

The U.S. political battle over Balkan reconstruction

by Nancy Spannaus

With the agreement to end hostilities in the Balkans for the moment, the debate has shifted to the question of postwar reconstruction. There is a proliferation of meetings in process in both Europe and the United States devoted to this topic, and all parties, even if they ignore the vital strategic aspect of this fight, are fully aware that the potential for returning the Kosovar refugees to a secure and livable existence in their homes before winter will require the utmost haste. Leading political forces in the United States are already staking out their positions.

A look at the recent statements by President Clinton, the State Department, and Senate Majority leader Trent Lott (R-Miss.) might lead you to think that the U.S. approach to this matter has been decided. All have consistently argued that Europe will have to pay the lion's share for reconstruction, because the United States paid for the bombing. And they have declared, more or less unequivocally, that they will not aid Serbia—outside of possible humanitarian aid—unless Slobodan Milosevic is removed from power.

But it would be a mistake to believe that U.S. policy on Balkan reconstruction has actually been decided. This is the major political question that is going to be fought out over the coming weeks. As the LaRouche movement and LaRouche's Presidential campaign have been emphasizing since late May, a Marshall Plan-style program for the Balkans must become the catalyst for shifting the world's political agenda away from the momentum toward World War III, which the Balkan war represented, and toward collaboration among the United States, China, Russia, and leading European nations in building a new world monetary system, based on crash programs of infrastructure development. The LaRouche movement is waging a major political campaign on this question, with the

aim of providing an overwhelming mandate for precisely this kind of reconstruction program—one that will save the world economy, as well as the Kosovars.

LaRouche's campaign for a new Marshall Plan

On May 25, LaRouche's Committee for a New Bretton Woods released the first of more than 1 million broadsheets on a Balkan reconstruction program within the United States. Under the title "Reconstruct the Balkans—and the World," the campaign document outlines the priorities for a crash program, and how a mobilization to meet those priorities can be paid for, and reverse the global slide into a New Dark Age which is already in process in much of the world.

LaRouche's program has been further elaborated in a series of press conferences held by the campaign around the country. LaRouche's campaign spokeswoman, Debra Hanania Freeman, appeared at the National Press Club on June 2, where she stressed the fact that adequate reconstruction is likely to cost in the range of \$1 trillion over the next decades, but that seed capital of about \$1 billion could easily generate what is needed, if the proper self-generating credit mechanism—like that of the German postwar Credit Institution for Reconstruction—were adopted.

Other press conferences on Balkan reconstruction have been held by the campaign in Detroit, Los Angeles, Houston, San Francisco, and New York City. Many more are expected in the next two weeks.

At the same time, LaRouche campaign supporters and others who have endorsed the Balkan reconstruction plan, have begun to bombard the offices of their Congressmen and Senators, in order to demand that the necessary policy be implemented. As of this writing, at least 109 Congressional



LaRouche Presidential campaign spokeswoman Debra Hanania Freeman calls for a Balkan reconstruction program, at the National Press Club on June 3.

offices have been visited or talked to, and have received the campaign broadsheet and supporting materials.

The response of these Congressional offices have been mixed, to say the least. So far, the necessary mandate for LaRouche's ambitious plan to be implemented has not yet been felt in Congress, or by the President.

How Capitol Hill stacks up

The President first defined the need for broad reconstruction plans in southeastern Europe in mid-April, and he has been echoed by some within Congress, such as Massachusetts Rep. William Delahunt (D) and California Rep. Henry Waxman (D), who have publicly pointed to the need for creating the conditions for lasting peace, through something like a Marshall Plan approach. President Clinton himself has frequently referred to the fact that the opportunity opened by the fall of the Berlin Wall was not seized in such a way as to create prosperity through all of the former East bloc.

There is a grouping centered in the Congressional Black Caucus, and the political networks which were associated with late Commerce Secretary Ron Brown, which is also looking toward an ambitious reconstruction plan for the Balkans. This group recognizes the need for rebuilding on a broad scale in the entire region, and the fact that the necessary mea-

asures cannot be taken through the world Bank or the International Monetary Fund. They are tending to look toward reviving the Export-Import Bank, a semi-independent institution with the capability of issuing loan guarantees for exports, as the mechanism for carrying out the necessary program. Brown himself had also chosen this instrument for his later-aborted program for Bosnian reconstruction.

It is likely that some members of the Black Caucus will travel to the Balkan region within the next week or two, to pursue and promote their approach.

Within the Clinton administration itself, there are groupings in the Commerce and Transportation Departments which look sympathetically on the same approach, and are studying it.

But, the dominant Republican power structure has a different idea. On June 7, the Republicans in the Senate introduced and passed by a large margin, a (non-binding) resolution which would bar any U.S. funds to rebuild Serbia, as long as Milosevic is in power, and a resolution which would prevent any part of the \$15 billion Congress approved for the bombing of Yugoslavia, from being diverted to reconstruction. These resolutions were virtual echoes of remarks made by British government officials in the previous week.

A direct confrontation is needed

It is in the context of these Senate resolutions that President Clinton's June 10 statement to the American people has to be read. Rather than elaborate on the need for broad reconstruction, and how it is in the interest of the American population, the President barely touched the issue and himself echoed the Senate's line: "As long as he [Milosevic] remains in power, as long as your nation is ruled by an indicted war criminal, we will provide no support for the reconstruction of Serbia." He also indicated that Europe would bear most of the burden of reconstruction.

What President Clinton is doing here is, unfortunately, typical of his style. He is seeking the "practical road" of non-confrontation, hoping to carry out an end-run around the opposition to the need for a massive reconstruction plan, which he still supports. One would have hoped that he would have learned better by now.

The African-American Congressmen who are pursuing the Ron Brown approach to reconstruction suffer from a similar problem. While acting on a laudable impulse, they are hoping, like Brown did himself, to avoid taking on the pro-British, pro-International Monetary Fund (IMF) forces in the Congress, and to choose a path which could be taken without having to pass controversial legislation.

The major problem with this approach, is that it won't work. Without a direct political battle which succeeds in defeating these pro-British, pro-IMF forces, those forces will find a way to sabotage the necessary programs, one way or another.

The only practical approach to achieving peace through

development is the fight for LaRouche's full program, and the necessary funding mechanisms, which ultimately would not cost the United States anything, but would generate wealth. It is the LaRouche campaign's mobilization that will be decisive in the short weeks ahead.

Opposition grows to Cox Committee hoax

by Jeffrey Steinberg

The Cato Institute, a Washington, D.C. flagship of the most rabid "free market" wing of the conservative revolution in America, was the unlikely host to a group of national security scholars, who violently trashed the Cox Committee report on alleged Chinese espionage at American weapons labs as a vicious hoax, and called for a shift in U.S. policy toward a deeper political, economic, and military collaboration with Beijing.

On June 7, Cato sponsored a forum with the provocative title, "People's Republic of China: Red Tiger or Pink Pussycat?" The featured speakers were notorious China-basher Ross H. Munro of the Foreign Policy Research Institute, the author of a book-length diatribe, *The Coming Conflict With China* (1997); Joseph Cirincione of the Carnegie Endowment for International Peace; and Alfred Wilhelm, the vice president of the Atlantic Council. Dr. Wilhelm served for several years as the U.S. Army attaché in Beijing.

Cox Report trashed

The Cox Report has been so thoroughly attacked—by former U.S. national weapons lab directors, by Rep. John Spratt (D-S.C.), a dissenting member of the Cox Committee, and others—that even the Cato Institute's defense policy studies director, Ivan Eland, who chaired the conference, admitted that the report bordered on McCarthyite "Red Scare" propaganda.

But it was Cirincione who launched into a no-holds-barred assault on the report, as unworthy of having been published by the U.S. Congress. "This has never been done before," Cirincione said, pointing to the report's glossy cover and its large-character, screaming headlines. "The report was full of dramatic statements—all untrue." Cirincione presented a systematic review of China's strategic nuclear weapons program, demonstrating that China poses no threat whatsoever to the United States or any U.S. ally.

He contrasted the Cox Report to the official Central Intelligence Agency damage assessment, conducted by a task force chaired by Adm. David Jeremiah (ret.), and including

Johnny Foster, the former director of Los Alamos National Laboratory, and former Bush administration National Security Adviser Brent Scowcroft. That assessment concluded that there was no compelling proof of Chinese espionage. Cirincione also cited testimony to the Senate Intelligence Committee by Gen. Patrick Hughes, the head of the Defense Intelligence Agency (DIA), in which Hughes stated that he had "high confidence" in the "unanimous" DIA assessment that China has no intention of increasing spending on its strategic nuclear weapons force.

Indeed, one of the high points of Cirincione's presentation was his observation that China's number-one strategic priority "for the next 20-30 years," is to achieve peace and security in the Asia-Pacific region, so that it can pursue the development of its internal economy, its infrastructure, and the eleva-

Chinese press covers LaRouche on Cox Report

China's official news agency, Xinhua, covered the LaRouche Presidential campaign's June 2 Washington news conference, in a June 3 wire, as follows (unofficial translation): "American economist and *EIR* founder Lyndon H. LaRouche, Jr., refuted the Cox Report with a statement on June 2.

"LaRouche said in his statement that the Cox Report is a fraud. The accusation of nuclear espionage against China is made up, and not based on facts. The content of the report proves that its authors are ignorant in scientific matters.

"LaRouche's spokesman, Debra Freeman, said to the National Press Club that the accusations are ridiculous, and are not accepted by intelligent people.

"Nuclear secrets can be found on the Internet, but the Cox Committee spent a lot of money to investigate this. The Cox Committee is trying to damage Sino-U.S. relations. Freeman said the latest developments damage Sino-U.S. relations. She hopes Clinton succeeds in repairing them. She appealed to the U.S. administration to respond to the demands that Clinton punish those responsible for bombing the Chinese Embassy in Belgrade."

China's leading radio station, the Central People's Broadcasting Company, twice cited LaRouche on its most popular program, *Xin Wen Lian Bo*. On the evening news on June 3, and again on the morning news on June 4, the station reported LaRouche's analysis of the Cox Committee Report.