

“poor,” the IMF has the power to take over the administration of any country.

The power to bring a nation-state to its knees was tested by the IFIs and their allies in the hedge funds in 1997, when Soros mounted an attack against Asian countries. (Soros operates several hedge funds based in the offshore tax haven of the Netherlands Antilles that have several billion dollars of old European *fondi* money under management. Included among Quantum investors is Queen Elizabeth II. Soros uses his profits to fund a powerful NGO devoted to legalizing the drug trade.)

By leveraging assets (at 20 to 100 times the original value) through willing major banks, e.g., Citicorp, Soros mounted a series of economic warfare attacks against the currencies of Thailand, Malaysia, and other Asian nations. In a short time, decades of development were destroyed.

However, the powers of a sovereign nation-state, asserted by Malaysian Prime Minister Dr. Mahathir bin Mohamad in response to Soros and the international financial institutions, once again proved that the oligarchy and its New Dark Age could be stopped. Mahathir fixed Malaysia’s exchange rate, and called in foreign-held currency, successfully defending his country.

The Western Hemisphere

In the Western Hemisphere, the leading institution in the arsenal against nation-states is the **Inter-American Dialogue**. Founded in 1982 to manage British-Wall Street policy toward the Western Hemisphere, the Dialogue has maintained one unified commitment throughout its history: to replace the nations of this region with a supranational, “hemispheric” system of government, based on usury and free trade. The subjects of various special task forces set up by the Dialogue over the years reflect this commitment: In the 1980s, drug legalization, ways to reduce national militaries in size and influence, and the urgency of establishing a hemispheric free trade zone, dominated its agenda. In the 1990s, task forces worked on “redefining sovereignty,” proposals for a system of political and economic “multilateral governance” in the region, a project to foment “ethnic divisions,” and ways to legalize narco-terrorists under the rubric of “democratic governance.”

The IAD and TI are two institutions of the species of NGOs which, in the structure of globalization, have *more power* than governments. In the UN, the NGOs have rights and power *equal to* member-countries, and they can operate across borders, exempt themselves from national laws, and even hold huge tracts of territory that are off-limits to the sovereign nation’s institutions. NGOs thereby serve as conduits for arms-trafficking, drugs, and money-laundering used to destabilize countries. One of these, Human Rights Watch, backed by Soros, acts as a de facto arm of world government, identifying countries that can be militarily and economically crushed for alleged human rights abuses.

Asia 1997

The case of Indonesia

by Michael Billington

Indonesia has always been a prime target for empire-builders: Not only is it huge geographically, spread out over 3,400 miles, spanning strategically critical shipping lanes, but it also contains enormous deposits of some of the world’s most valuable resources. Its most valuable resource—its population, now more than 200 million people, the fourth largest on Earth—is viewed as more of a nuisance than a benefit by the would-be colonialists. Henry Kissinger, for example, in 1974, included Indonesia on his list of 13 developing nations whose population growth represented a “security risk” to the United States.

Indonesia is now being targetted by the full arsenal of British-American-Commonwealth (BAC) subversion capabilities. Even the coverage in the world press, reporting on Indonesia’s ethnic, religious, and separatist violence, escalating hunger and poverty, and bankrupt economy, gives a distorted picture calculated to facilitate the foreign takeover of the wealth and strategic territory of the Republic of Indonesia.

Under the Dutch colonial empire, Indonesia was considered to be Europe’s most lucrative colonial possession. Today, the country stands second in the world in tin production, fifth in copper, gold, nickel, and natural gas, and 14th in oil. But the stakes go beyond the natural resources available for looting.

The British (and their Dutch colonial subcontractors) never forgave the Indonesians for their successful military defense against the attempted re-colonization of the islands after the World War II Japanese occupation. When the father of the nation and the first President, Sukarno, carried the revolutionary spirit forward into the creation of the Non-Aligned Movement, starting with the famous 1955 Bandung Conference of Asian and African Nations, held in Indonesia, the British responded by sponsoring multiple separatist movements in the outer islands—with generous support from the Dulles brothers at the U.S. State Department and the CIA. Their effort failed, when the Indonesian military and the population rallied to defend the nation’s territorial integrity.

Then, soon after the assassination of President John F. Kennedy, London and Washington moved to isolate and destabilize Indonesia through a cutoff of credit and other sanctions imposed by the International Monetary Fund (IMF), tactics which were to become very familiar in the 1990s. In 1965, as the United States was escalating the war in Vietnam, London and Washington also supported a coup by a faction in

the Indonesian military opposed to President Sukarno, which unleashed a calculated bloodbath against Sukarno's popular base, targetting especially the mass-based, legally constituted Communist Party, leaving tens of thousands dead.

The same methods are being used today

All these methods and more are at work again today. General Suharto, who replaced Sukarno after 1965, ran an authoritarian regime, but promoted the utilization of the substantial oil wealth to create the beginnings of an industrial infrastructure, while dramatically reducing poverty. Suharto, however, fell prey to the foreign hot-money bubble of the 1990s, making Indonesia an easy target for the 1997 blood-letting by currency speculator George Soros and his ilk.

Virtually overnight, the Indonesian currency, the rupiah, was reduced to one-fifth of its former value, later settling at one-third. All foreign debts and import prices thus increased threefold, leaving the country utterly bankrupt. The IMF then forced the government to assume the entirety of the bad debt of the financial institutions, while also demanding drastic price increases on consumer necessities, and the privatization of state-sector banks and industries. Only Western speculators, of course, have the resources to buy such enterprises.

IMF Managing Director Michel Camdessus later acknowledged that the IMF had made "a mistake" in Indonesia (and elsewhere in Asia), by imposing extreme austerity conditions when new credit was needed. IMF documents show that

Camdessus was lying—that the policy had been intentional, with the purpose of destroying the currency and opening up the economy to foreign takeover.

The world press published a humiliating photo of President Suharto sitting as he signed an agreement with the IMF, with a smirking Camdessus standing behind him, gloating over his prey. The "international community" and the world press then unleashed a barrage of defamation against Suharto, blaming his corruption as the sole cause of the Indonesian collapse, despite the obvious fact that the crisis was Asia-wide, and reflected a global breakdown. Simultaneously, the well-funded non-governmental organization (NGO) network in Indonesia—reported to be the largest concentration of NGOs in the world—went to work demanding Suharto's ouster, diverting attention from the ravages of the speculators and the IMF conditionalities.

Corrupt layers in the military, using methods long approved by their Western advisers and trainers in "suppressing Communism," kidnapped and tortured student dissidents, purposely releasing them so that they could tell their tales, and are widely believed to have provoked the May 1998 riots that destroyed large areas of Jakarta, targetting the Chinese business minority. Within days of the riots, Suharto was forced to step down, although he prevented a military coup by passing the Presidency constitutionally to Vice President B.J. Habibie, the architect of Indonesia's industrialization. A number of suspect generals were purged or transferred to

Oil, opium and the attack on Asia

by Jeffrey Steinberg

The broad area of the Asian heartland, stretching from the Caucasus, through the Caspian Sea, and into Central Asia and the subcontinent, is now the zone of conflict for a new, more virulent British "Great Game," aimed at the destruction of Russia, India, China, and all of the bordering nations of the "Silk Road" region. Since 1979, Afghanistan has been the epicenter of a perpetual war, now spread into Pakistan, India, and the former Soviet republics of Central Asia. This perpetual war has also seen the explosive growth of opium production and distribution out of the area known as "The Golden Crescent."

The estimated 25-35,000 *jihād* warriors who were brought to Afghanistan by Western intelligence services during 1979-89, to drive out the Soviet Red Army, have now been constituted as the core of a new international

terrorism—targetting the United States, continental western Europe, Russia, and all of the Islamic states of the Persian Gulf and Mediterranean, as well as Israel. More than a dozen governments have filed formal complaints with the British Foreign Office, over the fact that the "afghansi" terrorist organizations are all housed and bankrolled in London and in other British Commonwealth capitals.

The map shows the war-zone of the new "Great Game." British-centered oil cartels, including British Petroleum, Royal Dutch Shell, and their American "cousins," have carved out the Caspian Sea region as their new field of conquest, and are committed to the short-term destabilization and disintegration of Russia, to assure that Moscow is unable to prevent the "Great Oil Heist." The opium fields of Central Asia substantially overlap with the current and future oil and natural gas fields. The heroin routes criss-cross the petroleum and gas pipeline routes.

The common denominator of the terrorists, the opium smugglers, and the oil profiteers, is London. The current heirs of the British Opium Wars and the nineteenth-century "Great Game" are, in many cases, the very same people.

harmless positions.

Although Habibie successfully guided the country to peaceful national elections the following year, the economy was at the mercy of the IMF and the foreign creditors. Poverty rates skyrocketed from 11% to over 50%, while food shortages led to an extent of malnutrition among children that will leave permanent damage.

The British 'outer islands' strategy

With the economy in shambles, the British "outer islands" strategy was revived. East Timor was the first target. Despite the fact that Indonesia had lifted East Timor out of the backwardness bequeathed by Portuguese colonialism, the population suddenly found itself impoverished by the national economic collapse. The government of President Habibie, under intense international pressure, agreed to a referendum on independence for East Timor. The international community leapt in with offers of millions of dollars of support if East Timor were to vote for independence, and, not surprisingly, the vote went that way. The Indonesian military kept the peace between the longtime warring factions in East Timor in the months leading up to the referendum, but after the overwhelming pro-independence vote, the pro-Indonesia militia, possibly with backing from factions in the Army, went on a rampage. Lying reports of thousands of deaths filled the world press (the actual death count is around 200), serving to justify the British Commonwealth occupation of East Timor, using

primarily Australian troops under cover of the UN. The attempted dismemberment of Indonesia was under way.

A look at **Figure 1** will indicate another reason for the BAC interest in East Timor and other areas where separatist movements are being promoted, such as Aceh, Riau, Papua (formerly Irian Jaya), and Maluku. The vast oil fields lying in the Timor Sea were being developed rather slowly through joint agreements between the Western oil giants and the Indonesian state oil company, Pertamina. Since East Timor's referendum, however, the Western companies have commenced a "frantic drilling season," with at least 20 new wells under way. The UN occupation government currently ruling in East Timor, in consultation with the IMF, has conveniently dictated that the U.S. dollar shall be the official currency of the tiny state, completing the recolonization process.

The largest foreign mining presence in Indonesia is Rio Tinto, which controls much of Australia, but is itself controlled by one of its largest shareholders, the Queen of England. Rio Tinto is directly active in Aceh and Papua, both rife with separatist insurgencies, while in North Maluku, the site of some of the bloodiest ethnic rioting in the past year, the dominant mining company in the region, Newcrest of the United States, is run by the former CEO of Rio Tinto, Sir Roderick Carnegie.

Both Aceh and Riau are major oil producers, run by the leading Anglo-American oil cartels.

With the nation being literally torn apart, the military

Oil, gas, and drugs in the Caucasus and Central Asia

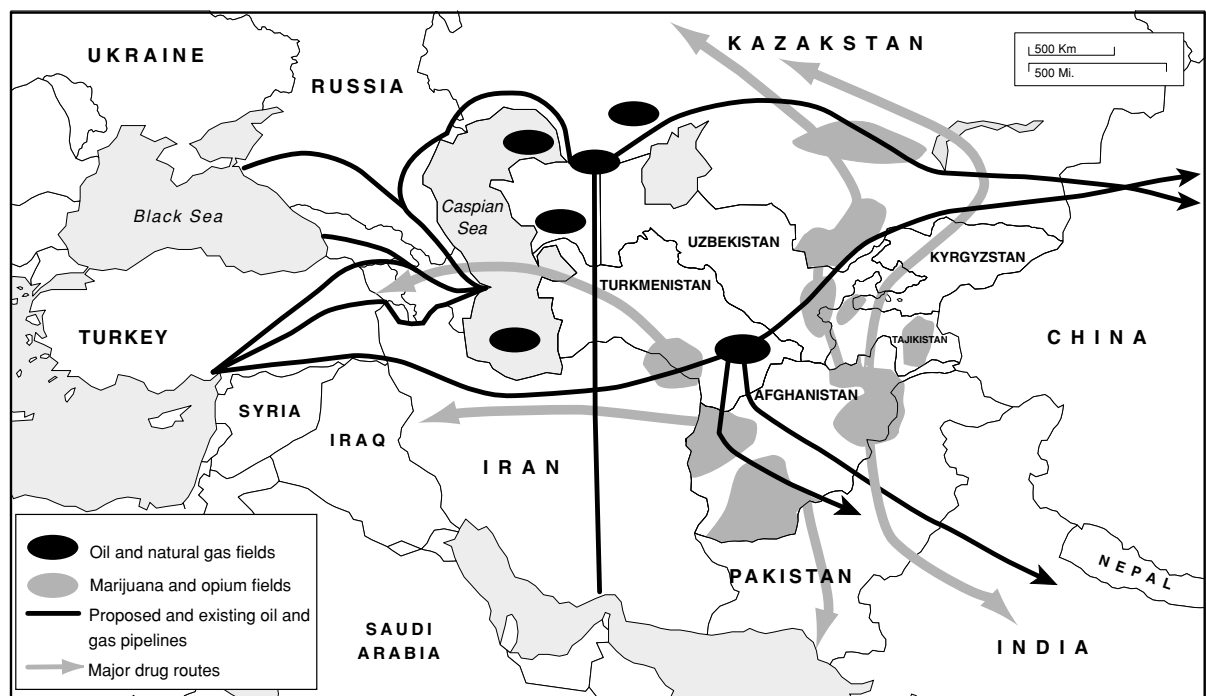
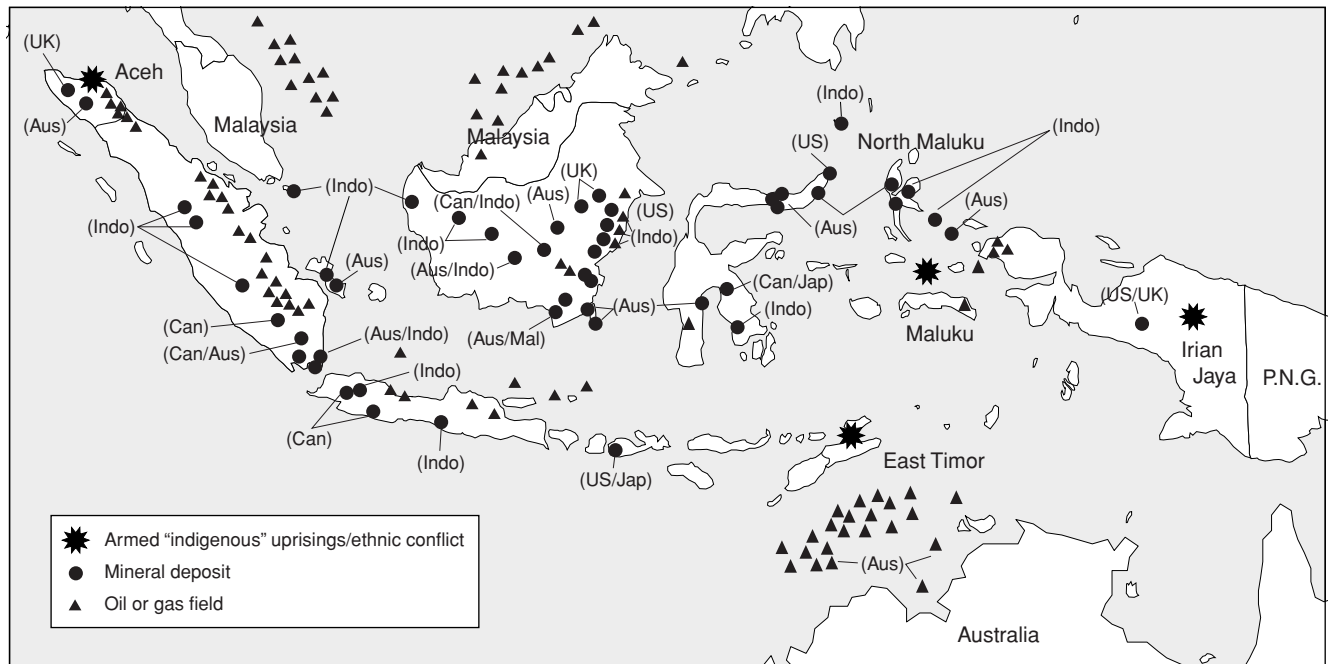


FIGURE 1

British-American-Commonwealth mining cartel dominates Indonesia



Sources: Resource Information Unit, Register of Indonesian Mines 1999; Petroleum Economist, World Gas Map, 4th Edition.

The British are taking over Indonesia's huge raw materials wealth through sponsoring indigenous "independence" movements, as they did in East Timor, and are doing in resource-rich Aceh and Irian Jaya; and through the International Monetary Fund, which has forced the Indonesian government to sell off its state-owned mining companies to BAC firms; this gives the BAC much more control than even that noted in this 1998 map. As for the three areas of insurgency/ethnic conflict, Rio Tinto has major projects in Aceh and Irian Jaya (site of the world's largest gold mine), while in North Maluku, the former longtime Rio Tinto chief executive in Australia, Sir Roderick Carnegie, runs the Gosowong gold mine of Newcrest Mining, which company locals have charged with running guns (which Newcrest has denied).

provides a crucial barrier between maintaining national territorial integrity and general dismemberment. In Maluku, it is only a sizable Army presence, which has begun to cool the enflamed religious and ethnic tensions, fanned by the economic crisis. In Aceh, the Army's war with the small, but violent narco-terrorists of the Free Aceh Movement has allowed serious negotiations to take place between the government and the political, social, and student leaders in the area, negotiations which show promise for a peaceful solution within a sovereign and united Indonesia.

Military targeted for destruction

And, yet, at this time of crisis, the current moderate and widely respected military leadership is being targeted for destruction by the BAC cabal and their allies within Indonesia. The unproven allegations of military involvement in the post-election violence in East Timor have been used to demand the resignation of the Coordinating Minister for Political and Security Affairs, General Wiranto (formerly Com-

mander-in-Chief of the Armed Forces), and other top military leaders. The *Far Eastern Economic Review*, the voice of Wall Street and the City of London in Asia, ran a Feb. 3 cover story threatening President Abdurrahman Wahid with a cut-off of foreign aid and investment if he doesn't fire General Wiranto and "curb the power of the military." Further, the article demands that Wahid ram through the sale of the nation's largest auto company, Astra International, claiming that the nationalist resistance to this sale is due to "military connections."

In fact, the proposed Astra sale was a sweetheart deal, negotiated in secret, without a public tender, and was intended to serve as a model for the foreign takeover of the most valuable of Indonesia's industries, at highly unfavorable terms—for Indonesia. In fact, the nationalist resistance has recently resulted in the government's re-opening the contract to alternative proposals.

The institutions of the Indonesian nation-state have not yet crumbled. The 1999 election—the first in several decades in which new parties were allowed to contend for power—

saw the vast majority of voters support the traditional institutions, although in new forms. Despite divisiveness, there is strong national resistance to handing over economic controls or relinquishing any further territory to foreign interests under the guise of “independence” of un-viable mini-states. President Wahid has also made clear his intention to prioritize Indonesia’s ties to China and Asia generally.

But few in Indonesia have had the courage of their neighbor, Prime Minister Dr. Mahathir bin Mohamad of Malaysia, to identify the destructive *purpose* of the international financial oligarchy, or to propose sovereign measures of the sort adopted in Malaysia to protect the nation’s currency and economy from speculators. The danger is quite overt. Prince Philip’s “spiritual adviser,” Martin Palmer, recently pronounced that “Indonesia has no logic for existence,” and promised that the independence gained for East Timor is but the first step in the break-up of Indonesia. Palmer bragged that “British policy for the last 200 years has been based on one central idea: the break-up of other empires [read: nation-states]. . . . The British Foreign Office has a certain agenda, which is continued divide and rule.”

Michael Billington is serving his eighth year of a 77-year sentence in Virginia state prison. Ostensibly convicted on charges of “securities fraud,” he in fact was railroaded into prison because of his association with Lyndon LaRouche.

Russia 1998

The line is drawn vs. attack on sovereignty

by Rachel Douglas

An assault on the nation-state is grim whatever the target country, but nowhere is the insanity of the perpetrators more on display than in the case of Russia—still one of the world’s great nations, and still the possessor of a superpower’s nuclear arsenal, even after a decade of destruction of the economy.

Russia and Ukraine, the two largest countries to emerge from the former Soviet Union, have had their science and industry smashed in the name of liberal reforms that were supposed to be the path to integration into a globalized economy. Their combined natural population loss, the excess of deaths over births without offsets from immigration, has now surpassed 7.7 million people since 1992, when the two countries had a total population of 200 million. As Ukrainian Member of Parliament Dr. Natalia Vitrenko reported to an *EIR* seminar nearly one year ago, Ukraine, which was a developed nation with one of the best education and training levels in the world, “has been turned into a disaster zone, where a brutalized people, corrupted officials, and overt bandits represent a threat to world civilization as a whole.”

Compound deep economic depression with a threat of territorial fragmentation, such as what Russian leaders perceive in the foreign instigation of separatism in Chechnya, and you have invited the commanders of that ex-superpower arsenal to shift to a potential adversary posture. As *EIR* has reported, such a shift is expressed in the new Russian Military Doctrine and National Security Concept, which are both in the process of being adopted.

The draft Military Doctrine defines the following main external threats to the Russian Federation, in this order of importance: territorial claims; interference in its internal affairs; countermeasures against Russia’s becoming a center of influence in a multipolar world; hot spots close to the borders of Russia; deployment of troops close to Russia’s borders; the buildup (without UN approval) of forces near Russia that could be deployed into Russia; attacks on Russian military facilities in other countries; psychological warfare and propaganda against Russia abroad; and the creation of hindrances to the functioning of Russian state security systems, including the strategic nuclear forces, warning systems, anti-missile defenses, satellites, weapons stockpiles, and key industrial facilities. Among the internal dangers, are: the activation of

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