Eradicating the Geopolitics of War by Pursuing the Common Aims of Mankind

Moderator Elke Fimmen of the Schiller Institute, Germany began the panel reading two greetings to the conference. The first was from Dominique Revault d'Allonnes, daughter of the late collaborator with Lyndon LaRouche on the Strategic Defense Initiative, Gen. Jean-Gabriel Revault d'Allonnes of the French Armed Forces. She wrote:

> I dare to write in the memory of my father. When he met Lyndon LaRouche, he saw the same visions as he himself had, when he landed [in World War II] in North Africa.

The second message was from Dr. Chandra Muzaffar, President of the International Movement for a Just World (JUST), Malaysia. He wrote:

> Let me commend the Schiller Institute for organizing an international conference on current developments which will have a momentous impact upon the present and the future.
>
> It is obvious to some of us that as U.S. global power declines, it is becoming more aggressive in its pursuit of global hegemony. The stance that President Barack Obama has adopted on Ukraine is a manifestation of that aggressiveness. While Chancellor Merkel of Germany and President Hollande of France and even U.S. Secretary of State John Kerry seem to show some appreciation of Russia's legitimate desire to protect its sovereignty, Obama continues to insist that Crimea is integral to Ukraine and that Russia is the real culprit in the conflict in Eastern Ukraine. He is in fact endorsing the hardline approach of some of the elites in Kiev which is aimed at igniting a war between Kiev and Moscow.
>
> Similarly, through their angry denunciation of China's reclamation work in a small part of the disputed South China Sea, Obama officials are encouraging certain ASEAN leaders, notably from the Philippines, to resort to even more bellicose rhetoric against China. As a result, tensions are mounting in the region, creating fears of some armed conflagration in the near future. However, Chinese and most ASEAN governments have chosen not to react to these provocations.
>
> Confronted by these challenges emanating from a military superpower that is no longer able to dictate to the world, leaders in Russia and China, and indeed, in other parts of the planet will have to continue to exercise utmost restraint, knowing full well that if they are drawn into the cesspool of war, violence and chaos, they will not be able to offer their people the development and progress that they yearn for. And it is development and progress that China and its partners are promising the whole of the human family through their massive infrastructure projects spanning much of the world.
>
> It is this transformational agenda that will change the lives of millions of human beings. This is where hope lies. The Conference in Paris, I am sure, will re-affirm humanity's commitment to that agenda of hope.

The panelists addressed the effects of the new BRICS financial institutions in moving international economic policy in a new direction. One, Col. Alain Corvez, former French Defense and Interior Ministry consultant, noted: "This conference in Paris is very important, because other countries have not given much attention to the revolution taking place in the BRICS.

"I think this conference will force change."

A Radical Change in Int'l Monetary System?

by Jean-Francois Di Meglio
ASIA Centre, Paris


EIRNS/Christopher Lewis
Jean-François Di Meglio

Conclusion: Between shadow play and domestic debate China is undoubtedly not very transparent and wishes to remain so especially on such sensitive matters as monetary issues. However, it is probable at this stage that two options are maintained by China: Either integrate progressively the post-Bretton Woods system, with the risks largely identified for a long time and tested during the 2008 crisis; or, invent a cooperation with the glacis of countries that depend on China, are complaisant or share the same ambitions—a new regional and intraregional system, in any case international, but not global.

That system could come out of the new Asian Instrastructure Investment Bank (AIIB), centered on China. Or, around the gas deals concluded with China, eventual first steps towards a disconnection of raw material exchanges with the dollar market.

In any case, the construction of a renminbi zone is on the march. Has it enough ambition to be important enough to impose one day its rules (close to fixed parity between currencies, indexations on underlying, or pegged to something else than the dollar), or is it merely conceived as a protection against a parallel system, distrusted by China, but whose liberal mechanics it uses (notably for its investments in Europe)? This remains an open question at which the debate could bring elements of response.

That being said, one has to note the infatuation created by the Asian Infrastructure Investment Bank (AIIB) for the infrastructure of Europe. China is interested in the technology transfers through the financing of these projects, in terms of infrastructure and non-recourse credit facilities (i.e. credits paid back by the project as such). For the West, the AIIB can offer leverage to access relatively closed Chinese and Asian markets.

However, nothing excludes the newly created AIIB from operating in the future in Europe, where public capital for infrastructure could be dramatically lacking due to deficits. And if these investments will lead the Chinese non-convertible currency to leave its relative isolation, the international monetary system should rejoice about the fact that a system, so far dominated by the dollar, gets more diversified.

Working Together for The Asian Century

by Jayshree Sengupta
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EIRNS/Christopher Lewis
Jayshree Sengupta

India occupies a strategic position in Asia. It is surrounded by China, Nepal, Pakistan and Bangladesh. To its north is Russia. As is well known, the Twentieth Century was the American Century but the Twenty-First century is going to be the Asian Century. But to achieve it we have to eradicate geopolitical wars and rebuild the weak nations in Asia.

India and China were the two richest countries in ancient times and, according to Angus Maddison, the two largest economies by GDP output till the Eighteenth Century. India excelled in various fields and its golden age was the Gupta period in 6th Century AD. The British who colonized India for 200 years sent back to Britain huge amounts of money from India, and it became poor.

During the Bengal Renaissance in the Nineteenth

Century, people like Rabindra Nath Tagore tried to rediscover India's glorious past through literature, painting and music. He established contact with Chinese scholars. Reformist religious movements led by Sri Aurobindo and Vivakanada instilled a feeling of nationalism and pride and the seeds of revolt against the British were sown.

The British left India in 1947 and divided the country into two, and Pakistan was born. Acrimonious relations began between the two from the time of Partition.

India and China developed very cordial relations after Independence under Nehru. But there was a war in 1962 on the boundary question that had been drawn by the British. But since China and India have a long history of peace, harmony, sharing of culture and philosophy, they have rebuilt good relations. Since the Second Century B.C., India and China have had contact, and Buddhism was transported from India to China more than two thousand years ago.

The BRICS

The BRICS brings China and India closer together as it gives them a platform to resolve their problems and take a common stand on various global issues. Recently Indian Prime Minister Narendra Modi went to China and President Xi Jinping gave him the Tang Dynasty welcome in his hometown of Xian. Twenty-four inter-governmental agreements were signed worth $22 billion in investments, involving cooperation in various fields. The need for peace and tranquility on the border was recognized as an important guarantor for development and continued growth of bilateral relations.

A huge ($70 billion) amount of bilateral trade takes place between the two countries, and India has a trade deficit of $38 billion with China, a matter of concern for India.

A breakthrough was reached between the two countries on the cultural front. Modi visited the Wild Goose Pagoda which was built to commemorate Xuan Zang, an ancient Chinese monk who went to India for Buddhist scriptures. In Beijing, in the Temple of Heaven there was a Yoga-Taichi event. Three Indian monks taught and promoted Buddhism there 1400 years ago. A program on Gandhian studies was introduced in Fudan University.

China can help India in building infrastructure and in skill development. MOUs were signed in diverse fields like railways, skill and vocational training, mining, establishment of an India-China think-tank forum, climate change and ocean science. The two governments established sister towns and states in both countries.

India can help China in many ways especially in IT, software and pharmaceuticals. Modi said in China, "The prospects of the Twenty-First Century becoming the Asian century will depend in large measure on what India and China achieve individually and what they can do together.

India and China together can help in the reconstruction of one of the poorest countries in the region, Nepal.

Nepal-India-China Cooperation

India and Nepal have been closely bonded since 1950 and today there is virtually no border between the two countries. India and Nepal are members of the SAARC (South Asian Agreement for Regional Cooperation) where China is an observer. Today Nepal is faced with extreme poverty and underdevelopment.

Nepali people are still mostly engaged in low-productivity agriculture which generates low incomes. It has a small manufacturing sector, but it has a fast growing service sector. Nepal scores higher than India in the World Bank's "ease of doing business" index.

Nepal, a country squeezed between two giants, has to be friendly with both. There is a big shortage of power, infrastructure and job opportunities. Nepal's migrant population sends home remittances which form a big part of the GDP.

Nepal has unparalleled natural beauty, a big potential for tourism and mighty rivers for generating hydropower. It is a repository of rare and diverse biological species. It is mainly a mountainous region and has a shortage of arable land. But there are areas where three crops can be grown. On the whole it cannot be a big exporter of agricultural produce, but natural honey, rice, vegetables, herbs and fruits grow in abundance.

Nepal's northern neighbor, China, is facing problems of rapid growth and high rate of urbanization. After three decades of double-digit growth, it is facing economic slowdown, an ageing population and problems of food safety. Its manufacturing growth has slowed down due to slack global demand and high labour costs.

The Chinese government is also deliberately turning away from export-led growth and concentrating on

increasing domestic consumption and raising peoples incomes. China is facing excess capacity in its industrial units and infrastructure, but is also looking for outsourcing some of its production to remain competitive. Nepal can fill that role and become a base for assembling machine parts and components, which is becoming more expensive in China.

China is aiming at a more equitable distribution of income and balanced growth between towns and villages.... There can be investment by China in Nepal's agricultural production for it to become a major supplier to Chinese markets. China can encourage migrant labor from Nepal to work in its agricultural sector, as Chinese villages are facing a problem of shortage of agricultural labor. China will be faced with a severe food problem in the future if people keep moving away from agriculture to manufacturing. It has 20% of the world's population but only 7% of world's arable land.

Nepal's physical closeness to Tibet is a plus point. Transportation of food via Nepal to Tibet is easier for China and it can set up food processing and packaging industries on the border between Nepal and Tibet. China's help in infrastructure development in Nepal's northern region can help boost Nepal's own exports to China.

Nepal can also attract more FDI from China which can help in its development and growth.

Nepal's southern neighbor, India, is its biggest partner in trade and investment. India's manufacturing growth has recently picked up after a period of stagnation, and the Index of Industrial production (IIP) was at 8.4% in the last quarter (January-March 2015). Its service sector growth is at 10.1%. India's trade surplus ($2 billion) with Nepal is of great concern to the Nepali government.

India's trade deficit with China can be reduced if there is a good road to China via Nepal. Proper infrastructure will lower transport costs between all three countries. India can outsource some of its production to Nepal which has lower labor costs. There is no language or financial transfer problem between the two and many Indian industries have invested in Nepal. India can set up SEZs [special enterprise zones—ed.] along the Nepal-India border that would benefit both the countries.

In hydropower and tourism, the possibilities for joint ventures and cooperation are immense. Thus, Nepal can leverage the rapid growth on both Indian and Chinese sides, due to its strategic geopolitical location, and ask for infrastructural assistance. There can be joint enterprises on both borders.

For future collaboration between India, China and Nepal, the investment climate in all three countries, especially Nepal and India, has to change. Both need more investment friendly policies with long-term vision and strategy. Nepal needs political stability, strengthening of legal institutions and bridging other policy-related gaps. Nepal can become a New Transit Point economy between India and China. To be able to do so, already 19 sectors with potential for good export performance have been identified. India has to give easier access to Nepali goods and help build its physical and social infrastructure which will help in poverty reduction.

The trilateral cooperation between India and Nepal and China can enhance the living standards of the region. With a total population of around 2.8 billion people, the trilateral cooperation can lead to the emergence of a huge trade and investment bloc in the world.

Pakistan and India

Pakistan is India's most problematic neighbor. Both India and Pakistan have large numbers of people living below poverty. Yet the two countries have gone to war three times. Pakistan is also a member of the SAARC, yet trade between India and Pakistan is small at $2.3 billion, and fraught with many problems, with the gains from trade being denied to the people on both sides. There is still hope that with Prime Minister Nawaz Sharif, trade and investment relations between India and Pakistan will improve. Prime Minister Modi invited Nawaz Sharif to his inaugural ceremony in May 2014. India has agreed to give free access to 300 of Pakistan's export items, and has made the visa process easier and eased the norms of opening banks in India.

While their normal trade has suffered, informal trade has flourished. The informal trade is more than $1 billion, and it has a smuggling component as well as a third-party component, in which trade from India travels via Dubai or Singapore to Pakistan. Smuggling means a loss to the exchequer for both countries, and for third-country trade, the consumers suffer because transportation costs lead to higher prices. Both countries have low human development indicators, rising terrorist activities, and low *per capita* incomes....

The Fight of the Greeks is Universal

by Stélios Kouloglou
Member of the European Parliament for Syriza


EIRNS/Christopher Lewis
Stélios Kouloglou

Since its election in January, the Greek government has had to face a *coup d'état* taking place in silence. Its intent is to overthrow the new government; to replace it with a government that is docile to the creditors; and at the same time to discourage the voters who are "dreamers" in Spain and other countries, who still believe in the possibility of governments opposed to the German dogma of austerity. One kills a government, one kills hope.

The situation reminds one of Chile in the early seventies when U.S. president Richard Nixon decided to overthrow Salvador Allende to prevent that the Chile situation would contaminate other locations of the American backyard. "Make the economy scream," was one of the orders given by the U.S. President to the CIA and other intelligence services before the tanks of general Augusto Pinochet entered into action.

In 1970, the U.S. Banks had suspended all credits to Chilean banks. Today, one week after the January 2015 elections, M. [Mario] Draghi, the President of the European Central Bank (ECB) has cut off, without the smallest justification, the main source of financing of Greek banks, and had it replaced with the Emergency Liquidity Assistance (ELA), a facility far more expensive and needing to be renewed on a weekly basis. Like a sword of Damocles, suspended above the heads of the Greek leaders.

The Debt Swindle

And after the sword of Damocles, there also exists the drug.

Over 90% of the money shipped to us by our creditors returns directly to them—sometimes even as soon as the next day!—since [pledged] to the reimbursement of the debt.

But, in view of the fact that the non-reimbursement of a debt is tantamount to a credit event; i.e., some sort of bankruptcy, the unblocking of the doses is a very powerful weapon in the hands of the creditors, an instrument of permanent political blackmail.

During this undeclared war, other economic weapons are also deployed, such as rating agencies. It is a modern *coup d'état*. As one says in English: "Not with the tanks, but with the banks."

The media have also been instrumental in attacking the government, to evoke the ghost of a GREXIT (Greece leaving the euro zone) in order to provoke panic. Leading this offensive stands, notably, the German tabloid *Bild Zeitung*, which, in 2010, had already started running sensational headlines exposing the alleged laziness and the corruption of the Greeks, who were called on to sell their islands in order to reduce their national debt. The same *Bild* published a pseudo-reportage on a bank run in Athens, showing banal pictures of retired Greeks lining up in front of a bank to cash in their monthly pensions.

Added to this was the media theory about "rescuing" Greece while in reality, by the loans extended to Greece in 2010, it were rather the French and German banks that were rescued. These loans, with high interest rates in the beginning, were presented to German and international public opinion as a free aid to those who were lazy and corrupted.

Let's find out what really happened. According to the French daily *Libération*, since 2010, France made up to 2 billion Euros of profits from interest alone. Even Austria, which participated very modestly, gained 100 million euros up to now, so says its government.

Hence, German public opinion pleads innocence. Except for some TV comedy shows. This is the medium in which they dare to say the truth.

New International Framework Needed

They accuse us as not willing to adopt reforms? But it is us, which more than anybody else, who want to have reforms. Real reforms, not chaos.

What is demanded from Greece is the application of the neo-liberal recipe. Each one with his obsession: The ideologues of the IMF ask for the deregulation of the labor markets and the right of mass layoffs which they have promised to the Greek oligarchs who own the banks. The EU Commission; i.e., Berlin, calls for the

pursuit of privatizations susceptible to represent a good buy for German firms (and this, at the lowest cost). Part of the unending list of scandalous sales of State property, is the sale in 2013 by the Greek state of 28 buildings it continues using. Over the coming 20 years, Athens will have to pay 600 million Euros of rent, nearly three times as much as the money obtained by the sale (which was immediately returned to the creditors!).

The Greek government continues to remain highly popular despite some concessions: the non-suspension of the privatizations decided by the previous government (while promised); the postponement of the increase of the minimum wage, the increase of the VAT.

The big question in the end remains mainly a political question. Do elections make any sense, if a country, while respecting the core of its commitments, has no right to modify its policy?

The Greek ongoing tragedy underlines the need for a new framework of international relations. A framework that respects the democracy, the sovereignty and the national dignity of each country, and at the same time favors relations and economic agreements that don't remind us of colonization. A framework advantageous to all players involved. Recently, the Greek government announced it would solicit the participation of Greece in the new BRICS bank, a demand received positively from the side of Russia. In the loaded climate of threats and ultimatums, this really came as a breath of relief and optimism for Greek public opinion.

In a position of inferiority, Athens, abandoned by the forces which it thought it could rally—such as the French government—cannot call for the solution of the major problem which the country has to overcome: an intolerable debt. The proposal [by Greece—ed.] to organize an international conference, like the one organized in 1953 which relieved Germany of most of its war reparations, opening the gate for the economic miracle, has been drowned in an ocean of threats and ultimatums.

Thinking of the Future

The creditors want to put M. Tsipras against the wall with only two choices: financial strangulation if he continues to stick to his program, or betray his promises and fall for lack of support from his voters.

I can assure you that we will resist. We will not be subjugated.

I don't know what is going to happen, but an excellent recent article of Serge Halimi published by *Le Monde Diplomatique* made us think of the future and the historic dimension of this fight.

Thinking of the future reminds us what the philosopher Simone Weil wrote about the labor strikes of June 1936 in France: "Nobody knows how events will turn.... But no fear annuls the joy of seeing those who, by definition, lower their head, raise it now.... At last, they made it clear to their masters that they existed. Whatever will happen from now on, we will have obtained this: Finally, for the first time, or forever, souvenirs other than silence, constraints and submission will float around these heavy machines."

The fight of the Greeks is universal. It is not any longer sufficient that our wishes accompany them. The solidarity that it merits, has to be expressed by deeds. Time is running out.

Multipolar or Unipolar: We Cannot Go Back

by Denys Pluvinage
The French-Russian Dialogue, Paris


EIRNS/Christopher Lewis
Denys Pluvinage

Excerpt: The issue of our time is the world order. It is a recent problem for mankind, as before there were limits in technology. These limits have now been surpassed. The bipolar world that existed before, created an equilibrium, because each side was the alternative to the other. There was a real choice. The disappearance of this equilibrium is what Putin means by saying, "The disappearance of the Soviet Union was a catastrophe.... The disappearance of the Soviet Union meant that a referent disappeared."...

We cannot go back. Either the EU and NATO win, and Russia and the BRICS countries, possibly including China, are subjugated; or else the disappearance of the American hegemony is a fact. The stakes are very high.