payment, and holding of the deposits of their clients, the corresponding fees being billed to the latter. The clients' accounts could not be overdrawn;
- *loan banks*, borrowing at given terms and lending the borrowed funds on shorter terms, the global amount of the loans not exceeding the global amount of the borrowed funds;
- *business banks*, borrowing directly from the public or from loan banks, and investing the borrowed funds into businesses.

In principle, such a reform would exclude the ex nihilo creation of money and purchasing power by the banking system and short-term borrowing to finance longer-term loans. It would only permit loans whose maturity would be shorter than that of the borrowed funds.

Deposit banks would provide for their clients' collections and payments. They should, of course, be paid for those services which are today almost free of cost, thanks to the income banks receive from the *ex nihilo* creation of money.

The loan banks and the business banks would serve as intermediaries between savers and borrowers. They would be subject to an imperative obligation: *to borrow long term in order to lend at shorter terms, the opposite of what is going on today.*¹

Such an organization of the banking and financial system would at the same time satisfy six absolutely fundamental conditions:

- impossibility to create any money and purchasing power other than the base currency issued by the monetary authorities;
- elimination of any potential imbalance resulting from the financing of long-term investments based on short- or medium-term borrowing;
- expansion of the overall monetary supply at the rate decided upon by the monetary authorities, the monetary

1. With this system, only the central bank would create money and the revenue coming from currency creation by the central bank would be retroceded to the state, *which would allow it to abolish almost all income tax.* (See my book *Pour la réforme de la fiscalité*, Paris: Clément Juglar Editions, 1990.)

Such a reform has the advantage of being both clear and transparent. Today, revenue due to currency creation is anonymously distributed among a crowd of actors, but no one can really identify who the winners are. This revenue only causes instability and unfairness and, *by encouraging investments that are not really profitable for the community, it leads to squandering capital.*

In essence, the present ex nihilo creation of money by the banking system is identical, and I do not hesitate to say it in order to make my point well understood, to the creation of money by forgers, which the law rightly condemns. Concretely, it leads to the same results. The only difference is that those who gain from it are not the same.

supply being solely made up of the money base;²

- a major, if not total, reduction of the magnitude of fluctuations due to short-term conditions;³
- allocating to the state—that is, to the collective community—the gains resulting from money creation, and the consequent lowering of present taxes;
- allowing public opinion and Parliament to easily control the creation of money and its implications.

All these advantages would be essential. The profound changes required would naturally come into conflict with powerful interests and deeply rooted prejudices.

But, given the major crises that the present credit system has constantly produced since at least the last two centuries, and still does today, and that the monetary authorities have been unable to control, this reform would seem to be a necessary condition for survival and efficiency of a decentralized economy.

II. Unit of account

A market economy functions on the basis of many obligations on the future. For the economy to be efficient as well as equitable, these obligations must be met, the economic calculations must not be distorted, and neither creditors nor debtors should be despoiled. *It is therefore necessary that the contracts be carried out without the perverse effects of variations in purchasing power of the unit of account.*

In fact, with respect to these variations, only the compulsory indexation, in real value, of all future obligations, and especially of all loans and borrowed funds, as well as all employment contracts limited in time,⁴ could guarantee efficient and equitable functioning of the economy.

This would entail the *legal obligation* to specify for all future medium- and long-term borrowed funds, by the state, companies, or private individuals, a guarantee in terms of purchasing power, principal, and interest. Reimbursements and interest would be indexed in real value, based on the general price index.

Such an indexation would boil down to implicitly introducing a stable unit of account into the economy, for all future operations. Use of such a unit is indispensable for a proper working of the economy, both to ensure its efficiency and to avoid a distorted distribution of income.⁵

2. Growth rate of the monetary base would be equal to the growth rate of the real GNP, plus the desired rate of price rises, in principle about 2%.

3. As thorough econometric analysis shows.

4. In fact, *distribution of corporate gains among employees and shareholders would certainly be easier, if the salary involved three elements:*

- a main element indexed to general price levels, according to a salary contract of limited time;
- a specific element by which employees benefit from good management and which is differentiated according to their activities in the company;
- a complementary element indexed on the company's real income and variable according to the company's earnings or losses.

5. Compulsory indexation in real value of all obligations toward the future beyond a certain length of time, which could reasonably be set at one year,

It is important to fully understand the nature of such a system of indexation. It is not meant to lock the economy into a set of incompatible and impossible constraints. *It just means making it more efficient, freeing it, in large part, from all constraints linked to future uncertainties, and fully establishing the principle of honesty in the application of contracts. Such a system would tend to exclude price and income distortions. It would allow the economy to be efficient and income distribution to be equitable.*⁶

In itself, indexation would *fundamentally reduce uncertainty toward the future* and, by that very token, assure efficiency.⁷ In any event, refusal to index future obligations would be tantamount to institutionalizing unsound economic calculations and to despoiling either debtors or creditors.

III. Stock markets

The fact that stock exchanges have become casinos, where gigantic poker games are played, would perhaps not seem so important after all, the winners simply counterbalancing the losers, if general price fluctuations did not cause *deep waves of optimism and pessimism that have considerable influence on the real economy*. There appears the *insane and harmful* character of the stock markets' present institutional framework. The present system is fundamentally anti-economy and detrimental to the smooth functioning of economies. It is only advantageous for very small minorities.

Stock markets, to be fundamentally useful, *as they can be*, must be reformed:

- the possibility to finance stock operations through *ex nihilo* creation of means of payment by the banking system *must be eliminated*;
- margins corresponding to future purchases and sales *must be greatly increased and be in cash*;
- continuous quotation of stock values *must be eliminated and replaced on every stock exchange by one single quotation per day per value*;
- automatic buy and sell programs *must be eliminated*;
- speculation on stock-index futures and derivatives should be suppressed.

One single quotation per day on each stock exchange would certainly be preferable; it would greatly reduce costs and benefit all investors, minor or major. A market is all the more efficient as it is large.

is a precondition for both efficiency and equity. Indexation could advantageously be based on consideration of the deflator of the nominal Gross National Product, which takes all transactions into account.

Cash balances, which by nature would not be indexed, would be devalued at the desired rate of price rises, in principle 2% (see footnote 2). Thus their hoarding could not be profitable.

6. See my book *Pour l'indexation* (Paris: Clément Juglar Editions, 1990).

7. If all money obligations would be indexed, markets would set real interest rates at levels ensuring the economy *all the real savings it needs*. Historical experience of all periods of monetary stability shows that these rates would be relatively low, around 3 to 4%.

IV. The international monetary system

The present international monetary system is plagued by many evils:

- instability of floating exchange rates;
- disequilibria in current balance of payments;
- competitive devaluations;
- development of unbridled speculation on currency markets;
- worldwide use of the dollar as unit of account, although its real value internationally is extraordinarily unstable and *unpredictable*;
- fundamental contradiction between totally free short-term capital flows and autonomous national monetary policies.

Reform of the international monetary system, *a new Bretton Woods*, is absolutely necessary. It would entail:

- replacing the floating exchange rate system by a system of fixed, but adjustable, exchange rates;
- a system which would implement the equilibrium of balances of payment;⁸
- forbidding any competitive devaluation;
- totally giving up use of the dollar internationally as accounting currency, trade currency, or reserve currency;
- merging the World Trade Organization and the International Monetary Fund into one agency;
- creating regional organizations;
- forbidding major banks from speculating, on their own account, on exchange rates, shares, and derivatives;
- finally, gradually establishing a common unit of account internationally, by an appropriate indexation system.

V. Established truths against reason

We cannot make sound decisions for the future, if we don't consent to draw the relevant lessons from the past. The monetary and financial disorders that have come up time and again in the past were greatly increased, if not caused, by the absence of monetary and financial institutions able to allow for efficient and equitable running of the market economy.

In fact, those institutions that carry the seeds of their own destruction must be reformed.

It is of course undeniable that the very powerful interests of monetary and financial lobbies, as well as the ruling doctrines, are not really favorable to such reforms — *so powerful is the tyranny of the status quo*.

The past 50 years have been dominated by a series of dogmatic doctrines always upheld with the same assurance, but in complete contradiction with one another, all just as unrealistic, and given up one after the other under the pressure of facts. Instead of studying history, instead of thoroughly analyzing past mistakes, there has been too great a tendency

8. The average annual deficit of the U.S. balance of payments of over \$100 billion, on the average since 1984, is quite unacceptable. How can it be accepted that the most powerful country in the world take such a toll on the rest of the world?

to make simple affirmations, too often based on pure sophisms, on unrealistic mathematical models, and on superficial analyses of present circumstances.

In the end, all the means implemented, all the measures taken, have always had the same objective: to postpone the necessary adjustments to a later date, by granting new loans and creating possible new means of payment, which leads to further rises in the overall volume of promises to pay. These are really only expedients, in and of themselves very highly destabilizing, that increase the general potential instability of the system, making it more and more dangerous.

In fact, almost all the present problems are the result of both a total ignorance of the monetary and financial conditions necessary for an efficient and fair running of a market economy, and a structure of banking institutions and financial markets that is inappropriate.

The four reforms that I propose—of the monetary and financial system, of indexation, of stock markets, and of the international monetary system—are *independent of one another and can be applied separately in certain countries, or in all countries*. Each one of them would be *most beneficial* for the entire economy. But if they are applied jointly, these beneficial effects would be *greatly enhanced by one another*.

These reforms are not just any old reforms, akin to thousands of others, each of which was supposed to repair the damage caused by its forerunners, by creating new damage.

These are *fundamental* reforms, of concern to the everyday lives of millions of citizens. These indispensable reforms have neither been enacted, nor even envisaged, whether by the liberals, whose just concern is to make the economy more efficient, or by the socialists, who are rightly committed to an equitable distribution of income.

The reason is very simple. They have all been blinded by the incessant repetition, everywhere, of pseudo-truths, and by mistaken prejudices. The more widespread dominant ideas become, the more rooted they become in the minds of people. *However mistaken they might be, by the very fact that they are repeated over and over, they acquire the status of established truths*, which no one may challenge without being ostracized by all kinds of lobbies. The only result of this situation has been tremendous suffering for millions and millions of people, the poorer being the most hit the most hard.⁹

9. On all the above points, as well as the objections that may arise, in particular concerning the construction of Europe, see: M. Allais, "Les conditions monétaires d'une économie de marchés," *Revue d'économie politique*, May-June 1993. Also see the Introduction to the second edition of my book *Economie et Intérêt* (Paris: Clément Juglar Editions, 1998), pp. 154-186.

See especially my two books: *La crise mondiale d'aujourd'hui. Pour de profondes réformes des institutions financières et monétaires*, 1999; *L'Union européenne, la mondialisation et le chômage* (Paris: Clément Juglar Editions, 1999). The publisher may be contacted at 62 avenue de Suffren, 75015 Paris, France.

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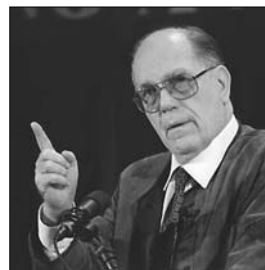
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Colombia's economy is disintegrating

by Javier Almarío

At the same time that the FARC-ELN narco-terrorists are forging ahead in their efforts to shatter Colombia, the nation's economy, both public and private, is on the verge of a dramatic collapse, equal or worse to that which Ecuador and Brazil are suffering today. Indeed, the economic disaster now facing Colombians is one of the most visible proofs that the Brazilian crisis is fast spreading to the rest of the continent.

Despite multiple tax reforms over recent years, the national income is dramatically falling, a consequence of the severe economic recession created by the globalist dictates of the International Monetary Fund (IMF):

- 22 of the country's 37 departments, or provinces, are in dire economic straits;
- the government now officially recognizes that Colombia had a zero growth rate in 1998;
- the national banking system is on the brink of collapse, the result of usurious interest rates which have forced every sector of the economy into non-compliance with their bank loans and other debt; and
- the unemployment rate for March is expected to reach 19%, representing a social time bomb just waiting to be set off.

Pastrana's secret deal with the IMF

In late 1998, Colombian President Andrés Pastrana toured the United States, where he was greeted with much pomp and fanfare. What has not been publicly revealed is that during the tour, Pastrana struck a secret deal with the IMF and the World Bank, which includes, among other points: 1) that the national government should bail out Colombia's banking system, no matter what the cost, and 2) that the national government should become the guarantor of all private foreign debt in the country, currently approximately \$16 billion.

The government further committed itself to meeting all the usual conditionalities of the IMF, such as reducing the fiscal deficit and public expenditure, freezing wages, and so on.

The IMF's two secret conditions carry an immense cost. Immediately upon his return, Pastrana issued an emergency decree, under which he imposed a controversial 0.2% tax

on bank transactions, to salvage the Colombian financial system. Despite the fact that the government won Congressional approval for yet another tax reform, to collect more funds to address the fiscal deficit, the deficit increased when the government disbursed some \$900 million as indemnification to depositors in financial institutions that were liquidated. But when the crisis reached Granahorrar, one of the largest savings and loans companies in the country, the government refused to allow it to declare bankruptcy, and instead injected nearly 400 billion pesos to keep it afloat.

The unavoidable truth, however, is that the Colombian banking and financial system, within the framework of the current economic policies of the Pastrana government, is unsalvageable. Nearly 13% of all loans by Colombian financial institutions, that is, \$4.7 billion out of a total loan portfolio of \$36 billion, are non-performing. Worse, the non-performing portion of the loan portfolio has grown during the last six months at an average rate of 80% per month.

At the same time, the banking system holds assets estimated at 2.5 trillion pesos (about \$1.7 billion, at the exchange rate of 1,500 pesos per dollar), which have been handed over in lieu of debt payment. Among these assets are all sorts of machinery and equipment that had served as collateral for industrialists' loans, and whose purpose often eludes the bankers. Also included among these bank assets are 600 billion pesos worth of real estate, especially homes. The chances of selling these assets in the midst of recession are remote, and the real estate market is severely depressed, as a result.

Usury has become extreme

Usury in construction has become so extreme that the mortgage debt attached to buildings is greater than the value of the buildings themselves. According to statistics of the savings and loan companies, 66,000 of the country's 550,999 mortgage-holders are not meeting payments. In the first two months of the year, according to official bank statistics, the system had losses of 329.229 billion pesos. The losses are going to be even greater, given that Colombian law dictates that banks are allowed just two years to sell off assets that have been given them in lieu of payment, and then must write them off the books as losses.

This financial bankruptcy is a reflection of the bankruptcy of the entire national productive apparatus, which cannot be squeezed any more to satisfy the usurers. According to official figures, the Colombian economy grew only 0.2% in 1998. However, the productive sectors of the economy—industry, agriculture, and construction—had a much more serious decline. Construction fell 40% in 1998. In January 1999, industrial production fell 13%. The government's strategy for maintaining industrial production on the basis of exports proved a failure, after Ecuador, Colombia's third-largest buyer on the international market, had to sus-

pend almost all purchases of Colombian products because of its own economic crisis; meanwhile Venezuela, the second-largest buyer of Colombian goods after the United States, has also reduced its trade with Colombia. Colombian industrial exports fell 17% in January 1999. According to a census by the Banco de la República, 42% of Colombia's companies will begin layoffs, which will cause a leap in unemployment, already pegged at 19% at the end of March. The census reports that 48% of Colombia's firms will be creating no new jobs this year.

Bankruptcy of the state

Thus, the national government, as well as departmental and municipal governments, are on the brink of bankruptcy. Despite the tax reforms implemented by the Pastrana government, collections in January 1999 fell. In January 1998, tax revenues were 1.58 trillion pesos. In January 1999, revenues were 1.54 trillion pesos, a 17% decline, if measured in constant pesos. A fall in tax revenues of 1 trillion pesos is predicted for the year. In 1998, those revenues amounted to 17 trillion pesos.

The departments are in the same situation. Eight departments are carrying out fiscal reforms to resolve their financial problems, which has led to the layoff of 6,000 workers in the departments' public sector. Fourteen other departments are designing similar adjustment programs, through which another 11,000 people are expected to join the unemployment lines. The national government, meanwhile, has announced plans to fire 200,000 public sector workers. To all of this can be added the economic bloodletting represented by the narco-terrorists, who are demanding as much as 10% of municipal and departmental budgets in blackmail payments.

Meeting the other secret condition of Pastrana's deal with the IMF is also going to prove devastating. Since the beginning of the "globalization" process in Colombia, when all impediments were removed for national companies to take foreign loans, the private foreign debt has grown like a cancer. The private foreign debt has grown from \$1.7 billion in 1991 to \$16 billion today. The total foreign debt has gone from \$17 billion in 1991 to \$33 billion today. One can also add to this another \$7 billion of "foreign investments" in the Colombian stock exchange, which in reality are foreign obligations.

Included in the government's plan for meeting the IMF's conditions is an acceleration of privatizations. Until now, the government has sold concessions for cellular telephones, mining companies like Cerromatoso, banks, and electricity companies. It plans to sell \$4.5 billion worth of stocks in 1999, to cover the fiscal deficit and meet the IMF's demands. There are even those who propose selling the Colombian state to some European monarchy, while others propose that the narco-terrorist FARC pay for the territories the government has granted them under its "peace" plan.

The only solution is that the Colombian state intervene in the economy before it disappears altogether. In recent years, one can trace the worsening of the economic crisis back to 1991, when the César Gaviria government decided to eliminate exchange controls that had been in place for 33 years, liberalize the banking system and capital flows, and impose the so-called "economic opening," that is, the globalization demanded by the IMF.

Since then, 300,000 hectares of land have stopped producing food, and industry has begun to disappear. Agriculture represented 21% of the Gross Domestic Product, and now represents only 18%. The same is true for industry, which represented 21% of GDP and now only 18%.

Under the government's free-exchange policy, the value of the peso has been "defended" by selling off the central bank's international reserves and by increasing interest rates, so that "investors" will leave their capital inside the country. But this policy, in combination with the "opening," has destroyed the Colombian economy.

In addition to destroying Colombian agriculture and industry, the "opening" has generated a sizable trade deficit, which has been financed with foreign debt and foreign "investment," thereby feeding the cancer. Finally, as the U.S. Drug Enforcement Administration has said, globalization has facilitated the laundering of drug money.

So, You Wish To Learn All About Economics?

by Lyndon H. LaRouche, Jr.

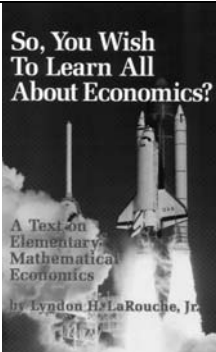
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Business Briefs

Central Asia

Financing sought for Trans-Asia rail project

Kyrgyzstan, Uzbekistan, and China are discussing how to finance a feasibility study for the Trans-Asian rail project, Kyrgyz Railroad Construction Co. General Director Erkin Masadykov told Moscow Interfax on March 19.

A group of Chinese, Uzbek, and Kyrgyz experts recently finished the preliminary analysis of the project. The construction costs of the 454 kilometer rail line, which will connect China to Uzbekistan and Kyrgyzstan, is estimated at \$2.5-3 billion. Masadykov said that, in his opinion, the project is feasible.

Some leading railroad companies and international financial institutes, including the Asian Bank for Development and a number of major Japanese companies, have shown interest in the project, Masadykov said. He added that the new rail line will be much shorter than either the Trans-Siberian railway or the rail line between Kazakstan and China.

Space

Fusion-propulsion concept advances

NASA astronaut Franklin Chang Diaz said that the Variable Specific Impulse Magneto-Plasma (VASMIR) project, a propulsion system that he and a NASA-industry-university team are working on based on continuous-thrust plasma drive, could take people to Mars in about 2018. He told the Space Exploration at the Millennium symposium, held in coordination with First Lady Hillary Clinton's Millennium initiative, on March 24 in Washington, D.C., that experiments are being done in the laboratory to test aspects of the design using non-fusion-generated plasmas, and that he plans to fly an experiment in space in three years to test the technology.

Chang Diaz, a plasma physicist, is director of the Johnson Space Center Advanced

Propulsion Laboratory and an Adjunct Professor of Physics at Rice University and the University of Houston.

Using a continuous-thrust plasma drive, a spacecraft would accelerate for the first half of a trip to Mars, and then turn around and continue firing in the opposite direction, to slow the spacecraft down on the second half of the trip. In this way, Chang Diaz explained, the "ship is always accelerating, producing artificial gravity," to eliminate, or at least mitigate, the physiological impact on the crew of zero-gravity spaceflight.

The trip from the Earth to Mars would take about three months using this design. In addition to being faster than the six- to nine-month travel times using traditional chemical rocket systems (as proposed by Bob Zubrin and others), if the crew or spaceship had problems, it could be turned around at any point in the mission and head back to Earth.

Health

Financial crisis fuels holocaust

The UNICEF representative to Indonesia and Malaysia, Stephen Woodhouse, has warned that malnutrition related to the economic crisis could lead to lower IQ development for an entire generation, the *Straits Times* reported on March 27. UNICEF says that 8 million pre-school-age children in Indonesia are malnourished; already before the crisis began in 1997, it said that 12 million were suffering from vitamin A, iron, and protein deficiencies.

Woodhouse said that 90% of brain cells develop in the first two years after birth, and that malnutrition during that period has devastating effects. "The nation as a whole cannot afford this massive loss of human potential, which, among other things, will condemn Indonesia to lower economic growth and competitiveness in the global economy." He cited Ministry of Health reports of 610 deaths in recent months due to marasmus and kwashiorkor, acute malnutrition due to a diet lacking, respectively, in calories and protein. UNICEF reported that women in Jakarta suffer from a vitamin A deficiency at a rate twice as high as in rural

Bangladesh.

Researchers attending a conference in Singapore report that Asia's fragile public health care system has seen a 20-25% increase in demand since the onset of the economic crisis, as middle class and wealthy families, no longer able to afford private hospitals, have turned to public health care facilities, which are now straining under 80-85% occupancy rates. This is compounded by the skyrocketing cost of pharmaceuticals, mostly imported and dollar-denominated, with costs rising 20-300% in Indonesia. One participant concluded, "I just don't think people are being treated in Indonesia."

Industry

Orders for plant construction collapse

The German association of plant construction industry (steel plants, power plants, chemical plants, and so on) on March 25 presented figures for 1998 which showed a devastating collapse in orders, particularly from the Asia-Pacific region. Foreign orders fell 14%, on top of a sharp fall the year before. For 1999, the association expects orders to drop below 30 billion deutschemarks, which would be the worst year since 1992. For 2000, a decline of orders by 10-20% is forecast. In 1998, orders from the Asia/Pacific region dropped to DM 3.1 billion, compared to DM 8.8 billion the year before. The share of the Asia-Pacific region in total foreign orders, once more than 50%, fell from 38.6% in 1997 to only 16.1% in 1998.

The association argues that due to the overall shift in the industry toward construction of turn-key plants, in which the German producers are specialized, most of the 35 German producers can survive the collapse of demand in Asia. However, Japanese and South Korean firms are facing a 50% drop in orders and are finding themselves in an "extreme situation." The wave of mergers and takeovers in this sector is expected to escalate. Orders from Ibero-America and the Middle East are now starting to crash as well, the association reports.

Similarly, Barmag AG, based in Düsseldorf, expects the world market for chemi-

VIETNAM and India have agreed to cooperate in the peaceful uses of nuclear energy, including training, exchange of scientists, setting up of a pilot plant for the manufacture, control, and assessing of uranium ceramics for fuel assemblies, and exploration of uranium mines in Vietnam.

GERMANY'S participation in the International Space Station is threatened by the Schröder government's proposed cuts in the space budget (from 1.53 billion marks to 1.26 billion marks), the German Aerospace Industry Association has warned. Germany has a 38% share in the European Space Agency's ISS program.

THE GREATER MEKONG River subregion met on April 7-8 in Bangkok, to address the impact of the Asian financial crisis on the region. The intent is to develop strategies to promote trade and investment and to push the project forward.

INDIA'S industrial production growth rate declined to 3.5% during first nine months of the fiscal year, as compared with 6.7% last year; the electricity sector posted a 6.6% growth rate. A Finance Ministry report released on March 22 said that foodgrain production would be 195 million tons in 1998-99, some 2.6 million tons more than 1998.

MALAYSIA has begun to slaughter pigs infected with Japanese encephalitis, which is transmitted to humans by mosquitos. Since January, 35 people have died. Extensive drainage and spraying have been undertaken to wipe out mosquito infestations. So far, owners of 406 farms have surrendered 326,971 pigs out of a herd of more than 600,000.

THE NEW ZEALAND government is allowing a Christchurch clinic to offer patients loans at 15.5% interest to pay for surgery, which they would otherwise have to wait months, if not years for, due to budget cuts. Opposition Labor Party spokeswoman Annette King attacked the scheme as akin to "usury."

cal fiber machines to collapse this year by 50%; the firm currently accounts for 40% of worldwide production. The company recently fired its board chairman, who as late as November 1998 was presenting an optimistic outlook for the years ahead. Employment, which shrunk from 5,300 in 1993 to 3,200 in 1998, will fall to 2,500 by the end of the year. The worldwide fall in demand for chemical fibers has led to a collapse of prices. The large chemical fiber producers in the United States, Europe, and Asia are cutting back production and have cancelled orders for new chemical fiber processing machines.

Trade

WTO a 'death sentence' for industry, China told

A paper calling on China to suspend talks to enter the World Trade Organization is being circulated by e-mail among policymakers in Beijing, the *South China Morning Post* reported on March 23. The paper, titled "Reconsidering Strategy on China's Entry into the WTO," warns that entering the WTO would destroy many of China's strategic industries. The paper has not appeared in official media, but its quality indicates that the author is likely a scholar or senior economic official, the *Post* commented.

The paper said: "We should suspend consideration of entering the WTO. . . .

"Globalization is not the natural order, but a way for strong powers to manipulate conditions in the world, interfere in the governments of all countries and build a new order for monopoly capital," the paper read. "It means the governments of developing countries ceding control to multinational companies and financial conglomerates. . . .

"In the 1990s, the destructive power of this globalization has become apparent, with economic and financial crises in Russia and most countries in Asia, Africa and Latin America."

Entry into the WTO would mean a "suspended death sentence" for China's metallurgy, machinery, electronics, and high-technology industries, because the WTO would eliminate state support for these in-

dustries, it said. China's exports are mostly commodities, of which 40% are produced by joint ventures with foreign firms. The paper said that these firms are branches of multinationals, which provide little input of technology or tax revenue for the mainland.

It is far too early for China to lift its protective barriers, the paper stated. The United States retained high tariff and tax protection from Britain for nearly a century, while Japan retained them for more than 40 years after World War II and is still criticized for them by the United States. "The road of China's take-off is very long and needs one to two generations," the paper concluded.

Debt

U.S. bishops urge relief to aid development

Archbishop Theodore E. McCarrick of Newark, New Jersey, chairman of the U.S. Catholic Conference International Policy Committee, and Bishop John H. Ricard of Pensacola-Tallahassee, Florida, chairman of Catholic Relief Services, urged the World Bank and the International Monetary Fund to base debt relief on the need for development. "Our concern is with the human aspects of the debt problem—its impact on the poor and vulnerable in a society. We advocate criteria for evaluating debt sustainability that are based on human development," they said on March 15. The remarks were addressed to the Highly Indebted Poor Countries (HIPC) initiative.

A statement released by the U.S. Catholic Conference stated, "The two Bishops expressed concerns with the fiscal criteria currently used by the international financial institutions (IFIs) in determining a nation's ability to keep up with debt repayments. Rather than focusing primarily on economic indicators like export earnings, the Bishops urged the IFIs to look also at the impact of debt repayment on human development indicators such as health, education, and sanitation in highly indebted nations, as well as other expenditures necessary for sustainable development and poverty reduction."

Will America join the China-Russia ‘Survivors’ Club’?

by Jonathan Tennenbaum

This speech was given to an EIR seminar in Washington, D.C. on March 24. It has been edited and expanded for publication. Dr. Tennenbaum works with EIR’s bureau in Wiesbaden, Germany, and is director of the Fusion Energy Forum there.

I think as we meet here, all of us are aware, that we’re in a period of historical decisions, and we’ve experienced in the last 48 hours, something which is certainly no less than an earthquake, and an event of potentially great historic dimensions. We’re in a period of earthquakes. We’re in a period when I think that everyone must do a lot of hard thinking about the basic assumptions and directions of policy, both policies in the United States, foreign policies, policies of other nations, directed toward how we are to get out of the strategic and economic mess which has been created in the world.

I shall address you primarily on the issue of United States relations to China, and the relations between the United States and what Mr. LaRouche has called “the Survivors’ Club,” a growing collaboration among Russia, China, India, and a growing circle of other nations, which, in this crisis, are looking for ways, in cooperation with each other — various types of cooperation — to ensure the survival and the development of their populations.

Although, as I say, I’m addressing this part — I think, a very crucial part — of the world situation, I think what I have to say will shed a great deal of light on the global strategic situation, and what is behind events which we’re experiencing, such as the action which I would describe as an act of sabotage, which has succeeded, for the moment at least, in preventing a *crucial* meeting between our President and the Prime Minister of Russia.

The background to these events, and what I shall have to say to what has been going on, concerning U.S.-China relations and U.S. relations to the Survivors’ Club, will throw some light on a very, very dangerous process. We will be able to see, right in front of our eyes, how from a certain group, a policy group, a very



Jonathan Tennenbaum addresses the EIR seminar in Washington on March 24. With him at the podium are Debra Freeman and Michael Liebig.

powerful policy group, actions one after the other, are being taken, which, if they're not stopped, are driving the world toward war, toward first a proliferation of wars; as LaRouche has said, *nucleating* conflicts which are not just disciplinary actions, as some people are describing them, but are real wars, in a process which is leading us—if it continues—to World War III.

If we take this issue of the extraordinary campaign in the U.S. media and in politics against China—if we look at that, and what's behind it, we can learn a great deal about what's happening also in other areas of the world.

So, we have, in the media, an unprecedented campaign of hysteria against China—it reminds some people I've talked to of the McCarthy period in the United States. There's a drumbeat about "the Chinese threat." There are accusations. There's contradictory information. There's an atmosphere of mind wars, which led through the Monica Lewinsky period, without any break, into this extraordinary McCarthyite type of campaign.

Unfortunately, many people in the United States, who are used to the way the media lies to the population, the way the media conducts a kind of psychological warfare, will say, "Oh, yes, I know the media lies to me. But I think we should be suspicious of the Chinese. Aren't they communists, after all? Don't they have nuclear missiles pointed at us? Didn't they fire on students in Tiananmen Square?" There's a certain tendency for people to allow themselves, although they know they're being lied to, to be influenced emotionally by these

kinds of campaigns.

But when we look at this, we have to have a very clear head. We have to ask ourselves, "Wait a minute What's really going on?" And there's something going on behind this, which is much, much bigger than an issue of a relationship between the United States and China. Much bigger, much more serious.

Let's not kid ourselves. We're on the eve of the greatest financial disaster in modern history. It's already happening—it's a process that's ongoing. It's not just a financial collapse; it is the collapse of an entire world order, of an entire world economic and political system. And we're on the threshold of earthquakes and changes which hardly anyone here could even dream of, and we were just discussing that neither Michael [Liebig, who also spoke at the seminar—ed.] nor myself dreamt that Primakov's plane was going to turn around on the way to the United States—this is an absolutely extraordinary and unexpected event.

So, earthquakes.

We're on the *Titanic*. The *Titanic* is sinking. The eastern end of the ship is going nose-down into the water. It's called "the Asia crisis." The emerging markets of Asia and Russia are underwater already. Europe is half underwater. When we left there, it was still partly underwater, partly above water.

As the ship of the world financial system goes down, the back end is thrust upward—that's the New York Stock Exchange. People say, "Oh, it's going up!" As people shout, the orchestra plays faster and faster. In the mad attempt to

save the ship, the U.S. Federal Reserve and the central banks of various nations are pumping hot air into the ship as fast as they can — that's liquidity — and the whole system is about to blow out, in probably a hyperinflationary blowout.

But as I said, this is not just the financial system. This is the entire world order as we have known it in the post-world war period.

Now, there are essentially three reactions to this ongoing crisis of the sinking of this *Titanic*.

One has been identified by Mr. LaRouche as the Survivors' Club, led by China, Russia, and India, but also, associated with that in various ways, Mahathir's Malaysia (Mahathir is kind of a spokesman for part of this), Khatami's Iran, and others to a growing extent, who are saying, "We don't want to go down with this ship." These are countries that under the conditions of the obvious failure, the total failure of the International Monetary Fund, of the present world financial system, the obvious failure — gross failure — of the globalization, of the free-market policy, of the shock therapy reforms in Russia, and the failure up to now of the United States and other leading industrial nations to carry out an urgently necessary bankruptcy reorganization of the world financial system — they look at this, and they say, "We've got to survive. What do we do to survive? How can we protect ourselves?"

And the crucial element of this Survivors' Club, in terms of policy, is *national sovereignty* — a return to the principle of the role of sovereign nations and their governments, and their responsibility to manage their own economic affairs, and to do whatever is necessary to ensure the well-being of their populations.

Asserting their right, for example, to impose capital controls, if necessary; to apply reasonable protectionism, to protect their own domestic producers from being destroyed; to apply the right to generate credit for state investment and other types of investment in infrastructure, to build up their economy; and similar things.

This notion of going back to the sovereign nation-state, of saying, "That's the important thing. Globalization, the free market — we don't permit these to dictate to us policies which were leading to the destruction of our nations."

And these nations who look at things that way, are coming together more and more to cooperate in mutually beneficial ways. Now, these are not intrinsically enemies of the United States. All these nations actually would like to have *good* relations with the United States. They're searching, they're coming here, they're seeking out discussions with the United States in order to improve their relations. I'll come back to where that's going.

But above all, the characteristic of these governments is that they are *sane*. And we've had something to do with people in these governments, and I must say, the Chinese government is sane, the Russian government of Primakov is sane, the

Iranian government has a sane approach, as the recent visit to the Pope indicates. It's looking for a new era of improving relations between, for example, Islam and Christianity.

There are sane people in the United States. I think President Clinton is sane, and that's one of the reasons why he is being targeted.

However, there's a second reaction, which I'll begin to indicate. Unfortunately, not all people and not all governments — well, not all leaders in government — are sane. What we're seeing coming out of a group centered around the City of London and Wall Street financial interests, a group that is in a flight forward — they're in a completely insane state of mind. And Lyndon LaRouche put it very, very clearly a few weeks ago in a discussion, saying the following: The Wall Street/London City crowd, when they're going bankrupt, they always try to start a war somewhere. And if there's no convenient enemy around, they try to create one. They're culturally conditioned to think that way.

So, this is a very dangerous, very special form of hysteria coming out of what we have called in *EIR* the British-American-Commonwealth (BAC) faction. It's an interwoven network of powerful families and financial interests who have great control over the British Commonwealth, and unfortunately, a great degree of control also in the United States. They're in an hysterical state, due to the impending destruction of the world financial system, and also at seeing the emergence of the Survivors' Club, the emergence of a potentially viable alternative to this collapsing world financial system which they have built up to a bubble of something on the order of \$150 trillion of derivatives, which is about to blow up.

So, this is the background to the insane flight forward which we're seeing around the so-called globalization of NATO, the targeting of the so-called "rogue states" — the idea that now we have to go after all of these so-called "rogue states" around the world — the actions of what I call the Gang of Four in the U.S. government: Gore, Cohen, Shelton, and Albright. And I think that the remarks by [Chinese Prime Minister] Zhu Rongji at a press conference a little while ago are very much to the point, when Zhu Rongji stated, in looking at the hysteria around China in the United States, that there are some periods in history when hysteria becomes the norm. We had such a period in the Cultural Revolution in China, he said; and he implied that in the United States, something like that is going on right now.

So, we have this wild, crazed, McCarthyite campaign, the Gang of Four. The media's standing up like the Queen in Lewis Carroll's *Alice in Wonderland*, shouting, "Off with his head! Off with his head! They're threatening our interests, they're threatening our interests!"

And unfortunately, although it's farcical and tragicomical if one views it abstractly, this kind of behavior is having very concrete effects on the world, and if this gang is allowed to continue this kind of rampage, it will lead us to a proliferation

TABLE 1

Military spending

Country	Total (billions)	Per capita	Per km ²	Per \$1,000 GDP
U.S.	\$265	\$988	\$29,000	\$32
China	32	26	3,500	30
India	8	8	2,690	21
Israel	7	1,166	333,000	80
Japan	45	357	947,000	9
U.K.	33	559	136,000	27

of wars and to World War III—particularly because the United States and NATO, to the extent that we’re locked into this kind of craziness, we are going to find ourselves involved in wars—real wars, simultaneously, on different points of the Earth, which we neither have the capability nor the political will to resolve. And that means a rapidly growing danger of miscalculation and a drastic lowering of the threshold for the use of nuclear weapons.

How big is the ‘Chinese military threat’?

But now, before going further, I want to dispose of one issue: What is the real, physical, military threat, which China poses to the security of the United States? I am not talking about Chinese intentions, whether good or bad, but what China’s actual military capability is.

First, to get some perspective on this, let’s compare China’s military spending with that of the U.S. and several other countries (**Table 1**). Naturally, given the very different economic structures and the complexities of direct and indirect financing (which apply to many countries, not just China), we can only talk about ballpark estimates. Here I should mention, that the figure given in the table for China includes not only the direct allocation of the Chinese Ministry of Defense, but also other government organizations and units.

I should note that estimates by Russian experts of total Chinese military expenditures, agree broadly with the figure given above. I think the Russian view should be taken seriously, since Russian experts know China very well, and since Russia has a 4,375 km border with China. Although Russia now has very good relations with China, and a growing strategic partnership, it is natural for Russian experts to pay careful attention to military developments in China. But there is nothing comparable to the present U.S. fear of a “China threat” in Russia—nor in Europe, by the way.

But in contrast to the official evaluations, reiterated by Defense Department officials, and agreeing with Russian published estimates, Richard Bernstein and Ross Munro in their propaganda book *The Coming Conflict with China*, put

TABLE 2

Nuclear arsenals

Country	Deployed strategic warheads	ICBMs	SLBM	Total nuclear stockpile
U.S.	7,450	580	432	12,070
Russia	6,250	745	440	20,000
China	149*	20	12	400
France	384		64	450
U.K.	192		48	192
Israel	100+?	some	**	100+

* Including on bombers.

** Israel is in the process of preparing several submarines as launch platforms for nuclear-capable cruise missiles.

forward various arguments, claiming that Chinese military expenditures are vastly larger—they claim between \$86 billion and *double* that, \$172 billion! They don’t account for where all the hardware is, that that money is supposed to be paying for. We must assume—I suppose—that Communist Chinese sympathizers, deeply infiltrated throughout our military and intelligence community, are simply and grossly lying to us. It is not credible, that such a grossly larger expenditure, could be hidden from the extremely sophisticated surveillance capabilities now available.

Now let us look at China’s strategic nuclear armament, compared with some other countries—again according to the generally held estimates (**Table 2**).

At present, according to credible Western as well as Russian sources, China’s only true ICBM, able to reach the continental United States, is the silo-based Dong Fang 5, of which no more than about 20 are deployed. There also exist 20 of the older DF-4 ICBMs, whose range is about 4,750 km, too small to reach the United States. Both DF-4 and DF-5 missiles are liquid-fueled, and stored empty, with the warheads stored separately. Hardly comparable to the solid-fuel missiles of the U.S. and Russian ICBM arsenals. On the other hand, China is testing a solid-fuel ICBM DF-41, with MIRV capability to replace the strategically virtually obsolete DF-5.

At present, China has only a single type of submarine capable of launching strategic missiles, namely, the nuclear-powered Xia SSBM, of which only one or maybe two are actually operational. The Xia can carry 12 medium-range JL-2 missiles. A longer-range (about 8,000 km) JL-2 is being developed. China’s only long-range bomber, the Hong-6, is totally antiquated and of no strategic significance, and it does not appear now that China is looking to replace it. Instead, they are concentrating on the missile force.

All that is really known—except for wild speculations and unproven, propagandistic assertions—simply confirms what the Chinese government has been saying very directly

and openly: namely, that they are in the process of modernizing their strategic nuclear force to make it a still quite small, but nonetheless credible deterrent.

China's conventional Army, Air Force, and Navy are only large in sheer numbers; generally speaking, they are extremely poorly equipped by modern standards. China is in the process of greatly reducing the Army's numerical strength, while trying to improve its quality, which is a long and expensive process. Most of the Chinese Air Force consists of obsolete, 1960s or earlier-vintage aircraft; recent acquisitions of Russian aircraft are a very small step. The Navy has no significant war-fighting capabilities outside the immediate vicinity of China. It is nearly entirely oriented toward the task of defending China's very long coastline. China has no aircraft carriers, no significant logistical base outside its own borders, no significant mid-air refueling capability, no global network of military satellites, etc.

By no stretch of the imagination is the Chinese military capable, nor will it in the foreseeable future become capable, of "projecting" significant military forces beyond its immediate neighboring environment.

The only actual physical threat posed to the United States proper lies in its nuclear deterrent force, which is only that—a small, deterrent force. But by no stretch of the imagination could China challenge the United States in a war. This is a very different situation, than the Soviet Union at the beginning to middle of the 1980s; the Soviet Union was seriously prepared, if necessary to wage, and actually *win* a nuclear war against the United States. But China is light-years away from the kind of massive in-depth capabilities such a proposition would require.

Furthermore for China, with its highly concentrated population and high concentration of industry and infrastructure in a network of key centers, a nuclear exchange with the United States would mean a virtually total destruction of the country. You have to suppose that the Chinese leadership is totally, suicidally insane. But there is no evidence for that, quite the opposite. And a nation that is preparing to go to war, does not put massive investment into long-term projects, such as the Three Gorges Dam and many others.

For some people, the present Chinese military spending is already menacing. But what level of spending is appropriate to defend a country of the size and population of China? What would you do, if you were in the Chinese leadership, looking at the anti-China drumbeat coming from the world's only superpower, and reading the insane, delirious fantasies coming out of the mouths of Zbigniew Brzezinski and the U.S. Gang of Four? Wouldn't you want to make sure China had a credible deterrent? President Clinton was absolutely correct, recently, in warning that the anti-China hysteria in the U.S. can provoke a mirror-image reaction. And perhaps that is part of the purpose, to get a new Cold War going.

(What is the hysteria about alleged Chinese spying? The friends of Benjamin Netanyahu and Ariel Sharon in Israel

have for decades been wholesalers of U.S. military secrets. And they even want us to give back one of their lawfully convicted spies.)

British geopolitics: the key to the anti-China hysteria

What we're looking at, and I will document this, is a classic case of what we call British geopolitical manipulation. And I want to say a couple of words about what I mean by "British geopolitics."

What we're looking at, is a force in the world—an oligarchical force in the world—that is composed of an interlocking network of families and powerful financial interests—by no means only British. Some are American, some are Canadian, some are German, French. Some in Asia. But it's an interwoven network of families and interests, of banking and trading companies that operate as a kind of global force, manipulating world events to a significant extent. We call it the British-American-Commonwealth faction.

The characteristic of this, as illustrated by the role of the British themselves in history, is always to play all sides of every conflict. There are no moral criteria that deter them from playing all sides at once. They manipulate religious, ethnic, and other cultural differences. They are greatly experienced at triggering wars, at driving wedges between allies, of weakening governments, and so on.

There are certain ideological tools that are used in this geopolitical manipulation. These are ideologies which are spread. They're not necessarily the same as the ideologies of those who spread them, but they are used as weapons to manipulate people, regardless of how those people in different countries might evaluate their own interests, their own allies, and so forth.

One key component—and you'll see very clearly in the examples that I mention how this works—is the ideology of Malthusianism, the idea that the world is limited, resources are limited, and therefore, the growth of any one nation is by definition a restriction on the other nations. The richer one nation becomes, the poorer the others. The wealth of one nation is always gained at the expense of the others. Limited resources—which is a *lie*. We know from human history that the development of technology, of science and technology, expands the base of resources we can use for economic development. Therefore, there aren't any limited resources! And therefore also, no fundamental law whereby one nation becoming prosperous, is in any way a detraction from the possibilities of other nations.

A second point, directly related to that, is the doctrine of competitive interests and the balance of power. Typical British geopolitics, is the idea that there is no common interest between nations. There is no common interest of humanity; every nation is potentially a threat to every other nation, especially when they begin to become powerful.

So, since there's no common interest there, just shifting

blocs and alliances, where A and B go together to destroy C; later, C and B go together against A, and so forth. So I call it “political Darwinism”—the survival of the fittest.

And the third very important example is the doctrine of free trade and globalism, the notion that we’re moving toward a global—they don’t say British Empire, not the model of the British Empire, but that’s what it really is—free trading system, where individual nations and sovereign governments are obsolete. The real power is the power of the market. The market votes, the market decides, the market evaluates governments. And governments become merely administrators for the policies of the leading international financial institutions and the so-called global players of the market.

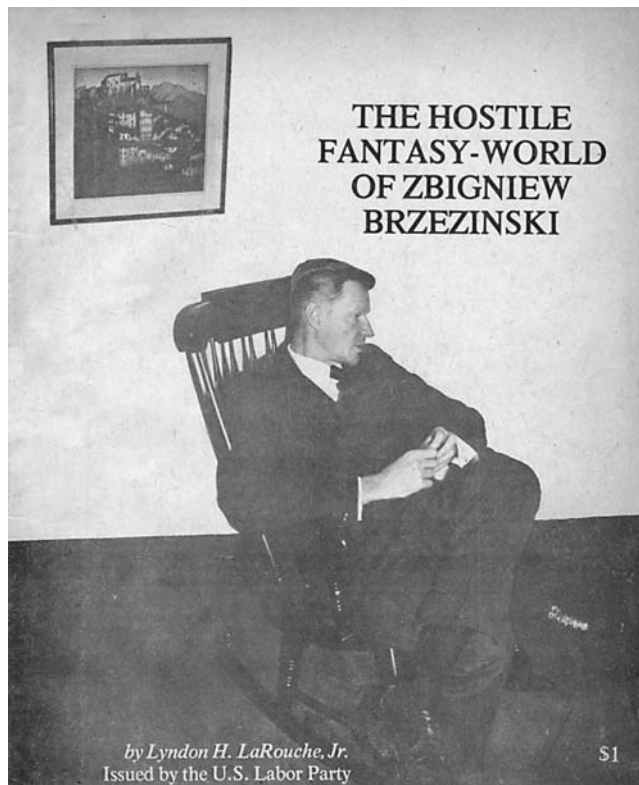
So, these are the kinds of ideological tools which are used by this oligarchical faction, which plays world politics just like the gods of Olympus, who play their Great Game with human players, playing one religion off against another, one ethnic group off against another, playing all these different so-called isolated issues.

And so, we’ve seen—and we’ve documented this—how this faction has orchestrated, in history, essentially all of the major conflicts. *EIR* has documented how, in the United States Civil War, this faction brought up the Confederacy, orchestrated the secession, supported the southern states. How at the end of the nineteenth century and the beginning of this century, they manipulated Japan to attack Russia and China; how they created World War I, to stop the development of the continental railroad building and the economic development among Germany, France, Russia, and China. How they deliberately brought Hitler into power, did various things that ensured that the resistance against Hitler in Germany was crushed. How they manipulated two longtime allies, the United States and Russia, which had been allies in key periods of U.S. history—how they manipulated a Cold War between those two allies after World War II—by Churchill’s famous Fulton, [Missouri] speech and other things.

And now, we’re experiencing it once again. And when you have studied these other cases and you look at the present events, particularly the anti-China hysteria and other things which are happening, you see that they’re doing it again, right in front of our eyes.

So, how does this work? I want to show you a gentleman named Zbigniew Brzezinski, who would like to be a successor to Haushofer and Mackinder, the geopoliticians who inspired some of the unpleasant things that Hitler did. He hopes, with his new book, that he is going to ascend to the heights of geopolitics.

Look at this pamphlet [see photo, this page] from 1977, I believe, an essay by Lyndon LaRouche on “The Hostile Fantasy-World of Zbigniew Brzezinski,” in which LaRouche reviews an article by Zbigniew Brzezinski that had been written a few months before, titled “America in a Hostile World.” It corresponds very well to the present situation, where behind every tree there is a “rogue state” or a terrorist about to hit us



In this 1977 pamphlet, Lyndon H. LaRouche, Jr. diagnosed Zbigniew Brzezinski as “unquestionably a paranoid-schizophrenic in the rigorous epistemological sense of the term.”

with chemical, biological, and nuclear weapons.

LaRouche makes the diagnosis of Brzezinski, and comes to the conclusion, “He is unquestionably a paranoid-schizophrenic in the rigorous epistemological sense of the term.”

Well, what does Brzezinski do in his latest book, *The Grand Chessboard*? He very clearly tries to formulate a very nasty, very virulent form of British geopolitics, for the purpose of formulating an imperial identity for the United States. I’ll read a couple of quotes, and you’ll see what I mean.

Brzezinski writes, “The defeat and collapse of the Soviet Union was the final step in the ascendance of a Western Hemisphere power, the United States, as the sole and indeed first truly global power. America’s capacity to exercise global supremacy”—that word I don’t like very much, the “supremacy” word. And then he says, “It is imperative that no Eurasian challenger emerges capable of dominating Eurasia and thus also of challenging America.”

And he writes, at the very beginning of the book, “The exercise of American imperial power”—American imperial power! —“is derived in large measure from superior organization.” I think he means the Internet. “From the ability to mobilize vast economic and technological resources”—well, I don’t know how vast, if you look at the budgets, but anyway—“for military purposes.”

“Earlier empires, too, also partook of these attributes.” So Mr. Brzezinski, speaking for British geopolitics, has just announced that the United States is an imperial power, trampling thereby on everything that the United States Declaration of Independence and Constitution was intended to mean, to signify.

So, these are what you might call the intellectual underpinnings—I wouldn’t quite call them “intellectual”—of the activities of this Gang of Four: Gore, Shelton, Cohen, and Albright, and other similar products.

Now, what’s interesting about the book, among other things, is that Brzezinski, in the book, does not target China as the number-one enemy. Quite the opposite, he accords China a possible potential role in the balance of power in Eurasia. And Brzezinski is in fact very close to the Anglo-American oligarchical groupings that for some time now have been playing a double game with China, and also with other nations.

They’re playing a game which is very well known to Americans, called “hard cop-soft cop.” Two teams approach China, in this case—but it’s done to other nations also. And it’s the soft cop, the Team A, that says to the Chinese, “Join the club. Join the global club. We helped you get into the UN Security Council, we built up your prestige. And now if you play our games, we’ll get our financial groups to come and pump in more money than you’ve ever seen into China’s economy. We’ll pump billions into your economy. We’ll make you a big-league player. Just sign this agreement with the World Trade Organization (WTO). Just sign here, and agree to play by *our* rules. If you play by our rules, we’ll make you rich. But just don’t adopt the kinds of dirigistic, protectionist measures which the United States, France, Germany, Japan, and other nations used in their history to develop their national economy. But join the club with us.”

The other team—the hard-cop team—says, “If you don’t behave, we’ll destroy you. We’re going to send the Japanese after you. We’re going to take Taiwan from you. We’re going to organize the whole U.S. population against you. We’re going to organize the Christian fundamentalists against you. We’re going to cut off your flow of technology. We’re going to hit you with human rights campaigns. Watch what we’re doing to Clinton. Watch how we’re going to destroy his policy of partnership with China. Look at that. You deal with us. We’re the ones, we’re the people in the driver’s seat, and maybe if you do what we say, we’ll let you survive.” That’s the hard cop.

So these two methods—both of which are actually coming out of the same faction—have been applied to China and other nations.

Yesterday Germany, today China

Now, let’s look at the anti-China campaign in the United States, which is an integral part of the game on both sides. And if you have understood what I said about the axioms of

British geopolitics, all I have to do is to read you some relevant quotes from the various signal articles and statements in the campaign, and mention a few relevant facts, and the whole operation becomes quite transparent.

First of all, we can learn a great deal from another historical example, namely what happened in Europe in 1989, when the Berlin Wall dividing East and West Germany was opened up and the process of German reunification started. At that time, the British press and political circles launched a hysterical campaign, based on the absurd notion that the reunified Germany was becoming a so-called “Fourth Reich” that would revive the expansionist ambitions of the Third Reich of Hitler and the Nazis. Ignoring the truth, that it was Anglo-American financial circles who, through their friend Hjalmar Schacht, brought Hitler to power in Germany.

Already on Oct. 31, 1989, before the fall of the Berlin Wall, this line was launched by Conor Cruise O’Brien, in a signal article in the London *Times*. He wrote:

“We are on the road to the Fourth Reich, a pan-German entity commanding the full allegiance of German nationalists. . . . Nationalist intellectuals will explain that true Germans should not feel guilt, but pride about the Holocaust, that great courageous and salutary act—I fear that the Fourth Reich, if it comes, will have a natural tendency to resemble its predecessor.”

On Nov. 12, 1989, just after the fall of the Wall, the London *Sunday Times* ran an editorial on “The Fourth German Reich,” writing, among other things:

“The result [of reunification] will be a German economy twice as big as any other. . . . A united Germany will then become the locomotive in the rebuilding of the newly free market economies of Eastern Europe, for Germany is preeminent in the capital, industrial know-how, and management skills that these countries need. The Fourth Reich is set to boom, becoming Europe’s economic superpower in the process. . . . Where does that leave Britain?”

That summer, this theme was taken up by the leading figures of the British government, beginning with inflammatory statements of Minister of Trade and Industry Nicholas Ridley, given in a July 12 interview with *The Spectator*. *The Spectator* illustrated the interview with a cartoon showing German Chancellor Kohl with a Hitler mustache and the caption, “Saying the unsayable about the Germans.” The interview caused an international uproar, in the middle of which British Prime Minister Thatcher intervened to support her Minister’s point of view.

Asked for comment on a proposal by German Central Bank head Hans Tietmeyer for a common European monetary policy, Ridley said: “This is all a German racket designed to take over the whole of Europe. It has to be thwarted. . . . You might as well give up [sovereignty] to Adolf Hitler, frankly.”

After making clear that he was comparing today’s Germany to Nazi Germany, and Kohl to Hitler, Ridley made a revealing comment:

“We have always played the balance of power in Europe. It has always been Britain’s role to keep these various powers balanced and never has that been more necessary than now, with Germany so uppity.”

Now let’s see exactly the same British geopolitical axioms at work in building up the 1990s campaign against China, step-by-step. And in the cast of characters we find the typical combination of Anglo-American institutions and press cartels: the New York Council on Foreign Relations’ (CFR) journal *Foreign Affairs*, the Hollinger Corp. and other British press, the *New York Times*, *Washington Post*, Trilateral Commission, etc. Essentially, the same institutions which, together with the neo-conservative cultural revolutionaries in the Republican Party, have run the campaign to destroy the Clinton Presidency.

In 1992, Samuel Huntington published his infamous thesis about the “Clash of Civilizations” in the CFR’s *Foreign Affairs*, the mouthpiece of the Anglo-American establishment. The piece was an exercise in classic British cultural warfare, rejecting the notion of a universal, and putting forward as a central thesis the idea of an intrinsic deadly conflict between the Christian world on the one hand, and a supposed “Confucian-Islamic axis” on the other. Note the recent audience of Iranian President Khatami with the Pope, where Khatami affirmed, from his Islamic standpoint, that the great religions in their essence do not conflict. Also, note that Chinese President Jiang Zemin’s repeated affirmation of “universal human values,” and the foreign policy course that President Clinton has tried to pursue, are based on the opposite axiomatic standpoint from Huntington’s Clash of Civilizations.

Nevertheless, the Huntington piece, elaborated in nauseating detail in his subsequent book, was certainly a preparation for, among other things, the operation to mobilize the so-called “Christian right” in the United States and elsewhere against Sudan, Iran, China, and other countries for alleged “persecution of Christians.” And whatever you may think about those countries, if you look into the matter you will discover without any doubt, that this is a deliberate, highly coordinated operation being run, centered around British Baroness Cox’s Christian Solidarity International (CSI), which was founded by an adviser of the Archbishop of Canterbury out of Oxford, and which includes leading anti-China hysterics such as U.S. Reps. Frank Wolf (R-Va.) and Chris Smith (R-N.J.) on its board. A whole “food chain” of newsletters and institutions, reaching millions of Americans, leads from Baroness Cox to the Christian Coalition, the Family Research Council of Gary Bauer, and so on.

A signal for the broader campaign was a December 1993 article by *New York Times* Asia expert N.D. Kristol in *Foreign Affairs*, entitled “The Rise of China.” Here you can immediately see the commonality with the British “Fourth Reich” campaign against Germany. He wrote:

“Almost nothing is so destabilizing as the arrival of a new industrial and military power on the international scene;

consider Japan’s history in this century or Germany’s in the decades leading up to World War I . . . there appears to be at least a realistic possibility that China will be able to sustain its boom for decades to come, and it would be foolish—and perhaps dangerous—to neglect this likelihood.

“*Growth is destabilizing.* [Malthusian thesis] For all the differences between China and Germany, the latter’s experience should remind us of the difficulty that the world has had accommodating newly powerful nations.”

In March 1994, Gerald Segal of London’s International Institute for Strategic Studies (IISS), who is a typical “hard-cop,” predicts the split-up of China. In an article in *Foreign Affairs* in May/June 1994, Segal publishes a map of China with a dividing line. Interestingly, the map is very similar to one put out by the Dalai Lama in his autobiography, first published in Great Britain in 1990. The Dalai Lama, darling of Hollywood, is a long-standing British agent of influence. And, if you look at the inside cover of the American edition of his book, you can see that he is a bit more than an innocent monk. There you see a map “Tibet and its neighbors,” where greater Tibet, an area labelled “East Turkestan” (Xinjiang), “Inner Mongolia,” and “Manchuria” (all presently parts of China), are separated off from the P.R.C., the latter having been reduced to less than half its present size. In Segal’s book there are divisions even in that reduced stub.

Segal and others were partly banking on the “bubble” economy which had been built up in many coastal regions of China, in the “emerging markets” and elsewhere in China, in helping to break apart the country. In 1994-95, to the great disappointment of Segal, who has many times argued that the central government in Beijing had lost control of the economy, the Chinese leadership, especially Zhu Rongji personally, accomplished what is now referred to as the “soft landing” of the Chinese economy. They dirigistically pushed down inflation, collapsed a major part of the “bubble economy” which had built up, closed down speculative operations, and began to redirect investment flows into infrastructure and basic industrial development. China’s growth continued to boom, on a healthier line, with no sign of breaking up. Furthermore, the promised political instability, at the death of Deng Xiaoping, did not materialize. The transition to the new leadership was smooth, and Jiang Zemin and the others began to show ever more self-confidence and creativity. At the same time, China begins to promote the concept of the Eurasian Land-Bridge as a major foreign policy initiative, as well as a means to develop its interior regions.

As a result of these successful Chinese policies, the geopoliticians on the Anglo-American side became more and more hysterical.

In May 1994, the Trilateral Commission, founded by David Rockefeller, published a report, “An Emerging China in a World of Interdependence,” by Funabashi Oksenberg (former China staff member of the U.S. National Security Council). The line presented there, a mixture of hard and soft cop, is

significant, as it set the direction for the whole subsequent conflicts with China over membership in the WTO:

“The strategy entails approaching China from positions of strength, weaving China into webs of economic interdependence. The positions of strength include a forward-deployed American military presence, vibrant Japanese-American and Korean-American alliances, the continued prosperity and stability of Taiwan and the ASEAN states.”

The report concludes:

“Both China and the Trilateral nations must work together to build sustainable, rather than astronomical growth in China. . . . But the Trilateral countries must also recognize that a cooperative approach may not elicit a constructive Chinese response. . . . Such classic considerations as balance of power . . . must also govern western and Japanese thinking about China.”

Argued in terms of a totally incompetent treatment of Chinese history and culture, the strategy put forward by the Trilateral Commission, is to force China to give up the protectionist policies which are permitting China to develop its domestic industry and agriculture. Indeed, the industrial development of the United States, Germany, France, Japan, and other nations was always based on dirigistic, protectionist policies. But, the Trilateral Commission insists, China and other developing countries should never be permitted to apply the same methods today. “The most pressing problem,” the report says, is “getting China into the fold of the World Trade Organization . . . as rapidly as possible, by agreeing to the GATT rules.” The problem for the Trilateral Commission was that, under those rules, developing countries are permitted to join WTO without having to abandon all protection of their domestic producers. In order to neutralize this provision for China, the Trilateral Commission relied on an accountant’s trick introduced in spring 1993 by the International Monetary Fund, called “purchasing power parity,” to redefine the criteria for comparing nations’ economic parameters. The purpose of the exercise, was to bolster the claim that “China is no longer a developing country,” and should no longer be permitted to use protectionist policies. The Trilateral Commission report lets the cat out of the bag:

“China’s insistence that it be characterized as a ‘developing country’ is another potential problem. This would allow China to maintain tariff protection for ‘infant industries’ such as automobiles, machinery, electronics.”

In 1995, a new theme was added to the growing “China threat campaign,” when Lester Brown of the World Watch institute warned that China’s growth could lead to a global food crisis. Typical of the popularization of this new campaign was an article in the London *Sunday Telegraph*, on May 21, 1995, by Graham Hutchins, titled “Too-Rich China Threat to World Food Supplies”:

“The specter of Thomas Malthus is stalking China. . . .” Lester Brown of World Watch institute is quoted, “‘Sud-

denly, China is losing the capacity to feed itself.’ Mr. Brown argued that China was growing too rich, too fast. ‘The bottom line is that when China turns to world markets on an ongoing basis, its food scarcity will become the world’s scarcity.’ ”

Whipping up the hysteria even more, Hutchins wrote in the *Daily Telegraph* on June 2, 1995, under the headline “Why They Could Devour the World”:

“There is a potential monster in our midst. . . . The real challenge to the international order comes from the Far East. It comes from the rise of China: a continental-size country whose economy is growing at such a pace as to make unsustainable demands on the world’s resources, whose swelling military might is reconfiguring the balances of power in East Asia; and whose Communist leaders remain stubbornly hostile to Western ideals of democracy and freedom. The twentieth century offers unhappy testimony of the problems involved in accommodating the rise of a new power. Yet, as the 1990s draw to a close, the world is facing the rise of potentially the greatest power of them all. . . . The search for natural resources, when conducted by expanding, industrializing, fiercely nationalist powers has often been the cause of war.”

This strident “hard-cop” line became more and more pronounced. This is from *Time* magazine, on July 31, 1995, by Charles Krauthammer:

“A rational policy toward a rising, threatening China would have exactly these two components: 1) containing China as it tries relentlessly to expand its reach, and 2) undermining its dictatorship. . . . Responsible statesmen are not allowed to say this. Essayists are. . . . China is more an old-style dictatorship, not on a messianic mission, just out for power. It is much more like late nineteenth century Germany, a country growing too big and too strong for the continent it finds itself on [as if there were no British Empire!—JBT]. Containment of such a bully must begin early in its career. . . . Containment . . . is a principle of power politics going back centuries. After the Napoleonic wars, the Congress of Vienna created a system of alliances designed to contain a too dynamic France. In our time the Atlantic Alliance contained an aggressive Soviet Union. In between, the West failed to contain an emergent Germany. The result was two world wars. We cannot let that happen with the emerging giant of the twenty-first century. But containing China is not enough. . . . Even more important is undermining its aggressively dictatorial regime.”

We can see how the “hard-cop” and “soft-cop” groupings work together as a single entity, if we look at a gathering which took place on May 10-12, 1996 in Prague, sometimes referred to as the “Prague initiative.” Soft-cop Henry Kissinger and hard-cop Margaret Thatcher gave keynote speeches, but also Brzezinski, Lord Chalfont, Lane Kirkland (who helped maneuver the AFL-CIO into an anti-China stance), Donald Rumsfeld (the chairman of the Rumsfeld Commission on ballistic-missile threats to the United States,

which is now a focal point of the hysteria about “rogue states”), and others. Coming out of this conference, Baroness Thatcher went on an Asia tour, including to Taiwan, where she made one outrageous China-baiting statement after another.

Nearly simultaneously with the Thatcher-Kissinger meeting, Helga Zepp-LaRouche led a Schiller Institute delegation to participate in an historic Eurasian Land-Bridge conference in Beijing. Subsequently, the Institute elaborated the Eurasian Land-Bridge concept to encompass the entire network of transcontinental development corridors, including Siberia to the north, central lines via Central Asia, and a southern tier through Southeast Asia and the Indian subcontinent—a concept that is the exact opposite of Brzezinski’s “Grand Chessboard.”

After Clinton’s reelection in November 1996, by the end of December a new chorus of attacks in the *New York Times* and *Washington Post* began the first of an endless wave of “Chinagate” scandal-mongering.

A clear signal came in a *Daily Telegraph* article on Feb. 16, 1997 by Ambrose Evans-Pritchard, the up-front British intelligence operative in the attempted destruction of the Clinton Presidency, since even before Clinton took office:

“China replaced the old Soviet Union as the number one enemy in the eyes of the U.S. political establishment. If one could date the beginning of the *new Cold War*, it would be Thursday, Feb. 13, 1997, the day that the *Washington Post* reported that U.S. counter-intelligence had caught the Chinese embassy conspiring to subvert the U.S. political system.”

The new Cold War idea was then reiterated, in more systematic form, in an article by Richard Bernstein and Ross Munro in *Foreign Affairs*, March/April 1997 (summarizing a longer presentation in book form). This article declared China to be—axiomatically!—a long-term enemy of the United States:

“Since the late 1980s Beijing’s leaders, especially those who have taken over national policy in the wake of Deng Xiaoping’s enfeeblement, have set goals that are contrary to American interests. Driven by nationalist sentiment, a yearning to redeem the humiliations of the past, and the simple urge for international power, China is seeking to replace the United States as the dominant power in Asia. . . . It has worked, therefore, to reduce the American influence in Asia, to prevent the U.S. and Japan from creating a ‘contain China’ front, to build up a military with force projection capability. . . . China’s willingness, even eagerness, to improve the Sino-American mood represents a tactical gesture rather than a strategic one. . . . China’s goal of achieving paramount status in Asia conflicts with an established American objective: preventing any single country from gaining overwhelming power in Asia. The United States, after all has been in major wars in Asia three times in the past half-century, always to prevent a single power from gaining ascendancy. . . . China, rapidly becoming the globe’s second most powerful nation,

will be a predominant force as the world takes shape in the new millennium. As such, it is bound to be no strategic friend of the United States, but a *long-term adversary*.”

Now, I want to break off this chronological series here, at the point a new period begins, marked by Chinese President Jiang Zemin’s visit to the United States in October 1997, followed by the June 1998 Clinton visit to China. President Clinton’s actions toward building a real strategic partnership between the United States and China, however flawed or weak in certain respects, clearly embodies the *opposite* standpoint to the British geopolitics we just saw in action. The real issue, thus, is not China per se, but the fact that no common ground exists between British geopolitics and the principle of the common good, which Clinton has endeavored to put into practice (however imperfectly) in his China policy.

In the meantime, a series of events, leading to a rapid consolidation of the Survivors’ Club, has thrown the BAC’s geopolitical calculations significantly off balance and triggered, together with other developments, the new outbursts of anti-China hysteria which we have experienced, in waves, over the last 20 months. Let me quickly review some of those crucial events:

May-June 1997: The so-called Asia financial crisis breaks out. Prime Minister Mahathir of Malaysia breaks ranks with the Anglo-Americans, denounces speculator George Soros, calls for action to defend national economies. Later, Mahathir claps on currency controls, with clear support from Beijing.

A half-year later, Zhu Rongji makes a surprise announcement of a “Chinese New Deal”: In order to offset the potentially disastrous effects on China’s export economy from the Asian currency crisis, the Chinese government decides to drastically increase the rate of investment into the economy, above all in the area of housing and infrastructure.

Aug. 1-2, 1998: Jiang Zemin proclaims the principle of “national economic security” in the face of the Asian crisis.

Aug. 14, 1998: “The Battle of Hong Kong”: This is the real turning-point, when the Hong Kong authorities, with the support of Beijing, break the rules of the “globalization” game, intervening into the financial markets to deliver stunning losses to international speculators. This assertion of the principle of national sovereignty sends an earthquake throughout the world, leading to the Russian crisis and, very significantly, the collapse of the huge LTCM hedge fund in the “heartland,” the United States itself.

Aug. 17, 1998: Collapse of the Russian financial system, the final, decisive failure of International Monetary Fund (IMF) shock therapy. After the failure of an attempt by Vice President Al Gore to bring the corrupt Viktor Chernomyrdin back into power, Yevgeni Primakov takes office as Russia’s new Prime Minister. He immediately announces that the well-being of the Russian population takes priority, condemns the IMF reforms as incompetent. For the first time since Mikhail Gorbachov came to power in the Soviet Union, Russia has a



Presidents Bill Clinton and Jiang Zemin in Washington, Oct. 27, 1997. "President Clinton's actions toward building a real strategic partnership between the United States and China, however flawed or weak in certain respects, clearly embodies the opposite standpoint to British geopolitics."

government which places the highest priority on the survival of Russia as a sovereign nation.

Nov. 24, 1998: Jiang Zemin's speech in Novosibirsk, Russia signifies a strategic revolution, injecting the crucial element of a rapid scientific and technological progress into the growing momentum toward the Survivors' Club.

Dec. 21-22, 1998: Russian Prime Minister Primakov visits India, proposes the formation of a "strategic triangle" among Russia, India, and China.

February 1999: "Bus diplomacy" signals a breakthrough in relations between India and Pakistan, a stunning blow to British geopolitics and the beginning of opening up the "southern tier" of the Eurasian Land-Bridge.

Feb. 24-28, 1999: Zhu Rongji visits Moscow to consolidate the economic base of the new relationship between Russia and China.

This process is ongoing.

Chinese Prime Minister Zhu Rongji will be in the United States soon. Given the other events occurring around the world, these weeks may be decisive for the future of the world. But to understand what is at stake, we have to take a closer view at the Survivor's Club whose core, at the moment, is the Russia-China relationship.

The Survivors' Club

Russia, China, and India represent 22% of the Earth's land mass and 42% of the world population. China and India are the largest concentration of population on the Earth, and both need advanced scientific and technological capabilities,

which they do not themselves possess to an adequate extent, in order to maintain their economic and social stability. I stress, this has nothing to do with military requirements; this is strict economic necessity.

Russia, on the other hand, in spite of the devastation caused by shock therapy, still has an enormous scientific-technological capability, concentrated above all in its military-scientific-industrial complex, as typified by the phenomenon of the formerly "closed cities." In order to survive as an industrial nation, to keep its scientific-industrial complex alive, and to obtain desperately needed export earnings, Russia needs large, stable trading partners that can absorb large quantities of the industrial goods Russia can produce. More profoundly, Russia possesses a highly developed *scientific culture*.

The three nations are also complementary in economic-geographical terms. Russia's thinly populated Asian regions have gigantic reserves of natural resources: oil, natural gas, wood, strategic metals, water resources, hydroelectric potential, and so forth. India and China are rich in population, but relatively poor in economically exploitable raw materials, above all in per-capita terms.

Thirdly, for climatic reasons, Russia, and especially the Asian part of Russia—Siberia and the Russian Far East—is poorly suited for growing many types of crops, plus there are weaknesses in Russian agriculture, which will take time to remedy. India and China, on the other hand, are strong in agriculture, and have excellent climates for intensive cultivation of fruits, vegetables, fish, and so forth.

This natural complementarity of economic strengths and weaknesses provides a very strong basis for an economic partnership among the three countries. Furthermore, such cooperation has important historical precedents. The early post-war industrial development of China (during the 1950s), and to a lesser extent India (late 1950s and 1960s), profited greatly from large-scale transfers of industrial equipment, and scientific and technological know-how from the Soviet Union.

Naturally, the Survivors' Club is not limited to the triangle Russia-China-India; already, such nations as Malaysia, Iran, Pakistan, and many others are orienting toward this grouping, for cooperation along the Eurasian Land-Bridge.

There is, of course, also a strategic component, which, however, does not mean an anti-American alliance, as many have tried to portray it. From the Chinese side, the government has repeatedly stressed, that the strategic relation with Russia is "not directed against any third party." In fact, from the very outset of the Jiang Zemin-Yeltsin summit which began that process, the Clinton administration has stressed that it supports a strategic partnership of Russia and China. But following the Anglo-American bombing of Iraq in December 1998, the idea of counterbalancing the "imperial" tendencies coming out of Washington and London, began to play a much greater role, in the form of cooperation to ensure a so-called "multipolar world." Many developing countries would surely agree with an interesting remark by Malaysia's Dr. Mahathir in a recent interview: As long as there was a rivalry between the Soviet Union and the West, he said, the worst aspects of capitalism were restrained, and developing countries had some room for maneuver. Now, the worst sides of capitalism are rampant, and the developing countries have no base for resistance. Thus, seeking mutual support in resistance to Brzezinski's imperial policy is an included motivation of the Survivors' Club.

Ironically, the situation Mahathir referred to applies to the crucial points in the history of the United States itself. The U.S. would have lost the Independence War and the Civil War, if there had not been support from Russia and some continental European nations, to break the grip of the British Empire. Yet the attitude of Gore, Albright, et al. toward developing countries today, is no different from the way the British Empire saw the young "rogue state," the United States.

How the United States can survive

Now, I want to say a couple of words about U.S.-China relations from a positive side.

The economic aspect of the problem in U.S.-China relations, which is really significant, we can see reflected in the trade figures, and particularly in the structure of trade. I have not had the opportunity yet to make a really careful study of this question, but I do want to point out some things which are evident just from a glance at the figures.

In 1998, total U.S. exports to China were \$14.2 billion,

TABLE 3

U.S. exports to China, 1997

(\$ billions)

Crude materials and fuels	\$1.8	14%
Food, animals and food products	0.5	4%
Fertilizers	1	8%
Other chemicals	0.9	7%
Various manufactured materials	0.8	6%
Subtotal	5	39%
Aircraft and aircraft equipment	2.1	16%
Other machinery and transport equipment	4.4	34%
Miscellaneous manufactures	0.9	7%
Subtotal	7.4	57%
Total	\$12.8	

TABLE 4

Trade with China in production machinery, Germany and U.S. compared

(\$ millions)

Production machinery	Trade
German exports to China	\$2,700
U.S. exports to China	\$ 300
U.S. net imports from Germany	\$1,100

while the imports from China were \$71.2 billion — for a whopping deficit of \$57 billion, making China the second-largest-deficit trading partner of the United States, just behind Japan (deficit \$64 billion).

Now, we can go and blame China, as we have been blaming Japan for decades, for discriminatory trading practices. But we will have to blame the whole world, I guess, for the fact that last year the United States recorded the largest trade deficit in American history. The total trade deficit in goods and services was \$169 billion. Leaving out the dubious category of "services," we get an even more dramatic picture. In 1998, the U.S. imported \$248 billion more physical goods, than it exported, up a whopping 25% (\$50 billion) from the previous year's physical goods deficit. The United States is not supporting itself in physical terms, but is drawing net physical wealth from the outside world at a rate corresponding to about \$925 per year for every man, woman, and child of the U.S. population. Actually, this is a gross underestimate, because the prices many developing countries are receiving for their exports to the United States have been artificially collapsed to levels which mean virtual slave labor for the people who have to produce those goods. Furthermore, this physical goods deficit is not new, but has been growing in waves since the beginning of the 1980s. The United States has become more and more a parasite on the world economy,

FIGURE 1

Infrastructure projects for which China is seeking foreign participation



or as some say in the developing countries: “The U.S. prints money in exchange for our goods.”

Now if we look at the breakdown of U.S. exports to China, we can see the problem even more clearly (Table 3).

What we see here, is that the United States, formerly the world’s leading industrial nation, only manages to export a pathetic \$6.5 billion per year of machinery and equipment to China, a rapidly growing economy of over 1.2 billion people which has an enormous requirement for modern capital goods. And nearly a third of that was accounted for by sales of a single type of commodity—aircraft and related equipment. In the crucial category of capital goods, which should

be the core of U.S. exports to China—namely, production machinery—U.S. exports to China in 1997 were a pitiful \$296 million. (Cf. Table 4.) If the problem lies on the Chinese side, with allegedly restrictive trade policy, then why does China import nine times as much industrial equipment from Germany, as it does from the United States?

The real problem here is, that the United States no longer produces the kind of machine tools and other modern capital goods which China and other developing countries desperately need for their industrial and infrastructural development, and those the United States does produce, American firms are often prohibited from exporting to China by silly

Key to Figure 1

Power projects:

1. Wangqu Power Plant, Shaanxi Province
2. Fuyang Power Plant, Anhui Province
3. Hancheng Power Plant, Shanxi Province
4. Leiyang Power Plant Phase II, Hunan Province
5. Zhanghewan Pumped Storage Power Plant, Hebei Province (not shown)
6. Tai'an Pumped Storage Power Plant, Shandong Province
7. Zipingpu Key Water Control Project, Sichuan Province
8. Baise Key Water Control Project, Guangxi Province

Environmental protection:

9. Water Supply and Environmental Protection in Tangshan, Shijianzhuang, Handan, and Qinhuangdao, in Hebei Province
10. Urban environment, water supply, drainage, Chongqing, Sichuan Province
11. Five Cities' Construction and Environmental Protection, Sichuan Province
12. Zhangjiu River Water Diversion and Supply Project
13. Fengshouba Water Plant Phase I, Chongqing
14. Sewage Treatment Works, Tianjin
15. No. 10 Water Source Plant, Beijing
16. Town Gas Project, Taiyuan, Shanxi Province
17. Gas Utilization Project, Yangquan, Shanxi Province

Chemical fertilizer:

18. Guizhou Phosphate Ammonia Project
19. Yunnan Phosphate Ammonia Project
20. Hainan Chemical Fertilizer Project (not shown)

Transport:

21. Relocation of Baiyun International Airport in Guangzhou
22. Regional Air Traffic Control Centers in Beijing, Shanghai, and Guangzhou (not shown)
23. Chongqing-Zhanjiang National Expressway
24. Shanghai-Chengdu National Expressway
25. Shanxi Qi County-Linfen Expressway project of Erlianhoate-Hekou National Expressway
26. Beijing-Zhuhai National Highway
27. Nanning-Youyiguan highway project of Hengyang-Kunming National Highway
28. Hangzhou-Quzhou Expressway project of Shanghai-Ruili National Highway

Technology transformation and renovation projects:

29. Improvement of blast furnace, vacuum negative pressure casting production line, Jilin Province
30. Offset printing newspaper, annual output of 170,000 tons, Heilongjiang Province
31. Kraft board and paper, annual output of 170,000 tons, Heilongjiang Province
32. Electrolyzed copper and aluminum production line, annual output of 50,000 tons, Gansu Province
33. High-grade white cardboard production line, Shanxi Province
34. Cycloresin facilities production line, annual output of 20,000 tons, Heilongjiang Province
35. Aluminum alloy high-precision plates system, Heilongjiang Province
36. Cement clicker, daily output of 2,000 tons, Heilongjiang Province
37. Weld steel pipe for boilers production line, annual output of 60,000 tons, Heilongjiang Province
38. Bisphenol A production, annual output of 20,000 tons, Heilongjiang Province

“dual use” regulations. Meanwhile, enormous efforts are wasted bickering over CDs and pornographic videos, whose export some jokers think is vital to the U.S. national interests.

Therefore, I propose we should look at China's infrastructure demand, which is hundreds of billions of dollars. We should look at China's New Deal; we should look at the kinds of technologies that China, India, and other developing nations are going to need going into the twenty-first century. What kinds of technologies? Hypersonic planes, magnetic levitation trains. New safe forms of nuclear energy. New types of city infrastructure. New production processes, using plasmas and lasers.

What kind of technologies does the world need going into the next century? Let's make the commitment—I'm speaking as an American here—that we're going to develop a large part of those technologies and produce them and export them to the world.

So, in closing, I think what's necessary is a kind of revolution against this dirty, filthy British geopolitics. We have to get that out of our system. We're destroying ourselves and destroying the world with it. And to make a revolution to introduce LaRouche's New Bretton Woods, and make a political evolution to make sure that the United States joins the Survivors' Club. Thank you.

Brzezinski testifies against himself

by Scott Thompson

In last week's *Feature*, Lyndon LaRouche warned that, if the insane geopolitical doctrines of Carter National Security Adviser Dr. Zbigniew Brzezinski are imposed on an increasingly weakened President William Clinton, the consequences will be the greatest global conflagration in modern times. Brzezinski, who counts among his leading political offspring Secretary of State Madeleine Albright, the self-described "Xena Warrior Princess" of the Clinton administration's Principals Committee, has done the world a favor, by putting pen to paper and spelling out his zany geopolitical views in a booklength diatribe, *The Grand Chessboard: American Primacy and Its Geostrategic Imperatives* (New York: Basic Books, 1997). To save our readers the agony of a full reading of Brzezinski's incompetent ravings, we provide a lexicon of the ideas presented in his chessboard fantasy.

A goofy Anglo-American imperial model

With the collapse of the Soviet Union and emergence of a prostrate Russia, what Brzezinski calls "The Black Hole," he starts his discourse on "Superpower Politics" by stating that the United States, as the sole surviving superpower in the post-Cold War world, has a window of opportunity of some 10-20 years to assert its control over all of Eurasia. "Ever since the continents started interacting politically," writes Brzezinski, "some 500 years ago, Eurasia has been the center of world power. . . ."

"The last decade of the twentieth century has witnessed a tectonic shift in world affairs. For the first time ever, a non-Eurasian power has emerged not only as the key arbiter of European power relations, but also as the world's paramount power. The defeat and collapse of the Soviet Union was the final step in the rapid ascendance of a Western Hemispheric power, the United States, as the sole and, indeed, the first truly global power. Eurasia, however, retains its geopolitical importance."

"For America" after the Cold War, Brzezinski adds, "the chief prize is Eurasia."

Looking for a model in the first part of his book for the sort of "hegemony" that the United States currently projects over Eurasia, Brzezinski eschews *Pax Romana* and Rule Britannia for a goofy model: "To find a somewhat closer analogy to today's definition of a global power, we must turn to the

remarkable phenomenon of the Mongol Empire. Its emergence was achieved through an intense struggle with major and well-organized opponents. Among those defeated were the kingdoms of Poland and Hungary, the forces of the Holy Roman Empire, several Russian and Rus' principalities, the Caliphate of Baghdad, and later, even the Sung dynasty of China."

Making love to a corpse

While Brzezinski's book has probably sold more copies in Russia, where the elites are trying to figure out U.S. strategy, it is worth recalling that Brzezinski is in reality a British asset, trained by William Yandell Elliott, a Nashville Agrarian and Cecil Rhodes "Roundtable" tout who also trained Brzezinski's sibling rival, self-confessed British agent Sir Henry Kissinger (KCMG). Unlike Kissinger, who was given a knighthood usually reserved for leading members of the British Foreign and Commonwealth Office, Brzezinski has been more covert in his Anglophilism. In *The Grand Chessboard*, Brzezinski goes out of his way to camouflage the current British role as the "back-seat driver" behind the worst policies of those such as Vice President Al Gore, Jr. and Secretary of State "Madmeddling" Albright.

In *The Grand Chessboard*, which always speaks of U.S. "geopolitical" interests, Brzezinski dismisses as irrelevant the ongoing manipulation by an Anglo-American cabal, in which the British "Venetian Party" is the dominant intellectual force shaping the issues that confront traditional American institutions. According to Brzezinski, Britain today occupies a special place as a U.S. ally, but it is a "retired" geostrategic player:

"In contrast, Britain is not a geostrategic player. It has fewer major options. It entertains no ambitious vision of Europe's future, and its relative decline has also reduced its capacity to play the traditional role of European balancer. Its ambivalence regarding European unification and its attachment to a waning special relationship with America, have made Great Britain increasingly irrelevant insofar as the major choices confronting Europe's future are concerned. London has largely dealt itself out of the European game. . . ."

"Great Britain, to be sure, still remains important to America. It continues to wield some degree of global influ-

ence through the Commonwealth, but it is neither a restless major power, nor is it motivated by an ambitious vision. It is America's key supporter, a very loyal ally, a vital military base, and a close partner in critically important intelligence activities. Its friendship needs to be nourished, but its policies do not call for sustained attention. It is a retired geostrategic player, resting on its splendid laurels, largely disengaged from the great European adventure in which France and Germany are the principal actors."

According to Brzezinski, Britain is above reproach in terms of the dangerously "geopolitical" doctrines that "Americans" like himself have been peddling increasingly of late, being content to maintain what it can of the "special relationship" with the United States and play with its Commonwealth—the euphemism for the British Empire today.

In the footsteps of Adolf Hitler

When discussing the history of geopolitics, Brzezinski lets his guard down. What he calls geopolitics is a variant upon the Mackinder/Hitlerian quackery that, in the hands of the Prince of Wales—later King Edward VII—underlay World War I. Ultimately, this doctrine was conduited, through Anglophile circles such as the "Wagner Kreis" (i.e., Houston Stewart Chamberlain and the Wagner Circle) and the mystic Thule Society, of which German geopolitician Karl Haushofer had been a member, into the pages of Hitler's *Mein Kampf*, as a prelude to World War II.

At the start of the section "Geopolitics and Geostrategy," Brzezinski observes: "Napoleon once said that to know a nation's geography was to know its foreign policy."

Elsewhere in this section, he remarks: "Until recently, the leading analysts of geopolitics have debated whether land power was more significant than sea power and what specific region of Eurasia is vital to gain control over the entire continent. One of the most prominent, Harold Mackinder, pioneered the discussion early this century with his successive concepts of the Eurasian 'pivot area' (which was said to include all of Siberia and much of Central Asia) and, later, of the Central-East European 'heartland' as the vital springboards for the attainment of continental domination. He popularized his heartland concept by the famous dictum:

"Who rules East Europe commands the Heartland;

"Who rules the Heartland commands the World-Island;

"Who rules the World-Island commands the world.

"Geopolitics was also invoked by some leading German political geographers to justify their country's '*Drang nach Osten*' ["Drive to the East"], notably by Karl Haushofer adapting Mackinder's concept to Germany's strategic needs. Its much-vulgarized echo could also be heard in Adolf Hitler's emphasis on the German people's need for '*Lebensraum*' ["living space"].

One suspects that Brzezinski is even more aware than he lets on of how Mackinder's geopolitics permeated various British channels, to Karl Haushofer, and thence to the

marcher-lord Hitler.

It is therefore little short of astounding that Brzezinski offers to present a post-modern version of the Mackinder/Haushofer geopolitical doctrine, since it places him historically in the footsteps of Hitler's geostrategic doctrine.

Clearly, Brzezinski's hatred of Russia is much more motivated by his being a British asset, than by his background as heir to the lesser Polish nobility, that suffered so deeply from these "geopolitical theories."

The 'Survivors' Club'

Brzezinski glosses through Russian foreign policy thinking, from the "Westernizers' " design for a strategic partnership with the United States, to building alliances with the "Near Abroad," to a semi-mystical doctrine known as "Eurasianism," laughing up his sleeve at the failure of these doctrines.

However, Brzezinski is crystal clear throughout his book that China and Russia, especially, must not be allowed to combine forces, thereby becoming a global power sufficiently strong to expel the United States from its post-Cold War "prize" of Eurasia. The alliance of China, Russia, and India that is coming into being based on Lyndon LaRouche's "Grand Design" for Eurasian integration through massive infrastructure projects such as the Eurasian Land-Bridge, what the Chinese refer to as the "New Silk Road," is, for Brzezinski, the number-one danger. This demonstrates that he does not represent traditional "American System," republican economic thought, because an equivalent of the Land-Bridge conception had originally been proposed by Henry Carey in his role as chief economist to President Abraham Lincoln. Lincoln was assassinated by a British conspiracy, once Britain's efforts to divide and conquer the United States with the fratricidal Civil War had failed.

Writes Brzezinski: "In early 1996, President [Boris] Yeltsin replaced his Western-oriented foreign minister [Andrei] Kozyrev, with the more experienced but also orthodox former Communist international specialist Yevgeni Primakov, whose long-standing interest has been Iran and China. Some Russian commentators speculated that Primakov's orientation might precipitate an effort to forge a new 'anti-hegemonic' coalition, formed around the three powers with the greatest geopolitical stake in reducing America's primacy in Eurasia. Some of Primakov's initial travel and comments reinforced that impression. Moreover, the existing Sino-Iranian connection in weapons trade, as well as the Russian inclination to cooperate in Iran's efforts to increase its access to nuclear energy seemed to provide a perfect fit for closer political dialogue and eventual alliance. The result could, at least theoretically, bring together the world's most militant Islamic power, and the world's most populated and powerful Asian power, thereby creating a potential coalition. . . .

"Moreover, China would be the senior partner in any

serious Russian effort to jell such an ‘anti-hegemonic’ coalition. Being more populous, more industrious, more innovative, more dynamic, and harboring some potential territorial designs on Russia, China would inevitably consign Russia to the status of a junior partner, while at the same time lacking the means (and probably any real desire) to help Russia overcome its backwardness. Russia would thus become a buffer between an expanding Europe and an expansionist China.”

Elsewhere in his book, Brzezinski repeats this warning that China must not be allowed to become a global power in league with Russia: “A geostrategic issue of crucial importance is posed by China’s emergence as a major power. The most appealing outcome would be to co-opt a democratizing and free-marketing China into a larger Asian regional framework of cooperation. But suppose China does not democratize but continues to grow in economic and military power? A ‘Greater China’ may be emerging whatever the desires and calculations of its neighbors, and any effort to prevent that from happening could entail an intensifying conflict with China. Such a conflict could strain American-Japanese relations—for it is far from certain that Japan would want to follow America’s lead in containing China—and could therefore have potentially revolutionary consequences for Tokyo’s definition of Japan’s regional role, perhaps even resulting in the termination of the American presence in the Far East. . . .

“Potentially, the most dangerous scenario would be a grand coalition of China, Russia, and perhaps Iran, an ‘anti-hegemonic’ coalition united not by ideology but by complementary grievances. It would be reminiscent in scale and scope of the challenge posed by the Sino-Soviet bloc, though this time China would likely be the leader and Russia the follower. Averting this contingency, however remote it may be, will require a display of U.S. geostrategic skill on the western, eastern, and southern perimeters of Eurasia simultaneously.”

Thus, Brzezinski defines the emerging “Survivors’ Club” as the single most dangerous “geopolitical” force which those who desire to dominate Eurasia might encounter. Once again, Brzezinski allies himself with the British “Club of the Isles,” that emerged out of two world wars, that were instigated by a treasonous Anglo-American Tory plot—e.g., financing Hitler’s imposition upon a prostrate Germany by E.H. Harriman, Sir George Bush’s father, Prescott Bush, and Montagu Norman, Governor of the Bank of England—in order to halt precisely such integration of Eurasia around true global economic development as the Land-Bridge conception.

NATO expansion, and China

Despite Russia’s justifiable objections, Brzezinski repeatedly stresses that the expansion of NATO as a defensive alliance after the Cold War, to include the former *glacis* of the Soviet Union, is of the utmost importance. Eventually, he

argues, starting from “the Democratic Bridgehead” of Europe, NATO ought to expand, via Poland, and thence Ukraine, to the very border of a much reduced Russia. Here is one example of this proposal:

“Ultimately at stake in this effort is America’s long-range role in Europe. A new Europe is still taking shape, and if that new Europe is to remain geopolitically a part of the ‘Euro-Atlantic’ space, the expansion of NATO is essential. Indeed, a comprehensive U.S. policy for Eurasia as a whole will not be possible if the effort to widen NATO, having been launched by the United States, stalls and falters. That failure would discredit American leadership; it would shatter the concept of an expanding Europe; it would demoralize the Central Europeans; and it could reignite currently dormant or dying Russian geopolitical aspirations for Central Europe. For the West, this would be a self-inflicted wound that would mortally damage the prospects for a truly European pillar in any eventual Eurasian security architecture; and for America, it would thus be not only a regional defeat but a global defeat as well.”

Thus, to gain a “bridgehead” up to the border of Russia, Brzezinski is prepared to pursue NATO expansion and out-of-area deployments, whatever the potential danger, especially in light of his other containment policies toward Russia, of pushing the globe in the direction of World War III.

In a section on “The Far Eastern Anchor,” Brzezinski insists that China, with which President Clinton has proclaimed a “constructive strategic partnership,” must not be allowed to emerge as a “global power,” but must be contained as a “regional power.” Because, he lies, ultimately the Chinese wish to seek revenge against the United States: “China’s principal objection to America relates less to what America actually does than to what America currently is and where it is. America is seen by China as the world’s hegemon, whose very presence in the region, based on its dominant position in Japan, works to contain China’s influence.”

Brzezinski suggests that access to energy and food is China’s Achilles’ heel, that can be used as a weapon to prevent China from becoming a truly “global power.”

Cecil Rhodes-style grab of Central Asian oil

Brzezinski devotes an entire chapter to a modern-day version of a Cecil Rhodes-style raw materials grab of the large oil and gas reserves in Central Asia. According to Brzezinski, these petroleum-based resources must be under sufficient Anglo-American control, so that they can be denied to Russia and China in particular:

“In Europe, the word ‘Balkans’ conjures up images of ethnic conflicts and great-power regional rivalries. Eurasia, too, has its ‘Balkans,’ but the Eurasian Balkans are much larger, more populated, even more religiously and ethnically heterogeneous. They are located within the central zone of global instability . . . and that embraces portions of southeastern Europe, Central Asia and parts of South Asia, the Persian

Gulf area, and the Middle East.

“The Eurasian Balkans form the inner core of that large oblong . . . and they differ from its outer zone in one particularly significant way: they are a power vacuum. . . .

“The Eurasian Balkans . . . are of importance from the standpoint of security and historical ambitions of at least three of their most immediate and more powerful neighbors, namely, Russia, Turkey, and Iran with China also signaling an increasing interest in the region. But the Eurasian Balkans are infinitely more important as a potential economic prize: an enormous concentration of natural gas and oil reserves located in the region, in addition to important minerals, including gold. . . .

“The momentum of Asia’s economic development is already generating massive pressures of the exploration and exploitation of new sources of energy, and the Central Asian region and the Caspian Sea basin, are known to contain reserves of natural gas and oil that dwarf those of Kuwait, the Gulf of Mexico, or the North Sea.”

Noting that Central Asia not only represents at present a “power vacuum,” but also that each of those countries “suffers from serious internal difficulties,” Brzezinski, who must know that the British are the principal “stakeholders” on these riches through their dominance within the oil multinationals, maps out how to deny any access to this raw materials fortune by Russia, especially.

Enlarging the ‘Arc of Crisis’

In the second chapter, entitled “The Eurasian Chessboard,” Brzezinski puts forward a vision of a “global-zone of percolating violence,” that can be skillfully manipulated to stop Eurasian integration. This plan is larger in scope than his earlier “Arc of Crisis” doctrine, that had been based on a plan of British agent Bernard Lewis, according to which he gave U.S. support to the Afghans to create a “Vietnam War” crisis for the Soviet Union in Afghanistan.

According to a map of this region in *The Grand Chessboard*, this zone of “percolating violence” includes all of Central Asia, extending westward to include Turkey, northward to include southern Russia, and eastward to touch upon the western borders of China. It includes the entire Middle East, where Brzezinski claims it is imperative for the United States to retain control, especially in the critical Persian Gulf. And, the zone extends eastward to include Afghanistan and Pakistan, up to the latter’s border with India.

Consonant with the British imperial “Great Game,” Brzezinski argues that skillful manipulation of this “global-zone of percolating violence” can be used to halt Russia from becoming an imperial power once again: “To what extent should Russia be helped economically—which inevitably strengthens Russia politically and militarily. . . ?” writes Brzezinski. “Can Russia be both powerful and a democracy at the same time? . . . If it becomes powerful again, . . . will it not seek to regain its lost imperial domain, and can it then be

both an empire and a democracy? . . .

“Internal Russian recovery is essential to Russia’s democratization and eventual Europeanization. But any recovery of its imperial potential would be inimical to both these objectives.”

Hence, by manipulating this “global-zone of percolating violence,” which happens to be a raw-materials-wealthy region, Brzezinski proposes to further contain and weaken Russia.

It is clear, based on reading *The Grand Chessboard* “geopolitical” lunacy from the perspective of Lyndon LaRouche’s Eurasian Land-Bridge for the integration of the United States in strategic partnership with Franklin Roosevelt’s World War II allies — i.e., China and Russia — that anyone in policymaking circles insane enough to lend credence to Brzezinski’s nonsense has endorsed a fast track toward World War III. As LaRouche made clear in his *Feature* on “Mad Brzezinski’s Chessboard,” every time the Anglo-American Tory traitors have faced a depression collapse, they have sought to protect their global dominance by starting a war. *The Grand Chessboard* by Zbigniew Brzezinski is a blueprint for how to start such a war, which would plunge the majority of mankind (perhaps leaving only the Chinese component of the Survivors’ Club relatively unscathed) into a New Dark Age for generations to come.

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NATO bombings push Russia into military mobilization

by Umberto Pascali

After the first week of bombing of Kosova, Serbia, and Montenegro, the “new NATO” — which will be officially unveiled in Washington at NATO’s 50th anniversary celebration on April 23 — has achieved a goal that nobody would have expected: It has de facto revived the Warsaw Pact; gotten the Russian Navy, after ten years, into the Adriatic Sea; pushed the world toward armed global confrontation; and made the United States the target of hatred by the large majority of nations of the world. The main official target of the bombings, Serbian President Slobodan Milosevic, far from being weakened, has been able to establish near-total control, and to engender a level of popular support as never before.

Foreign journalists still in Belgrade report that even the rock concerts in the Serbian capital (the yuppie strategists of the new NATO see them as a “penetration of Western culture”) turn into spontaneous pro-Milosevic rallies. The opposition has all but disappeared, and the political process that was leading to a political split-off of Montenegro (which, together with Serbia, constitutes rump Yugoslavia), is being dramatically reversed. The Montenegro leadership had reportedly been given guarantees from Secretary of State Madeleine Albright that their country was an “ally of the West.” Instead, Montenegro was one of the first areas to be bombed. At the moment, there is a credible rumor of a coup d’état or, more likely, a realignment of the Montenegro elite back into the Milosevic camp. Some European NATO members, such as Germany, are promising Montenegro that it will not be bombed again, but apparently without results.

And this is only the beginning. The British are determined to block any possibility of stopping the rush toward global war, and are determined to reach, in a very short time, a Vietnam-style situation in Kosova. The trap is at this point ready to suck the United States in deeper, and Vice President Al Gore is apparently convinced that this is his ticket to the Presidency.

A new Vietnam?

At the moment, the British propaganda machine is engaged in a coordinated effort to get NATO, in particular the United States, to deploy ground troops in Kosova. Anybody who has any sense of the military training and doctrine of the Yugoslav Army, its preparation for irregular (guerrilla) total warfare, knows what kind of a trap has been set. British officials are talking about 100-200,000 ground troops to be deployed into Kosova. All responsible military experts see the imminent danger of rivers of blood as the result of a protracted ground war in the woods and mountains of Kosova. The opening of a ground operation will inevitably broaden the war to the other Balkan countries, as Russian President Boris Yeltsin has repeatedly warned.

In neighboring Macedonia, where the new NATO has amassed forces under the leadership of Sir Michael Jackson — the man responsible for the 1972 Bloody Sunday massacre in Ireland — the Serb minority has been fully mobilized, and has conducted violent demonstrations, including bombings of U.S. diplomatic buildings. Greece is on the verge of an explosion, and it has strengthened its traditional links with Russia. Similarly, the Turkish elite is in a state of unprecedented tension. “There is a danger of a world war,” Turkish Prime Minister Bulent Ecevit warned in an interview with Russian NTV on March 29. “I wish Clinton and Yeltsin would meet as soon as possible and search for a common policy.”

On March 31, the Russian foreign and defense ministers gave a press conference in Moscow on their mission to Belgrade and Bonn the day before. That mission, led by Prime Minister Yevgeni Primakov, had extracted some initial concessions from Milosevic, but these were rejected by NATO. Primakov pointed out that, “inside NATO,” there is a faction that has succeeded in imposing its war on the other member-countries.



The atrocities now taking place in Kosovo are no isolated events, but rather the result of systematic policies of the British-steered global financier oligarchy. Those at the British Foreign Office and the U.S. State Department who are suddenly expressing outrage at the expulsion of Kosovars by Serbia's dictator Milosevic (right), must account for why they have done nothing to stop the holocaust in Africa (shown here, far right: children at a refugee camp during the 1997 war in Zaire), or the Israeli atrocities against the Palestinians (above: a wounded child in Gaza).

Russian military machine is deployed

Russian Defense Minister Igor Sergeev outlined the Russian military mobilization: "Today NATO has not only broken the Charter of the United Nations and the Helsinki Final Act, but also the Founding Act on mutual relations, cooperation, and security between Russia and NATO. In accordance with the norms of international law, we see an act of aggression. In the context of the ongoing aggression, the Defense Ministry has taken a number of concrete measures. The Russian military representative to NATO, General Zavarzin, has been recalled, and so have the officers in the Russian coordinating cell under the Partnership for Peace program. The very name of that program, after the strikes that have been launched, sounds blasphemous. Measures have been taken to raise the combat ability of the troops, the assets of the Air Force and the Navy, to strengthen the security of Russia, our allies, and friends."

Sergeev said that he intends to visit Belarus, Tajikistan, and Uzbekistan in April, and to hold consultations with his counterparts in China and a number of Commonwealth of Independent States members in Central Asia, on issues of mutual interest. In Belarus, a joint meeting of the boards of the defense ministries will be held. "It is intended to discuss urgent problems of regional and European security, the state and prospects of bilateral military cooperation with the aim

of enhancing the combat readiness of the armed forces. . . . The Russian Defense Ministry is also considering more resolute measures that will be recommended to the leadership in the event of a change in the situation. I am convinced that those who embarked on this military venture bear full responsibility to their nations and the world community for the most grave consequences for international stability," he said.

Sergeev also announced that for the first time in ten years, the Russian Navy will be deployed in the Adriatic Sea. The Turkish government has already been notified about the passage of Russian warships through the Bosphorous. "The situation is developing at a very rapid pace. . . . We must ensure the security of Russia," he said. The long-standing dispute over control of the Black Sea Fleet between Russia and Ukraine had been quickly overcome in the new situation created by NATO. At the same time, it was announced that "general muster" had been "declared in the Navy," the Moscow daily *Nezavisimaya Gazeta* reported on March 31. "Almost 50 ships have put out to sea simultaneously, representing the combat core of Russia's fleets, including ten nuclear submarines."

Russian Vice Admiral Vyacheslav Popov is commanding "a muster and sailing of the main forces of the Northern Fleet." They are practicing strategic, operational, and tactical missions. The flagship of the Northern Fleet, the heavy nuclear

missile cruiser *Pyotr Veliky*, is taking part, along with the heavy aircraft carrier-cruiser *Admiral Kuznetsov* and a dozen or more other ships “capable of carrying out combat actions in modern warfare against any types of enemy air attack.” In the Pacific Fleet, Adm. Mikhail Zakharenko is commanding exercises in the Sea of Japan, with another dozen or more ships practicing anti-aircraft and landing operations.

NATO factionalized

Commenting on his mission, Prime Minister Primakov stated that, “in Bonn, we became convinced of the fact that, inside the Atlantic Alliance, there is a coordinated line of action to continue the war operations. It is a wrong and tragic decision that Russia will continue to operate to stop.” The Italian press agency Ansa commented that “according to the Russian Premier, inside NATO there is a faction that wants to pursue the war at any cost.” Primakov, in coordination with President Yeltsin, had earlier made several attempts to prevent the broadening of the war. His visit to Washington to meet with Clinton was shot down by Gore (see *National*). He had then requested a meeting of the Contact Group on the Balkans—the United States, Germany, Britain, Italy, and France—but this meeting was sabotaged by the British and the new NATO machine which, more and more, works as a supranational blackmail operation inside the member-countries. He called for a dialogue with the European Union, with the same result. The visit to Milosevic on March 30 was Primakov’s last mission. As Russian Foreign Minister Igor Ivanov noted, this was not just a Russian initiative: The mission had received support from many countries, not only China, India, and many Third World nations, but also NATO member-states.

Said Ivanov: “In the course of the telephone conversations that were conducted on the eve of the Russian delegation’s trip to Belgrade, most of our Western partners, I want to emphasize, . . . asked Russia to secure from Belgrade at least some signal that would allow NATO at least to suspend the military operation. I repeat, at least some signal. Such a signal was received from Belgrade. A very definite signal. NATO’s response is known: a new ultimatum and a further escalation of the aggression.”

Strong support for the Russian mission to Belgrade came from the Vatican. From the beginning of the NATO bombings, Pope John Paul II personally had promoted a series of initiatives aimed at securing at least an “Easter cease-fire.” The Pope convoked the ambassadors of NATO and UN Security Council countries, to push the idea of a cease-fire, and had even sent his “Foreign Minister,” Msgr. Jean Louis Tauran, to Belgrade. But, in vain. His messages to President Clinton and the other Western leaders were rejected, paradoxically with the “humanitarian” pretext that “we cannot stop the bombing, otherwise the Kosovars will suffer.”

This refrain came while the leader of the Kosovars, Ibrahim Rugova, was requesting an immediate suspension of the bombings. Several media also made public a report

prepared by the CIA before the bombings, which stressed that, in the event of bombings, the humanitarian situation for the Kosovars would become much worse.

Documentation

Why did a British official ‘execute’ Kosovar leaders?

March 29, five days into the NATO bombings, was a key moment in the complex activities of many countries and institutions trying to stop the bombings before it was too late. In a series of official and unofficial consultations and diplomatic steps, the Russian government, the Vatican, Turkish Prime Minister Bulent Ecevit, the Italian government, and government leaders in France, Germany, and many other countries, including NATO members, were trying to find a way out of the Kosova crisis. Russian Prime Minister Yevgeni Primakov was leaving for Belgrade with the encouragement of many institutional forces “on the other side.”

Would leaders of NATO countries, including President Clinton, accept at least an initial cease-fire? It was at this point that the psywar and propaganda machine of the “new NATO” was put into motion.

Not surprisingly, the operation works through British mouthpieces. It was the top military spokesman of NATO in Brussels, Commodore David Wilby, who communicated to shocked journalists that the Serbs had “executed” the “moderate leaders” of the Kosovars. Wilby went into the details of how Fhemi Agani, the right-hand man and mentor of the elected leader of the Kosovars, Ibrahim Rugova, had been killed after having been spotted by Serb forces at the funeral of a friend. Also “executed” was Baton Haxhiu, the editor of the popular *Koha Ditore*. Rugova was reported to be probably killed or at least wounded.

On the basis of this “information,” at least officially, the leaders of NATO countries rejected any mediation by Primakov, and President Clinton called for phase three of the bombings to begin. “We will hit 24 hours per day, selecting more and more targets . . . to stop the genocide,” stated Her Majesty’s Commodore. It did not matter that Agani’s family, upon hearing the news, called NATO to say that he was alive, and that many other sources were confirming that Wilby’s statement was false. NATO finally admitted that Agani and Haxhiu were not dead. News wires subsequently said that “the disclosure was likely to prove embarrassing for NATO, which has stressed the pains it is taking to release only the information it regards as factually accurate.” But the NATO escalation to the next phase was now under way, a fait accompli.

Rugova met in Pristina with foreign journalists, and stated: “We have to stop the NATO bombings,” stressing that

not only the Serbs, but also the Kosovar majority, was the victim. The next day, Rugova met Serbian President Slobodan Milosevic, and restated his call to stop the bombings.

While NATO accused Rugova of not really meaning what he was saying about the bombings, the leaders of the Kosova Liberation Army (UCK) accused him of high treason. But government leaders of Italy, France, and Germany, among others, invited Rugova for immediate consultations.

The UCK: a British asset

Wilby announcement of the deaths of the Kosovars' elected leadership, according to sources, could have much more appalling implications. It was around a year and a half ago that the UCK began to emerge with bomb attacks on police targets in Macedonia (already under NATO countries' military control). The UCK was initially promoted, above all, by British media, namely, BBC and the main London dailies, which started a campaign of coverage and clandestine interviews with the "freedom fighters," insisting that these young men went into action because they were "tired of Rugova's non-violent methods." In the beginning, U.S. spokesmen, such as special envoy Robert Gelbard, had called the methods of the mysterious organization "terrorist."

Rugova and his party, the Kosova Democratic League (LDK), warned of possible connections of the UCK with intelligence organizations, including the Yugoslav Army. The fact remained that Rugova had been elected by a very large majority of the Kosovars, and people did not even know the names or the program of the UCK leaders. But following Milosevic's repression against the Kosovars beginning in 1998, the UCK gained support, especially from outside the country. In the United States, the UCK lobbied the Congress and, reportedly, especially conservative leaders, who began pushing the line: "We have to do in Kosovo what we did in Afghanistan. Let's arm some of the people there, they will do it for us." It did not matter that many of the UCK troops—among whom were many sincere Kosovars outraged by Milosevic's bloody repression—were reportedly involved in the black market and smuggling.

U.S. foreign policy, following the British lead, made a sharp turn under the diplomatic whip of Secretary of State Madeleine Albright, whose policy became: Push Rugova aside and promote the UCK. Albright selected as her personal protégé the 28-year-old Ashim Taqi, the "political head" of the UCK and part of a clan controlling an area west of Pristina. Albright imposed him as the head of the Kosovar delegation at the peace talks in Rambouillet, and presented him as the "Gerry Adams of the Balkans," with reference to the head of Sinn Féin.

The UCK, according to many sources, had carried out a series of political attacks against the group around Rugova, pushing a process of radicalization. With the British-Albright support came also, according to sources, military and financial support, including a growing number of "military advisers" for the UCK.

The only obstacle to the UCK takeover was Rugova and his group. This is the reason why, when Wilby announced that the Rugova group had been "executed," some parties feared what the "new NATO" special forces could do to them. Taqi and his people were counting on Rugova to just "go away." In fact, while the Rugova people were being "executed" by Her Majesty's Commodore Wilby, Taqi was being interviewed by CNN, apparently untouched in Kosova. Taqi called for stepping up the NATO bombings.

At this point, the news reaching Western TV screens does not come from reporters or observers, but from "UCK sources" that transmit directly to NATO headquarters in Macedonia, i.e., to the head of the Rapid Reaction Forces, led by Gen. Sir Michael Jackson, the man responsible for the 1972 Bloody Sunday massacre in Northern Ireland.

British in the Balkans

1917: Serbia defends British Empire's 'gate'

The following are quotes from "The Serbs—The Guardians at the Gate," by R.G.D. Laffan. Laffan, a liaison between the British Empire and the Serbian Army, explained in lectures in 1917 why Serbia was a vital ally for the British in World War I. The alternative was the creation of an area of economic development from Central Europe to the Persian Gulf, especially through the creation of the Berlin-Baghdad railway:

The plan [of a Berlin-Baghdad railway] was admirably feasible, and has been put in force almost completely in the course of this war (not quite: for our troops are solidly established on the Persian Gulf and hold Baghdad. . .). If Berlin-Baghdad were achieved, a huge block of territory producing every kind of economic wealth, and unassailable by sea power, would be united. . . . German and Turkish armies would be within easy striking distance of our Egyptian interests, and from the Persian Gulf our Indian Empire would be threatened. . . . A glance at the map of the world will show how the chain of states stretched from Berlin to Baghdad. . . . One little strip of territory alone blocked the way and prevented the two ends of the chain from being linked together. The little strip was Serbia. Serbia stood small but defiant . . . holding the gate of the East. Little though we knew or cared in England, Serbia was really the *first line of defense of our eastern possessions*. If she were crushed or enticed into the "Berlin-Baghdad" system, then our vast but slightly defended empire would soon have felt the shock. . . .

1937: Serbia plotted genocide against Kosova

From a memorandum, "The Expulsion of the Arnauts," presented on March 7, 1937 by Dr. Vaso Cubrilovic, political adviser to the then-ruling Serbian monarchy:

The problem of the Albanians in our national and state life did not arise yesterday. It played a major role in our life

in the Middle Ages. . . . From 1918 onwards it was the task of our present Serbian state to destroy the remainder of the Albanian triangle. It did not do this. . . .

It is apparent that the methods of our colonization policy in the south to date have not yielded the results which we ought to have achieved. This will be achieved only through the destruction of the Albanian bloc. From the military-strategic standpoint, the Albanian bloc occupies one of the most important positions in our country—the starting point from which the Balkan rivers flow to the Adriatic, the Black Sea and the Aegean. . . . Therefore it is an imperative duty for all of us that we should not allow these positions of such strategic importance to be in the hands of the hostile and alien element. . . .

The only way and the only means to cope with them is the brute force of an organized state, in which we have always been superior to them. . . . We are left with only one course—that of their mass resettlement. . . .

The 1990s: the British in Bosnia

From Marko Barisic, "Croatian-Muslim Conflict: The Role of British Agents," in the Croatian magazine Danas, July 16 and July 23, 1993:

Seven months ago, in a routine check-up of a bus on the

route from Zagreb to Travnik, the Croatian police discovered 22 British citizens. . . . They said their intention was to join the HOS [Croatian Defense Forces] in central Bosnia. . . . The British were usually leaders of those groups that, by the way, never started a single action against the Serbs. Instead, those commandos, Croats and Muslims, turned against each other, both sides under British command. . . .

From Ed Vulliamy, "Bosnia: the Secret War: How the CIA Intercepted SAS Signals," London Guardian, Jan. 29, 1996:

Among [American intelligence services'] surveillance targets in Bosnia were top-secret communications between the high command of the United Nations military operation in Sarajevo and the British special forces, the SAS, operating under deep cover. What the Americans discovered was that the UN command was engaged in neutralizing NATO air strikes against the Serbs. . . . A controversial order came over the air from [British general Sir Michael] Rose's command to the SAS: hold off, do not identify the targets, thus neutralizing the air strike. The NATO pilots were shown nothing; their planes came and went, impotent. It was a measured instruction, highly secret, defiant of NATO. . . .

Genocide in Africa: 'No one is talking, just looking on'

by Linda de Hoyos

Dolisie, the third largest city in the Republic of Congo, has been turned into a ghost city with foul-smelling streets. One is hit with the smell of decomposing bodies, and the town has been totally emptied of its residents. . . . Several people died in the clashes for control of Dolisie, but the casualty list was never made public, and only the hovering nauseating odor bears testimony to the magnitude of the human disaster this town of 80,000 inhabitants witnessed. On the streets, the carcasses of dogs have replaced the bodies of the victims of the clashes [between the government and militias loyal to former President Pascal Lissouba]. According to several witnesses, the bodies were never removed. They were eaten by dogs and pigs and rains washed away the rest. Buildings and shops have been burned or smashed. The airport and control tower have been completely burned to a cinder. . . . Only 561 residents were able to find refuge in the Kibangist Church. . . . The

families are awaiting without much hope the arrival of humanitarian organizations.

—*Paris Radio France Internationale, March 21*

The permanent commission of the Council Minister [of Angola] has stated that the humanitarian situation in Angola has acquired overwhelming proportions and can actually be described as catastrophic.

—*Lisbon RTP International Television, March 18*

Cholera is sweeping southern Somalia, where a hospital director said Monday that at least 60 deaths have been confirmed and doctors are struggling to treat hundreds of infected people. . . . Many more people are feared to have died in the drought-stricken countryside while trying to make it to the hospital in Bardera. . . . UNICEF donated some crates of porridge and a solution to fight dehydration, but the UNICEF supplies were not nearly

enough to handle so many patients, local health authorities said. Officials said the cholera outbreak in Somalia's arid Gedo region, where drinkable water is scarce, has been complicated by an influx of refugees arriving mainly from northeastern Kenya. Local officials in Gedo appealed to the international community for more help. However, many aid agencies have pulled their foreign staff out of the area since a Kenyan working with the Italian aid agency Terra Nova was slain last month. An estimated 700,000 people are believed to be in danger of starving in southern Somalia after insufficient rainfall late last year resulted in poor harvests or none at all.

—*Associated Press, Feb. 15*

Rebel forces in the Congo have massacred civilians and enforced a reign of terror that overshadows the widespread human rights abuses committed by the government, a UN expert said on Tuesday. . . . "The main victims of the war are civilians, including children and even nursing babies," [UN human rights expert Roberto] Garreton wrote. Prisons operated by the rebels were off-limits to investigators, the report said. "Some are genuine torture centers and many are extermination centers. The persons held in the centers are regularly tortured and the women are sexually abused," he said.

—*Associated Press, April 1*

This is but a tiny smattering of the kinds of horror stories that greet the observer of events in Africa every day. The unimaginable levels of human deprivation and carnage now being carried out in tens in African countries—with barely a word of protest, let alone action, on the part of any Western government, is the *negative* proof that "humanitarian concerns" are hardly the motivation for the war-escalating actions now being undertaken by NATO forces in defense of ethnic Albanian civilians in Kosova.

Likewise, as *EIR* has documented, particularly since 1994, the extreme violence witnessed in Africa and the mushrooming of wars throughout the continent is not a "sociological phenomenon." Wars have been brought about primarily by the conditionalities of the International Monetary Fund, which have rendered populations without the means of survival, desperate, and without hope for the future. Second, in nearly every case, the war has been instigated by outside forces seeking, through proxy African warlords on the ground, to exert control over raw materials resources against any defense of those resources by the nation-state government in which they might exist. A corollary to this is the deep involvement of mercenary forces in the war, led by the former British Crown-orbiting Executive Outcomes, and its multitude of spin-offs, which are known to be running the "rebel operations" in Sierra Leone and Angola, among others. In the end it will be found that those now seeking to exert a new

NATO doctrine by means of air strikes against Serbia, serve the same oligarchical financial interests running the epidemic of "little wars" in Africa.

As of this writing, 18 countries in Africa, are either at war, have their troops deployed in war, or are in the throes of civil war: Algeria, Sudan, Eritrea, Ethiopia, Somalia, Uganda, Chad, Nigeria, Liberia, Sierra Leone, Guinea-Bissau, the Democratic Republic of the Congo, the Republic of Congo (Congo-Brazzaville), Rwanda, Burundi, Zimbabwe, Namibia, and Angola.

As a result, "humanitarian catastrophe" in Africa is becoming the norm, as the infrastructure, farms, homes, and cities of one nation after another are simply obliterated. There are today several million refugees in Africa, and another million internally displaced persons (IDPs). The IDPs are perhaps the most vulnerable, since by international law the government of their country is responsible for them, and relief agencies can only give aid upon invitation.

Three cases

Since December 1998, renewed wars have completely disrupted all life in three countries: Sierra Leone, Angola, and Congo-Brazzaville.

Sierra Leone: The failed attempt of the mercenary-backed Revolutionary United Front in Sierra Leone to capture the country's capital, Freetown, in December and January, resulted in the deaths of more than 6,500 people in the city itself. According to UNICEF, another 2,000 children are missing, and half of them are believed to have been abducted by the RUF. In the first week of March, 31 children between the ages of five and eighteen were released by the RUF; they were on the brink of starvation.

There is displacement throughout Sierra Leone, with more than 50,000 recently forced out of their homes in the northern Kambia district. These people, according to reports, have set up makeshift camps along the Guinean border, but they are suffering from malnutrition, dysentery, and malaria. Five to ten people die in the camps daily.

In Kenema and Bo, Sierra Leone's second- and third-largest cities, respectively, there is also an acute food shortage due to the war and to the closing of the main highway to Freetown. Local and international aid agencies have been forced to shut down due to looting of their stores. These people remain in dire need. Sierra Leone has been in the throes of civil war since 1991, with no respite for reconstruction.

Angola: Since December 1998, Jonas Savimbi, head of UNITA, has been leading a military offensive against the Luanda government. Equipped by private mercenary forces and reportedly also through Yoweri Museveni's Uganda, Savimbi's offensive has resulted in large-scale displacement throughout the central highlands of the country. The Angolan government estimates that today 1.2 million Angolans are displaced, although relief agencies place this figure at a "confirmed 650,000" and a "reported 881,890."

Lack of security for relief agencies and UN workers in Angola has exacerbated the plight of these people. For example, in Huambo province, where fighting remains fierce, according to IRIN news agency, “the precarious sanitary situation as well as the shortage of food is resulting in high malnutrition among children.” In the area of Kwanza Norte province, because of lack of security, relief agencies have been unable to extend any aid to more than 12,000 displaced people, and the situation is described by religious people in the area as “extremely serious.” UNITA’s seizure of towns in the area north of Bie, has also forced people to flee. According to reports from Lisbon, the city of Kuito “has in the last few weeks received an ‘army’ of displaced people, more than 13,000 who are already suffering from hunger as a result of the suspension of World Food Program humanitarian flights.”

Congo-Brazzaville: As indicated in the March 21 radio report cited above, the “little war” in Congo-Brazzaville, which has pitted the government of President Denis Sassou-Nguesso against militias of former President Lissouba, has had a devastating effect on the population. This war is a “spin-off” of the war in Angola, with Lissouba a backer of Savimbi, and Sassou-Nguesso, who came to power through war in 1997, a backer of the Angola People’s Liberation Movement (MPLA) government in Luanda. The country’s tiny population has been largely displaced. For instance, according to IRIN, up to 300,000 people were displaced in the Pool region in March, and their condition was described as “catastrophic.” “The displaced, concentrated in different areas, are facing starvation and disease outbreaks with 10-15 people, mostly children, dying every day in one settlement alone. . . . Much of Pool’s population was reported to have fled into the forests. . . . In addition, some 120,000 residents of southern Brazzaville, who fled toward Pool in December at the outbreak of fighting in the city, remain unaccounted for.” As of March 10, “humanitarian agencies have had no access to the region due to insecurity, and the displaced have received no relief assistance.”

In the area of Bas Congo, the situation has been made worse by an influx in the third week of March of 80,000 refugees from Angola and the Democratic Republic of Congo, with what relief workers call “dire consequences” for the local population and the refugees themselves.

Meanwhile, in the Congo itself, in the last month, tens of thousands of refugees have flooded Zambia from the eastern Congo, due to the escalation of fighting in that area. It is estimated that throughout the Congo, there are at least 467,000 internally displaced people, with acute localized food shortages and outbreaks of disease.

Farther to the east, the governments of Uganda, Rwanda, and Burundi — all of which are part of the warlord force sponsored from London and complicit channels in the United States, beginning with U.S. Assistant Secretary of State Susan Rice — have all constructed “protected villages,” or camps, for people who have been forcibly removed from their homes.

In northern Uganda alone, there are nearly half a million people living in camps, without adequate food, water, or sanitation. The death rate in the camps is high, especially among children, from malnutrition-related diseases, particularly diarrhea. The Ugandan government has refused to declare the area a “disaster zone,” permitting proper relief to come into the camps. At the conference on “Internally Displaced Persons,” organized on March 30 by the Norwegian Refugee Council, Anglican Bishop Macleord Baker Ochola declared that the government has a “design to wipe us out,” speaking of the Acholi people of northern Uganda. “We have been asking the government to declare Gulu and Kitgum districts a disaster area but the issue has not been heeded. If people were suffering or dying in Kampala, Washington, and London, the international community will make noise. But because the people are from Acholi, nobody is talking, just looking on.”

Project Democracy gets its coup in Paraguay

by Cynthia R. Rush

On March 28, the democratically elected President of Paraguay, Raúl Cubas, resigned, after four days of street violence which followed the March 23 assassination of Vice President Luis María Argaña in downtown Asunción. Cubas, who, together with his close ally, nationalist Gen. Lino César Oviedo (ret.), was accused of orchestrating the Argaña murder, sought, and was granted, asylum in Brazil. General Oviedo, an outspoken opponent of globalization, left the country with his family for Argentina, where he was also granted political asylum by the Menem government. Cubas’s replacement is Senate President Luis González Macchi, who immediately proclaimed that with Cubas and Oviedo out of the way, Paraguay could now, finally, make the transition to real “democracy.”

But whose “democracy”?

What transpired in the days between March 23 and March 28 was in reality the second phase of an operation begun in April 1996. Then, Anglophiles in the U.S. State Department, together with the British-sponsored Inter-American Dialogue (IAD) and its assets in the governments of the Common Market of the South (Mercosur, including Argentina, Brazil, Uruguay, and Paraguay), mobilized against an alleged “coup plot” by Oviedo, to force the popular general’s resignation as head of the Army, and, they hoped, out of any position of influence in this very poor country. Oviedo has a broad base of support among the peasantry and within the middle and lower ranks of the Army.

As we warned at the time (see *EIR*, May 17, 1996, see graphic), this operation was set into motion to smash the institutions of the nation-state, especially the Armed Forces, and impose the International Monetary Fund's (IMF) genocidal dictates — under the guise of “free trade and democracy.” The only real “plot” taking place at that time in Paraguay, was the assault on the military described by *EIR* in its 1993 bestseller, *The Plot to Annihilate the Armed Forces and the Nations of Ibero-America*.

That General Oviedo is today accused of masterminding the Argaña assassination and deploying snipers to kill anti-government demonstrators, is evidence that the same forces are at work to finish the job begun in 1996. According to the Paraguayan daily *ABC Color*, President González Macchi has never made a secret of his hope that Oviedo would someday get the same treatment as Panama's Gen. Manuel Noriega, and be spirited out of the country, accused of an “international crime.” González has vowed to bring Oviedo back to Paraguay to serve the ten-year prison sentence he received for his alleged coup plotting.

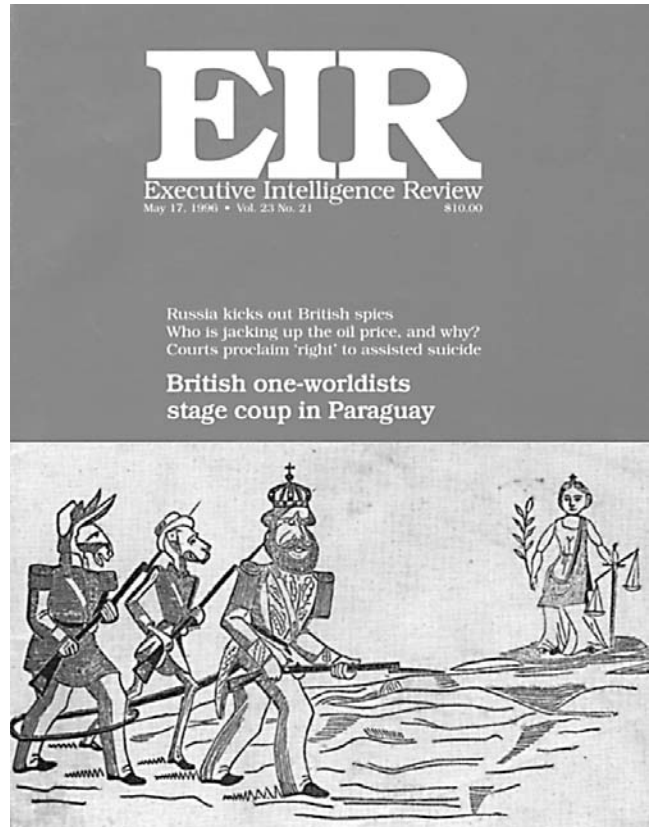
To the dismay of these Project Democracy fanatics, their 1996 operation failed, both to get rid of Oviedo and to guarantee imposition of the neo-liberal economic “reforms” demanded by the IMF. In fact, along with Ecuador, Venezuela, and Colombia, nations all currently undergoing political and economic convulsion, Paraguay has been singled out by international bankers for not fully embracing these nation-wrecking policies.

As the April 1 *Washington Post* lamented, rather than implementing the free-market reforms and privatizations which “have brought gleaming modern skyscrapers and the Internet to all corners of Latin America,” Paraguay remains “stuck in a semi-feudal system of powerful landowners, corrupt politicians and wasteful state-run corporations.” According to the April 1 *New York Times*, the “democratic” solution which included Cubas's resignation, includes an agreement by the ruling Colorado Party to begin privatizing the state-owned water, electricity, and telephone companies.

A ‘third force’ deploys

In 1997, General Oviedo won the Colorado Party's primary and became its Presidential candidate. When he was thrown in jail for his alleged 1996 coup plotting and disqualified as a candidate, his running mate, Raúl Cubas, took his place and won the election in August 1998. Cubas then incurred the wrath of London and Wall Street, first by releasing Oviedo from jail, and then by refusing to obey a Supreme Court ruling which ordered the retired general back to prison.

Cubas's opponents tried to deal with the Oviedo problem by initiating impeachment proceedings against the President, accusing him of improperly discharging the duties of his office by disobeying the Supreme Court's ruling. But, according to a report in *ABC Color*, as of Sunday, March 21, the opposition did not have the votes to impeach Cubas. Even Domingo



In this cover story of May 17, 1996, “British One-Worldists Stage Coup in Paraguay,” *EIR* warned that an operation was under way to smash the institutions of the nation-state, under the guise of “free trade and democracy.”

Laiño, the opposition Presidential candidate in the 1998 elections, stated that “there would be no impeachment.”

Yet 48 hours later, everything had changed. On the morning of Tuesday, March 23, as he drove to work, Vice President Luis María Argaña was attacked and killed by three or four assassins armed with automatic weapons and grenades. The mafia-style murder shocked Paraguayans, as well as neighboring governments. Almost immediately, the word went out that Cubas and Oviedo were responsible for the hit. Argaña, who together with his right-hand man González Macchi, enjoyed a very close relationship with the U.S. Embassy in Asunción, had been responsible for removing Oviedo as the Colorado Party's Presidential candidate, and had attacked Cubas for disobeying the Supreme Court's ruling. Were Cubas to be successfully impeached, Argaña would become President.

During the regime of Gen. Alfredo Stroessner, Argaña's status as one of the general's favorites earned him the nickname “the Prince.” After Stroessner was overthrown — General Oviedo was the officer who held a grenade to Stroessner's head and convinced him to step down — Argaña transformed himself into a “democrat” and became a favorite of the globalizers.

The lower House of Congress had not been scheduled to vote on the impeachment until April 7. But, swayed by the emotional impact of Argaña's murder, it voted to impeach Cubas on March 24, and the Senate then called him to appear on March 25 to be tried. Trade unionists shut down the capital in a general strike; schools and shops were closed, transportation stopped, and rioting students and peasants clashed with police in front of the Congress. By Saturday, March 27, six student demonstrators had been killed by snipers positioned on top of buildings close to the Congress. "We are on the brink of civil war," warned Angel Seifart, a former Vice President and defender of President Cubas.

All the marks of a British operation

For all the attempts to portray this as a spontaneous response to Argaña's murder by an enraged populace, this total institutional chaos did not come about by chance. Events which occurred on and after March 23 bore all the marks of a classical British "third force" operation, right down to the professional hit-squad which murdered Argaña, and the unidentified snipers whose killings were blamed on Oviedo and Cubas.

The same forces which mobilized against Oviedo in 1996 were at the center of what were euphemistically called "mediating" efforts to force Cubas's ouster. Fearing that Oviedo would mobilize his own broad base among the country's peasantry and within the Armed Forces, U.S. Ambassador Maura Harty, joined by the papal nuncio and the ambassadors of Brazil and Argentina, threatened Cubas that if he chose to stay on and fight, as several diplomatic sources had reported, he would lose the backing of the "international community." According to reports in the Argentine press, it was Harty who armtwisted the commanders of Paraguay's Armed Forces into agreeing to support the new government.

Brazilian President Fernando Henrique Cardoso was the other heavyweight brought in. He called Cubas several times during March 26-27, telling him, among other things, that if he didn't accept a negotiated solution, Paraguay would be expelled from Mercosur for violating its "democracy" clause. Because Paraguay is economically dependent on Brazil and Argentina, that threat carried considerable weight. It was at that point that Cubas resigned and González Macchi was inaugurated as the new President.

But, given the unstable regional situation stemming from Brazil's financial meltdown, Paraguay's new government isn't likely to last long. González Macchi's announcement that he intends to serve out the remaining four years of Cubas's term has already blown holes in the "democracy" facade, as the Constitution calls for only a six-month term followed by new elections. The Cardoso government is said to be "uncomfortable" about that fact, and according to the daily *O Globo*, has been left holding "a hot potato."

Interview: Gilles Munier

A French perspective on the war vs. Iraq

Mr. Munier has been Secretary General of the Franco-Iraqi Friendship Society since 1986. He was interviewed in Paris by Christine Bierre, in mid-March.

EIR: You have just returned from Iraq. Can you tell us about the military and political impact of the Anglo-American air raids against Iraq?

Munier: I came back from Iraq about a month ago. (My previous trip went back to four days before the Anglo-American bombings of last December.) I went with a group of French senators who also wanted to see for themselves what the situation is.

I have known Iraq for around 30 years; I go there five to six times a year. I'm well placed, therefore, to evaluate the evolution, or, the degradation, of the situation.

The air raids in December did not demoralize the population, even though this was their purported aim. The Anglo-Americans thought that they would be able to push the population to demonstrate against the regime. Not only did that not happen, but, according to different eye-witness reports which I gathered, the population reacted more against the spectacle of the thing. Even though they were furious at having to impotently watch the destruction of their infrastructure, they did not lock themselves up, nor did they escape to the countryside. Many were up on the roofs watching the missiles drop. People preferred to witness for themselves the brutality of the attack. . . . They don't have CNN. . . .

Those air raids had no impact on the morale of the Iraqis. Quite the contrary, Saddam Hussein has been reinforced, because he is perceived as a resistance fighter, a modern-day Saladin.

EIR: Where are the Anglo-Americans concentrating the bombings? In this undeclared war, which has been going on since December, where the density of daily sorties and air raids has already surpassed that of last December, what has been the impact on infrastructure and human lives?

Munier: Americans are concentrating their attack on the two no-fly zones, following two scenarios. The first, is to re-run the attempted land invasion scheduled to be launched

from Kurdistan, an invasion which was short-circuited by the Iraqi offensive on Erbil of September 1996, carried out at the request of Massoud Barzani [leader of the Democratic Party of Kurdistan]. The CIA is trying to lead the Kurds into an adventure in which they want no part.

The second scenario aims at constituting a so-called liberated zone in the south of Iraq, with Basra as its capital. That scenario had failed during the 1991 Gulf War, because the Iranians did not want to leave to the West the control of a region that they consider theirs. Today, Washington backs the pro-Iranian Shi'ite option. But the Iraqis of the south will greet the new invaders as they greeted Khomeini's troops. I would not bet much on their skins.

The infrastructure has perhaps been destroyed, but one cannot remain in a country where the population is hostile to you. In the south, there is the Iraqi Army, the popular army of the Baath Party, and the tribes. A foreign expeditionary body will not be sufficient to counter that.

EIR: Let's talk about the Iraqi opposition that Washington and London are trying to build up against Saddam Hussein. Are these forces real? Do they have the capacity to launch an assault against Baghdad?

Munier: The Kurdish opposition movements are practically the only ones that represent something real, because they are engaged in a nationalist struggle. Whether one is favorable or not to Jalal Talabani [head of the Patriotic Union of Kurdistan] or Massoud Barzani, they nonetheless have a base, be it that of their own tribes or religious confraternities.

The opponents based in Iran within the Mohamed Bakr Al Hakim-led Supreme Council of the Islamic Revolution in Iraq (SCIRI), represent different tendencies of pro-Iranian Shi'ism. Those people have been well-provisioned and armed by the Iranians for ten years, and it's not guaranteed that they will be willing to risk their lives on the other side of the border. They would rather reap the harvest of an operation carried out by others. To go and get shot in Basra for the greater happiness of the Americans, is a different story. . . .

Then there is the so-called London opposition. Ahmed Chalabi is one of the pillars of this tendency. [See *EIR*, Jan. 29, 1999, p. 38.] He is wanted for fraud. It's sufficient to go to Interpol to consult his background. He is responsible for the bankruptcy of the Petrabank in Jordan in 1989. He escaped from that country to avoid being prosecuted. The CIA has now propelled him into the leadership of the Iraqi National Congress, and he is received by the American Congress. It's totally crazy! You don't put a crook at the head of a movement which claims to liberate a country.

Among groups financed through the Iraq Liberation Act, there are also royalists who fled Iraq in 1958. They speak Arabic with an English accent. A prince, presently in Great Britain, calls himself the descendant of the Iraqi Hashemites,

when in reality he descends not from King Faisal II, murdered in July 1958, but from the regent Abdullillah, a British hand and a hated personality who was the source of the general discontent that pervaded Iraq at the time.

EIR: Let's talk about the Kurds. They represent one of the few solid movements of this resistance, but everyone knows that they also have agreements with Saddam which they don't want to give up. In that light, what could be the attitude of Kurds in the coming conflict?

Munier: When Saddam Hussein was Vice President of the Republic [in the 1970s], he was the one who granted a relative autonomy to Iraqi Kurdistan. Massoud Barzani has known Saddam for a long time, and also knows the value of American promises. Not only did he live through the collapse of the resistance activities led by his father, Mustapha, after he was dumped by Kissinger, but he remembers the way in which they were treated in the United States, where they sought refuge.

Numerous wars have set Iraqi Kurds in opposition to the central power, but the thread of the relationship was never broken. Mustapha Barzani used to send his sons to Baghdad, to discuss the cease-fires, and they were always treated with dignity. That seems incredible to Westerners, who speculate on the hatred sown by their secret services in that region.

In Iran, the negotiations proposed by the Islamic regime were all traps. The Iranian Kurd leader Gassemlou lost his life in that context. Iraq is the place where the Kurds have the most rights, and paradoxically, it is Iraq which is under the greatest attack for the way in which the Kurds are treated. In Turkey, a member of NATO, the Kurds are simply considered outlaws. The CIA and the Mossad helped Ankara capture Ocalan. There are double standards in all this, and, what is certain, is that the Kurds are always being cheated by everybody.

EIR: When Abdullah Ocalan, the head of the Kurdish Workers Party (PKK) was arrested, there was some talk about an existing collaboration between the Kurdish movements in northern Iraq and the Turkish government on the basis of their one common interest: an alliance against the PKK. Would it not be possible from there, to woo the Kurds into accepting the creation of an autonomous state in northern Iraq—with support from the Turks—in exchange for a stronger alliance against Saddam?

Munier: Some say that in order to counter the Kurdish TV which currently transmits out of Sweden or some other country and is close to the PKK, Turkey is encouraging the creation of a new Kurdish TV network at Erbil [in Iraq]. Barzani, who controls this area, plays a multiple game: with the Iraqi government, with the Americans, but also with the Turks. What is at stake for him, is the ability to contain the influence of the PKK, a Marxist-type movement, as was also the case

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with the former Maoist, Talabani.

Barzani needs Turkey, not least, because that country controls the roads over which the trucks carry Iraqi oil to the Asia Minor ports, and upon which he collects a toll. The sum collected is considerable. That caused the civil war between him and Talabani, who was demanding a piece of the cake. The Americans have gotten them to reconcile—but for how long? Jalal Talabani, nicknamed, throughout the Middle East, the “king of mercenaries,” is not exactly trustworthy.

EIR: But the Turks are totally opposed to the creation of a Kurdish state in the north of Iraq?

Munier: They are totally against it, because it would create a pole of attraction for Turkish Kurdistan. For a Kurd state to exist in the north of Iraq, the different tribes and local clans would have to come to terms with each other. Since antiquity, this has never really happened.

On the other hand, it is known now—although, unfortunately, the Western press has not made it widely known—that when Al Hakim went to pray at [the Shiite Iranian holy city] Qom, some ten days ago, he was met by hostile movements at the mosque’s entrance. Tomatoes and shoes were thrown at him, and he was accused of being responsible for the murder of Imam Mohammad Sadiq al-Sadr. The Iranian security services then arrested some 150 demonstrators, some of whom belonged to the front that he leads. The Western press made it a point of not covering this information. [The Iraqi cleric had been murdered in February in Najaf, Iraq, sparking protests by Shiites, who automatically blamed Baghdad for the assassination—ed.]

EIR: What is the Iranian position vis-à-vis a new Anglo-American escalation against Iraq? During his recent trip to Rome, President Seyyed Mohammad Khatami denounced the air raids and the unliteralism of that position. . . .

Munier: The problem of the Iranian leaders is their deep-rooted hatred against Saddam Hussein. But, they reflect and wonder if they would not themselves become the American target, once Baghdad will have fallen. They tell themselves, therefore, that it is better to contain the Americans, and not to do anything decisive which might help the West install a regime under their control in Iraq.

They are rather worried themselves. During the December bombings, some stray missiles landed on Iran. Was it a warn-

ing or not—I don’t know. In Iraq, certain “stray” missiles were aimed at the houses of personalities. . . . It was not a coincidence. . . .

EIR: Faced with this extremely difficult situation, what is Iraq’s strategy? The UN Security Council is divided: China and Russia denounce the war openly; France does too, even if less vehemently. What is the Iraqi strategy vis-à-vis those countries?

Munier: For the Iraqis, even the softer French position is good. In their situation, they can’t exactly be picky. I think also that [French President Jacques] Chirac follows American domestic politics closely. He thinks Clinton is not as bad as some say, and that he should not be put a worse position with respect to the warhawks like [Vice President] Al Gore, [Secretary of Defense] William Cohen, and [Chairman of the Joint Chiefs of Staff] Gen. [Henry H.] Shelton. There are some very dangerous people within the Clinton administration.

Concerning the French initiative in the United Nations, it’s simple: The Iraqis applaud the part that calls for lifting the embargo. But, they find totally unacceptable the idea of putting their economy under international trusteeship. I think, at any rate, that this plan cannot be achieved. The UN surveillance team would rapidly show its ineffectiveness. It would be corrupted by Western mafias attracted by the contracts. It’s already the case for the present sanctions committee.

I wonder why France continues to defend its project. The American warhawks reject any talk about lifting the embargo. It seems to me that this project is still-born. In an attempt to overprotect Clinton, France is, in reality, going against its own interests and its Arab policy.

Faced with this situation, Iraqi diplomacy is not inactive. President Saddam Hussein launched the proposal for an international front against the “imperial policies of the United States,” a vast design which meets that of the strategic partnership between China, Russia, and India.

India could compete with the West in the Near East. Its capacities are immense and it is not perceived as a danger. It has strong ties to Mesopotamia going back to antiquity. During the Abbassid epoch [the humanist Baghdad-based caliphate in the 8th-13th centuries], the port of Basra traded with the Indian ports. Under the British mandate, when

Iraq depended on the Empire of the Indias, relations grew between Arab nationalists and Indians. They were strengthened when Nehru gave impetus to the Non-Aligned Movement.

The Iraqis think that we have to relaunch the Non-Aligned Movement, or to create a new and more vigorous structure. The front proposed by Saddam Hussein is not reserved for Third World countries, nor to former communist regimes. It could bring together those who, in Europe and in the United States, oppose present American policies. That includes a lot of people. There is no reason why such a current of opinion could not carry weight in the future of the world.

EIR: And China?

Munier: China is in a better position than Russia. It could give a determining impulse to that new movement. The Russians make beautiful declarations but cannot follow their ideas through to the end. They have to compromise. I think their President [Boris Yeltsin] is at the end of his rope, and that [Prime Minister Yevgeni] Primakov needs the IMF [International Monetary Fund] and American credits too much to be able to act freely.

EIR: Many people expect a massive escalation of the war against Iraq in April, including even the deployment of special forces and ground troops.

Munier: There is much talk about that, indeed. The scenarios we have spoken about could be activated, but to intervene outside of the exclusion zones, is a different affair.

There have been projects to intervene in Baghdad by mobilizing British SAS [Special Air Services] to capture Saddam Hussein, or to eliminate him. Certain people say that the Americans do not want to kill Saddam; they are wrong. Just during the Gulf War, the American Air Force set up 240 operations to kill him. It was delusional! Following false information peddled by the Iraqi opponents in London, hundreds of Iraqi families who had taken refuge in the Amariyah bunker in Baghdad, were massacred. Aircraft were programmed to search for a certain type of vehicle used by Saddam Hussein. Perhaps more than 100 people who had the bad luck of owning the same type of vehicle, were killed.

I think that those Americans who are preparing the final "land offensive" do not know what trap they are getting into. They should remember the deplorable outcome of Carter's attempt to liberate the hostages [in Iran] which flopped. If Bush didn't go all the way to Baghdad, it's because he knew very well that there would be heavy human losses and that American public opinion would not accept it.

EIR: Beyond the situation in Iraq, the whole Middle East is currently a powderkeg. Political forces, whole countries are being pushed, their back against the wall, into extreme situations which heighten the war danger. There is Israel,

with an election coming up which [Prime Minister Benjamin] Netanyahu would like to postpone at all costs in order to eliminate whatever is left of the Middle East peace plan. There is the situation of southern Lebanon: Israel wants to withdraw without having to give the Golan Heights back to Syria, something which is intolerable for Syria. There are also difficult transition periods in Jordan, but also in Syria. In that context of extreme tensions, certain people fear that conflicts might explode where tactical nuclear weapons could be deployed. What do you think of that possibility?

Munier: From the American side, one can expect anything at this point, considering the warhawks who are leading their efforts at the military level. An American Air Force general declared recently that on the day and at the hour chosen by the Chief of Staff, the U.S. response to the Iraqi anti-aircraft fire will be disproportionate to the act committed. Was he thinking about the utilization of tactical nuclear weapons? Anything is possible.

At any rate, the United States is carrying out military experiments in Iraq. During my last trip to Baghdad, I was joined by a French friend who, at 6 p.m., made a stop at the Kilometer 250 gas station in the desert, between the Jordanian border and Baghdad. It was night. He then left, accompanied by other vehicles. Suddenly, about ten kilometers out, the desert was lit all up around him. On his left, at approximately 300 meters, he saw an enormous ball of fire and heard an explosion. All the cars stopped. What was it? Nobody knows. There is no military base or target in this area. This eye-witness report, however, confirms those of other Iraqis about other surprising events elsewhere in Iraq. One has the impression that Iraqi territory is being used to test new weapons.

EIR: Would you like to add something for the American population?

Munier: The American people should be more interested in what is happening abroad. I would be worried if I were them. Their leaders are provoking a revolt of the great majority of the world's peoples against the United States.

I know neither the American establishment nor the American people. And the problem is also that one knows little, or not at all, about those who constitute a countercurrent in that country. Lyndon LaRouche is known, because he has an international network through which he can communicate his ideas: His press played an important role in unmasking George Bush. Ramsey Clark saved the honor of the United States by denouncing this war and the massacre of Iraqi children by the embargo. Noam Chomsky denounced the New World Order, and issued calls which received good responses from intellectuals. They are not the only ones with courage the United States, that's obvious. Who are the others? What are they doing? I think that one of the interests of creating a new non-aligned front will be to find the American dissidents.

How the British ‘Great Game’ has led to a number of smaller games

by Ramtanu Maitra

A large number of Central Asian scholars were recently in India, attending a seminar on March 22-23 on the “Geopolitics Surrounding Central Asia,” organized by the School of International Studies (SIS) at Jawaharlal Nehru University, New Delhi. As the theme of the seminar suggested, most of the Central Asian and Indian participants presented papers which discussed the proliferation of a host of smaller games within the British “Great Game,” designed to create chaos and uncertainty throughout the region.

At the same time, the scholars outlined the moves that are now being made to capture control over the region’s huge energy reserves. A number of Kyrgyz and Tajik scholars, while pointing out the present lack of Indian initiative in Central Asia, cited the ancient, but vibrant, cultural and economic ties between India and Central Asia.

The oil game

Those who spoke on the complex energy-related geopolitical games that have been unleashed in the region following the disintegration of the Soviet Union, included a number of leading Indian analysts. Former Indian Ambassador to Turkey K. Gajendra Singh, who chaired one session, recalled how the game was given a boost in 1997 by Azerbaijan President Heidar Aliyev, when he went to the United States and signed oil deals worth some \$10 billion with the U.S. oil multinationals. In Washington, more than 400 VIPs, including senior officials and geopoliticians such as Zbigniew Brzezinski and Caspar Weinberger, along with lobbyists, investors, and facilitators, attended a \$250 per plate dinner in Aliyev’s honor.

Aliyev’s selling point, geopolitically speaking, was an anti-Iran, anti-Russian, and pro-Turkey nexus. Aliyev, Ambassador Singh pointed out, was helped by the large Azeri Jewish population and the American Jewish lobby to establish contact with powerful people in America. It was no surprise, he said, that Aliyev got to meet President Bill Clinton in 1994, and soon after that, Israeli Prime Minister Benjamin Netanyahu came calling to see him in Baku, the capital of Azerbaijan.

If Ambassador Singh’s anecdotal descriptions gave a glimpse of how the Central Asian oil game has been broadened to invite the geopoliticians with colonial interests, a

scholar from New Delhi’s Institute for Defense Studies and Analyses elaborated on the potential for intense fighting over control of Caspian Sea oil. Despite the Almaty Declaration, signed in December 1991 by the members of the Commonwealth of Independent States, including the newly created republics of Central Asia and the Caucasus, the key legal dispute over the Caspian involves the division of the Caspian Sea into exclusive zones to be used by each sovereign state for its own purpose.

This involves a legal debate over whether the Caspian is a “sea” or a “lake.” If it is a sea, then the international law of the sea holds and implies certain distribution arrangements, including the establishment of an exclusive economic zone for each bordering state. A lake, on the other hand, is not subject to any presumed delimitation, and as such, requires mutual consent for the division of resources.

Security threats

In addition to the oil game, or, perhaps, to ensure victory in the oil game, a number of other games are being played in the region. One Indian scholar pointed out that Islamic fundamentalism in the form of Wahhabism, exported from Saudi Arabia through various routes, has taken on a virulent form in Uzbekistan and Tajikistan. Wahhabism, termed by a large section of the Islamic world as “ruthlessly orthodox,” rejects Sufism as a Turkish conspiracy to undermine Islam, and attacks the Shias as heretics.

A paper presented by this author, on behalf of *EIR*, emphasized another “small game,” the arms- and drug-trafficking, which is prominent in the region. Money generated from drug-trafficking finances a number of secessionist movements in Central Asia and Russia. It also has the potential to cause massive damage to the region politically, economically, and culturally. Eyewitnesses report a growing involvement in drug-trafficking and gun-running in the Pamir Mountains by shadowy groups of Ismaili Shias. It should be a matter of concern that various international organizations linked to the Aga Khan Foundation of the Europe-based Sadruddin Aga Khan are investing generously in the Pamirs, this author noted.

The *EIR* paper, entitled “The Importance of the Eurasian

Land-Bridge for Central Asian Development,” pointed out that the stakes in Central Asia are large for all major nations adjacent to it, including Russia, China, India, Pakistan, and Iran, and that time is running out fast. Unless the major nations quickly evaluate the security and strategic situation in the region and come to a constructive arrangement for economic development, there is a great likelihood that the “small games” played upon economically and politically weak nations may turn the whole of Central Asia into a large Afghanistan, where problems breed at a much faster rate than solutions.

What Central Asia needs

This author pointed out that Central Asian leaders, and those of the major nations surrounding it, must understand that so long as the Central Asian nations are viewed as suppliers of important raw materials, the Great Game can spawn a whole range of small games, keeping the region in a constant state of chaos.

The key to establishing stability and economic development is in identifying the agro-industrial potential of the Central Asian nations and utilizing the vast energy and abundant material resources to reach that goal. An all-round agro-industrial development program for these countries would ensure development of transportation, communications, and human and water resources. These developments, if taken hand-in-hand with the establishment of industries for processing of raw materials and production of capital goods and basic consumer goods, would make Central Asian society stable and sustainable, the *EIR* paper stressed.

This author pointed out yet another area which the scholars tend to ignore, namely, the financial globalization that the Central Asian nations are presently undergoing. As a result, the financial institutions in the region have remained very weak and are falling under the influence of foreign bankers and speculators.

Having gotten rid of the “birthmarks of socialism”—the nationalized banking system—the Central Asian nations, Kyrgyzstan in particular, opened their new financial systems and they immediately went bust. Out of 20 commercial banks functioning in Kyrgyzstan, 12 have gone under. In Uzbekistan, where the banks are more solvent, the picture is not reassuring. Uzbekistan has the largest number of representative offices of foreign banks in the region, and a number of joint venture banks have cropped up as well. Deutsche Bank, Chase Manhattan Bank, Malaybank, and 20 other foreign banks are represented, ensuring Uzbekistan’s steady loss of control over its finances and eliciting its pledge of faith in financial globalization.

In a paper by SIS academic Prof. K. Warikoo, a note of optimism was struck. Having recently visited Kyrgyzstan and travelled a bit along the old Silk Road, he noted the growing commerce and trade between Kyrgyzstan and China, and Kazakhstan and China. Citing Askar Ch. Aitmatov, an adviser to Kyrgyzstan President Askar Akayev, Warikoo said that

Kyrgyzstan is keen to overcome its landlocked situation by opening multiple communications options with the outside world through Russia and China.

Professor Warikoo also mentioned a number of positive developments along the China-Kyrgyz border. Kyrgyzstan has settled its inherited border dispute with China, and has agreed not to allow Uighur secessionist activity within its territory, while China has vowed not to allow any increase in the number of Chinese immigrants into Kyrgyzstan. Warikoo also described the increasing hustle and bustle along the Chinese-built sections of the Eurasian Land-Bridge, and positive signs of economic achievement along the route.

New geopolitics

Painting a broader picture, Prof. Devendra Kaushik, former head of the Russian and East European Section of the SIS, said in his paper that the classic form of geopolitics, propounded by Rudolf Kjellen, Friedrich Ratzel, Alfred T. Mahan, and Halford Mackinder, has once again raised its ugly head in Central Asia. As a follower of these colonialist political scientists, Zbigniew Brzezinski, in his book *The Grand Chessboard* (see *Feature* in this issue, and Lyndon H. LaRouche, Jr., “Mad Brzezinski’s Chessboard,” in last week’s *EIR*), proposed a fragmentation of Russia into a confederative European Russia, while a Siberian Republic and a Far Eastern Republic are to be managed in cooperation with China and Japan. Azerbaijan, Turkmenistan, and Uzbekistan are to be managed jointly in cooperation with Turkey and possibly also Iran. Brzezinski moots that control over Central Asia be in the hands of the United States, China, and Japan, while NATO provides the overall umbrella.

Such geopolitical formulations, if brought to fruition, Kaushik points out, would mean no end of trouble for Central Asia and the Caspian area. He points out that for Central Asia, its natural dependence should lie with Russia, China, and India. Russia and China are neighbors, and both have enormous scientific and technological capabilities to change the economic scene in Central Asia. India, which does not have a direct land route with Central Asia, must try to build one through eastern Ladakh and connect it to the Xinjiang-Tibet highway.

Kaushik is optimistic that the geopoliticians of the likes of Brzezinski can be out-manuevered. He told the Central Asian scholars that the weakness of classical geopolitics is that it is based upon the theory that “political power in the modern world rests upon a complex base of raw materials and that no state can become or remain a great power without secure access to huge quantities of mineral fuels and other sources of energy, metallic ores, non-metallic chemicals, etc.” This physiocratic analysis failed to anticipate modern technological advances in discovering substitutes for rare metals and important raw materials, Kaushik notes.

Sketching out the new mode of geopolitics, Kaushik said: “As a highly dynamic transnational economy rapidly replaces the state-centric classical geopolitics, fixed geographical con-

ditions and configurations like heartland/rimlands, lifelines, choke-points, critical strategic zones, etc., hardly impinge upon the policy and behavior of great powers engaged in pursuit of hegemony.”

Interview: Chary Taganovich Kuliyeu

Turkmenistan develops its oil, gas resources

When the news of a pipeline deal between Turkmenistan and several Western oil companies was announced, for a pipeline under the Caspian Sea, through Azerbaijan, Georgia, and into Turkey, it was hailed in some European and American press as a geopolitical coup, whereby Turkmenistan had “joined” the camp of the Brzezinski-led faction of geopoliticians, who seek to exploit Central Asia oil and gas for political purposes. It was also said in this connection, that Turkmenistan’s agreements for pipeline and other economic cooperation with other states, such as Iran, Russia, etc., had thereby been cancelled.

To set the record straight, EIR requested an interview with the Ambassador of the Republic of Turkmenistan in Bonn, Germany. His Excellency Mr. Chary Taganovich Kuliyeu provided exhaustive clarification regarding this and related issues, in an interview with Muriel Mirak-Weissbach in March.

EIR: What was decided about the natural gas pipeline on the Caspian Sea floor, in the agreement reached between Turkmenistan and the American consortium PSG?

Kuliyeu: On Feb. 19, 1999, the President of Turkmenistan, Saparmurat Niyazov, and the chief executive director of PSG corporation, Edward Smith, signed an agreement, under which that firm became the charter sponsor of the trans-Caspian project, as well as a Project Memorandum. These documents mean that implementation of the trans-Caspian project has entered a qualitatively new stage, initiating the formation of the consortium that will build and commission the trans-Caspian pipeline.

This important event was welcomed, on behalf of the American administration, by adviser to the President and to the State Department for Caspian region energy development Richard Morningstar, who noted, in particular, that the trans-Caspian project will enable Turkmenistan to exploit its energy potential with maximum gain for itself, while marking its integration into not only the regional, but the global energy system. He also emphasized that this event is historic in the

context of strengthening bilateral relations between Turkmenistan and the U.S.A., and that the American government will do everything in its power to continue to promote the trans-Caspian project.

The trans-Caspian project is the first international project of this scale to be carried out at the turn of the century. This event was the result of efforts not only by Turkmenistan, but also by our partners, particularly the U.S.A. and, above all, U.S. President Bill Clinton and Vice President Albert Gore, with whom President S.A. Niyazov discussed in detail all the questions related to implementation of the trans-Caspian project, during talks in Washington in April of last year.

In working to implement this project, Turkmenistan is not playing political games, but is guided exclusively by its national interests, insofar as it is impermissible for a country that possesses 30% of the world’s reserves of hydrocarbon [natural gas] raw materials to do nothing for the development of pipeline infrastructure.

In response to concerns on the part of some countries in the region, about the possible ecological impact of this project, it will be subjected to international expert ecological analysis, for which purpose the Turkmen side has proposed to recruit experts from all of the Caspian littoral states.

President of Turkmenistan S.A. Niyazov has reported that he has received official support from the Presidents of Azerbaijan, Georgia, and Turkey, across whose territory the pipeline will run. As for Turkmenistan, it will firmly and unflinchingly adhere to the responsibilities it has assumed.

The technical and economic research data indicate that the pipeline will be built in a period of 28 months. Its length from the eastern natural gas deposits in Turkmenistan to the Turkish city of Erzurum is approximately 2,000 kilometers, with a capacity of 30 billion cubic meters of gas per annum. The estimated cost of the project is on the order of \$3 billion.

Edward Smith, chief executive officer of PSG corporation, which is jointly owned by General Electric Capital and Bechtel Enterprises, has stated that over the next few months, the operator plans to conclude agreements with other potential participants in the consortium and with the transit countries. He also announced that government and private financial agencies from the U.S.A. and other countries have expressed interest in the project. At the present time, talks on the financing package are already under way.

On March 12, 1999, a framework agreement was signed between Turkmenistan and the Botash Petroleum Pipeline company, on the purchase and sale of Turkmen gas. The document contains the basic principles for purchases and sales. Its significance is to accelerate the trans-Caspian pipeline project and create the conditions for the project to be financed. The agreement was endorsed by Turkish Minister of Energy and Natural Resources Ziya Aktash and Edward Smith, president of PSG, named the leader of the pipeline consortium.

The framework agreement regularizes annual contract volumes of gas, which Turkmenistan pledges to deliver via the trans-Caspian pipeline, while Turkey guarantees receiv-

ing it on a “payment upon delivery” basis. This volume will rise from 5 billion cubic meters of gas per annum to 16. The sides have pledged their guarantee for 30 years. The main sale and purchase contract will be signed no later than May 30 of this year.

EIR: What oil and natural gas pipelines does Turkmenistan already have, through Russia and Iran?

Kuliyev: Turkmenistan’s gas pipeline through Russia existed already in the Soviet period. It is well known that for many years, Turkmenistan exported more than 85 billion cubic meters of gas each year to the republics of the U.S.S.R. and to Europe, across Russian territory. The volume of fuel, supplied by Turkmenistan, was valued at \$15-20 billion. The less than perfect system of management and of the division of labor and distribution of profit, however, infringed the interests of Turkmenistan. Today, as an independent country, Turkmenistan independently determines its own political course and economic priorities. Since Jan. 1, 1999, Turkmenistan has been supplying 20 billion cubic meters of natural gas per annum to Ukraine, through that pipeline.

The Turkmenistan-Iran gas pipeline segment has existed since December 1997, and was part of the Turkmenistan-Iran-Turkey-Europe project. At the present time, Turkmenistan supplies approximately 8 billion cubic meters of gas per annum to its neighbor, Iran. That pipeline is technically capable of handling a rather larger quantity of gas.

EIR: Why hasn’t the Turkmenistan-Iran-Turkey gas pipeline been finished? Is the problem the unfinished part through Turkey?

Kuliyev: In one of his speeches, President S.A. Niyazov of Turkmenistan said that the question of building the Turkmenistan-Iran-Turkey-Europe pipeline has never been removed from the agenda. Construction of this gas pipeline was never stopped. Each of the countries, across whose territory the pipeline runs, has to carry out its construction independently. Turkmenistan completed construction of the gas pipeline to Iran, and the neighboring countries are working on the project. Perhaps the work is not going terribly fast. Of course, all the pros and cons have to be taken into account in this matter. Economic, political, and a number of other factors may affect the rate of construction. In their totality, they determine the rate at which the work can be done. One should be understanding and somewhat patient in this situation.

EIR: What are Turkmenistan’s plans for the construction of other gas pipelines, through Afghanistan, Uzbekistan, and other countries?

Kuliyev: The President of Turkmenistan has been and remains a consistent supporter of the idea of a *multi-option system* for fuel exports from the region to world markets. The urgency of the trans-Caspian option for the transport of Turkmen gas to Turkey and Europe was never taken off the agenda. Work is continuing on the project for the export of

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natural gas from Turkmenistan through Afghanistan to Pakistan and India. With the assistance of foreign experts from a number of countries, draft plans are under study for laying a pipeline from Turkmenistan to China and onwards to Japan. There is also considerable interest in the project for an oil pipeline from Turkmenistan to the southern borders of Iran, with an outlet to the Persian Gulf. Turkmenistan is prepared to study any project drafts and to cooperate in this area with all the countries of the world. In this regard, Turkmenistan is pursuing not only its own goals. By creating a multi-channel system for supplying fuels to various countries and/or regions, Turkmenistan can serve as a key link in *an international pipeline network*. Thus, energy-poor countries and/or regions will be able to obtain the fuel they need, while countries that are rich in raw materials will find purchasers. Such a mechanism, once established, could stabilize the energy imbalances of both Europe and Asia.

EIR: How will these projects be financed?

Kuliyev: The question of financing is taken up individually for each concrete pipeline construction project. State financial institutions, as well as private ones, may participate in financing a given project. The question of how the trans-Caspian project is being financed, for example, was laid out above. A similar mechanism is applied in each concrete case and is discussed with all the countries participating in a project.

EIR: How are Turkmenistan's relations with the IMF?

Kuliyev: Turkmenistan's relations with the International Monetary Fund may be called relationships of partnership, without qualification. An IMF office has been opened in Ashgabat, the capital of Turkmenistan, and the IMF has been working with the government for several years on carrying out reforms in Turkmenistan. Moreover, the government of Turkmenistan has regular consultations with the IMF, at the level of the leadership and of experts.

EIR: What are the government's plans for infrastructure construction and the further industrialization of Turkmenistan?

Kuliyev: Rich in natural resources, Turkmenistan was a "raw materials appendage" and an agrarian republic within the U.S.S.R. Industry and infrastructure were inadequately developed, remaining at a very low level right up until the day of independence. In accord with the policy adopted by President S.A. Niyazov for the rebirth of the country, Turkmenistan has entered a new phase of its history. Our traditional agriculture is now developing in parallel with industry. In the years since Turkmenistan proclaimed its sovereignty, the country has launched approximately 600 construction projects for various national economic purposes, a number of which are already completed. Among them are textile plants, telecommunications facilities, roads, pharmaceuticals factories, and much more. It is worth noting that in 1991, Turkmen-

istan processed only 3% of the annual cotton crop. With the construction of textile plants, this indicator has reached 40%. Our new airport, on which construction was finished in 1995, can accommodate all types of civil aviation and transport aircraft. It is the air transport crossroads between West and East. Construction of the Tajan-Sarakhs-Mashhad railroad segment connected Turkmenistan with Iran; it became operational in May 1996. With this link, the rail network of the entire Central Asian region gained an outlet to the Persian Gulf and other countries, adjacent to Iran. This rail segment is now carrying a full freight load.

Turkmenistan's agricultural policy deserves special attention. The steady process of agricultural reforms has yielded tangible results. In 1998, the country produced 1.23 million tons of grain (for comparison, in 1991, Turkmenistan produced only 70,000 tons of grain). This meant that the country covered its own requirements for grain, and will be able to export part of the harvest in the near future.

EIR: After the talks in Ashgabat between the Taliban and the Northern Alliance, there is some prospect for peace in Afghanistan. What role did Turkmenistan play in this process?

Kuliyev: The second round of talks, under the aegis of the United Nations, on settling the internal conflict in Afghanistan, took place in Turkmenistan's capital, Ashgabat. The sides effectively agreed on all points of the agenda and were glad to announce to the people of Afghanistan, and to the peoples of neighboring states and the entire world, that they have never been so close to achieving accord as they are now. It would be difficult to overstate the services of Turkmenistan in reconciling the antagonistic sides. It was Turkmenistan that convinced them to sit down at the negotiating table. We had just one goal: to bring long-awaited peace to the much-suffering land of Afghanistan and to assist the normalization of the situation in the region. Turkmenistan, proceeding from humanitarian principles and good-neighborliness, created the conditions for holding the peace talks. The joint efforts of the UN and Turkmenistan were crowned with significant achievements. Turkmenistan's President S.A. Niyazov played a special role. This was noted by the special emissary of the UN Secretary General for Afghanistan, Ambassador Lajar Brahmin, who intends to visit Ashgabat in the near future, in order personally to congratulate and thank President of Turkmenistan S.A. Niyazov for his sustained attention and support for the activity of the UN in the region.

Turkmenistan, as a neutral country, supports good relations of friendship with all the nations of the world. This is our obligation, not only as a neutral country, but because of the very nature of the Turkmen people. The great Turkmen poet Magtymguly said in his verses about his people: "Here friendship is the custom, and brotherhood the law." Turkmenistan is prepared for any contacts with any country in the world.

President of Kyrgyzstan: Our foreign policy doctrine is the Great Silk Road

Askar Akayev, President of the Kyrgyz Republic, has issued a program, entitled "The Diplomatic Conception of the Great Silk Route," which is the "Doctrine of the President of the Kyrgyz Republic." This program, which was released officially in early 1999, identifies the Silk Route, or Silk Road, a project also known as the Eurasian Land-Bridge, as the conceptual basis for the foreign policy orientation of the Kyrgyz Republic today.

The Kyrgyz Silk Road program has received wide publicity throughout the region, including its publication in the Russian newspaper Nezavisimaya Gazeta, as an article under President Akayev's by-line.

Excerpts follow. The text has been rendered into English from the unofficial German translation, made available to EIR courtesy of the Kyrgyz Embassy in Bonn, Germany.

Past and present of the Great Silk Route

The Great Silk Route has a history of several thousand years, during which, in ancient times, it provided the trade and economic, cultural and humanitarian, and political and diplomatic links between East and West and, to a certain extent, North and South. In the various phases of its existence, the content and meaning, direction and dimensions of the contacts underwent changes, but one thing remained constant: For this long period of time, the Great Silk Route was the bridge between different countries and civilizations.

Trade was carried out on it, which catalyzed the development of crafts. Travellers and researchers made a huge contribution to the development of science, as they studied the countries and peoples inhabiting the lands along the entire Route.

The world got to know the ideas and works of the greatest philosophers, scientists, and statesmen. There was an intensive mutual enrichment of cultures, and an exchange of knowledge, spiritual and philosophical conceptions, and views. Thanks to the Route, great epics became the property of all mankind. Syncretic and monotheistic religious ideas were spread by the Great Silk Route. Zoroastrianism, Buddhism, Judaism, Islam, and Christianity all found their adepts along the Great Silk Route.

The Great Silk Route was of incalculable importance for establishing and maintaining diplomatic relations between the centers of political life, the major nations of Europe and Asia. Numerous historical sources, for instance, report on the high level of official contacts and diplomatic missions between Byzantium and China, powers that played no small

role in the international life of that period. . . .

Despite many changes in direction, the main arteries of the Great Silk Route were destined to cross the territory of Kyrgyzstan.

On the eve of the new, third millennium, the idea of a rebirth of the Great Silk Route has broad international support, which has to do with two tendencies in the modern world. The first is the deepening of processes of interdependence and globalization. . . . The second tendency is the high level of regional and subregional integration.

The sustained and dynamic development of political and economic relations today is inconceivable without friendship, partnership, trust, and mutually beneficial relations, among all the nations of the Silk Route region.

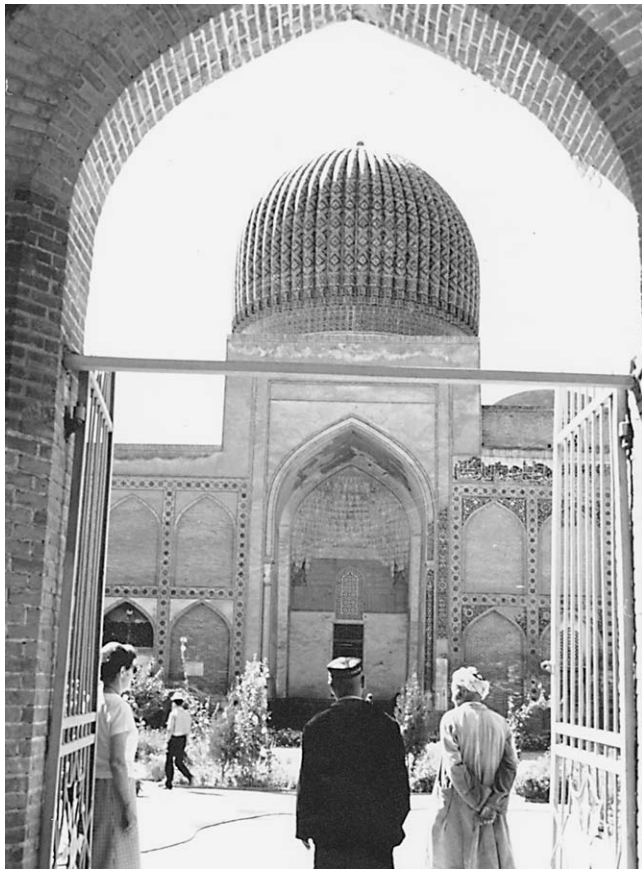
The geographical area of the Great Silk Route has no borders or limits. An expansion for countries which want to develop cooperation with those countries belonging to the Great Silk Road, is lawfully conditioned in the course of historical development. Arms races, local conflicts, extremism and terrorism, illegal production, the proliferation of drugs and drug consumption, natural catastrophes as well as technological and human catastrophes, extreme social poverty—these problems lead to insight into the natural and objective necessity of the rebirth of the Great Silk Road on a qualitatively new foundation.

While the Great Silk Road may have played the role of a connecting bridge in the past, its current task—under the conditions of globalization—goes far beyond these dimensions. The cosmic and planetary dimensions manifest themselves in their entirety, understood as an organic connection to modern progress and the development of human civilization as such.

The Renaissance of the Great Silk Road, under new historical conditions, refutes those ideas which are met with in the past, according to which the worldview and mentality of the West and of the East are artificially conceived as being in no way comparable with each other. Fortunately, a far more world-comprehensive idea is uppermost in the minds and hearts of people who populate the region of the Silk Road.

The ideas of humanism, tolerance, and a rebirth of the spiritual are opening a path in relentless struggle against prejudices and intolerance toward those who think differently, which beliefs are centuries old.

Kyrgyzstan, which lies at the immediate center of the Eurasian continent, at the seams of different cultures, and thereby experiences and absorbs the multiplicity of cultures



The Guri Mausoleum in Samarkand, Uzbekistan, some of the beautiful architecture found today along the ancient Silk Road.

and worldviews, has, under the current conditions, the necessary preconditions for being a bridge of friendship and cooperation among all countries belonging to the region of the Great Silk Road.

Kyrgyzstan: An integral part of the Great Silk Route

The land with the name Kyrgyzstan

After regaining national independence, Kyrgyzstan developed itself in a qualitatively new way — the way of political and socio-economic change.

Such notions as democratization, civil freedom, or supremacy of the law, have found their way into daily use. Principles of balance of powers and a system of restraint and counter-balances, in a reciprocal relationship, have tangibly demonstrated their effectiveness.

Favorable conditions were created in order to promote initiatives and activities of citizens in local organizations, in order to develop regional self-administration as one of the foundations of life of the nation at all levels.

The idea of Kyrgyzstan—our common house—has be-

come a conscious basis for the deepening and consolidation of international agreement and the creation of conditions for a human life of dignity for all citizens of the nation. In Kyrgyzstan, which has equally taken up the spiritual heritage and the rich traditions of the East and the West, members of many nationalities and religious confessions live together in peace and concord.

Kyrgyzstan has created the conditions for the formation of an open society with a developed market economy, it has successfully solved the problem of macroeconomic stabilization, and it has now entered upon the phase of economic upturn.

In Kyrgyzstan at the present time, a national information structure with access to global computer networks is being established.

One of the priority tasks of the whole society is to strengthen the positive trends in the economy and to secure a lasting process of growth: with promotion and aid for domestic entrepreneurs, especially for small and medium-sized firms, by means of attracting direct investments, and a broad utilization of new technologies.

In Kyrgyzstan, a climate conducive to investment has been created, and a legal foundation has been formed which provides foreign investors the necessary guarantees and privileges.

The stable political system, the openness, and the democratic economy of Kyrgyzstan, create good preconditions for the development of mutually advantageous international cooperation.

Kyrgyzstan has entered upon an era of democracy and its rebirth as an independent nation.

Kyrgyzstan and the countries of the region of the Great Land-Bridge

The use of the prefix “anti-” is fundamentally precluded with respect to bilateral cooperation in the conception of Kyrgyzstan’s foreign policy. This is conditioned by the whole course of the historical development of Kyrgyzstan as an independent state, by the fact that our country pursues a foreign policy directed at peace and develops its relations with the outside world on the basis of universally valid principles and norms of international law.

As an unwavering proponent of a broad and multilateral international cooperation in the common solution of global and international problems, Kyrgyzstan’s policy position is anti-drug, anti-extremism, and anti-terrorism. Kyrgyzstan is an irreconcilable opponent of illegal weapons trade and its proliferation, and it is struggling to achieve stability, progress, and economic prosperity, not only in its own region, but in the whole world.

Our country is very happy that, in the entire area over which the Great Silk Road stretches, there are no serious problems or contradictions of an antagonistic character to be observed between the countries of the region.

Among those participating in the international dialogue,

the consciousness of the necessity for solving deeply rooted problems peacefully at the negotiating table will become ever stronger. In this sense, Tajikistan, whose history is not to be separated from that of the Great Silk Road, is a good example. Political freedom, the effort to seek compromises and mutually acceptable solutions which the leaders of the earlier opposition have demonstrated, and the multiplicity of the mediation efforts and the missions of good will on the part of the neighboring countries, permit us to hope that the process of peace and national reconciliation in this country will become irreversible. Our country's initiative to convene a peace conference for Afghanistan has met with great recognition. The joint efforts and the cooperation of all countries which belong to the region of the Great Silk Road, can and should bring about the peace long yearned for in this so sorely tried country, and thus to turn forever this sad page in the history of this region.

The creation of a nuclear-free zone in Central Asia, the ending of the arms race and the conversion of weapons production, as well as the creation of conditions for a lasting development of all countries of the Great Silk Road, without exception, justify the hope that the region of the Silk Road will become transformed, with its immense potential and its resources, into one of the most flourishing, happiest regions of the world at the beginning of the third millennium, to the extent that the problems which touch upon the interests of all countries are jointly solved, and all obstacles in the way of a free flow of goods, capital, services, and labor are removed in the entire region of the Silk Road.

Kyrgyzstan is making targeted efforts for the development of cooperation with all the countries in the region of the Great Silk Road. In view of its geographical situation, our country has the favorable possibility of developing its relations in various directions, such as with bordering countries, with Europe, or with East and Southeast Asia.

Kyrgyzstan and the bordering countries

Our country is making a concerted effort to deepen multilateral cooperation with the bordering countries, to expand political, economic, and spiritual-cultural relations.

The fact that a common historical, political, economic, and spiritual-cultural background exists for these countries, which constituted one unified whole in the past, prescribes the objective necessity for mutual support and the development of relations in the context of bilateral and multilateral cooperation. Kyrgyzstan is watching attentively the dynamic, and participates actively in the many integration processes in the CIS [Commonwealth of Independent States] countries, and it is also making a contribution in the area of consolidating and deepening of regional and intra-regional integration.

In recognition of the important role which a favorable external environment plays for further development, Kyrgyzstan is making continuous and effective efforts to consolidate security in the region of its national borders with all neighboring countries. Together with other countries of the region,

Kyrgyzstan has signed a series of agreements which aim at strengthening confidence-building measures in the military area and further reducing the armed forces, which has made it possible to find solutions to the border issues remaining from the past.

Kyrgyzstan is geographically and also historically very close to the Muslim states of the region of the Great Silk Road, which have significant potentials for investment, industrial growth, and development of raw materials.

Kyrgyzstan and Europe

The importance of Europe for Kyrgyzstan is based on the following reasons: the necessity and the usefulness of cooperation with the highly developed European countries, the usefulness of further development of connections to the East European nations, as well as participation in the concerns of all of Europe, which concern nations bordering on Kyrgyzstan. In the course of the development of relations with European countries, Kyrgyzstan, aside from efforts it has already undertaken on the bilateral level, will intensify its multilateral diplomacy, utilizing the unique possibility of participating in the work of European-wide arrangements, which deal with questions of security (including the Central Asian region), economic cooperation, and the construction of democratic institutions.

Kyrgyzstan and East and South Asia

Kyrgyzstan's cooperation with the countries of East and South Asia is developing on the bilateral level as well as in the context of international organizations. Regardless of the financial and economic difficulties under which some Asian nations at the moment are suffering, their economic potential will play an increasing role on the stage of international events.

Considering the rich experience that the countries of South Asia have in the economic realm, Kyrgyzstan will lay stress upon its enormous interest in an active participation in the various regional forums of ASEAN [the Association of Southeast Asian Nations] states, as well as in cooperation on the regional level.

States are guided by their national interests, in consideration of the geostrategic and geopolitical realities. In this connection, Kyrgyzstan can be successful in developing relations with all the countries of the Great Silk Route, if it takes into consideration the following factors:

a) According to economic data, Kyrgyzstan is considered a developing country. . . . This allows it to join the leading organs of multilateral diplomacy of the countries of the South and to pursue its national economic and political interests.

b) As a country with a transitional economy, Kyrgyzstan has the right to count on support from developed countries and from international financial organizations, in the implementation of its reform policy.

c) Kyrgyzstan is a landlocked country. Due to its position right in the center of the East-West and North-South transpor-

tation and communications lines, its natural need for links to modern means of communications and reliable access to ocean transport, as well as the objectively understandable need for it to be transformed into a transit land, Kyrgyzstan is working for the development of all forms of communication, especially in the area of transportation and information, also in the interests of the other countries of the Great Silk Route.

The principles of cooperation and the elaboration of a basis for relations to the countries of the Great Silk Route

The implementation of the political concept of the Great Silk Route is based on the following principles:

- Partnership, friendship, and cooperation, with equal rights, with all countries of the Great Silk Route;
- Mutual dependence;
- Mutual advantages;
- Long-term perspective;
- Versatility in the orientation of developments of international cooperation.

Partnership, friendship, and cooperation, with equal rights, with all countries of the Great Silk Route—these are the most important components of a principle which has objective and universal character, and at the same time, is interrelated with the hopes and efforts of every country which is interested in creating a favorable environment on its borders, as well as in bi- and multilateral diplomacy. This principle represents fully the universally recognized principles and norms of international law, as they are set down in the UNO charter, including mutual respect of sovereignty, territorial integrity and inviolability of borders, non-interference in internal affairs, renunciation of violence, solution of conflicts through peaceful means, as well as mutually beneficial cooperation, with equal rights.

Mutual dependence—this has become a completely new phenomenon, at the end of the 20th century. Globalization leads to insight into the incontrovertible fact, that no single country can come to grips with the challenges that threaten the whole of humanity, be it in the military or economic realm.

The meaning of the principle of mutual advantage, is obvious. The development of a mutually advantageous international cooperation in the context of the region of the Great Silk Route, allows all countries without exception, to find answers to many questions and to solve problems which they are facing at the moment. The countries of the region are already engaged in building as well as diversifying existing means of transportation, which will allow for the rapid and optimal access to communication on a world scale; thus stimulus is created for the development of international trade in the region as well as outside its borders; contacts among all people of all the countries in the region will be deepened and intensified, on a spiritual, cultural level, in science, education, as well as tourism, for recreation as well education about new countries.

The principle of a long-term perspective is organically interlinked with the foregoing. The entire historical experience of the development of the Great Silk Route, just as of the countries which have been drawn into its orbit over the course of centuries, has convincingly demonstrated the necessity and the relevance today, of a development of relations among states which seek a long-term perspective.

Versatility in the orientation of the development of international cooperation, is an indispensable precondition for the creation of favorable prerequisites and possibilities to realize a balanced, flexible, and maneuverable policy on the international stage; it corresponds to Kyrgyzstan's long-term national interests and defines itself through goals and tasks which are to be solved in the future.

Perspectives for the realization of the foreign policy concept of the Great Silk Route

The realization of the diplomatic concept of the Great Silk Route, for Kyrgyzstan as well as for the other countries in the region, has long-term and favorable consequences.

A Renaissance of the Great Silk Route, in the current historical period, makes it possible to achieve all the necessary conditions for transforming the region into a zone of stability, security, friendship, collaboration, and equal partnership.

The Great Silk Route of the present creates favorable conditions for deepening international cooperation, in the common solution of these global problems which humanity faces at the dawn of the third millennium.

An expansion of the geographical space of the Great Silk Route, will allow for a more complete utilization of existing possibilities and of the rich potential for deepening international contacts on the economic, trade, science, technical, and spiritual-cultural levels. . . .

There are sufficient grounds to assume that all the countries on the Great Silk Route will exert the maximum effort, so that in the new millennium, from the region of the Silk Route, this vast area which traverses east to west the whole Eurasian continent and unites a great variety of cultures, traditions, and historical destinies, only positive impulses for construction, progress, and common prosperity will emerge.

Kyrgyzstan is in the position, and is ready to come forward as the link among the countries of the Great Silk Route.

The interests and tasks of foreign policy, for Kyrgyzstan, lie in guaranteeing in the highest possible measure and through political, diplomatic means, the consolidation of international guarantees for independence, sovereignty, and economic independence, as well as territorial integrity.

To achieve these stated goals and tasks, Kyrgyzstan is fully determined and willing to promote and nurture friendly, good-neighborly, and partnership relations with all the countries of the Great Silk Route, and to participate very concretely in the processes of integration.

Askar Akayev

Ugandans suffer from Museveni's wars

Next to Burundi, Uganda has the worst nutritional levels of all Africa, according to a recent report.

The involvement of the military of Ugandan President Yoweri Museveni in wars in the Democratic Republic of Congo and the insurgencies ongoing in Uganda's western and northern regions, is taking its toll on the population.

The toll is heaviest on children. Uganda's chronic-malnutrition levels are 17 times higher than the accepted level, and the second highest in Africa after Burundi, according to a report issued on Feb. 25 by the Early Childhood Development Task Force.

Child death rates in Uganda are high, the report further stated. "Infant mortality is 97 deaths for every 1,000 live births. The under-five mortality rate is 156 deaths for every 1,000 live births," the report said. Malaria and diarrhea are the leading causes of death in children. "Between 50 and 80% of children under two years have had at least one episode of diarrhea within the last two weeks. Nearly 40% of children below the age of four are stunted."

As the government funnels money into either the military or debt service, there is little left for delivery of medical services to the population. There is only one doctor in Uganda for every 27,000 people. The government spends \$3.50 per person annually on medical and education services, while it puts \$17.50 per person into debt service, according to Catholic Relief Services.

Another report carried out in conjunction with the United Nations Development Program (UNDP) corroborates the high poverty levels in Uganda, and says directly that such levels are due to the wars. Released by

Vice President and Minister of Agriculture Dr. Specioza Wandira Kazibwe in early March, the National Development Report says that more than 55% of Uganda's population live below the national poverty line—that is, are spending all or most of their income on food. Most of the poor are in rural areas, the report said. More than 60% of Ugandans have no access to clean drinking water.

The report also stated that poverty in Uganda—hailed in the Western media as the "success story of the International Monetary Fund"—is more severe than in countries like its neighbor Kenya. In eastern and southern Africa, the UNDP reported, only Malawi, Ethiopia, Mozambique, and Burundi have worse poverty levels than Uganda.

The poverty is having a dire effect on life expectancies. Only 44% of Ugandans can expect to survive to the age of 40 years. This puts Ugandan life expectancy, a measure of overall mortality, below that of Sudan, Kenya, Tanzania, and the Democratic Republic of the Congo.

What does this poverty look like? Take just a few instances reported in the Ugandan daily *The Monitor* on Feb. 17: "The boy's bare feet were literally eaten up by chiggers, his hair had grown 'branches' and had turned reddish-brown [due to malnutrition]. His efforts to cover his bare bum were fruitless because the shorts were torn to pieces, exposing everything. . . . He looked tired and hungry."

Or, the story of a newborn baby who died of tetanus. "When Kusiima (the woman who lost the baby) started feeling labor pains, her mother, with

whom she stays, didn't have the money to transport her to the hospital five miles away. She suggested that Kusiima give birth at home. . . . Kusiima and her mother share their hut with two goats. They cook from one corner and sleep in another. This is where the baby was delivered. And then, it was wrapped in pieces of cloth cut out from Kusiima's old skirt in which she used to dig while pregnant. 'It was no surprise the kid died from tetanus,' said a neighbor."

The wars are also destroying the social fabric of the society. In the north, where the government has been unsuccessfully waging a war against the rebel Lord's Resistance Army, the entire rural population has been forced into protected villages, where there is no sanitation, no clean water, and not nearly enough food. Said one elder, "It is a terrible thing to see your children starve. The young ones just sit and cry. But if they are ten or older, they just go off to find food. There is nothing you can do to stop them." In other words, the children leave the country, to scratch out a survival for themselves in whatever way they can.

It is among these children, it would appear, that the Ugandan military is now finding "recruits." A recent escapee from a training camp of the Ugandan Popular Defense Forces told *The Monitor* that he had been rounded up and taken to the camp with 2,500 other boys, most of them street children. The training, reported the 17-year-old boy, who declined to be named, was extremely tough and resulted in the death of some children. "Those who die in the process are buried without a trace, while those who complete the training are loaded onto Army trucks at night and taken for what they called 'deployment.'" The boy said that he had been rounded up with 15 other boys in December 1998.

A war that most people do not want

With opposition growing, the government is at pains to justify the NATO air war against Serbia.

Even among Germans who are supportive of the ongoing NATO air war against Serbia, one finds many who think that this war comes “several years late,” and that the atrocities against Kosovar ethnic Albanians attributed to Serbian dictator Slobodan Milosevic’s militia, could have been prevented by appropriate Western intervention years ago. But the sabotage of such decisive action can be traced back to those very same geopolitical circles in London, Washington, Paris, and Bonn that are in the forefront of pushing the new NATO doctrine designed to turn NATO, a defense alliance with a clearly defined Euro-Atlantic area of responsibility, into an institution for globalized interventions against so-called “rogue nations.”

Sadly, this aspect of NATO policies is being blacked out from broader public debate. Besides *EIR* and the LaRouche movement, little has been done by others in Germany to spark a debate on the new NATO doctrine. But the air war on Serbia has stirred many “peaceniks,” who now pose a grave problem for the red-green Social Democratic Party (SPD) and Green Party coalition government.

Both parties maintain a nominal commitment to the “principles” of the anti-war movement, but it was much easier for them to protest NATO policies when they were in the opposition and the Christian Democrats were in the government. Now, many Social Democrats and Greens have a big problem: The government is practicing solidarity with a NATO that is doing things diametrically opposed to the views of the anti-war movement. Worse, most of their own leaders are

making special efforts to show that they are as pro-NATO-minded as any of the other politicians who have previously been in government.

For people who know more about the rise to power of the red-green alliance last year, it comes as no surprise to see those Green party leaders, whose march into the government was applauded by the geopolitical cabal around Gore-Blair-Albright, back the “new NATO” strategy, and do so at the sacrifice of former “peacenik” views of the Green movement. However, their Newspeak, which uses all the misleading vocabulary of the “new NATO,” calling air raids on Iraq and Serbia “humanitarian interventions,” comes as a great shock to the average, usually ill-informed Greenie. They are infuriated at this “sell-out” of peacenik positions, and this is dangerous for the government. The longer the war in the Balkans drags on, the more opposition will emerge from within the SPD and the Green party. And, the more mistakes the red-green government makes, the more opposition it will create.

The scene in Bonn on March 26 was illustrative: Aware of the unpopularity of the NATO air war in the Balkans, SPD and Green leaders conspired with the Christian Democrats and Free Democrats to avoid a public debate in Parliament, and to instead work out a joint resolution in support of NATO intervention. Meanwhile, the scenario read, Parliament would begin its plenary session that day with “less controversial” topics—for example, banning graffiti. But when the debate was about to begin, Hans-Christian Stroebele, a founding mem-

ber of the Greens in Berlin and a member of their parliamentary group in Bonn, called the outline of the graffiti debate a scandal, and insisted that the Balkans war be discussed right away. Since it was not possible to suppress the debate, a fake “short debate” was arranged between the leaders of the parliamentary groups.

The pro-NATO current nominally prevailed, but it soon proved to be a pyrrhic victory: On the following weekend, the first big protests by Green party members began against their own party. For example, in Bochum, 200 Greenies marched to the local party headquarters, demanding that the party pull out from the government’s support for the NATO air strikes. In Berlin and other cities, local Green leaders quit their party membership. In Hamburg, party dissidents issued a call for an extraordinary party convention for a debate on the NATO war on Serbia.

The pressure forced the Green party executive on March 30 to try to calm the waters, with a statement that “should the air strikes prove unsuccessful,” a “halt in the military operation” might be “desirable,” conditional on Serbia’s halting its military operations in Kosovo. Within four days, the official view of the Green party executive had changed almost 180 degrees, but this will not restore lost confidence among Green party members and supporters. The Greens can be glad that there are no elections until early June, because they would result in a disaster far worse than the elections for the Hesse state parliament on Feb. 7, which saw the loss of almost 40% of the Green vote.

But the government may fall long before June, because the “new NATO” issue is driving a deep wedge into the Greens, and seven Green parliament members, Stroebele being one of them, disagree with the government.

Pushing for World War III

The government has lined up behind U.S. Vice President Al Gore and his Principals Committee.

In the last two weeks of March, the Australian government took at least three actions which have pushed the world closer to World War III. First, it enthusiastically endorsed NATO's bombardment of Yugoslavia, with no mention of solving the crisis through collaboration with Russia; second, it sent a guided missile frigate to the Persian Gulf, to help enforce the genocidal embargo of Iraq, the unjustified war which has enraged both Russia and China; and, it officially lent its weight to "Iraq-style" intrusive inspections of North Korea's alleged "nuclear sites"—inspections guaranteed to enrage both the Russians and Chinese further. These latter two nations understand that it is *they*, not the alleged "rogue states" of Serbia, Iraq, or North Korea, which are the real targets of these undeclared wars being orchestrated by Britain's Prime Minister Tony Blair and his sympathizers in the Vice President Al Gore-led Principals Committee, including Secretary of State Madeleine Albright, Defense Secretary William Cohen, and Chairman of the Joints Chiefs of Staff Gen. Henry Shelton, which is in almost open insurrection against President Bill Clinton.

As American statesman Lyndon LaRouche has emphasized, the world today is comprised of three power blocs: 1) The British-American-Commonwealth grouping, centered in London and Wall Street, whose frenzied actions are driven by the ongoing global financial collapse, 2) the Euro-land "poor man's club," and 3) the Eurasian-based "Survivors' Club," anchored on Russia, China, and India, and including other nations which

want to re-assert national sovereignty and economic development as a solution to the global financial crisis. The actions of Australia, a member of the BAC cabal, demonstrate the insanity and hypocrisy of the BAC crowd.

For example, to take the third of Australia's actions first: In 1997, LaRouche's Australian associates in the Citizens Electoral Council campaigned for Australia, one of the world's leading food exporters, to provide large-scale food aid to the starving North Koreans. Under pressure, it finally provided a mere fraction of what it was capable of. Large-scale aid was equally in Australia's interest, as it was in North Korea's, because South Korea is Australia's third-largest trading partner, and peace on the Korean peninsula is critical to Australia's security. By choosing not to act then, Australia has allowed another 1-2 million North Koreans to starve to death, making their government more desperate and unpredictable.

Now, Australia is compounding its error, through the recent trip to Washington of Secretary of the Department of Foreign Affairs Dr. Ashley Calvert. There, Calvert strongly recommended to Clinton's North Korea trouble-shooter, Dr. William Perry, that the United States demand intrusive inspections anywhere in the country at the drop of a hat. A source inside the Australian Defense Department told *EIR*: "It's a massive miscalculation. North Korea may be starving, but they've still got the military hardware to fight." It is precisely such a fight, which Gore et al. would like to encourage.

On the Balkans crisis, Foreign

Minister Alexander Downer sanctimoniously proclaimed on March 25, "The international community cannot simply stand by and watch as President [Slobodan] Milosevic's forces continue to perpetrate the sort of human rights abuses that have been perpetrated recently in Kosova." Yet, "standing by and watching" is precisely what the NATO alliance—and Australia—did from the early 1990s until President Clinton belatedly ordered air strikes in 1995, while Milosevic slaughtered some 300,000 Bosnians. Even then, the crisis was only "solved" with the assistance of the Russians, in the Dayton Accords. Nor did the Australian government say or do anything to stop the genocide against the Rwanda Hutu refugees in the Congo in 1997, of which LaRouche's associates had made them starkly aware.

In the case of Iraq, Australia has done much to fan the crisis. It officially paid the salary of the UN Special Commission (UNSCOM) head, Australian Richard Butler, who issued the phony report which was used to justify "Operation Desert Fox" in December. It also sent Australian Special Air Services troops to the Persian Gulf 18 months ago, for possible "surgical actions" to remove Iraqi leader Saddam Hussein, while the ultra-secret Pine Gap U.S.-Australian communications base in central Australia has been crucial to the bombing campaigns against Iraq (and, no doubt, against Yugoslavia as well). In addition, Australia has just sent another guided missile frigate to the Gulf, the HMAS *Melbourne*, to help enforce the genocidal embargo against Iraq, and, according to TV reports, has dispatched Australian Air Force pilots to train in Arizona, for possible missions in the Gulf, while other Australian pilots are reportedly training with Britain's Royal Air Force, for undisclosed missions.

International Intelligence

Ukraine Rada votes to cancel non-nuclear status

The Supreme Rada (Parliament) of Ukraine voted on March 24 to cancel the country's non-nuclear status, referring to country's pledge to scrap all remaining nuclear weapons from the Soviet era, and not to acquire or produce new ones. The Rada also voted to settle all remaining differences with Russia on the issue of the Black Sea Fleet, by ratifying the agreements reached between Russia and Ukraine on status and division of the Fleet. Under the Soviet Union, the Fleet had been based in Ukraine's Crimea on the Black Sea, which is free of ice during the winter.

Two hundred fifty members of the Rada, out of 450 members in all, voted to ratify the agreements, with Parliament Speaker Oleksandr Tkachenko from the Socialist Party declaring: "The law is ratified."

The Russian Black Sea Fleet will now be based in the Crimean port of Sevastopol until 2017, alongside Ukraine's Navy. Ukraine had long since ratified the Russia-Ukraine basic cooperation and friendship treaty, and Russia's Federation Council (Upper House) finally ratified it in February. However, the Federation Council had stipulated that the treaty would go into effect only after Ukraine had ratified the Black Sea Fleet agreements. Ukraine expects that Russia will now agree to have the friendship treaty take effect.

Kurdish leader: Coup vs. Saddam is a fantasy

Jalal Talabani, leader of the Kurdish Patriotic Union (PUK), one of the seven Iraqi opposition groups named by the U.S. Iraq Liberation Act, heaped scorn on an American idea to overthrow President Saddam Hussein as American "arrogance" and "mere wishful thinking," in an interview with the international Arabic daily *Al-Hayat* of March 26. His statements bespeak the condition of the opposition groups, which are disintegrating. Regarding his opposition to the Iraq Liberation Act, Talabani said:

"We reject the participation in foreign complots against the Iraqi regime, because we believe in the right of our own people to comprehensive democratic change and its ability to achieve that. This change is the mission of the Iraqi people."

Talabani continued, "We do not reject the principle of dialogue [with Baghdad], and I announced two days ago in a public speech, that we accept the dialogue and agreement if the regime agrees to stop the dictatorial rule and accept a democratic system, including a federal structure in Iraq." Talabani, like Britain's pet rebel John Garang in southern Sudan, is not known for his desire to reach peace, which accounts for his putting provocative conditions in the call for dialogue. However, he would have to proceed with negotiations should his stronger Kurdish rival, Massoud Barzani of the Kurdish Democratic Party (PDK), decide to talk with Saddam Hussein. Barzani is prepared to reach a deal with Saddam on limited autonomy for the Kurdish region. The PUK and PDK are not allowed to have contact with Saddam under the agreement they were forced to sign in Washington in September 1998, but, as Talabani told *Al-Hayat*, he "has nothing against shaking hands with Saddam again if the opportunity arises."

Conversely, Talabani also said that he will not attend the late-April conference in Washington organized by the Iraqi National Congress, because the INC, he believes, has become a private venture of its chieftain, Ahmad Al-Chalabi.

China-India interests outweigh differences

India and China have common interests which far outweigh their existing differences on the boundary question, said Chinese Ambassador Zhou Gang said in an address at the United Services Institution in New Delhi on March 24. "There exists profound traditional friendship between the people of the two countries. China and India sympathized and supported each other during their struggles of national independence and liberation against foreign aggression.

The two countries share similar or identical views on many major issues, such as economic development, human rights, environmental protection, combatting drug trafficking and crime, and population control," Zhou said.

There was nothing "abnormal" about some differences, he said. "As long as both sides proceed from the overall interests of bilateral friendly relations and handle these concerns on the basis of mutual trust . . . the differences will be narrowed gradually," he stated. "Good neighborly" relations will not only conform to their "fundamental interests," but will encourage "peace, stability, and development in Asia and the world at large." Zhou reiterated that the "outstanding issue between China and India is no more than the boundary dispute left behind by history. Fundamentally speaking, this is a legacy of history when India was ruled by colonialists."

Ecuador faces separatism in wake of bank failure

The tenuous mid-March political agreement for a new austerity package in Ecuador shattered on March 21, when the president of the country's largest savings bank, the Banco del Progreso, announced that it was shutting its doors because a run on deposits forced it into illiquidity. Bank president Fernando Aspiazu accused the government of President Jamil Mahuad of having forced the bank's failure, through prejudicial handling of the banks from the coastal region. Banco del Progreso is headquartered in the Pacific port of Guayaquil, which has historically been in a rivalry with the capital city of Quito, a rivalry many have tried to exploit.

Immediately following his televised charges, Aspiazu led hundreds of depositors to the Guayaquil mayor's office, where they joined hundreds more to demand an "Independent Guayaquil!" The mayor is former Ecuador President León Febres Cordero, a neo-liberal advocate of International Monetary Fund policies. Febres Cordero addressed the crowd from his balcony, telling them that "Guayaquil is on a war footing. . . . When Guayaquil raises the arm of war,

Briefly

UKRAINE'S Popular Rukh leader Vyacheslav Chornovil was killed on March 25 in an auto accident near Kiev, according to Itar-TASS. Chornovil had led Rukh since its formation in the late 1980s, and became well known as a staunch advocate of Ukrainian independence.

THE PRO-DOPE Australian Drug Law Reform Foundation is cheering the appearance of a Sydney University of Technology orientation handbook, which contains five pages explaining how to inject heroin. The foundation is headed by Australian Capital Territory Health Minister Mike Moore, George Soros's man in Australia. New South Wales Premier Bob Carr attacked the handbook as a "do-it-yourself guide to drug abuse."

INDIA'S CONGRESS Party, which has decided to pursue an independent foreign policy, sent a five-member delegation for a week-long visit to China, beginning April 6. Party foreign affairs adviser Natwar Singh will bring a message from party president Mrs. Sonia Gandhi to Chinese President Jiang Zemin, recalling the good relations between the two countries and hoping for continued cooperation.

PAKISTANI AND INDIAN security experts are to meet in April to find ways "to agree on security concepts and nuclear doctrines," Pakistan's Foreign Minister Sartaj Aziz said on March 22. Aziz said that the two sides have set a schedule of meetings to "intensify" their dialogue, in keeping with a declaration signed by the two countries' Prime Ministers in February in Lahore.

EIGHT SCOTTISH MPs introduced a resolution into Britain's House of Commons on March 25, backing the Edinburgh City Council's opposition to the Bank of Scotland's joint banking scheme with U.S. TV Elmer Gantry, Pat Robertson. The branchless bank would operate by phone with its customers. The Bank of Scotland has hired a new public relations team to deal with the flak over their deal with Robertson.

then there will be war." The mob screamed, "Independence! Independence!" and "Guayaquil without Jamil!"

President Jamil Mahuad has responded with yet another bandaid, by announcing the government's intent to restructure the Banco del Progreso. It would be kept alive—although its deposits are largely frozen, as are the savings deposits of most Ecuadorans—until May 4, said Mahuad, when the bank must come up with fresh capital, or it would have to "shut down, definitively." The head of the notoriously political Ecuadoran Army, Gen. Telmo Sandoval, made his own intervention, warning that, "for the benefit of our beloved fatherland," the political class must "commit fewer errors."

Sergeyev visits India, hails 'strategic' ties

Indo-Russian ties are rising to the "level of real strategic partnership" in the face of an intense struggle for the formation of a multi-polar world, Russian Defense Minister Marshal Igor D. Sergeyev said on March 19, as he arrived in India for an official five-day visit.

Sergeyev responded to written questions from *The Hindu*, saying that "a new re-division of the world through the use of force-related factors, economic, political, and military," is taking place. A "strong-arm leadership strategy" is visible in Europe and "institutions of international law, embodied in the UN" are being affected. He blamed the United States for unilaterally altering the international security architecture. "The United States, which remains a global pole of force, seeks unilaterally to cash in on the Cold War outcome in its own interests. And the point at issue, to my mind, is as follows: Either the world will go back to multi-polarity, typical of the previous stages of historical developments, or one superpower will dominate the system of international relations. It seems, however, that it is too early to draw final conclusions, since only two trends are discernible and other development patterns may emerge."

Sergeyev said that the "present-day Rus-

sia has no military opponent, but military strength may still be used in the world to attain political and economic gains. We take this into account and react accordingly."

The ramifications of Indo-Russian "strategic cooperation" go far beyond South Asia, he said. Their bilateral ties are relevant "also for international security. This cooperation helps to form a well-balanced multi-polar system of relations on a worldwide scale."

Sergeyev said that Indian and Russian experts are working on a contract to train Indian military specialists "to run and effectively operate up-to-date Russian-made military equipment." The training would take place at the Russian Defense Ministry's key establishments.

Habibie meets with local leaders in Aceh province

Indonesian President B.J. Habibie apologized for human rights abuses committed by the military during the nine-year battle against the Free Aceh movement, during his visit to the northernmost province on March 26. In a two-hour meeting with local leaders, Habibie said, "We don't want a future in a cage. We want a better future. I deliver an apology for what has been done by the security forces, by accident or deliberately, to all the people of Aceh." A report released earlier in March disclosed that anti-rebel operations in three of Aceh's eight districts had left thousands of widows and orphans, rape victims, and homeless. Gov. Syamsuddin Mahmud reported that the government had offered social, educational, and health assistance to victims, and to pay for the reburial of Acehnese killed; he expressed gratitude to Habibie for redressing "the mistakes of the previous government." Habibie also indicated the possibility of greater autonomy and more equitable revenue-sharing.

The trip was marred by an incident prior to Habibie's arrival, when a demonstration of 1,000 students calling for independence attempted to break through security lines; warning shots and tear gas were used, with 20 injured.

Gore and Co. drag U.S. toward World War III

by Jeffrey Steinberg

In March, the same concert of forces behind the failed impeachment of President Bill Clinton, and the ongoing point-less military confrontation against Iraq, prevailed on the President to forgo his vital summit meeting with Russian Prime Minister Yevgeni Primakov, and thus set the world on a course that could lead to the early eruption of World War III, starting in the Balkans. Among the leading players in the latest treachery against the President, according to *EIR*'s ongoing investigation, were: Vice President Albert Gore, Jr.; Gore's national security adviser Leon Fuerth; Secretary of State Madeleine Albright; British Prime Minister Tony Blair; the usual gaggle of Congressional Republican fanatics, led, this time, by House International Relations Committee Chairman Benjamin Gilman (R-N.Y.); and Israeli warhawks Benjamin Netanyahu and Ariel Sharon.

Unlike December 1998, when President Clinton was presented with a *fait accompli* to launch the bombing of Iraq by his so-called "Principals Committee" of national security advisers — while under the impeachment threat, and while he was away from Washington trying to revive the collapsed Middle East peace process — this time, on March 23, the phone calls by Vice President Gore to Prime Minister Primakov, which prompted the Russian leader to turn his plane around just hours before his scheduled arrival at Andrews Air Force Base, came after days of heated policy debate at the White House, over how to handle the imminent Serbian ethnic cleansing assault against Kosova, and what role Russia might play in averting more genocide in Europe.

However, several well-placed administration sources insist that the fateful "second call" from Gore to Primakov, on March 23, that prompted the cancellation of the Washington summit, occurred behind the back of the President, who was in crucial meetings with Congressional leaders, seeking their

support for whatever actions the administration was planning against Yugoslav President Slobodan Milosevic.

One thing is certain: In the days leading up to Primakov's cancellation of his Washington visit and the launching of NATO air strikes in Yugoslavia, a coalition of hard-core anti-Primakov zealots were vigorously trying to stop President Clinton from pursuing his stated policy of building a close working partnership with the Russian leader. Leading right-wing Congressional Republicans, who spewed wild slanders against the Russian leader, were joined by key "Gore, Inc." players, including former Central Intelligence Agency director James Woolsey and, according to Capitol Hill sources, Fuerth. In fact, a large number of Congressional aides have told *EIR* in the course of our investigation, that for months, Fuerth has been going around Capitol Hill, bad-mouthing Primakov, and holding *him* responsible for the fact that a new International Monetary Fund (IMF) deal for Russia had not been consolidated.

Furthermore, two of the Russian Prime Minister's leading political enemies inside Russia — former Prime Minister Viktor Chernomyrdin and Russian "tycoon" Boris Berezovsky, recently dumped as Secretary General of the Commonwealth of Independent States — showed up in Washington only days before Primakov's scheduled arrival, to further their factional war against Primakov. Chernomyrdin, whom *EIR* exposed last year as Gore's partner in crime, met with Gore during his March 1999 Washington visit, and, according to media accounts, waged his own campaign among U.S. politicians and Wall Street bankers, to urge Primakov's ouster and his own reinstatement in power in Moscow.

In an interview in Moscow with Agence France Presse (AFP) on March 18, Chernomyrdin indicated the message he had just delivered in Washington: "The dismissal of the

government in March last year was a mistake by the President," he said. "If the government had not been fired there would have been no Aug. 17, no earthquake, there would have been no ruble collapse." In other words, the Wall Street and London sharks, like George Soros, Maurice Greenberg, and David E. Shaw, who form the backbone of the Gore campaign finance machine, would not have lost their shirts in the Russian debt shakeout!

Although AFP claimed that Chernomyrdin had been dispatched to Washington by Primakov, to pave the way for his scheduled talks with IMF Managing Director Michel Camdessus, Chernomyrdin assailed the Primakov government, demanding that "it must change its tone, not to mention a few of its members," if it wants to get money from the IMF. "They will not give it to savages who cannot speak in an acceptable language," Chernomyrdin railed.

After repeated efforts to get official confirmation, a spokesman for Vice President Gore, Tom Rosshirt, finally confirmed, on March 26, that, indeed, Gore had met with Chernomyrdin "sometime in the past two weeks," and that Chernomyrdin had "delivered a letter" from Primakov about the forthcoming visit. Chernomyrdin also met with Camdessus and World Bank president James Wolfensohn, another member of the "Gore, Inc." team.

The financial crisis is driving the BAC war frenzy

As *EIR* reported in our Jan. 22, 1999 issue (Jeffrey Steinberg and Michele Steinberg, "Will Al Gore Be Impeached?"), Gore has committed impeachable offenses in his zeal to reimpose Chernomyrdin in power in Moscow, following Russia's Aug. 17, 1998 near-sovereign default. In fact, it was the string of events triggered by the Russian moratorium on some of its debt payments, and its unilateral announcement that Russian bond settlements would have to be renegotiated, that sent the British-American-Commonwealth (BAC) oligarchy into a flight-forward that has seen them provoke a string of military crises and "delightful little wars" all over the globe, leading into the present Balkan mess.

It can be said fairly that, following the Aug. 17 Russian crisis, which, with the Long Term Capital Management hedge fund bankruptcy, the crash of D.E. Shaw hedge fund, and other crises during September-October 1998, came close to triggering the crash of the global financial system, the BAC faction committed itself to overturn the global chessboard, to ensure that President Clinton did not adopt the survival strategy of Lyndon LaRouche—a strategy that *was* adopted by the governments of China, Russia, India, Malaysia, and others in the wake of Aug. 17, and in the wake of the insane reaction by the governments of the G-7, and the IMF, etc. to that crisis.

Specifically, the prospect of President Clinton finally meeting Primakov face to face just weeks before a scheduled summit with China's Prime Minister Zhu Rongji, was viewed as a *casus belli* by the BAC crowd.

The Israelis weigh in

In yet another bizarre twist, Primakov's arrival in Washington was delayed by a crucial 24 hours when, at the last moment, Israeli Prime Minister Netanyahu insisted that he and Foreign Minister Sharon had urgent business to take up with Primakov in Moscow. On March 22, Primakov met with the two Israeli officials, only to be confronted with phony charges that he was helping to secretly arm Iran with missiles and nuclear weapons. Simultaneously, British intelligence was peddling disinformation that Primakov had been "on the payroll" of Iraqi President Saddam Hussein, and providing Baghdad with similar "weapons of mass destruction" throughout the 1990s.

That bit of British war propaganda appeared in the April 6 issue of *New Yorker* magazine, in an article by Seymour Hersh, and fuelled the anti-Primakov mood in Washington. Hersh claimed that British signal intelligence had intercepted a wire transfer of \$800,000 from Iraqi Deputy Prime Minister Tariq Aziz to a Primakov bank account in late 1997. Later in the article, Hersh admitted that the British intelligence story was highly dubious; however, the Hersh piece was picked up in Rupert Murdoch's London *Times*, and spread around the world by Reuters and other British propaganda channels.

The President speaks out

On March 19, President Clinton, in his first solo White House press conference in more than a year, strongly reiterated his commitment to pursue partnership relations with Russia and China, much to the chagrin of his BAC political enemies—in and out of his administration.

Asked whether he was concerned that the Primakov government was backing down on the "pace of market reforms," the President responded: "Well, first, let me say that Mr. Primakov is coming here at an important time. And I have urged all of us in the administration, our economic team and our political team, to be acutely aware of the fact that the first thing he had to do was to try to stabilize his own situation, when he took office. In terms of the economic reforms that he needs to pursue, he needs some help from the Duma [lower house of Parliament]. And I would be a poor person to be unsympathetic with a man who is having trouble getting a certain proposal through a Congress. But I think it is important, if we are going to help Russia—and we should; we should do everything we can—that we do things that are actually likely to make a difference, instead of things that will undermine confidence over the long run in Russia, and in the ability of others to invest there. . . . What we have to persuade the Russians of is that we're not trying to impose some economic theory on them. We're not trying to impose more—I don't mean just 'we,' the United States; I mean 'we,' the international financial institutions of which the United States is a part—and that we want to see the back wages paid. We want to see the standard of living of the Russian people rise.

We want to see more investment going in there.”

The President had scheduled two long, one-on-one sessions with Primakov, thus downgrading the role of Vice President Gore, who, from a protocol standpoint, would have been the principal administration official dealing with Primakov during his visit.

In the face of the wild flight-forward by some Congressional Republicans against China over alleged espionage at U.S. weapons labs, the President also forcefully reasserted his commitment to seek a strategic partnership with the leadership in Beijing. He had already upgraded the visit of Prime Minister Zhu Rongji, scheduled for April 6-10, into a state visit.

The President was also asked whether there was a deadline set on launching the bombing of Yugoslavia, if the final mediation efforts failed to bring Milosevic around on the Contact Group peace proposal. “I don’t want to discuss that,” the President said. “We’re working on that. I expect to be working on this all weekend.”

The Primakov flap

According to the March 26 *New York Times*, during those weekend deliberations, a fight broke out within the Clinton Cabinet over the Primakov visit. “The Primakov trip was important because initially the White House had thought it would delay military action against . . . Milosevic, until after the Russian leader’s trip,” Jane Perlez wrote. “But as the situation on the ground in Kosova deteriorated dramatically last Friday and Saturday, Vice President Al Gore, who was to be Mr. Primakov’s host, argued forcefully that the credibility of NATO was more important than ministering to the sensitivities of the Russians.” A senior Clinton administration official told Perlez that Gore “made the case that you do not want to subordinate NATO’s interest to Russia and give Milosevic another week to clean up.”

Earlier, on March 24, John Helmer had written in the *Journal of Commerce* that “there are administration officials who would do almost anything to get rid of Primakov.” Helmer asked: “Was the timing of the attack on Serbia a higher priority for the White House than dealing with Primakov? Would a delay of 48 hours in the air-strike plan have made such a difference [that] it was unthinkable to grant Primakov his request?” While Helmer did not mention Gore or Fuerth by name, he did note that Chernomyrdin had been in Washington recently, and had peddled himself as Russia’s savior.

Primakov’s plane makes a U-turn

The battle over the Clinton administration’s posture toward Primakov that raged throughout the weekend of March 20-21, had clearly remained unresolved as the week of the scheduled Primakov visit, and the last-ditch effort to achieve a peaceful solution to the Kosova crisis, began.

On the morning of March 23, Prime Minister Primakov’s

plane landed in Shannon, Ireland for a refuelling stop. There, Primakov received a phone call from Gore, informing him that the mission to Belgrade by U.S. emissary Richard Holbrooke had failed, and that the situation had taken a turn for the worse. Bombing might be imminent. Gore proposed that Primakov remain in Shannon, pending a final decision by the Clinton administration and its NATO allies about what to do next. Primakov rejected the Gore “suggestion,” preferring to fly on to Washington and to make the final decision on whether he would stay, later that day.

The Gore call came after the National Security Council had met at the White House, with President Clinton present. President Clinton then left to deliver a speech to the American Federation of State, County and Municipal Employees legislative conference across town. There, the President was asked about the Primakov trip. He stated unambiguously that he considered the Primakov meeting “crucial” for both the Kosova situation, and a wide range of bilateral and global policy issues. Clearly, in the President’s mind, the Primakov visit was still on.

However, around 1 p.m., Gore made a second phone call to Primakov, as his plane was flying over Gander, Newfoundland, roughly two hours from Washington. President Clinton did not end his appearance at the AFSCME event until 1:09 p.m. By 1:53 p.m., Presidential press secretary Joe Lockhart had already been handed the text of a statement by Vice President Gore, “explaining” that Primakov had decided to postpone his Washington visit. The chronology suggests that White House reports that Gore had acted behind the President’s back, have verisimilitude.

There are conflicting accounts about what occurred in that second conversation, which prompted Primakov to order the plane to return to Moscow. The most benign version of the conversation, presented by Gore, is that he merely informed his “friend” Primakov that the bombing could not be delayed any longer, and that, as a courtesy, he was giving Primakov the option of making his own decision to not be in Washington when the bombing commenced.

Primakov had a very different version of what occurred, and he gave his report to the Russian press on March 24, shortly after he arrived back in Moscow. Primakov, in effect, accused Gore of trying to set him up. “Gore offered to sign a joint statement saying my visit had been postponed. I could not accept that, because it would have looked like my indirect confirmation we were taking part, together with the United States, in NATO action,” Primakov stated. He added that Gore did not argue when Primakov said the air strikes could damage Russian-American relations, European stability, and threaten further instability in Kosova. Mocking Gore, Primakov said that “the Vice President appeared to be reading from a statement,” adding, “I told him, think again Mr. Vice President, you are not analyzing all the consequences.”

Events of the past ten days have proven that Primakov’s assessment was right.

Cohen's GOP pals say: 'Obliterate' N. Korea

by Our Special Correspondent

North Korea is subjecting the United States to nuclear "blackmail," therefore President Clinton's negotiations with North Korea are appeasement and must cease, Paul Wolfowitz, Undersecretary of Defense during the Bush administration, told a House International Relations Committee hearing on March 24. All food and other aid must be halted until North Korea accepts Iraq-style "extremely intrusive 'challenge inspections'" of its entire country, plus "fundamental economic reform" à la the International Monetary Fund, he stated.

If North Korea, as it surely will, rejects these demands, added James Lilley, Bush Ambassador to South Korea and China, it must be cut off, pushed into a corner, and told that any military action on its part means "they will be obliterated."

Their conclusion, that Clinton's agreement with North Korea in New York on March 16 should be ripped up, was loudly supported by committee chairman Benjamin Gilman (R-N.Y.), Asia Pacific Subcommittee chairman Douglas Be-reuter (R-Neb.), and the other GOPers present. "By rewarding North Korea's bad behavior, the White House has been . . . leading us toward and not away from a confrontation with Pyongyang," Gilman said. "According to our CIA, North Korea is one of the world's key suppliers of ballistic missile equipment. Our greatest fear is that this unpredictable regime will combine its covert nuclear weapons program with an ICBM able to strike our nation."

North Korea has created a giant underground nuclear bomb program which is it using to blackmail the United States into paying protection, Wolfowitz stated. "The last time we caught them," he said, the administration gave North Korea "a \$4 billion reactor deal. The next time we catch them, what price are we going to pay them?"

Gilman presented a proposal for Congress to overturn Clinton's policy, which was part of a declassified letter which he, Henry Hyde (R-Ill.), Majority Leader Dick Armey (R-Tex.), China-basher Chris Cox (R-Calif.), and House Speaker Dennis Hastert (R-Ill.) sent to the administration on March 5, demanding a "new Korea policy."

Rep. Sam Gejdenson (D-Conn.) characterized the entire committee proceedings as "bizarre." "What I hear today," he said, "is: 'Here's the deal. Stop your nuclear program, allow universal inspections of your country, adopt capitalism, or else you'll get nothing.'"

Cohen and Albright vs. Clinton

Meanwhile, in Seoul on March 31, Deputy Assistant Secretary of State Robert Einhorn warned North Korea of "very serious negative consequences" if it tests, fires, or exports any of its new long-range missiles. Einhorn had just been rebuffed by the North after two days of talks in Pyongyang, the North Korea capital, in which the State Department demanded the shutdown of the country's missile program.

Einhorn claimed that North Korea is the world's number-one exporter of missile technology. "Developing, producing, deploying, and testing missiles that can threaten U.S. allies and U.S. Armed Forces and can eventually threaten the United States is inconsistent with improving ties with the United States," he said. North Korea, he said, provided Pakistan and Iran with missile equipment or technology that enabled those countries to test-fire medium-range missiles last year.

The Gilman-Hyde letter and the GOP's "new Korea policy," a Gilman aide told a journalist, were dictated by Defense Intelligence Agency (DIA) chief Patrick Hughes, as *EIR* reported in our March 19 issue (p. 49). The DIA, and Defense Secretary William Cohen's Defense Department, have been flooding Congress with leaked satellite and other photographs of North Korean plutonium, ICBM, and even purported opium poppy "proliferation" sites. Now, Madeleine Albright's State Department has judged North Korea to be the world's leading ICBM proliferator.

Cohen and Albright are in open revolt against the stated policy of President Clinton, who seeks to continue his 1994 Framework Accord with North Korea, which pledged to help develop the country. Cohen in particular is using the North Korea "red scare" as a nuclear football, to promote his call for a phony Ballistic Missile Defense (BMD) system, particularly a Theater Missile Defense (TMD) buildup in Japan, South Korea, and Taiwan. This project has met enormous opposition in Beijing.

So, just as Cohen and Albright are aiding Al Gore in the deliberate provocation of strategic confrontation with Russia, they are also deliberately provoking a strategic confrontation with China. Cohen, in particular, controls the DIA, the source of the opposition's leaks, and opposes the Clinton Korea policy. As a senator, Cohen worked with a former DIA chief, the late Gen. Daniel Graham, to promote Graham's incompetent "High Frontier" and its TMD-BMD elements.

Gilman's March 24 testimony ended, as does the letter dictated by the DIA which Gilman signed, with a call for a massed buildup in Asia of a "theater missile defense that would serve to insulate us and our friends from nuclear and missile blackmail by North Korea which is virtually certain." Gilman called "for the creation of a Northeast Asia Defense Organization—NADO—permitting the U.S. to combine its efforts with friends and allies to develop a regional theater ballistic missile defense."

Nothing could enrage Beijing more.

IMF, Gore spread Cold War lies vs. Primakov

by Michele Steinberg

The most serious civil war now facing Western civilization is not in Yugoslavia, or Asia, or Africa—it is in Washington, and the stakes are nothing less than a global showdown with a thermonuclear payload. The issue in this war is whether President Clinton will break with London, and turn his administration's strategic priorities back to the Germany-Russia-China orientation that characterized its best impulses prior to the British-engineered impeachment that eclipsed all urgent business of state for 1998 through early 1999, and allowed Vice President Al Gore to become almost the "acting President."

For years, President Clinton, with a small but significant grouping inside his administration, has oriented toward global peace, and advocated the strengthening of a relationship between the United States and Russia, for trade, disarmament, and technological progress. Clinton has spoken repeatedly of a strategic partnership, with Russia, and with China.

But, a maniacal anti-Russia mob, led by Gore, his national security adviser Leon Fuerth, Chairman of the Joint Chiefs of Staff Gen. Henry H. Shelton, and Zbigniew Brzezinski (mentor of the laughable, but dangerous Secretary of State Madeleine Albright), has opposed this policy. Gore's grouping is closely allied with the worst right-wing zealots in Congress—the very forces that, after the impeachment fiasco, are trying to transform U.S. foreign policy into an adjunct of the British Empire.

One group of Gore's anti-Clinton allies in Congress, centered in Rep. Benjamin Gilman's (R-N.Y.) House International Relations Committee, is hell-bent on crushing Russia, and breaking relations with China in a new Cold War. This committee, in only one week before the Easter recess, held hearings accusing Russia of arming "rogue states," launched a red scare over a potential missile attack on the United States by North Korea (see accompanying article), and began a push for Mexico to be "decertified" as a U.S. partner in fighting drugs.

Leaning on a closely knit network of think-tanks financed by the British-American-Commonwealth faction, such as the Center for Security Policy, which receives funding from Richard Mellon Scaife, the billionaire financier of the Kenneth Starr "Get Clinton" effort, the Gilman committee has become a sounding board for British and Israeli disinformation.

And, on close observation, their military/national security

rhetoric is a cover for the Gore-Gilman-Wall Street crowd's anger over the fact that the Primakov government is against the London-centered financier oligarchy, and puts people first.

Gore and the Yahoos

This Wall Street crowd has been on a rampage to restore Gore's corrupt collaborator, Viktor Chernomyrdin, as Prime Minister in Russia. This question was central to Gore's efforts to cancel the Primakov visit (see accompanying article by Jeffrey Steinberg).

The testimony before the Gilman committee on March 25, one day into the NATO bombing of Yugoslavia started, provides ample evidence that the Gore anti-Primakov drive is coordinated with the right-wing GOP warmongers in Congress.

Gilman's first witness was former CIA director James Woolsey, now a Washington attorney with the firm of Shea and Gardner, who had served in the CIA during 1993-95. Woolsey sounded the clarion call for making Primakov an "enemy image." But, Woolsey is not a spokesman for the Clinton administration, as he is portrayed by the British-linked media. Woolsey is a Gore operative, who got the CIA job at Gore's urging. Since he was dumped from the CIA in 1995, Woolsey has worked closely with the Heritage Foundation, an Anglo-Zionist-linked think-tank also financed by the Scaife nexus.

Providing no documentation, Woolsey blasted Primakov as the man who replaced the International Monetary Fund (IMF) "reformers," and who was responsible for the proliferation of weapons of mass destruction to "rogue states." Woolsey said that he had just returned from Moscow—where, with Rep. Curt Weldon (R-Pa.) and former Defense Secretary Donald Rumsfeld, he specialized in insulting Russian officials.

"First of all," said Woolsey, "an important part of the problem of Russian proliferation to rogue regimes, such as its deplorable assistance to Iran, stems, in my judgment, from . . . decisions by my former counterpart, Mr. Primakov, now moved on to higher office. . . . I believe it's quite clear that Mr. Primakov sees the strategic relationship between Russia and the U.S. as a zero-sum game and is interested in strengthening Russia's ties with such regimes as those in Iran and Iraq as a way of building a bloc of nations committed to weakening us and our influence in the world."

He claimed that "much of Russia's military industrial complex" is "for sale to the highest bidder," including to the Aum sect in Japan, and that massive sales to "rogue states and groups" are being tolerated and "sometimes facilitated by the Russian government." Again, Woolsey singled out "particularly decision-makers such as Mr. Primakov."

According to the biography *Gore: A Political Life* by Robert Zelnick (soon to be released by Regnery Press), Woolsey is a Gore man who had been brought in by Fuerth, a suspected

listening post for Israeli Prime Minister Benjamin Netanyahu, as one of the Gore's "mind melder," more than 20 years ago. In the chapter "Gore and Nuclear Arms Control," Zelnick says: "Fuerth set up a kind of structured learning program. . . . [Gore] devoted at least six to eight hours each week for a full study [of] arms control," through lectures by Fuerth. Among the occasional "guest lecturers" was Woolsey.

"Woolsey recalls visiting Gore in his dingy Longworth Building office . . . surrounded by more charts and graphs than Woolsey could have imagined. Fourteen years earlier—in the mid-1960s—Woolsey had worked . . . on a highly classified project called 'Code 50,' which sought to 'game' various nuclear exchanges between the United States and the U.S.S.R." Zelnick depicts Gore revelling in computer nuclear war games; he writes: "*Woolsey noticed that Gore had been punching away at some of the old 'Code 50' scenarios on his IBM computer*" (emphasis added).

The IMF protection racket

Woolsey urged the committee to use the IMF to hammer Russia into line. The United States should focus "the withholding from Russia . . . those things they want . . . these IMF loans and the like," he said. This is better than sanctions.

But on March 30, the news arrived that IMF Managing Director Michel Camdessus had agreed to release IMF loan funds to Russia. Woolsey and Gore's Wall Street friends hit the roof. On March 31, the *Wall Street Journal* seethed. In an editorial entitled "The Russian Racket," it said: "Russia, after filching billions in aid, defaulting on tens of billions in loans, accusing the U.S. of bottomless villainy in Serbia, and kicking top NATO advisers out of Moscow—is going to get new billions of dollars in credits from the IMF." Blaming it on President Clinton's hopes that Russia will do "nice things," and on Treasury Secretary Robert Rubin's pushing the IMF to help Russia, the *Journal* threatened the IMF and Camdessus with the cut-off of "American taxpayer" funding.

But the Gore-Wall Street rant is not without opposition. Rep. Howard Berman (D-Calif.) challenged Woolsey on why his account was so different from a briefing he had attended by Jack Matlock, President Reagan's Ambassador to the Soviet Union, who said that "Primakov is the best thing that's happened to Russia," and that the United States is humiliating the economically distressed Russia, without regard for the future.

Sanity has also been forthcoming from a new organization called the Russian American Goodwill Association, a coalition of Russia scholars, business people, and citizens. The association took out an ad in the March 24 *Washington Post*, the day that Primakov should have met with President Clinton, urging "support for Primakov's reforms," and calling on Congress to reject the canard that "a weaker Russia is better for us" and for the American people to show friendship for our "World War II ally that sacrificed tens of millions of lives to help secure our freedom."

Plan to privatize Medicare is defeated

by Linda Everett

A Federally appointed commission, charged with improving the Medicare program and saving it from bankruptcy, ended its last meeting on March 16 without the required votes to promote a contentious "market-oriented" proposal to radically reform the Medicare program by privatizing it. Medicare, the nation's largest health insurance program, provides medical coverage for nearly 40 million of the nation's elderly and disabled people. The Bipartisan Commission to Save Medicare—made up of Democratic and Republican appointees from both Congress and the private sector—was established by the Balanced Budget Act of 1997 to analyze the financial condition of the program, and to propose to Congress how to restructure Medicare to keep the program from going bankrupt.

Low wages and fewer people in the workforce have meant that there is a shrinking tax base and collapse of the tax revenues needed to support the program—at the same time that the number of Medicare beneficiaries is expected to double to 80 million as the "Baby-Boomers" turn 65, and the number of beneficiaries who are disabled or over age 85, is also doubling.

Post-industrial disaster

Any proposal to strengthen Medicare needs first to address the root cause of that collapse, which lies in the post-industrial economic policies in place since shortly after Medicare was established in 1965, and which are driving the collapse of the nation's critical productive sectors (machine tools, manufacturing, agriculture, mining, infrastructure). Both Republicans and Democrats who are now rushing into a misguided shouting match over whether the bogus national budget surplus should be used to "save" Medicare (and if so, how much of it), are missing the real purpose of economic policy, as defined by the political economist Lyndon LaRouche, which is to create the means necessary to foster an improvement in mankind's condition from one generation to the next.

The Medicare program was one such improvement. It is credited with saving tens of millions of lives, and increasing the country's life-expectancy rate. However, as this report will show, the commission proposal to privatize Medicare would actually turn back the clock some 40 years, and rescind the nation's promise of medical care to our most vulnerable populations.

By several accounts, the primary focus of commission chair Sen. John Breaux (D-La.) and administrative chair Rep. Bill Thomas (R-Calif.) was to advance Breaux's proposal, which would not only raise the age of Medicare eligibility from 65 to 67, but use "market forces" as its primary (alleged) cost-saving mechanism, by unleashing "competition" between the government's fee-for-service plan and private Medicare managed-care plans. Under their "premium support" proposal, the government would no longer pay directly for beneficiaries' medical care. Instead, the government would give seniors a voucher that supposedly would pay for 88% of an average premium of any plan the patient "chooses": either a government fee-for-service plan, or a managed care organization (MCO) or health maintenance organization (HMO).

All of the plans are to provide an undefined package of benefits from both Medicare Part A (which covers hospital care) and Part B (which covers physician care). In effect, the Breaux-Thomas plan would reduce that national commitment of caring for the chronically ill and elderly to nothing more than shelling out a chit or voucher of a defined contribution. According to the National Council of Senior Citizens, this is like the "nose of the camel under the tent": Once the system is in place, the voucher—or the service it pays for—shrinks.

Representative Thomas, who insists we have "to slow the

growth of Medicare," claims seniors would pay "only" the remaining 12% of the premium. That's nonsense. The question to ask is, what percentage of the patient's income does that 12% represent—since 35% of Medicare patients have incomes below \$11,000, and those who are disabled or chronically ill are often the most indigent and in need of the higher priced fee-for-service care.

Where's 'the choice'?

Besides the threat that managed care represents, the idea that competition and managed care will drive down costs is ludicrous. For years, the Medicare program has overpaid HMOs to participate in Medicare; there are *no known savings* from them.

Even before Medicare announced HMO rate adjustments, dozens of HMOs deserted a half-million Medicare patients in the last year alone. While they complained of lack of profits, the patients were left without financial means to buy the costly supplementary plans which they had dropped to join the HMO in the first place. More HMOs are expected to desert, once the Medicare Choice program, in which beneficiaries choose from a range of plans, is fully activated. Washington State, one of four state Medicare Choice pilot programs, sent out a 40-page booklet to educate beneficiaries about their "choice" of plans. But, even before the ink was dry, some of the HMOs had quit Medicare;

Who's on the commission

The Republican members of the commission, appointed by Senate Majority Leader Trent Lott (Miss.) and then-House Speaker Newt Gingrich (Ga.), were, in general, part of the Conservative Revolution's attempt to dismantle Medicare in 1994. Among them are:

Rep. Michael Bilarkis (Fla.) and Sen. Bill Frist (Tenn.), a cardiologist who owns a significant part of the for-profit hospital cartel Columbia-HCA, which gets 35% of its revenue from Medicare—and which the Justice Department has sued for inflating Medicare billing and falsifying Medicare cost reports. Other GOP appointees include Deborah Steelman, former chair of the Advisory Council on Social Security 1989-92; and Samuel H. Howard, chairman and CEO of Phoenix Healthcare Corp. of Tennessee, which owns, manages, and operates organizations that provide health-care services to Medicare and Medicaid recipients.

Democratic appointees, some of whom supported aspects of the Breaux plan, include Sen. Jay Rockefeller (W.V.); Rep. Jim McDermott (Wash.), longtime advo-

cate of universal health care; and Rep. John Dingell (Mich.), the only member of Congress who was in Congress when Medicare was established. Democratic appointees from the private sector are:

Health-care economist Stuart Altman; Laura Tyson, past chair of the National Economic Council and contributor to the President's 1994 health-care plan; Bruce Vladeck, former administrator of Health Care Financing Administration, which oversees Medicare and Medicaid; and Anthony Watson, CEO of Health Insurance Plan of New York (HIP), one of the nation's largest and oldest HMOs, which has joined two other major HMOs to call for strict Federal regulation of the managed-care industry.

After President Clinton proposed in his State of the Union speech in January that Medicare should be expanded to provide beneficiaries with prescription drugs (which have increased in costs 14% in the last several years), Senator Breaux, who is said to be Trent Lott's favorite Democrat, tried to woo the Democrats on the commission to back his plan, by proposing that Medicare help some indigent elderly purchase some of their medications. The bait was not taken.

Now, Breaux promises to introduce a bill based on his plan into Congress.

some were found to have submitted wrong information; and others “misrepresented”—that is, lied about—benefits in order to get Medicare contracts.

Another glaring problem: There are no managed care plans in 75% of the counties in the United States!

Medicare HMOs are adept at risk selection, accepting only the healthiest patients and forcing the chronically ill out. Millions of patients have had to leave Medicare HMOs because the plans broke contracts, tripled the price of medications, increased premiums by as much as 133%, blocked access to medically necessary treatment, reneged on covered benefits, and lied outright to get patients to sign up. In fact, the first-ever study of beneficiaries leaving Medicare HMOs, found that the elderly’s disenrollment rates were as high as 81% (in the case of one Florida HMO). Medicare patients who disenrolled from HMOs were 180% more likely than a matched group of patients to need in-patient hospital services, which are covered by Medicare, but which the Medicare HMO refused to provide.

Competition does not generate quality care

A recent study by the Medicare Rights Center found that in 50% of the cases in which they appealed HMO denial of care decisions, the HMOs systematically violated Medicare laws and regulations.

Contrary to Wall Street nostrums, stiff competition among HMOs does not mean higher quality health care at lower costs. About all that it produces is a race to the bottom, in terms of quality of care, where “bait-and-switch” tactics are the rule. Agents bank a commission for signing up elderly patients with promises of free medications, services, etc. When denied care, the bewildered patient tries again to “choose” a plan. How often can the chronically ill switch their intensive-care needs from plan to plan, doctor to doctor, hospital to hospital?

There’s a clear message here from Breaux, et al.: They’re telling sick, disabled, and aged patients—a third of whom suffer dementia—to “get out,” “get savvy,” and “fend for yourself in the health-care market”! Yet Medicare was established precisely because private insurers refused to provide coverage for these older Americans. Commission member Sen. Phil Gramm (R-Tex.), who claims that he never saw a government program that’s “worth paying taxes for,” intends to use “financial incentives” to force these patients to “choose” cheaper HMOs.

But, what of the impact on our hospital and health care-delivery infrastructure? Medicare’s traditional fee-for-service plan sets already low hospital/doctor payment rates, but Breaux wants these plans to compete for even cheaper rates, like HMOs do. That would be disastrous, because hospitals and doctors are, in many cases, already teetering on the brink of collapse, as HMOs and MCOs force them to accept payment rates below the costs of providing care. Hospitals have survived by shifting unpaid HMO costs to fee-for-service

patients (the only way HMOs can claim they save costs). No longer. Without assured Medicare payment rates (including continued provisions for in-hospital graduate medical training, also under attack by commission members), we can expect hospitals—and the care they provide Medicare patients—to collapse in short order.

The ‘market’ doesn’t save lives

Senator Gramm may characterize Medicare as “a \$1 trillion drain” on the system, but the fact is, Medicare assures Americans access to timely care that forestalls costly medical calamities and disabilities. It saves lives. In fact, poor Americans just under the age of 65, who lack access to affordable health care, have a *higher* mortality rate than their counterparts in many European countries and Japan (see “Special Report,” *New England Journal of Medicine*, Nov. 2, 1995). But, because Medicare assures coverage to those who reach age 65, life expectancy for Americans 80 years and above is *greater* than it is in Sweden, France, England, and Japan. Therefore, the proposal of Breaux and Thomas to raise the eligibility age of Medicare to 67 is nothing less than murderous.

More than 1.5 million retirees have had their health insurance benefits cancelled. Last year, a Federal court upheld the right of General Motors to slash health-care benefits for its 84,000 retirees, and gave employers nationally a free hand to renege on promised health care benefits to retirees without fear of consequence. More than 700,000 displaced workers between 55 and 65 years of age have lost their jobs due to company shutdowns or layoffs. This age group is losing health insurance at a faster rate than any other in the country, except children.

The Breaux-Thomas plan to raise the age of eligibility would vastly increase this pool of uninsured Americans.

Undoing the damage

In 1998, President Clinton called Medicare “one of our nation’s greatest achievements” and introduced a proposal to expand it by allowing those between 55 and 65 years to buy into the program. This would be a useful and necessary improvement, as would his proposal to expand health-care benefits to impoverished children, and his mandate to guarantee every member of Federally funded health insurance programs be protected by a Patients’ Bill of Rights.

Clearly, these initiatives will save lives—and should be implemented immediately. But, we, as a nation, must recognize that these are all attempts to undo the damage caused by wrongheaded economic policy perspectives that undercut the means for the nation to foster real improvements for its citizens.

The proposal by Breaux, Kerry, Thomas, and the Republicans on this commission is Darwin’s survival-of-the-fittest policy—in which the sick, disabled, and aged don’t make it through. The plan deserves to be soundly defeated.

Starr's dirty dealings bared in McDougal trial

by Edward Spannaus

"If Kenneth Starr wishes to bring me back into a courtroom to test my beliefs, then he will get more than he bargained for," said Whitewater defendant Susan McDougal shortly after Starr's office had indicted her for criminal contempt of court and obstruction of justice last May. As McDougal's trial in Little Rock, Arkansas winds up its fourth week, McDougal is being true to her word: She has indeed put Starr and his deputies on trial, and has thereby exposed the dirty underside of Starr's thuggish operation.

From Starr's standpoint, the McDougal trial has gotten totally out of hand: On March 30, the judge granted McDougal's request to call as a defense witness Julie Hiatt Steele, a tangential figure in Starr's Washington investigation, who was vindictively indicted by Starr after she contradicted Kathleen Willey, one of Starr's cooperating witnesses in his sex investigation against the President.

"This is mammoth," proclaimed a stunned Mark Barrett, one of Starr's assistant prosecutors, after the judge allowed Steele's testimony. "I think we've been on the defense since the case began," Barrett told reporters outside the courthouse, "but this is a different level."

Starr's master plan

In Starr's view, Susan McDougal, her late husband James McDougal, and other Arkansans who were caught up in his dragnet, were simply pawns in his bigger game of getting at President Clinton. Starr was quite blunt about this in his Nov. 19 testimony to the House Judiciary Committee: "In August 1994, when I first arrived in Little Rock . . . we devised a plan," Starr stated. First, based on the testimony of (paid-off witness) David Hale and others, "we would take steps . . . to seek an indictment of Jim and Susan McDougal and others involved." If they were convicted, "we would then obtain their testimony and determine whether they had other relevant information . . . that would either exonerate or incriminate the Clintons as to Madison and Whitewater matters."

Starr's script worked with James McDougal. Fearful of dying in prison (which he did anyway), James's resistance crumbled a few months after his conviction, and he told Susan that he was going to lie about the Clintons to save his skin, and urged that she do the same.

But Susan refused to play along, and as a consequence she suffered the following: 1) She was indicted, tried, and sentenced to two years in prison on Whitewater-related

charges, and served four months of that (after the previous 18 months) until she was released for medical reasons. 2) She served 18 months in prison for contempt of court. 3) She was indicted and tried on embezzlement charges in California—a result of collusion between Starr and California state prosecutors—but was acquitted by a jury last November. And, 4) she was indicted a third time last May, on charges of criminal contempt and obstruction of justice brought by Starr's office.

McDougal always maintained that Starr's deputies wanted her to lie about Clinton to the grand jury, and she feared that if she went into the grand jury and told the truth—which was not what Starr wanted to hear—that she would be charged with perjury. Time and time again, McDougal said that she would be willing to tell her story to a Congressional committee or in open court, but that she would not go behind closed doors with Starr's grand jury and subject herself to indictment for telling the truth.

Starr on trial

Starting on March 23, Susan McDougal did exactly what she said she would do. When she took the stand, the first three questions her lawyer asked her, were the same questions that she had refused to answer in front of the grand jury. She said that she had never discussed the \$300,000 David Hale loan with Bill Clinton, that she had never had a substantive discussion with Clinton about a real estate development funded by the loan, and that as far as she knew, Clinton had testified truthfully during her trial.

McDougal also described how her former husband had made up stories about Clinton to avoid going to prison, and how he had told her to do the same thing, saying, "If you don't tell this story, you're going to jail." McDougal said that Jim had first refused to cooperate with Starr, but changed his mind after being convicted of fraud in their 1996 trial. "He told me this is something he had to do because he did not want to die in jail," she said.

McDougal was on the stand for five days; on the last day of her testimony, under cross-examination, she testified: "According to what I know, everything that I know, Bill Clinton answered truthfully . . . about all the . . . questions he was asked that had anything to do with me."

On that same day, the judge granted McDougal's motion to bring in Steele as a defense witness. During a hearing without the jury present, Steele said that Starr's deputies had indicted her for making false statements even though she had told the truth. This is exactly what McDougal had feared for herself, and the judge acknowledged that Steele could testify in front of the jury to help McDougal's lawyers attempt to show the jury the *modus operandi* of Starr's office.

On April 2, Steele told the jury how Starr's office had pressured her to back up Willey's story, and how Starr's agents had questioned her daughter, her brother, her friends and neighbors, and even asked sexual questions of her daughter's boyfriend.

Fight intensifies vs. death penalty in U.S.

by Marianna Wertz

The growing and lawless use of the death penalty in the United States, with the continued ascendancy of Vice President Al Gore in policymaking, is coming under intensifying attack both at home and abroad. With the United States strutting the world stage as the great defender of “human rights”—in Serbia, China, Iraq, and elsewhere—capital punishment in America is increasingly being spotlighted as proof of the hypocrisy of that claim, most recently at the UN Human Rights Conference meeting in Geneva.

In its report on the event, the *International Herald Tribune* wrote on March 29: “The United States, which regards itself as a bastion of human rights, found itself under attack from friend and foe alike during the first week of the United Nations annual meeting on global democratic rights. The sharpest blow came from a U.S. ally, Germany, whose Foreign Minister, Joschka Fischer, announced last week that the 15-member European Union for the first time would submit an anti-death-penalty resolution to the UN Human Rights Commission.” Fischer explained to delegates from the 53 member countries, that the resolution was intended to prevent “the execution of minors, of the mentally ill, enforcement before completion of ongoing procedures, and extradition to countries where the death penalty is in force.” According to the *International Herald Tribune*, the resolution was aimed in particular at the United States, following the recent executions in Arizona, which Fischer described as acts of “barbarism.”

In Arizona, German nationals Walter and Karl LaGrand were executed a week apart in late February-early March for a murder they committed in 1982. The two had no claims to innocence, but they had been denied their rights as German citizens. The German consulate was not informed of their arrests and convictions until 1992, despite the fact that the Vienna Convention, to which the United States is a signer, stipulates that foreign nationals must be given access to their consulate after arrest. The German government sought to stop the execution through protests to the U.S. government and to the World Court, which issued a plea to at least delay the execution of Walter LaGrand, the second brother to be killed.

The inaction of the U.S. government in this case contrasts sharply with moves by the Clinton administration to stop three other executions of foreign nationals—two in Virginia and one in Texas—carried out in the last two years. It demonstrates a shift in mood in the administration, where President Clinton has seen his power increasingly reduced, compared to that of Gore and the Principals Committee.

Amnesty International, the British “human rights” group, went even further than the European Union in protesting American policy at the Geneva meeting. For the first time, Amnesty placed the United States on its priority list of human rights violators, along with Algeria, Cambodia, and Turkey, among others, citing police brutality, violations against people in detention, and increased numbers of executions. Amnesty did not place China—which some are urging become America’s new “enemy image”—on its list this year. Nancy Rubin, who heads the U.S. delegation to the Geneva conference, reportedly reacted furiously to these developments.

The United States passed a watershed on Dec. 18, 1998, executing its 500th person since capital punishment was reinstated in 1976. Another record was also set last year: There are now more than 3,517 people on Death Row across America. While the total number of executions declined slightly in 1998 (to 68), a record number of executions (74) occurred during 1997, and the United States is on its way to breaking that record in 1999. With more than 20 executions by the end of March, the total is expected to exceed 100 for the year, a pace not seen in the United States since the 1940s.

The disproportionate use of capital punishment for minorities is evident in the fact that nearly 44% of Death Row prisoners at year-end 1997 were minorities (of whom 42.2% were African-American). In addition, the execution of minors under age 18 is authorized now in 16 states, and for 18-year-olds in 15 other states.

The growing barbarity of these practices has unleashed a reaction from the American population, with a movement for a moratorium gaining ground nationally. The intervention of Pope John Paul II during his January trip to St. Louis, when he successfully appealed to Missouri Gov. Mel Carnahan to commute the death sentence of Darrell Mease, gained greater international attention for the issue. Catholic teaching calls the death penalty “cruel and unnecessary,” in light of the alternative of life in prison without possibility of parole.

The U.S. Bishops’ Administrative Board chose Good Friday, April 2, as the occasion to call on the nation’s more than 60 million Catholics to fight the death penalty. “On this Good Friday, a day when we recall our Savior’s own execution, we appeal to all people of goodwill, and especially Catholics, to work to end the death penalty,” the board said, which represents the nation’s bishops between their general meetings.

Defeated in Massachusetts

In Massachusetts, Catholic Cardinal Bernard Law was recently pitted against Gov. Paul Cellucci, a death-penalty advocate and a Catholic, in debate over legislation that would reinstate the death penalty. Cardinal Law quoted George Washington’s Farewell Address, in which Washington warned that “national morality” cannot “prevail in exclusion of religious principle.” That principle, Law said, is “the inviolable dignity and right to life of every human person. We are poised on the threshold of a new millennium. We are leaving what could arguably be said to be the most violent of centu-

ries. A day does not pass without some fresh atrocities reported from Borneo, Kosova, or closer to home. With capital punishment, we all become victims.”

On March 29, the Massachusetts legislature defeated the reinstatement of the death penalty, by a vote of 80-72. State Rep. Ben Swan (D-Springfield), who helped engineer the defeat, told *EIR* that, following a full day of debate, in which the proponents—both Democrats and Republicans—attempted to modify the bill to make it acceptable, it was defeated, as it had been in the Public Safety Committee earlier. A similar bill had passed both houses of the legislature in last year’s session, and was defeated then in the reconciliation committee by one vote. So, the defeat of the legislation this year represents progress made on the issue over the past year.

In Virginia, where seven executions have been scheduled for March and April, coinciding with Palm Sunday, Passover, and Easter, Bishop Walter F. Sullivan of the Catholic Diocese of Richmond gathered a group of 19 clergy of various faiths

in a press conference on March 23, calling for an end to the death penalty nationwide and especially in Virginia. Sullivan decried the fact that Virginia is becoming known as “the execution state,” with the highest rate of executions (61) for its population size in the nation.

Other speakers were: Rabbi Leivy Smolar, of Congregation Or Ami in Richmond; Rev. Fletcher Lowe, executive director of the Virginia Interfaith Center for Public Policy; Rev. Cessar Scott, executive minister of the Baptist General Convention of Virginia; Bishop Frank Gray of the Episcopal Diocese of Virginia; and representatives of the Presbyterians, Unitarians, and Methodists. Rabbi Smolar called the death penalty “a stain upon our entire penal system,” and questioned why, “when many countries are planning to abolish the death penalty, we carry out executions at an increasing rate.” Reverend Lowe pointed to the more than 75 men across the country who have been released from Death Row after new evidence found that they had been falsely convicted.

The world must bring more pressure to bear

Henry Heller, chairman of the 2,600-member Virginians for Alternatives to the Death Penalty, gave EIR the following statement on March 29:

Virginians prefer an alternative to the death penalty. Six consecutive years of polling at Virginia Tech showed that when Virginians are given the alternative of life with no possibility of parole for a minimum of 25 years, combined with restitution to the victims’ families, support for the death penalty is cut in half.

But our legislators don’t listen to their constituents. It’s popular to be for the death penalty. It’s a very political game and politicians use it to play on people’s fears. They tell you that you’re going to feel safer if you have a death penalty. The fact is, that Virginians would rather have something else than the death penalty, but they’re just not given that choice.

The appeals process in Virginia is worthless, because you have a 21-day rule, where courts are not required to look at evidence of innocence 21 days after sentencing. The 4th Circuit Court of Appeals at the Federal level has *never* granted relief for a *habeas* petition. The only thing the courts are interested in is if the trial was done according to the ways trials are supposed to be conducted, if the judge followed all the guidelines. That doesn’t cover lawyers who don’t represent their clients competently.

I hear about those international efforts and Virginia has shown in the past that it really doesn’t give a hoot about what the international community has to say at all. The World Court, in the case of Angel Breard last summer, came out and said, don’t execute this guy. Here’s a case where the guy’s embassy was not notified that they had one of their nationals, and that they had charged him with capital murder and had sentenced him to death. The Vienna Convention, to which the United States was a signee, says that if you grab somebody from another country, you’ve got to let their embassy know that you’ve got one of their people. There is blatant disregard for that in the United States.

Virginia’s Gov. James Gilmore just snubbed his nose at that, and said: I don’t care what the World Court has to say. We’re the cops of the world! We do what we want to do in this country. It doesn’t matter what public opinion has to say and it doesn’t matter what the international governments have to say. We don’t belong to any World Court. We belong to our courts. The United States’ courts.

It’s wonderful that the countries of the world are up in arms about the United States’ execution of juveniles and mentally retarded people. But unless they start really putting some pressure on, instead of just signing documents—we don’t pay attention to documents. The international community needs to go a step further, and do whatever it can do, to publicize as much in their press, that the United States knowingly executes individuals who were, in some states, younger than 16 at the time of the crime. “We’re calling for more death penalty. Let’s kill them even younger. That’s going to save us all.” We’re supposed to feel better. These are kids!

National News

HUD reports housing crisis for poorest

A new study by the Department of Housing and Urban Development (HUD), entitled "Waiting in Vain: An Update on America's Housing Crisis," documents that the crisis in affordable housing for the nation's poor has greatly deepened. There are two types of government housing assistance for the nation's poor and lower-income families: 1) public housing, which is built with government financing for low-income families; and 2) "Section 8" rental assistance, which provides vouchers for a portion of the poor's monthly rental costs.

According to the new HUD study:

- The time people spend on waiting lists to get into HUD-assisted public housing "increased substantially between 1996 and 1998." For the largest public housing authorities, the average wait list rose from 22 to 33 months from 1996-98, a 50% increase. In some large cities, the waiting list is even longer: eight years in New York City, six years in Oakland, California, and five years in Washington, D.C. and Cleveland, Ohio.

- The waiting period for Section 8 rental assistance—how long one has to wait to be placed into the program, and start receiving assistance—is now ten years in Los Angeles and New York City, seven years in Houston, and five years in Memphis and Chicago.

- Where waiting lists for HUD-assisted programs have not been closed due to their overwhelming size, the number of people applying increased by 10-25% during 1997-98.

- "Between 1995 and 1997, rents increased faster than income for the 20% of American households with the lowest incomes."

Labor, Democrats think 'Big Al' is 'Bor-r-ring'

In what is described as a "testy" meeting, Al Gore spoke before a United Auto Workers conference in Des Moines, Iowa on March 22, and "ran into a buzz-saw of questions" about the North American Free Trade Agreement (NAFTA), according to Associ-

ated Press. When Gore was introduced by Dave Neil, the state head of the UAW, Neil said tersely, "We are of the opinion that NAFTA does not work. I guess I'll just stop there."

Gore acknowledged in his speech, "We have not agreed with you on every issue. You are keenly aware of that. I am keenly aware of that. If you are looking for perfection, keep on looking," Gore added.

He was hammered with questions on the global warming lie, as well as on NAFTA. When Gore insisted that he backed labor's goals, one questioner drew cheers when he shouted from the back of the room, "How come you don't twist arms on labor like you do on NAFTA?" "I want to work with you," Gore pleaded. "I come from a progressive tradition that is in my bones."

At the March 19 Democratic National Committee meeting in Washington, Gore received a lukewarm reception from many of the members, according to a party official who was there. Gore signs were passed out to the crowd to wave during Gore's speech, but a number of participants did not take them. Then, allegedly because of fire regulations, all guests were ordered out of the room. In fact, *EIR's* source said, there was less applause and cheering for Gore after he spoke, than before.

Clinton receives award named for Yitzhak Rabin

President Bill Clinton asked for God's help to "hasten the day of Yitzhak Rabin's dreams," as he accepted the Shalom Chaver Award from the hands of Leah Rabin on behalf of the Yitzhak Rabin Center. Recalling the late Israeli Prime Minister's quest for peace, the President said that Rabin had known that "bold steps" would have to be taken to secure a "strategic peace, a circle of peace with others in the region to isolate and weaken extremists."

The President also thanked Leah Rabin for her remembrances of King Hussein of Jordan. Of these two men he said, "Hussein and Yitzhak Rabin were brave soldiers who had the courage to tell the hard truth that there would be no security for any in the Middle East without fairness for all, that the time had come to lift people's hopes, not

exploit their fears, to reach across the divide of history and hatred to fulfill the true promise of the Promised Land. They knew well enough that extremists would try to derail the peace accord by keeping fear and frustration, mistrust and misery, dominant in the lives of ordinary Palestinians and Israelis. But they were determined to turn back the tide, and so they did."

On March 23, Clinton met with Rabin's peace partner, Palestinian Authority President Yasser Arafat for 90 minutes, including one hour behind closed doors. Arafat said that their discussion on Palestinian statehood, which he has pledged to announce on May 4, involved a "very extensive and in-depth conversation." Overall, he described the meeting as "constructive and fruitful."

DOJ fights to preserve corrupt prosecutions

Testifying before a subcommittee of the Senate Judiciary Committee on March 24, Deputy Attorney General Eric Holder again urged Congress to either repeal the "McDade Amendment" passed last session, or to postpone its implementation, scheduled for April 19. That amendment to the Department of Justice appropriations bill was based on the "Citizens Protection Act" to rein in abuse by Federal prosecutors, co-sponsored by Pennsylvania Reps. Joseph McDade (R) and John Murtha (D). The debate from both sides of the House floor on Aug. 5, 1998 included the out-of-control abuses of Independent Counsel Kenneth Starr.

In a further effort to enshrine Federal prosecutorial abuse, various proposals are being made to incorporate what are now special prosecutor investigations into the DOJ Criminal Division's Public Integrity Section. Former Deputy Attorney General Philip Heymann told the Senate Governmental Affairs Committee on March 17 that he advocates creating a structure in the Criminal Division, "very much modelled after the British system—a director of public prosecutions," where the Assistant Attorney General in charge of the investigation could not be contacted by anyone in the White House or Congress, and not even "at the initiation of the Attorney General or the Deputy Attorney General on a particular case."

Lugar introduces bill to reform sanctions

On March 25, Sen. Richard Lugar (R-Ind.) and 28 co-sponsors introduced a bill to reform the way economic sanctions are used as a tool of foreign policy. Lugar said that interest in reforming sanctions policy stems from the “compelling and disturbing” finding that “the net effect of our self-imposed economic sanctions is that they deny access to U.S. markets abroad, reduce our trade balance, contribute to job loss, complicate our foreign policy and antagonize friends and allies.” He pointed out that sanctions have become a policy of “first use,” and added that “economic sanctions have become more frequent in recent years and have been used against more countries, both friends and adversaries, for an increasing variety of actions which we find offensive.”

Lugar said that the bill “seeks to establish clear guidelines and informational requirements to help us improve our deliberations and to understand better the consequences of our actions before we implement new economic sanctions.” The bill sets a number of reporting requirements before new sanctions can be considered against any country. These include a statement of the purpose of the sanctions, and assessments of the impact that proposed sanctions will have on U.S. exports, particularly agricultural exports. It prohibits consideration of new sanctions without these reports.

The bill also includes a provision giving the President waiver authority of the Nuclear Proliferation Act, the law that required immediate imposition of sanctions on India and Pakistan after their nuclear tests last year.

Lugar said that his bill “goes to the heart of the manner by which we conduct our commercial relations abroad

and the way we manage our overall foreign policy. We need to do a better job on both.” Rep. Phil Crane (R-Ill.) has introduced a companion bill in the House, and it has already garnered 56 co-sponsors.

Trade laws work, Senate panel told

Commerce Secretary William Daley told the Senate Finance Committee on March 23 that the Clinton administration’s determination to enforce U.S. trade laws is beginning to pay dividends for the steel industry. Daley’s comments were, in part, a response to the House of Representatives’ 289-141 vote the week before, placing quotas on imported steel. He called that bill “the wrong approach” which “not only raises serious WTO [World Trade Organization] concerns but also could have a negative impact on our economy and send the wrong signal to the rest of the world.”

Daley displayed a series of charts showing how steel imports have declined 70% since last November, and declared that “this is a direct result of our dumping cases and the bilateral pressure which has been applied to our trading partners.”

Daley also expressed support for legislation sponsored by Reps. Amo Houghton (R-N.Y.) and Sander Levin (D-Mich.), both of whom also testified before the committee. Levin argued that “what we have to do is craft aggressive provisions within WTO.” The Houghton-Levin bill reforms anti-surge provisions in trade laws to allow the government to respond more quickly to an import surge.

However, Daley and U.S. Trade Representative Charlene Barshefsky were bombarded by committee mem-

bers who are frustrated by the economic collapse in their states—despite the platitudes about how strong the economy supposedly is. Sen. John D. Rockefeller IV (D-W.V.) wanted to know “what it takes to get you all moving?” He pointed out that the steelworkers have a contract with a no-cut clause in it, but when that expires in July, the job losses in the industry will be 75,000 to 100,000, rather than just the 10,000 so far reported. Kent Conrad (D-N.D.) and Frank Murkowski (R-Ak.) added wheat and other commodities to the discussion. Murkowski demanded to know how the administration plans to “take on the underlying cause, that we find our commodities all under water?”

House, Senate pass budget resolution

Both the House and the Senate won a race against time on March 25, the day Congress adjourned for the Easter break, passing their respective versions of the fiscal year 2000 budget resolution. However, the debate in both houses foreshadows a difficult appropriations process. For example, Frank Lautenberg (D-N.J.), the ranking member on the Senate Budget Committee, told the Senate that the resolution “proposes extreme and unrealistic cuts in domestic programs. These could devastate public services if enacted. More likely, Congress is going to be unable to pass appropriations bills, and we will face a crisis at the end of this year that could lead to a complete government shutdown.”

The biggest complaint of Democrats is that the GOP budget does not include any measures to “save” Social Security and Medicare. Lautenberg sponsored an amendment that would have made it out of order to consider

any new spending bill “before we have enacted legislation to ensure the long-term solvency of Social Security and to extend the solvency of the Medicare hospital insurance trust fund by at least 12 years.” Democrats disputed assertions by Republicans that the GOP budget provides \$100 billion to Medicare over the next ten years. Budget Committee Chairman Pete Domenici (R-N.M.) claimed that this extends the solvency of Medicare by “much longer than 12 years.” Lautenberg’s amendment was defeated by a vote of 55-45.

In the House, the debate was equally contentious. Republicans offered a substitute amendment (this was also done in the Senate) that they represented as the President’s budget. Virtually all Democrats took issue with this, and the amendment only garnered two votes from Democrats. One, Rep. Martin Sabo (D-Minn.), said that the President “did put forward a realistic proposal to deal with the funding of Social Security and Medicare.” The Democratic alternative budget was defeated by a vote of 250-173.

Gilman, Mica launch destabilization of Mexico

On March 24, the Subcommittee on Criminal Justice, Drug Policy, and Human Resources of the House Government Reform and Oversight Committee, chaired by Rep. John Mica (R-Fla.), held hearings on drug-running in Mexico, with the express purpose of overturning the Clinton administration’s decision to certify Mexico as a cooperating nation against narcotics. Mica and House International Relations Committee Chairman Ben Gilman (R-N.Y.) claim that they have “evidence” that the Mexican govern-

ment, from the top down, is controlled by drug traffickers.

The particular target of the subcommittee hearings was Mexico’s Secretary of Defense Gen. Enrique Cervantes, whom the lead witness, retired Customs Service official William Gately, asserted, tried to launder \$150 million in drug money. Gately charges that Operation Casablanca, a U.S. investigation into money-laundering by Mexican banks, was shut down when it allegedly turned up evidence that top Mexican officials were involved—a charge angrily disputed by Customs Commissioner Raymond Kelly and other administration officials. Gately said that “it is indisputable” that Cervantes was involved in the money-laundering, and he also claimed that a reference to the Office of the Presidency was uncovered in Operation Casablanca.

The hearing was opened with a statement from Gilman, announcing that he and Mica were introducing a resolution of disapproval of Mexico’s certification, because Mexico “deserves a failing grade.” The resolution comes in just under the 30-day limit imposed on Congress to respond to Presidential certifications. Gilman promised that his committee will make “a careful and considerable examination” of how to proceed.

Supplemental funding ready for conference

After Congress returns from the Easter recess on April 12, a conference committee will meet to iron out differences in the House and Senate versions of the supplemental appropriations bill. The Senate passed its version on March 23, after an agreement between Senate GOP leaders and the White

House removed from consideration an amendment relating to the deployment of U.S. military forces against Serbia. That issue was taken up separately.

The House took up its version on March 24, but it failed to generate bipartisan support. The House bill provides \$687 million for disaster relief in Central America in the aftermath of Hurricane Mitch; \$80 million to the Immigration and Naturalization Service; and \$194.9 million to the Defense Department, including to replenish accounts depleted by hurricane disaster relief and related efforts. The bill also provides \$100 million in aid to Jordan (of \$300 million requested) and \$152.4 million for direct and guaranteed loans to the farm sector.

David Obey (D-Wisc.), the ranking member on the House Appropriations Committee, complained that the committee could not consider a bipartisan bill because “the committee leadership was ordered by the Republican leadership of the House to delete the emergency designation for domestic programs and to require offsets in order to finance those programs on a non-emergency basis.” He offered an amendment to rescind the most objectionable of the offsets, \$648 million in callable capital, which is a support function for international financial institutions. He warned that rescinding this callable capital at a time of global financial instability “could cause great harm.”

Appropriations Committee Chairman Bill Young (R-Fla.) said that “if anyone has heartburn” on the relatively small offsets in the supplemental bill, then “there is going to be major heartburn” on the fiscal 2000 appropriations bills “if we are going to live within the 1997 budget caps.” Obey’s substitute amendment was defeated by a vote of 228-201 and the bill passed by a final vote of 220-211.

Justice for Kosova

Yes, justice in Kosova is urgent, as more and more details pour out, of barbarous so-called ethnic cleansing. But what have the “human rights” hypocrites of London and Washington, leaders of NATO’s Balkan war, got to do with justice in matters of human rights and genocide?

Aren’t these the same people who have, from the Foreign Office in London and the State Department in Washington, endorsed, supported, and propelled the Ugandan genocidalist Yoweri Museveni in his mass-murder orgy in Africa? If the U.S. administration is outraged by atrocities, why is Susan Rice still at the State Department? Why has she not been fired from her Africa Desk post, from which she has directed U.S. policy in support of genocide in Africa—6 million deaths in Africa?

How is it that the “human rights” hypocrites of London and Washington, leaders of the Balkan war, support and direct the rapacity of the International Monetary Fund, at whose doorstep lie countless deaths? Soaring death-rates in debtor countries—Indonesia, for example—are the fruit of the savagery of the International Monetary Fund. That being the case, asks economist and U.S. Presidential candidate Lyndon LaRouche, should we propose that the Pentagon bomb the Washington offices of the IMF, or brand IMF chieftain Michel Camdessus the dictator of a “rogue entity”?

A bloodthirsty cost-cutting derived from the same IMF austerity that kills countries, operates in the United States itself. It is the HMO/“managed-care” health care system that denies care, and withholds treatment from millions of American elderly and indigent, so that the richest country in the world sees countless needless deaths, people killed for a profit.

In fact, recent American history is littered with such murderous policies. Recall Henry Kissinger’s 1974 National Security Study Memorandum 200, which identified as “national security threats,” developing countries that were populous and technologically advanced—and vowed to beat them down and slash their populations. Or Jimmy Carter’s Global 2000, demanding that world population be halved by the year 2000.

As a result of the Malthusian policies of the British-

American-Commonwealth grouping, entire nations, in various continents, are being swept from the political map by the worst, and worsening, worldwide financial crisis of this century. Look at sub-Saharan Africa. Look at the process of disintegration already hitting Colombia, Venezuela, Ecuador, Brazil, Argentina, and other nations of Central and South America. A major war looms over the Middle East as a whole; the entire Balkans region is wrecked. A crisis far worse than 1929-32 is in progress inside the U.S.A. itself.

Yes, justice in Kosova is urgent. But it is likely to be achieved only through collaboration between the United States and Russia. The opportunity for this is provided by the emergence of the “Survivors’ Club” of Eurasian nations—principally China, Russia, and India, but with other nations eager to participate as well—implementing a vast program of infrastructure development, the Eurasian Land-Bridge. The Chinese leadership has offered participation in these projects to the U.S. government and corporate sector, to the tune of \$1.52 trillion. For America to join this great enterprise of the 21st century, would create millions of real, productive jobs—boosting the United States out of the post-industrial rust bucket which it has now become. As LaRouche has emphasized, such a policy, combined with a New Bretton Woods bankruptcy reorganization of the world financial and monetary system, would reverse the otherwise inevitable trend toward an economic meltdown and a New Dark Age.

Lacking such cooperation with Russia and China, the NATO bombing campaign is taking us every day closer to the brink of global war. The bombing has intensified the pace of the atrocities, and since March 24 has driven an estimated 100,000 Kosovars from their homes, fleeing bombs and atrocities.

Those, like Vice President Al Gore, who tell the President he is leading a “war for human rights,” are hypocrites and worse—much worse, in Gore’s case; he subscribes to Prince Philip’s nightmare vision of a world population reduced by billions. Before these ghouls commit ground troops, before the body-bags start coming back home, let us expose them, and stop them.

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 - CONCORD—Ch. 25
Thursdays—9:30 p.m.
 - E. LOS ANGELES
BuenaVision—Ch. 6
Fridays—12 Noon
 - LANCASTER/PALMDALE
Jones—Ch. 16
Sundays—9 p.m.
 - MODESTO—Access Ch. 8
Mondays—2:30 p.m.
 - SAN DIEGO—SW Cable Ch. 16
Mondays—10 p.m.
 - SAN FRANCISCO—Ch. 53
2nd & 4th Tues.—5 p.m.
 - SANTA ANA—Ch. 53
Tuesdays—6:30 p.m.
 - SANTA CLARITA
MediaOne/T-W Ch. 20
Fridays—3 p.m.
 - TUJUNGA—Ch. 19
Fridays—5 p.m.
- COLORADO
 - DENVER—DCTV Ch. 57
Saturdays—1 p.m.
- CONNECTICUT
 - BRANFORD—TCI Ch. 21
Thu.—9 p.m.; Fri.—10 a.m.
 - NEWTOWN/NEW MILFORD
Charter Ch. 21
Thursdays—9:30 p.m.
- DISTRICT OF COLUMBIA
 - WASHINGTON—DCTV Ch. 25
Sundays—2 p.m.
- ILLINOIS
 - CHICAGO—CAN Ch. 21
Mon., Apr. 12: 10 p.m.
 - SPRINGFIELD—Ch. 4
Wednesdays—5:30 p.m.
- IOWA
 - DES MOINES—TCI Ch. 15
1st Wednesdays—8:30 p.m.
Following Sat.—3 p.m.
 - WATERLOO—TCI Ch. 15
Tuesdays—5 p.m.
- KANSAS
 - SALINA—CATV Ch. 6*
- KENTUCKY
 - LATONIA
Intermedia Ch. 21
Mon.-8 p.m.; Sat.-6 p.m.
- LOUISIANA
 - LOUISVILLE—Ch. 70/18
Fridays—2 p.m.
- LOUISIANA
 - ORLEANS—Cox Ch. 8
Mon.—1 a.m.; Wed.—7 a.m.
Thu.—11 p.m.; 12 Midnight
Sun.—4 a.m.
- MARYLAND
 - ANNE ARUNDEL—Ch. 20
Fri. & Sat.—11 p.m.
 - BALTIMORE—BCAC Ch. 5
Wednesdays—4 p.m. & 8 p.m.
 - MONTGOMERY—MCTV Ch. 49
Fridays—7 p.m.
 - PRINCE GEORGES—Ch. 15
Mondays—10:30 p.m.
 - W. HOWARD COUNTY—Ch. 6
Monday thru Sunday—
1:30 a.m., 11:30 a.m.,
4 p.m., 8:30 p.m.
- MASSACHUSETTS
 - BOSTON—BNN Ch. 3
Saturdays—12 Noon
 - WORCESTER—WCCA Ch. 13
Wednesdays—6 p.m.
- MICHIGAN
 - CANTON TOWNSHIP
MediaOne Ch. 18: Thu.—6 p.m.
 - DEARBORN HEIGHTS
MediaOne Ch. 18: Thu.—6 p.m.
 - GRAND RAPIDS—GRTV Ch. 50
Fridays—1:30 p.m.
 - PLYMOUTH
MediaOne Ch. 18: Thu.—6 p.m.
- MINNESOTA
 - COLUMBIA HEIGHTS
Community TV—Ch. 15
Wednesdays—8 p.m.
 - DULUTH—PACT Ch. 24
Thu.—10 p.m.; Sat.—12 Noon
 - MINNEAPOLIS—MTN Ch. 32
Wednesdays—8:30 p.m.
 - NEW ULM—Paragon Ch. 12
Fridays—7 p.m.
 - PROCTOR/HERMAN—Ch. 12
Tue.: between 5 pm & 1 am
 - ST. LOUIS PARK—Ch. 33
Friday through Monday
3 p.m., 11 p.m., 7 a.m.
 - ST. PAUL—Ch. 33
Sundays—10 p.m.
 - ST. PAUL (NE burbs)*
Suburban Community Ch. 15
- MISSOURI
 - ST. LOUIS—Ch. 22
Wednesdays—5 p.m.
- MONTANA
 - MISSOULA—TCI Ch. 13/8
Sun.—9 pm; Tue.—4:30 pm
- NEVADA
 - CARSON CITY—Ch. 10
Sun.—2:30 pm; Wed.—7 pm
Saturdays—3 p.m.
- NEW JERSEY
 - MONTVALE/MAHWAH—Ch. 27
Wednesdays—5:30 p.m.
- NEW YORK
 - AMSTERDAM—TCI Ch. 16
Fridays—7 p.m.
- BROOKHAVEN (E. Suffolk)
Cablevision Ch. 1/99
Wednesdays—9:30 p.m.
- BROOKLYN—BCAT
Time/Warner Ch. 35
Cablevision Ch. 68
Sundays—9 a.m.
- CORTLANDT/PEEKSKILL
MediaOne Ch. 32/6
Wednesdays—3 p.m.
- HORSEHEADS—T/W Ch. 1
Mon. & Fri.—4:30 p.m.
- HUDSON VALLEY—Ch. 6
2nd & 3rd Sun.—1:30 p.m.
- ILION—T/W Ch. 10
Saturdays—12:30 p.m.
- IRONDEQUOIT—Ch. 15
Mon. & Thurs.—7 p.m.
- ITHACA—Pegasys Ch. 78
Mon.—8 pm; Thu.—9:30 pm
Saturdays—4 p.m.
- JOHNSTOWN—Ch. 7
Tuesdays—4 p.m.
- MANHATTAN—MNN
T/W Ch. 34; RCN Ch. 109
Sun., Apr. 18: 9 a.m.
Sun., May 2 & 16: 9 a.m.
- N. CHAUTAUGUA COUNTY
Gateway Access Ch. 12
Fridays—7:30 p.m.
- ONEIDA—PAC Ch. 10
Thursdays—10 p.m.
- OSSINING—Ch. 19/16
Wednesdays—3 p.m.
- PENFIELD—Ch. 12
Penfield Community TV*
- POUGHKEEPSIE—Ch. 28
1st & 2nd Fridays—4 p.m.
- QUEENSBURY
Harron Cable Ch. 71
Thursdays—7 p.m.
- RIVERHEAD—Peconic Ch. 27
Thursdays—12 Midnight
- ROCHESTER—GRC Ch. 15
Fri.—11 p.m.; Sun.—11 a.m.
- ROCKLAND—T/W Ch. 27
Wednesdays—5:30 p.m.
- SCHENECTADY—SACC Ch. 16
Tuesdays—10 p.m.
- STATEN ISL.—CTV Ch. 24
Wed.—11 p.m.; Sat.—7 a.m.
- SUFFOLK, L.I.—Ch. 25
2nd & 4th Mondays—10 p.m.
- SYRACUSE—T/W
City: Ch. 3; Burbs: Ch. 13
Fridays—8 p.m.
- UTICA—Harron Ch. 3
Thursdays—6 p.m.
- WATERTOWN—T/W Ch. 2
Tue: between Noon & 5 p.m.
- WEBSTER—WCA-TV Ch. 12
Wednesdays—8:30 p.m.
- WESTFIELD—Ch. 21
Mondays—12 Noon
Wed. & Sat.—10 a.m.
Sundays—11 a.m.
- WEST SENECA—Ch. 68
Thursdays—10:30 p.m.
- YONKERS—Ch. 37
Saturdays—3:30 p.m.
- YORKTOWN—Ch. 34
Thursdays—3 p.m.

- NORTH DAKOTA
 - BISMARCK—Ch. 12
Thursdays—6 p.m.
- OHIO
 - COLUMBUS—Ch. 21*
 - OBERLIN—Ch. 9
Tuesdays—7 p.m.
- OREGON
 - CORVALLIS/ALBANY
Public Access Ch. 99
Tuesdays—1 p.m.
 - PORTLAND—Access
Tuesdays—6 p.m. (Ch. 27)
Thursdays—3 p.m. (Ch. 33)
- RHODE ISLAND
 - E. PROVIDENCE—Cox Ch. 18
Sundays—12 Noon
- TEXAS
 - AUSTIN—ACT Ch. 16*
 - EL PASO—Paragon Ch. 15
Wednesdays—5 p.m.
 - HOUSTON—Access Houston
Mon., Apr. 12: 6-7 p.m.
Wed., Apr. 14: 5-6 p.m.
Sat., Apr. 17: 6-7 p.m.
Wed., Apr. 21: 6-7 p.m.
Thu., Apr. 22: 4-7 p.m.
- UTAH
 - GLENWOOD, Etc.—SCAT-TV
Channels 26, 29, 37, 38, 98
Sundays—about 9 p.m.
- VIRGINIA
 - ALEXANDRIA—Jones Ch. 10*
 - ARLINGTON—ACT Ch. 33
Sun.—1 pm; Mon.—6:30 pm
Wednesdays—12 Noon
 - CHESTERFIELD—Ch. 6
Tuesdays—5 p.m.
 - FAIRFAX—FCAC Ch. 10
Tuesdays—12 Noon
Thu.—7 p.m.; Sat.—10 a.m.
 - LOUDOUN—Cablevision Ch. 59
Thursdays—7:30 p.m. & 10 p.m.
 - P.W. COUNTY—Jones Ch. 3
Mondays—6 p.m.
 - ROANOKE COUNTY—Cox Ch. 9
Thursdays—2 p.m.
 - SALEM—Adelphia Ch. 13
Thursdays—2 p.m.
- WASHINGTON
 - KING COUNTY—Ch. 29
Mondays—11:30 a.m.
 - SPOKANE—Cox Ch. 25
Wednesdays—6 p.m.
 - TRI-CITIES—TCI Ch. 13
Mon.—12 Noon; Wed.—6 p.m.
Thursdays—8:30 p.m.
- WISCONSIN
 - KENOSHA—T/W Ch. 21
Mondays—1:30 p.m.
 - MADISON—WYOU Ch. 4
Tue.—2 pm; Wed.—8 am
 - OSHKOSH—Ch. 10
Fridays—11:00 p.m.
 - WAUSAU—Marcus Ch. 10
Fri.—10 p.m.; Sat.—5:30 p.m.
- WYOMING
 - GILLETTE—Ch. 36
Thursdays—5 p.m.

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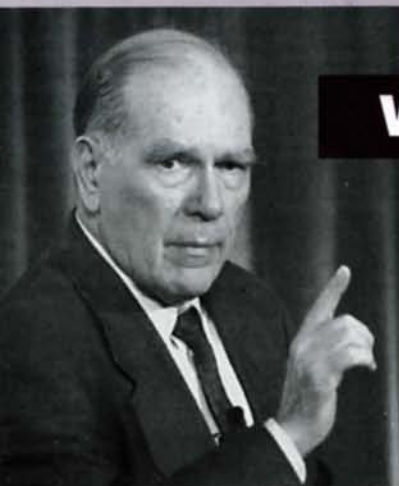
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When Communism fell in Russia in 1991, the free-market economists moved in, promising the Russians that if they stuck with 'the reforms,' the streets would soon be paved with gold.



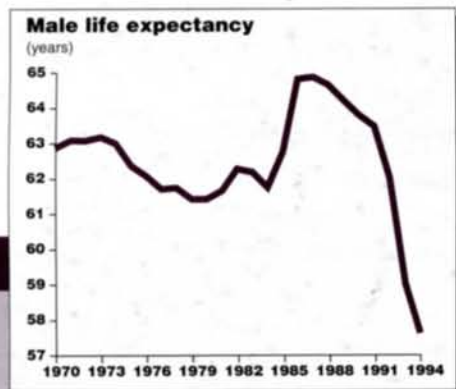
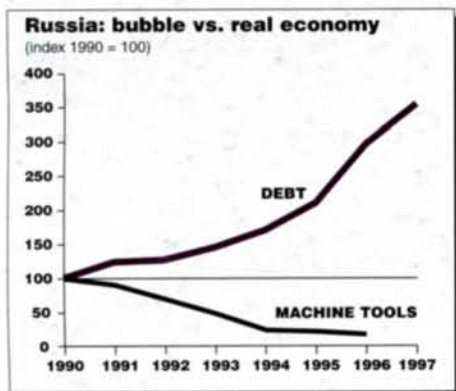
Who was right . . .

Lyndon, H. LaRouche, Jr.:

"If Yeltsin and his government were to go with a reform of the type which Harvard Prof. Jeffrey Sachs and his co-thinkers demand—chiefly from the Anglo-American side—then the result in Russia would be chaos. In such a case, the overthrow of Yeltsin, or somebody, by a dictatorship . . . would probably occur. In that case, then we have a strategic threat."

—Dec. 28, 1991

And who was wrong?



**Harvard economist
Jeffrey Sachs:**

"It is wrong in principle to judge of the progress of the reforms by the level of physical production, regarding its decline from month to month as evidence of failure of the reforms. Russia, for example, was the biggest steel producer, but did the people live better because of this? . . . The imbalances will be abolished only when millions of factory and office workers from the heavy industry sectors leave their usual jobs and get down to the business that society really needs."

—May 6, 1992



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