

'The LaRouche Doctrine' on the Balkans war Gore campaign runs into a buzz-saw De Gaulle, JFK, and stopping war: a lesson for today

London unleashes the Four Horsemen of the Apocalypse



One cannot understand what is happening to the world today without considering what is to be learned of a process which has been thousands of years in the making. All the things that have happened over these thousands of years are now embodied in a great crisis which grips this planet as a whole.

> —LYNDON H. LAROUCHE, JR. February 13, 1999

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From the Associate Editor

In last week's editorial, "Justice for Kosova," we said that there can be no justice for that country, without defeating the British oligarchy that is responsible, not only for the wars in the Balkans, but also for genocide around the globe. Justice for Kosova is likely to be achieved only through collaboration between the United States and Russia, with U.S. participation in the emerging "Survivors' Club" of China, Russia, India, and other Eurasian nations.

A week later, as television viewers are overwhelmed with heartwrenching scenes of the suffering Kosovars, and as the drumbeat for a NATO ground war grows louder, it is vital to achieve clarity on this point.

In the *Economics Feature* in this issue, we document the full scope of genocide being carried out worldwide by the British-American-Commonwealth (BAC) faction, through such instrumentalities as the International Monetary Fund. Indeed, the Four Horsemen of the Apocalypse—death by famine, by the sword, by pestilence, and by wild beasts—are rampaging out of control.

Let me draw your attention to Lyndon H. LaRouche, Jr.'s campaign document, "The LaRouche Doctrine," in the National section. "This war," he writes, "like typical British-orchestrated Balkan wars of earlier during this century, is not a war against atrocities by the Milosevic government; it is a war launched on the pretext of atrocities by that government, atrocities which, themselves, have been orchestrated in a knowing and willful manner by agents and assets of Her Majesty's Blair government."

The war in the Balkans is *not* in the interest of the United States, nor is it the policy of President Clinton who has signed on to it. It is the policy of the BAC crowd of British Prime Minister Tony Blair, whose lackeys in Washington include Vice President Al Gore, Secretary of Defense William Cohen, and Secretary of State Madeleine Albright.

In forthcoming issues, we shall publish a full dossier on the BAC. We shall also bring you a new article by LaRouche, "The Coming Revolution in Science." Its topical focus is the scientific revolution characteristically implicit in full-scale implementation of the Eurasian Land-Bridge program.

Ausan Welsh

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On Jan. 27, 1964, France, led by President Charles de Gaulle, became the first leading Western nation to establish full ambassadorial relations with the People's Republic of China. The history of this period is relevant to the "Survivors' Club," which the United States must join today.

Economics Feature



Detail from a woodcut by Albrecht Dürer, "The Four Riders of the Apocalypse," based on the Revelation of St. John

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This war, like the still-ongoing war against Iraq, is entirely a creation of Britain's Tony Blair government, just as "Desert Storm" was adopted by the government of former President George Bush at the behest of the former Thatcher government of Britain.

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EXECONOMICS

London unleashes the Four Horsemen of the Apocalypse . . . again

Feature

by Dennis Small

"And I looked, and behold a pale horse; and his name that sat on him was Death, and Hell followed after."

-Book of Revelation 6:8

In the late 14th and 15th centuries, through a process which only later became known as the Golden Renaissance, mankind pulled itself back from the brink of the abyss of near species extinction. Through interrelated breakthroughs in

science, art, statecraft, and theology, and through the establishment of the institution of the sovereign nation-state, a tidal wave

of optimism and growth was unleashed, which laid the groundwork for centuries of progress to come.

From what did the Renaissance save mankind?

In the four decades between 1340 and 1380, nearly 50% of the population of Europe had died off, principally as a result of the Black Death, the bubonic plague, which swept the continent. Beyond the deaths per se, society and its institutions crumbled, and pessimism and obscurantism spread. The Four Horsemen of the Apocalypse—War, Pestilence, Famine, and Death—reigned supreme, until the Renaissance succeeded in banishing them.

In those 40 years, the human species came as close to selfannihilation—as a result of its own stupidity, its own stupid policies—as it ever has . . . until today.

But now, in the 1990s, especially in the last two years, the Four Horsemen have once again been set loose. This was done *intentionally* by the ruling financial oligarchy—which is best described as the British-American-Commonwealth (BAC) grouping—working through institutions such as International Monetary Fund (IMF). They have set in motion a process of

physical economic disintegration which, if not checked, will produce similar—or worse—consequences as the 14th-century Black Death. These oligarchs have summoned forth a New Dark Age of War, Pestilence, Famine, and Death; and they have done so with full knowledge and forethought of the crime they are committing.

The economic devastation we are seeing today, and which we document in detail in the pages below, is the result of

> specific policy decisions taken by the BAC crowd in the 1989-91 period of the disintegration of the Warsaw Pact. As Lyndon

LaRouche elaborated in a recent memorandum, that policy shift is best identified by referring to the 1989 statement by British Minister of Transportation Nicholas Ridley, who characterized the prospect of a reunified Germany as a new "Fourth Reich" that had to be stopped at all costs (see box).

The BAC objective was to effectuate a global policy shift, a critical element of which is the ongoing destruction of entire populations, economies, and nation-states at the hands of the IMF and related financial institutions. This is the same policy otherwise memorialized by British agent of influence Sir Henry Kissinger, in NSSM 200, a policy document he authored in 1974 as Nixon's National Security Adviser. That document matter-of-factly describes population growth in Third World nations (India, Mexico, Indonesia, and others) as a threat to the national security of the United States, and proposes: "In population control as well as food production . . . it is important in style as well as substance to avoid the appearance of coercion. . . . [But] mandatory programs may be needed and we should be considering these possibilities now."

Shades of Parson Malthus (see box).

Genocide

Review the world map (**Figure 1**). Over the course of the 1990s, large chunks of our planet have been turned into a living Hell:

- Russia's annual natural population growth (i.e., excluding immigration) has turned sharply negative, by nearly 1 million inhabitants per year, as a result of the economic "reform" policies shoved down the country's throat since 1991 by the IMF and Harvard punk economists like Jeffrey Sachs. Once-conquered diseases are spreading exponentially, while 70-80% of the country's advanced industrial capacities have been vaporized.
 - Sub-Saharan Africa has seen upwards of 30 million

human beings murdered this decade — through a combination of wars, disease, and starvation. It is here that the full horror of the AIDS pandemic has exploded: Numbers of countries have HIV infection rates of 25% or more; and, in country after country, average life expectancies have been shortened by 10-15 years over the course of the 1990s. Africa is truly a dying continent.

• *Indonesia*, the fourth largest nation in the world in terms of population, was assaulted by the IMF in 1997-98, and as a result faces chaos today. Poverty, which had been reduced to only 11% of the total population in 1996, has now zoomed back up and is expected to hit 67% this year. Thirty years of progress have been wiped out in just one

LaRouche on the BAC's 'Fourth Reich' campaign

The following is excerpted from a memorandum by Lyndon LaRouche to EIR staff dated April 8, 1999, concerning who is responsible for the catastrophe in former Yugoslavia:

The policy of the G-7 (its IMF and military policies) is best described by using the 1989 utterance by Nicholas Ridley of a "Fourth Reich" policy of Britain's government, as a handy approximation of a characteristic feature underlying G-7 monetary, economic, financial, and strategic policies of practice since that time. To characterize the G-7 itself for this purpose, we must stop the childish nonsense of speaking of U.S.A. policies; we must emphasize the fundamental difference between the vital interest of the U.S. and its population, on the one side, and the diametrically opposing interest represented by the BAC, on the other. The BAC is to be defined functionally, for this purpose, as the British monarchy's revised form of the British Commonwealth, as incorporating the Wall-Street-centered elements of BAC within the U.S.A., as an integral part of the revised Commonwealth as a whole. The policy of the British monarchy's present Commonwealth institution, is to complete the assimilation of the U.S.A. BAC elements are an important feature of a new British world empire, an empire without sovereign nation-states, with "new NATO" serving as the presently intended form of the new "Roman Legions" to police that world empire.

The historical-strategic significance of the "Fourth Reich" policy of Thatcher, Mitterrand, Milosevic, and Israel, is that it marks the strategic phase-shift set into motion by the process of collapse of the Warsaw Pact alliance. The elimination of any visible prospective alternative to world-rule by Britain's BAC/Commonwealth empire then depended on preventing a reunited Germany from follow-

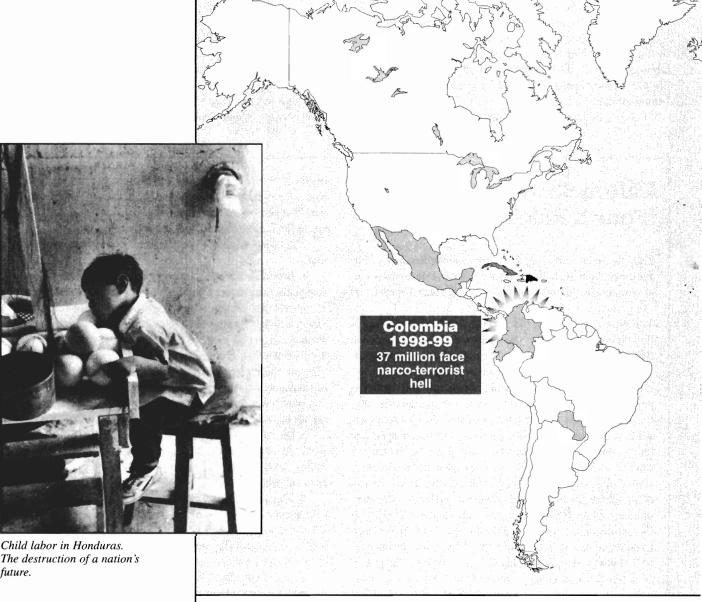
ing the pathway of its natural self-interest, to rebuild continental Europe, and also continental Eurasia, as the foundation of a new global arrangement which would bring the era of the British Empire and its relics to an end.

The object of the "Fourth Reich" policy was, and remains:

- 1. Mobilize Europe to destroy the sovereignty of Germany, and also destroy any future viability for Germany's economy: This included a) The Maastricht policies, b) "Desert Storm," c) the 1991 launching of what I had forewarned against, in 1988, as a new Balkan war, d) the 1990-1993 efforts, beginning with the launching of what became "Desert Storm," to eradicate the European Labor Party [associates of LaRouche—ed.] throughout Europe, an effort which was used, in Italy, as the precedent for destroying all of the leading political parties of Italy.
- 2. Dismember the Soviet Union and loot its component parts into oblivion through a so-called "liberal reform" policy. Dismember and destroy China through aid of effects of "liberal reforms."
- 3. Use a policy of "free trade" and "globalization" to effect the self-destruction of the physical economy and other relics of national sovereignties of all existing nation-states, including the treasonous self-destruction of the U.S.A. itself by these means.
- 4. Use increasing BAC control over the leading political parties and internal policy-structures of the U.S.A. to create world-imperial military rule by a triumvirate composed of a morally and intellectually castrated U.S.A., the British monarchy's Commonwealth, and perennial roguestate Israel.

The "Fourth Reich" doctrine, typically expressed in those forms, is the determinant of the formulation of British-directed shaping of military and IMF policies. It is the standard set by such "Fourth Reich" doctrine which determines the step-by-step changes expressed by the evolution of both nominal and actually applied IMF policy in particular.

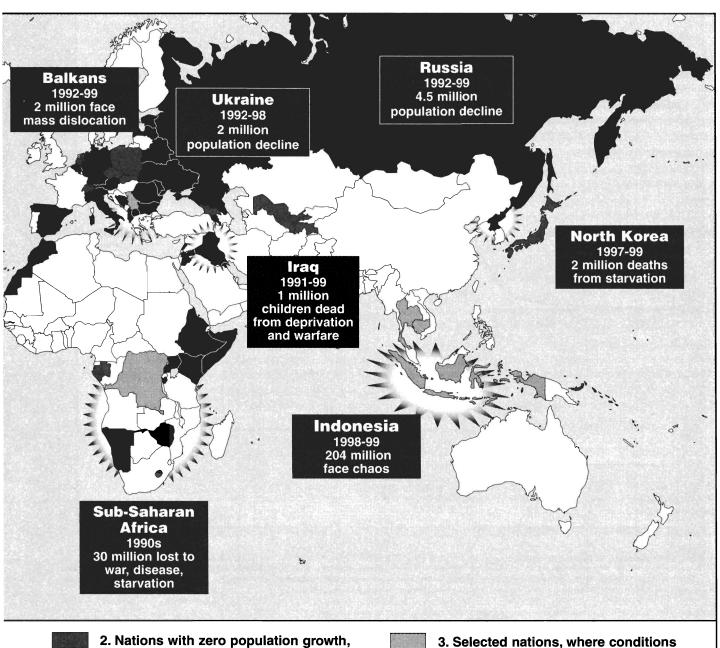
FIGURE 1 Depopulation and atrocities worldwide, 1990s



Child labor in Honduras.
The destruction of a nation's
future.

Africa	Europe		Mideast/Asia	Ibero-America
Burundi	Albania	Italy	Iraq	Dominican Repubic
Ethiopia	Armenia	Latvia	Jordan	Trinidad and Tobago
Kenya	Austria	Lithuania	Kuwait	
Morocco	Belgium	Macedonia	Lebanon	
Namibia	Bosnia-Hercegovina	Spain		
Somalia	Bulgaria	Romania	North Korea	
Uganda	Estonia	Russia		
Zimbabwe	Germany	Ukraine		

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Africa Gabon Lesotho

Slovakia

1998

Europe	Asia	Ibero-America
Czech Republic	Japan	Cuba
Georgia	Tajikistan	
Netherlands	Uzbekistan	
Poland	Melanesia	

New Caledonia

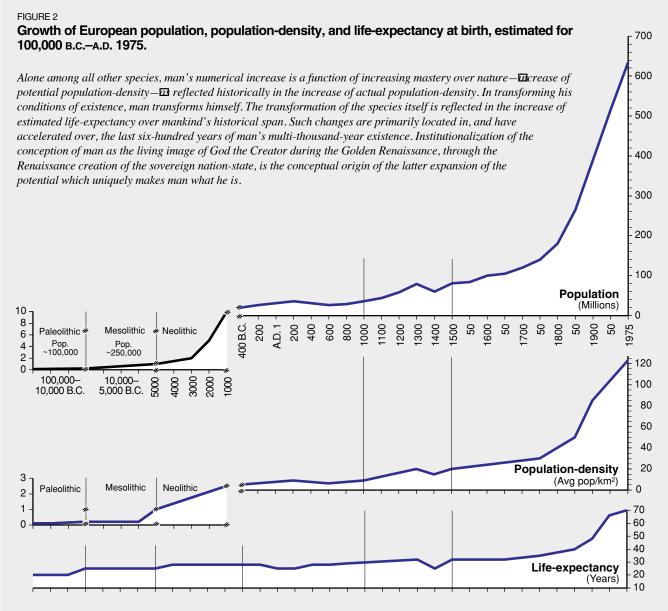


build for depopulation

Africa	Europe	Asia	Ibero-America
Rep. of Congo	Yugoslavia	Indonesia	Colombia
		Thailand	Ecuador
		Cambodia	Mexico
			Paraguay

Source: UNFPA, 1998 vs. 1997 reports, and U.S. Census Bureau, 1998 vs. 1997 reports, as compared by Paul Gallagher, "Shocking U.N. Report Shows African Holocaust; Implosion of Population Growth Rate Continues through 1998,"21st Century Science & Technology, Winter 1998-99, pp. 19-22.

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All charts are based on standard estimates compiled by existing schools of demography. None claim any more precision than the indicative; however, the scaling flattens out what might otherwise be locally, or even temporally, significant variation, reducing all thereby to the set of changes which is significant, independent of the quality of estimates and scaling of the graphs. Sources: For population and population-density, Colin McEvedy and Richard Jones, Atlas of World Population History; for life-expectancy, various studies in historical demography.

Note breaks and changes in scales.

year of international financial warfare—a true IMF "success story."

• *Mexico* has been so battered by nearly two decades of "free market" economic policies, that it today produces one-third less consumer goods per capita—with food being the hardest hit—than it did back in 1981, when the IMF first seized control of that country's economy. Today, there is almost 50% real unemployment in Mexico, which has led to what the United Nations has characterized as "the world's largest economic migration phenomenon," from

Mexico to the United States.

• In *the Balkans*, the hot spot dominating world attention at this time, up to 2 million people face dislocation, with attendant starvation and disease, as a result of British geopolitical warfare.

One is forced to ask: Is each of these cases merely an individual tragedy, a local horror story, each due to its own particular cause? Or is there something more fundamental going on, something more sinister, that is the root cause behind each case?

FIGURE 3

LaRouche's concept of Potential Relative Population Density in a breakdown crisis

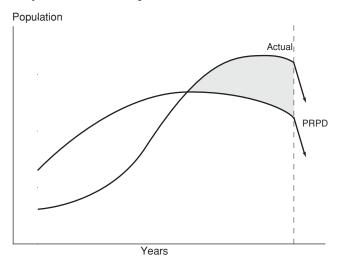
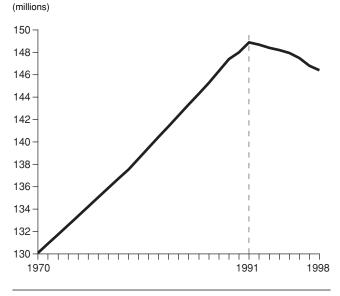


FIGURE 4
Russian Federation: total population



LaRouche's science of physical economy

The answer lies in a concept from physical economy developed by LaRouche: *potential relative population density*.

A successful society is one which produces the physical economic goods required to maintain its current population, and also to allow it to grow. Thus, in first approximation, an advancing economy is able to sustain a rising population per unit of land area. But one must also take into consideration the *relative* natural and other qualities of the land area under consideration, to measure true economic success. Similarly, one must also take account of the *potential* future population growth and development that may exist in a given economy, although it may not yet be expressed in an actual increase in population density per se. Thus, changes in *potential relative population density* (PRPD) are the best metric for measuring the relative success or failure of an economy over time.

For example, advances in science and technology tend to increase the PRPD—i.e., the economy will be able to maintain more people, with longer life expectancies, and at a higher standard of living, than in the earlier period. So, a healthy economy is characterized by a PRPD which is always greater than its actual, current population density—which in turn is also rising over time. Such a success story can be seen in the historic European population curve which was unleashed by the Golden Renaissance (see **Figure 2**).

But what happens when economic policies are badly flawed, and the PRPD dips below the actual, current population? That means that the economy does not have the potential to maintain even the population density which currently exists. In other words, sooner or later, unless such policies are reversed, that "excess" population will disappear—whether by War, Pestilence, Famine, or Death—including the mass dislocation and emigration of entire populations (see **Figure 3**).

This, of course, is precisely the state of the world today—not just of *parts* of the world, but of the world as a totality. It is true that some countries or regions have entered the advanced stage of actual demographic decline, such as Russia, Ukraine, and large chunks of Africa (see **Figure 4**). Others, like Indonesia or Mexico, are at slightly earlier stages of the same process, with sharply dropping consumption and health levels, which in turn will soon lead to outright demographic destruction. But "advanced sector" economies such as those of the United States or Germany, are also experiencing actual physical economic decline, and are mere shells of their former selves. They are in the same boat with the rest of the world: As the *Titanic* sinks, so will they.

The reason this is the case, the reason that there is a global drop in *potential relative population density* to levels well below those needed to sustain the world's current 6 billion population, is the collapse of the global physical economic process.

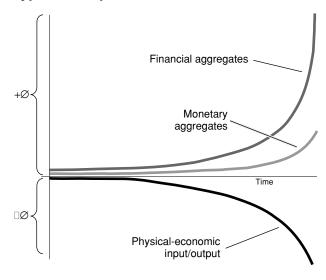
To understand how this has unfolded over the past 30-odd years, we must turn to another physical-economic concept of LaRouche's, his well-known "Typical Collapse Function" or "Triple Curve" (**Figure 5**). In a recent memorandum, LaRouche elaborated on the meaning of this function:

"The Triple Curve represents a hypergeometrical function. The representation is made as the triple-connectedness of a manifold in which

"a) growth of monetary aggregates is leveraged by means of 'primitive accumulation' through looting of the real-world

FIGURE 5

A typical collapse function



physical-economic functions (i.e., potential relative population-density), and

"b) in which growth of financial aggregates is based upon out-of-the-real-world leveraging of nominal gains in price of titles to share in a global 'John-Law'-style financial bubble. The function as a whole (the relationship among the three curves), is determined by

"c) the need to increase the rate of primitive accumulation, to sustain the growth of monetary aggregates needed to sustain the financial bubble, by

"d) the need to increase the rate of financial leveraging of monetary aggregates, needed to prevent an accelerated point of irrevocable collapse-meltdown of the financial bubble, and

"e) the resulting acceleration of that very rate of collapse of the physical-economic aggregates which defines the absolute point of chain-reaction at which the implosion of both the financial and monetary bubbles is unstoppable by any means except formal bankrupting of, and general nullification of, the greatest portion of outstanding financial claims.

"In short, these curves are not three independent variables, but principled functional features of a true hypergeometric function, a true multiply-connected manifold of the Kepler-Leibniz-Gauss-Riemann type. This is something no simple-minded university graduate of education in generally accepted classroom versions of the calculus is capable of comprehending."

With this in mind, now look at the "Typical Collapse Function" we present below for the specific cases of Russia (p. 13) and Mexico (p. 29), two of the most prominent victims of IMF conditionalities. In each case, it is inescapable that the onset of the sharpest rates of collapse can be traced to the implementation of IMF policies.

Why IMF conditionalities kill

Why has the IMF proven such a useful tool of the BAC oligarchy?

Some people believe that IMF policies are bad, but that they are the result of "mistakes," and that the bureaucrats involved don't want to admit their "failures." This is not true. The IMF produces devastation and depopulation *intentionally*; theirs is not a track record of *failures*, but of *successes*—they are systematically succeeding in implementing the BAC cabal's policy of depopulation and destruction of the sovereign nation-state.

Others have reached the conclusion that the IMF's main objective is to get debtor nations to pay their foreign debts. This is only half true. Debt repayment is only a secondary IMF objective, as can be seen in the fact that they frequently

Parson Malthus's call for genocide

In unleashing the Four Horsemen of the Apocalypse, the British-American-Commonwealth oligarchical cabal is reverting to London's tried and tested policy of induced genocide. Recall the shockingly frank proposal of Parson Thomas Malthus (1766-1834), an employee of the colonial British East India Company, in his 1798 Essay on the Principle of Population:

All the children born, beyond what would be required to keep up the population to this level, must necessarily perish, unless room be made for them by the deaths of grown persons. . . .

Therefore, we should facilitate, instead of foolishly and vainly endeavouring to impede the operations of nature, in producing this mortality; and if we dread the too frequent visitation of the horrid form of famine, we should sedulously encourage the other forms of destruction which we compel nature to use. Instead of recommending cleanliness to the poor, we should encourage contrary habits. In our towns we should make the streets narrower, crowd more people into the houses, and court the return of the plague. In the country we should build our villages near stagnant pools, and particularly encourage settlements in all marshy and unwholesome situations. But above all, we should reprobate specific remedies for ravaging diseases, and those benevolent, but much mistaken men, who have thought they were doing a service to mankind by projecting schemes for the total extirpation of particular disorders.

will acquiesce to (and occasionally even promote) a *negotiated* debt moratorium by one of their victim states. The emphasis is on *negotiated*: The IMF emphatically does not want nations to refuse to pay usurious foreign obligations in order to use those resources to develop their own national economies; but they are willing to go along with a temporary suspension of payments, *if* the country in question also applies the IMF's other conditionalities.

Those other conditionalities are the crux of the matter, as they are all deliberately geared to wrecking the physical economy of the victim nation (the lower curve in LaRouche's "Typical Collapse Function"). To wit:

- Devaluation. Forced devaluations are always accompanied by demands that the nation not permit this to lead to an "inflationary spiral." What that means, in plain English, is that the devaluation will artificially increase the cost of the foreign debt, and of all imported items; but local costs of production, most especially wages, are to be forcefully held down. The net effect, is that real wealth is transferred out of local consumption, and into exports, in order to obtain foreign exchange with which to pay the foreign debt.
- Reduction of the government budget deficit. Countries are instructed that they must raise more tax revenue; eliminate government subsidies for food and other necessities; privatize and otherwise dismantle state sector industries, especially those in the area of heavy industry or advanced technology; and stop investing in infrastructure projects needed for national development. The only line in the government budget which is allowed to skyrocket is interest payments on the public debt. Needless to say, these measures all damage the physical-economic output of the country.
- Free trade. This is the oldest trick in the British colonial book: National industry is destroyed by a flood of cheap, foreign imports, leaving the country with no productive apparatus of its own.
- High interest rates. This is supposed to "stop inflation." The only thing it stops, is economic activity. With domestic interest rates driven up to 40, 50, and 60%, the national banking system is quickly drowned in a sea of non-performing debt. Any borrowing for productive activities is made prohibitively expensive.
- Globalized banking. Under the rhetoric of "the free flow of international capital," the weakened financial system in the victim nation is taken over by foreign banking interests, frequently linked to drug-money laundering. Once globalized, such a banking system will not bother lending to any local, productive enterprise.
- "End corruption." This refrain, which has recently been incorporated as an IMF conditionality, simply means that any and all political opposition to the IMF's destruction of national sovereignty must cease.

Read on. In the pages that follow, you will stare into the face of Hell that awaits every nation on this planet, should these oligarchical policies not be banished.

The systematic destruction of Russia

by Rachel Douglas

Since 1992, the annual rate of population loss in the Russian Federation has been "more than double the rate of loss during the period of Stalinist repression and mass famine in the first half of the 1930s," economist Sergei Glazyev reported in his 1997 book on the so-called reform process in Russia. The title of the account is Genocide, as Glazyev analyzed the results of the post-1991 economic policy implemented in Russia, using the standards of the 1948 United Nations Genocide Convention. Most relevant was Article II of the Convention, which defines as genocide "actions, committed with the intention of annihilating, completely or in part, some national, ethnic, racial, or religious group as such." Sections C and D of Article II specify among the instruments of this crime, "the premeditated creation for any group of people of such conditions of life, as are intended to cause the physical destruction of the group in whole or in part," and "measures, intended to prevent births within the group."

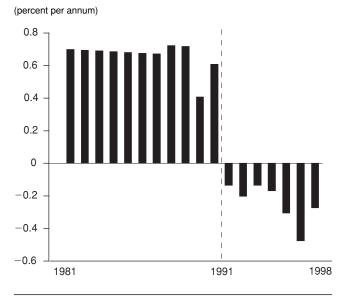
For millions of Russians, and for the core of the Russian intelligentsia, the collapse of 1992-99 has been experienced as a series of lethal or near-lethal shocks.

The 1994 report *Reforming Russia: Myths and Reality*, issued by the Institute for Social and Political Research (ISPI) of the Russian Academy of Sciences under the leadership of Academician Gennadi Osipov, covered the events of 1992 under the heading, "The Catastrophe Arrives."

That was the year when newly independent Russia's government, under Prime Minister Yegor Gaidar, attempted to administer "shock therapy" by decontrolling prices on Jan. 1, 1992. It was the year of 2,600% inflation, which wiped out people's savings. It was in August of that year that "voucher privatization" was announced, beginning the fire sale of Russian real economic assets.

It was also the first year of negative population growth in the Russian Federation, which lost a net 200,000 people in 1992. From 1993 through last year, the annual natural population growth—the ratio of births to deaths—became *drastically negative*. Russia experienced an excess of deaths over births in each of those six years, ranging between 600,000 and 890,000. Four and a half million more people died than were born, in 1992-98 Russia! (The total population of the Russian Federation declined at a somewhat slower rate [Figure 1], due to the net immigration of several million Russians and others to the Russian Federation from other former Soviet republics.)

FIGURE 1
Russian Federation: rate of population increase/decrease



Deaths running higher than births by a factor of 1.6 (**Figure 2**), as was emphasized in a resolution from a 1997 Moscow conference attended by 1,700 physicians, means that "Russia is losing its main state asset—its citizens." It translates into a catastrophic net population reproduction rate of 0.603 (6 births per 10 deaths), Glazyev reported in *Genocide*, remarking that "such a low level of reproduction is unprecedented, and has not been observed before now, neither in our country nor in others, even during wartime."

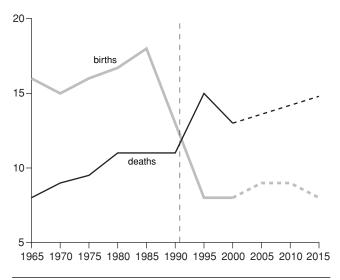
The population collapse is observed, simultaneously, in some neighboring countries of the former Soviet Union, the largest of which is Ukraine. Already in February 1994, at an EIR seminar in Washington, D.C., Ukrainian publisher Taras Chornovil, who at that time was a city council member in Lviv, reported that "Ukraine unfortunately might become the first country where Malthusian theories lead to their most absolute results.... Today, the reduction of Ukraine's population is proceding at a terrible rate . . . [and] has reached a level that may be compared with genocide against the people—and before too long, perhaps even with the genocide of the 1930s, when between 7 and 10 million Ukrainians were annihilated by the artificially created famine." Referring to a society's ability to reproduce its population as the essential measurement in physical economy, the Ukrainian speaker concluded, "We can say, with reference to LaRouche's works in physical economy, that the potential relative population density in Ukraine today is already significantly lower than the country's actual population density."

We shall return to the demographic disaster in the former

FIGURE 2

Russian Federation: birth and death rates

(per 1,000 population)



Projections past 1999 were made by the Institute for Social and Political Research (ISPI) of the Russian Academy of Sciences.

Soviet Union in more detail, having reviewed the policy that caused it.

'The perfect laboratory'

During the past five years, numerous Russian institutes and committees of the State Duma (lower House of Parliament) have analyzed the outcome of the "reform" policy in Russia in terms of a national security breach. Demographic catastrophe, the privatization and asset-stripping of vital industries, import-dependency for food and other consumer goods—in each case, the Russian Federation crossed a "red line," where national economic security is compromised. The Soviet Union "lost the Cold War," goes one line of analysis, so what else should Russia expect, than for "the West" to take it over as a colony?

The perception by Russian patriots, that dominant forces in "the West" were out to destroy them, should be understandable. It is also demonstrably true.

The disaster in Russia resulted from the political enforcement of an evil and insane idea: British "free market" liberalism. In August 1991, in the midst of the power crisis in Moscow that marked the breakup of the Soviet Union, the London *Times* announced what was about to be inflicted on Russia: It reported that Lord Harris of High Cross, chief of the Mont Pelerin Society's Institute for Economic Affairs (IEA), in London, was looking at Russia as "the perfect laboratory" to test out Thatcherism, and was ready to move in.

The Mont Pelerin Society is the late Friedrich von Hay-

ek's club of oligarchs, dedicated to the destruction of the modern nation-state and to economics based on the ideology of the enemy of Benjamin Franklin, Bernard de Mandeville, and his concept of man as a greedy animal, worthy only of being a slave. The IEA became the chief think-tank, on an international scale, for so-called "Conservative Revolution" economics. The "Thatcherism" referred to by the *Times* in 1991 was launched according to IEA designs not only in the British Isles, but in New Zealand during the 1980s—with murderous results that were then paraded around the world as exemplary (see, most recently, *EIR*, Jan. 15, 1999, p. 7). Lord Harris boasts that the organizers of the New Zealand experiment were "in our pockets," and that the 1992 Russian government comprised "our men."

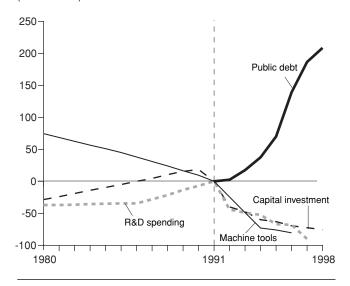
Swarms of advisers from the London School of Economics, the Harvard Business School, and other such locations would come later, as would the hands-on drafting of every year's Russian economic plan in coordination with the International Monetary Fund (IMF), which Russia joined only on June 1, 1992. The coup in Russian economic policy was accomplished already with the installation of "our men," the government of Yegor Gaidar. Political patronage for this small clique came from Margaret Thatcher's London and the U.S. administration of her puppet, "Sir" George Bush. Gaidar, privatization chief Anatoli Chubais, Finance Minister Boris Fyodorov—they were all pupils in Lord Harris's kindergarten. They had attended his seminars in eastern Europe in the mid-1980s and then in London, as the IEA pushed to recruit a cadre force in anticipation of upheavals in the Soviet Union. Gaidar's institute was directly sponsored by the IEA; it nearly shut down at the end of 1991, because most of its members entered the first Yeltsin government.

The Gaidar team launched the so-called "shock therapy," which embodied many techniques of looting and stealing. These were perpetuated and advanced during Viktor Chernomyrdin's five years in office as Prime Minister, beginning at the end of 1992. The destruction of Russia's industrial capacities, social infrastructure, and the living standard and cultural life of the population resulted not from "incomplete" application of the Mont Pelerinite "free market" principles, but precisely to the extent that they were successfuly applied. The results sought and achieved were twofold: accelerated looting of the former Soviet Union, to provide an ever-greater stream of physical wealth and a domain for financial exploitation through usury, to fuel the greatest financial bubble in world history, on world markets; and, to block the potential for the collaboration of Russia and its former Soviet neighbors with nations of continental Europe and Asia, in a Eurasian industrial renaissance that would challenge the doomed financial power of the British-American-Commonwealth oligarchy, as well as its geopolitical hegemony. That potential has been reanimated since September 1998, as the Yevgeni Primakov government struggles to stem capital flight and to bring the Russian Federation into a "Survivors' Club" with

FIGURE 3

Russian Federation: a typical collapse function

(index: 1991=0)



China, India, and other Eurasian nations.

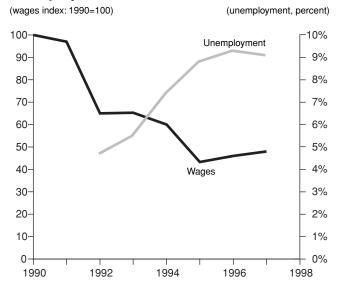
Lyndon LaRouche, speaking on May 16, 1996 as a U.S. Presidential pre-candidate, reviewed what had been done to Russia thus far: "You have terrible conditions in Russia. Now, these conditions were intentional. There were no 'mistakes' made in Russia by Thatcher, Mitterrand, and Bush. They were determined to destroy Russia and its people, with a kind of worse-than-Morgenthau Plan, so that part of the world that had formerly been eastern Europe or the Soviet Union, would never come back again. It would be depopulated. The Russians would not be allowed to have advanced industries; they would export natural gas and petroleum, and strategic minerals, at low prices, to the London market. They would not be allowed to have industry. Their scientific establishment would be taken down and destroyed. The birth rate would be dropped. The population would be more than halved. The conditions of life would be made worse. Disease would become rampant. Life expectancy would be shortened."

Collapsing the future

Figure 3 shows that the Russian economy mimics LaRouche's "triple curve" illustration of a "typical collapse function." On the upper half of the graph, the public debt rises at a rising rate, until it runs off the chart or into the wall, as happened when the government bond portion of the Russian public debt collapsed on Aug. 17, 1998. The 1991 point of departure (where index = 0) was the \$68 billion of Soviet foreign debt, which the Russian Federation assumed. A market for government bonds, called GKO and OFZ, was instituted in 1993, ostensibly to finance the federal budget deficit.

FIGURE 4

Russian Federation: real wages and official unemployment



In early 1996, foreign investors—actually speculators—were allowed to freely participate in the government bond market. Then came the triple-digit returns on GKOs, which earned Russia the label of "world's hottest emerging market" in 1996-97.

The proceeds of GKO speculation became part of the income stream, provided by Russia to the global financial bubble. Meanwhile, the double- and triple-digit returns, available in the bond market, kept investment out of the productive sector. The rise of unemployment and collapse of wages (**Figure 4**) have come about as industry shut down, while huge state- and private-sector wage arrears accumulated; in the name of the "macroeconomic stabilization" formulas of the IMF, which require low inflation and reducing the budget deficit, money in circulation was restricted and state-sector wages not paid for months on end.

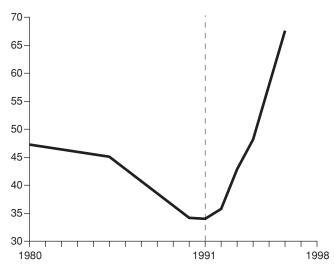
The takedown of Russian industry has many apologists, who employ the argument that the defense-dominated industrial sector, inherited from the Soviet Union, was irreparably "metal-eating," "value-subtracting," "loss-making," and irrelevant to a post-industrial age. As Harvard's Jeffrey Sachs put it in 1992, "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."

The bottom of our Russian collapse function (Figure 3) gives the lie to such arguments. It reveals the catastrophic collapse, by 80% or more, of areas of economic activity that determine the future viability of a national economy: produc-

FIGURE 5

Russian Federation: tuberculosis cases

(per 100,000 population)



tion of machine tools, investment in capital construction, and R&D spending as a ration of total national economic product. Consumer goods production (presumably, "what society really needs") collapsed, too.

Russian economist S.M. Belozerova, of the Institute of Employment Problems, Russian Academy of Sciences, analyzed the structure of disemployment in post-Soviet Russia in "The Deformation of the Structure of Industrial Employment in Russia" (published in *EIR*, July 4, 1997). She found that the steepest declines of employment took place in textiles and light industry (consumer goods), where 65% of industrial operatives had left by 1997, and in the highest-technology sectors, the machine-tool and instrument industries, where more than two-thirds of the operatives had left work. By contrast, Belozerova reported that "the greatest numerical growth [of employment of industrial operatives] is observed in the natural gas industry. . . . Thus, we can say that the dynamics of employment, like the investment process, have come to stand on 'raw materials legs.' "

Accordingly, a flood of imported consumer goods had risen to a share of over 60% on the Russian market by 1998, in categories where Russia had been nearly 100% self-sufficient. Russia became 40% import-dependent for food. In the big cities, the level rose closer to 80%.

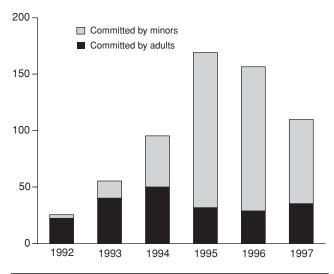
Children: death of the future

The prominent Ukrainian economist and Member of Parliament Dr. Natalya Vitrenko, addressing a Feb. 19, 1997 seminar in Washington, D.C. on "Why IMF Conditionalities for Russia and Ukraine Must Be Scrapped" (*EIR*, March 14,

FIGURE 6

Russian Federation: serious crimes

(thousands of incidents)



1997), reminded that "Ukraine is a country in the center of Europe, a country which produced equipment for the space program, and the most modern submarines; a country which had the highest level of education in the world." After five years of the radical liberalism of "shock therapy," like Russia's, Ukraine had shifted to the status of "first in the world in the rate of abortions."

The 1992-98 rates of population loss in Russia and Ukraine were not a statistical trend, but an abrupt collapse. By 1994 and 1995, when natural population growth in Russia reached the extreme levels of negative 893,000 and negative 840,000 people (excess of deaths over births, with immigration not counted), respectively, the Russian Federation had undergone two years of Mont Pelerinite "reform."

Epidemics of diseases such as tuberculosis, the classic disease of poverty (**Figure 5**), reflect a public health collapse, resulting from drastic disinvestment in "soft" infrastructure (education, health care, science) as well as "hard" infrastructure (transport and utilities, including water supply). Diseases that were under control have returned in Russia: TB, diphtheria, poliomyelitis, even cholera. Research by ISPI shows that deaths from accidents and poisonings nearly doubled between 1992 and 1994. Glazyev documents the deaths of 40-50,000 people per year in the mid-1990s from poisoning with low-quality alcohol, including imports, and a similar number from the consumption of substandard food imports, for which the gates were opened under "free trade."

The disease profile for Russian children is abominable. Russia's Presidential Commission for Women, Family, and Demography reported that, as of 1996, only 10% of high school graduates had "normal" health, while 40% suffered from chronic illnesses and another half were acutely ill at any one time. Demographer Murray Feshbach reports that one out of three potential military conscripts for the Russian Armed Forces has been rejected for health reasons, in recent years; in 1996, some 15% of the draftees were underweight.

The pattern of the impact on children, of public health deterioration, and of the growth of crime, depicts a social catastrophe, unfolding in tandem with the economic collapse. **Figure 6** shows the surpassing growth of *juvenile* crimes linked with narcotics, within the overall rise of this type of criminality. Likewise, the epidemic of syphilis in Russia was marked by a 32.5-fold increase in total syphilis cases between 1991 and 1996, but for children the rate of infection increased 40-fold (reported cases reached several thousand). Sexually transmitted diseases further ravage the reproductive potential of the Russian population.

Where are these children? At least 2 million children in the Russian Federation are homeless. Estimates of the number of school-age children not regularly attending school run as high as 10 million—approximately one-third. Some of the children are on the street. Some are working, for, as filmmaker Stanislav Govorukhin documented in "The Great Criminal Revolution" in 1994, a child courier for organized crime, at that stage of "reforms," could "earn more in a single day, than a nuclear physicist in a year."

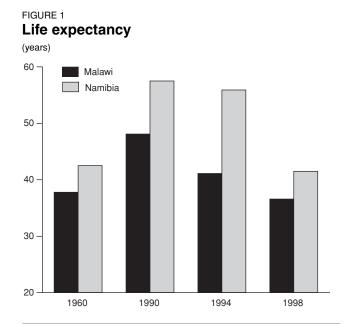
These most egregious demographic and social anomalies match perfectly the Mandevillian ideology that guided economic policy in Russia until September 1998: Let usurers drive for loot as hard as they can, gaining from the destruction of the weak, of children, and of the nation-state.

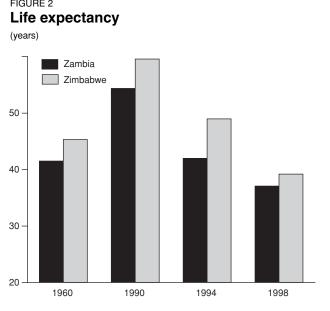
Mortality rates rising in Africa

by Linda de Hoyos

"Evidence continues to accumulate that the countries of Sub-Saharan Africa are failing to keep pace with gains achieved elsewhere in the developing world. Though the reasons for this divergence are complex and the gap between Sub-Saharan Africa life expectancy and that of other developing regions has been widening since the 1950s (United Nations 1969), a substantial part of the stagnation of the region's life expectancy during the 1990s and during the coming decade can be attributed to the HIV/AIDS epidemic," states the "World Population Profile: 1998" published by the U.S. Agency for International Development based on statistics of the U.S. Census Bureau's International Data Base.

But HIV is clearly not the only problem. The same report





notes that the Program of Action put forward by the United Nations, calls upon developing countries to achieve "mortality goals" in terms of levels of infant and child mortality (deaths per 1,000 live births) for the years 2000 and 2015, and in terms of life expectancy at birth, for the year 2015. "The Program of Action calls for all nations to cut infant mortality rates to under 35 per 1,000 live births by 2015; to cut child mortality to under 45 per 1,000 live births by that year; and to raise life expectancy to at least 70 years by 2015... Of the less-developed countries, only 6 of 51 Sub-Saharan African countries are likely to attain the target of fewer than 45 child deaths per 1,000 live births. The average level of child mortality projected for Sub-Saharan Africa for 2015 is 117 per 1,000 live births."

In short, HIV alone does not account for the lack of progress in reducing mortality (death) in Sub-Saharan Africa. Children are also dying.

In fact, on the African continent today, there are two notable trends: a rise in mortality across all ages, and a decrease in the fertility rate. Africa, although it may still be attaining an incremental rise in population at rates below 2% per annum, is heading toward a net decrease in population.

The understated bureaucratic style of the "World Population Profile: 1998" belies the horrific reality which produces the trends reported: people are dying from war, famine caused by war and drought; widening epidemics of all types; and the collapse of medical services in the face of the onslaught against the population. Despite its high fertility rate—high only in contrast to the low fertility levels else-

where — Africa is a dying continent. Births cannot keep up with the *continuous* catastrophe that is now hitting more and more countries.

A survey of the various statistical data bases for the population of Sub-Saharan Africa reveals that none of the data bases are consistent with each other, and often not consistent within themselves. The fact is that no one knows what the actual population of Sub-Saharan Africa is; no one knows the actual birth and death rates, because these figures are largely unreported in African countries. Figures are extrapolations and projections based on incomplete information. This causes major problems, when an area of the world, such as Sub-Saharan Africa, goes through a phase-change in its normal reproductive cycle because of calamity—as Sub-Saharan Africa has experienced throughout the 1990s.

Hence, as *EIR's* Paul Gallagher reported in December 1998, the United Nations Population Division was forced to release a *1998 Revision* of its population estimates in October 1998, which revealed a collapse of population growth in Africa. According to the *1998 Revision*, the total population in Africa had to be revised *downward* by 30 million, relative to the 1996 estimate and its updates. Dr. Joseph Chamie, director of the UN division, said that the average life expectancy in some nations of Africa "is falling like a stone."

The "revision" really raises the question as to how many of the 30 million dropped had ever existed, and calls into question the accuracy of the entire data base. The revision, however, does correspond with reality on the ground. In the

FIGURE 3 Life expectancy (years)

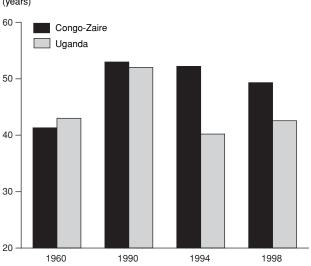
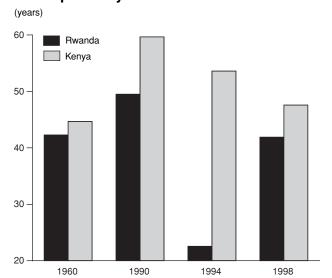


FIGURE 4 Life expectancy



HIV epicenters of the mid-1990s—Kenya, Uganda, Zaire, the Central African Republic—life expectancy plummeted by a decade or more to nearly pre-independence levels (see **Figures 1-5**).

Furthermore, in African countries hit by the HIV epidemic, death rates will soar upward immediately. This is because HIV kills an African person, whose immune system is already weakened by protein deficiency, by malaria, parasites, and other disease, in a matter of months, not years, as occurs in industrialized countries. Further, Africans live in countries in which the International Monetary Fund has insisted that governments shut down social services. In most Sub-Saharan countries, while up to 50% of the export earnings go to debt service, less than \$5 per capita is spent on medical services. In Uganda, there is one doctor for every 27,000 persons, according to the UNDP. Needless to say, the drugs which have proven to extend the life of the HIVinfected person in industrialized countries are not available to the HIV-infected person in Africa. The AIDS death rate is a marker for the overall collapse of the physical economy and consequent physical depletion of the people of the African countries.

Thirty Years' Wars

In most cases, the population data bases do not register the declines in population due to wars. Since the end of the Cold War, wars in Africa have been fomented by the British Commonwealth financial nexus and its partners in Washington and Paris as the most efficient means for destroying the institutions of government. Even if peace is negotiated in such wars, there is no money channeled for reconstruction of the decimated physical and social services infrastructure of the country, making the country even more vulnerable to new rounds of internal strife, such as in Sierra Leone.

This policy of war for the African continent has led to millions of deaths. For example, in the East and Central African theater, we can attain the following rough estimates of deaths caused by wars, beginning with the 1983 launching of the civil war in southern Sudan:

- 1. Southern Sudan civil war (1983-99): 2 million deaths by war, but mostly by famine caused by war, according to the U.S. Committee for Refugees 1999 report.
- 2. Uganda civil wars (1983-99): 1 million estimated deaths including the mass deaths in the Luwero Triangle during the bush war that brought Yoweri Museveni to power in 1986 and subsequent wars in eastern, western, and northern Uganda to the present, including 300,000 war deaths among the Acholi people of northern Uganda. In Uganda today, 44% of the population is not expected to survive to the age of 40.
- 3. Rwanda, invasions and war (1990-99): Close to 3 million. This includes 200,000 in 1990; 1 million in 1995, including 200,000 dead of cholera in the refugee camps; another 1 million inside the country since the Rwandan Patriotic Front came to power; and another 2-300,000 killed in eastern Congo during the Zaire war of 1996-97. While war deaths generally seem to be ignored in the "projections" based on extrapolations of the data bases, it is noteworthy that the U.S. Census

FIGURE 5 Seroprevalence of HIV-1 for low-🕼 Luanda Malawi risk populations in Southern Angola **Africa** Zambia Mozambique Lilongwe Blantyre larar Pct. Seropositive 0.0 Francistow 0 Zimbabwe 0 0.1 - 0.9aborone **Botswana** 1.0 - 4.9Namibia Maputo 5.0 - 9.9**Swaziland** 10.0 - 19.9 South Africa Lesotho 20.0 +

Source: U.S. Bureau of the Census.

Bureau International Data Base does register a drop in the Rwandan population from 7.721 million in 1993, to 6.682 million in 1994, and another such decline to 5.980 million in 1995. However, also according to the IDB, the population quickly scrambled up to 7.956 million by 1998, which is not coherent with the picture given from the ground inside the country.

Burundi civil wars (1993-99): Upwards of 500,000 people in continuing violence. This does not include the unknown deaths that have occurred through the government's policy of herding the Hutu civilian population into concentration camps, which produced epidemics of typhoid and other diseases.

Zaire-Congo, wars of invasion (1996-99): There is no estimate for this, but 500,000 would be a minimum number of Congolese who have died in these wars, which still continue.

This means deaths by war over a region of Africa up to 7 million people. The "readjustments" downward in data bases reflect the fact that the deaths were not registered at the time, but projections went ahead willy-nilly, as the Malthusian view of most such statisticians prompts them to prove that population levels in Africa are rising—despite the news to the contrary.

The death rate is in general under-reported in Africa. For example, up until 1993, the UNDP gathered and reported on how many children under five died in African countries each year. In general, the number represented 1% of the population. If then, this is 10 out of every 1,000 live births, the overall death rate must be significantly higher than 10. Nevertheless, the average rate for Sub-Saharan Africa is listed at 16. Given the HIV epidemic which is ravaging *adult* populations and given the proliferation of wars, this death rate is very likely a gross understatement. The United States, a country at relative peace with relatively low levels of infant mortality, has a crude death rate of 9.

Behind the contrived data bases on Africa, it must be presumed is a cover-up of the reality that today, Africa is a dying continent, not because of any Malthusian logic, but because of a policy imposed on it throughout the years of neo-colonialism, of constriction of its productive economies, looting of its natural resources, and now wars designed to totally eliminate any institutions that might stand in the way of the heightened looting and property grabs by foreign interests. It is not the logic of Malthus, but the inexorable result of a continuation of the bankrupt financial and economic policies of the IMF and globalization.

Epidemics spread as economies crumble

by Colin Lowry

Epidemic diseases are on the rise worldwide, and are spreading most rapidly in areas of the world where the standard of living and the medical infrastructure have been destroyed by the disastrous economic policies of the International Monetary Fund (IMF). Globally, 10 million people die every year from infectious diseases, but most of these deaths could be prevented with basic water and sanitation infrastructure, combined with modern medical treatment and an adequate level of nutrition.

The global scourge of TB

The tuberculosis epidemic has reached global proportions, killing about 2.9 million people each year. According to the World Health Organization, there were 3.5 million new cases of active TB in 1997 worldwide, and 1.7 billion people latently infected by the bacterium. The WHO considers a country to have the makings of a TB epidemic when the incidence rate is above 10 cases per 100,000 people. Almost all of Africa and Asia are already above this incidence rate, with the hardest-hit countries at levels above 250 cases per 100,000 population. Russia and much of eastern Europe are not far behind, with an epidemic of TB reaching rates of 75-100 or more cases per 100,000.

Asia has more cases of TB than anywhere else in the world, and the economic collapse of 1997-99 has hastened the spread of the disease. WHO estimates that there were 2.1 million new cases of TB in Asia in 1997.

Thailand, at one time, had TB under control, but, since 1992, the killer has returned with a vengeance, accompanying the explosive spread of human immunodeficiency virus (HIV), which causes AIDS. Thailand had created an infrastructure of clinics and hospitals supported by 12 Zonal TB Centers, which were responsible for the training and supervision of medical staff. The devaluation of the currency, the baht, and the austerity demands of the IMF have damaged the country's ability to fight the dual epidemics of TB and HIV. As a result of IMF policy, the Zonal TB Centers have been "downsized," leaving local clinics without needed support. The WHO recommended that the national budget in Thailand for 1998 be increased to deal with the epidemic, but the IMF policies ensured a decrease in funding for medical infrastructure, condemning the infected population to death.

A similar sitution exists in Indonesia, where TB is one of the leading causes of death, claiming 175,000 lives a year. In 1997, the WHO estimates for Indonesia projected 440,000 new TB cases a year, but with the economy at a virtual standstill, the real number now is probably much higher.

In Africa, the density of TB cases per population is the highest in the world. More than 20 countries have incidence rates above 250 cases per 100,000 population. From 1993-96, the number of new TB cases detected by clinics more than doubled, from 111,192 to 248,979, in only three years. For 1997, the WHO estimated that there were 660,000 new cases of TB in Africa, and the epidemic is getting worse. The countries of southern Africa that have the highest TB rates of infection, also have the highest rates of HIV infection in the world. The two epidemics have created a deadly combination, with TB being the number-one killer of HIV-infected people. These African countries have no functional health-care systems to combat these epidemics, and even if modern medical care and drugs to combat TB were delivered, the large HIVinfected population would act as a permanent reservoir for TB and other infectious diseases.

Until the late 1980s, tuberculosis was considered to be "controlled" in the industrialized nations, and 90% of active cases were found in the developing-sector nations. Since the collapse of the Soviet Union, and the onset of economic "shock therapy" policies, TB has returned as a major public health threat to Europe. The depressed living standards, poor nutrition, and lack of medical care that resulted from the application of IMF policies in Russia and the former Soviet republics in 1992, created the perfect breeding ground for the current TB epidemic.

From 1991-94, the TB rate increased 47% in Russia, and the death rate soared 87% over the same period. With such TB incidence rates in Russia and eastern Europe, the epidemic is now poised to spread rapidly into western Europe. TB in eastern Europe and Russia has an added deadly twist, in that many of the strains of TB are resistant to the antibiotics used to combat the disease. In fact, 25% of TB cases in Russia are multi-drug-resistant forms, which are virtually incurable. Conservative estimates put the number of TB cases in Russia at about 1 million. Within the overcrowded prisons, however, it is estimated that 25-50% of inmates are infected with multidrug-resistant forms of TB.

The epidemic is rapidly spreading westward, with a 25% increase in TB cases in eastern Europe over the past two years. The countries of Scandinavia are very concerned about the presence of increasing cases of multi-drug-resistant TB within their borders. Without strong TB control programs, multi-drug-resistant TB has the potential to become an unstoppable and deadly epidemic. At a regional conference of the WHO in Copenhagen in 1998, Dr. Nils Pedersen, Director of Research for the Statens Serum Institute, said, "Because these people have not received proper treatment, they have spread the bacteria and likely infected a population the size of Denmark and Norway combined"—about 10 million people.

In response to the spread of TB, the WHO Global Tuber-

Estimated TB incidence rates, 1997



Global tuberculosis incidence rates, 1997. Darker areas show increased density of TB cases.

culosis Program is recommending a low-cost treatment strategy called the DOTS program, which stands for directly observed therapy, short-course. This relies on the health-care system to administer drugs directly to patients, monitoring their progress, but does not rely on hospitalizing the majority of patients. Dr. Arata Kochi, Director of the Global TB Program, warned that "once multi-drug-resistant TB gains a foothold, even DOTS will not be able to protect the people of Europe, be they rich or poor, from sickness and death due to tuberculosis."

However, the lack—or destruction—of medical infrastructure in areas hardest hit by the epidemic, such as Africa, makes this low-cost strategy ineffective. The WHO is warning all governments to strengthen TB control and treatment, or the epidemic will spread out of control. For the year 2020, unless there is stronger TB control, the WHO predicts that 1 billion people will become newly infected, with 200 million sick, and 70 million dead.

AIDS on the rise

The pandemic of acquired immunodeficiency syndrome, or AIDS, continues to spread, ravaging the world's population. In 1998, according to the United Nations AIDS program,

5.8 million people were newly infected with the HIV virus, a 10% increase in infections as compared to 1997. There are now 33.4 million people infected with HIV globally, and at least 2.5 million people died of AIDS last year.

The AIDS epidemic is plunging Africa into a Dark Age. Since the beginning of the epidemic in the late 1970s, some 34 million Africans have been infected, and more than 12 million have died, one-quarter of the dead being children. In 1998, the nine countries with the highest HIV prevalence in the world were in sub-Saharan Africa. In Botswana, Namibia, Swaziland, and Zimbabwe, between 20% and 26% of the adult population is infected with HIV. In the nine countries of southern Africa, HIV prevalence is 10% or higher. In Africa, half of all new infections occurred in people age 15-25. With infection rates at these high levels, these countries will lose almost an entire generation to the AIDS epidemic by 2010.

Dr. Peter Piot, director of the UNAIDS program, speaking in Johannesburg in November 1998, said, "We know that despite these already very high levels of HIV infection, the worst is still to come in southern Africa. The region is facing human disaster on a scale it has never seen before."

AIDS is wiping out the modest gains in life expectancy

made over the past 20 years in southern Africa. In the nine countries of southern Africa, AIDS will decrease life expectancy at birth by an average of 17 years. In Botswana, life expectancy has been reduced to just 40 years as a result of the epidemic. Infant mortality has increased across sub-Saharan Africa due to AIDS. In South Africa, infant mortality was predicted to be 38 deaths per 1,000 births by 2005, but the impact of AIDS has increased the estimate to 61 deaths per 1,000 births.

Zimbabwe, which may become nothing but a graveyard, offers a chilling view of the future for the region. UNAIDS forecasts that in two years, Zimbabwe, with about 11 million population, will be burying 350 people a day due to AIDS, and that by 2005, there will be 900,000 orphans, whose parents were lost to AIDS. Already in 1995, some 15% of children in the city of Mutare were orphaned by AIDS. Studies from pre-natal clinics in Zimbabwe indicate that 40% of pregnant women are HIV infected, so there will be very few healthy babies surviving to replace the older generation that is being wiped out. In 1998, some 1.7 million young people were infected with HIV in sub-Saharan Africa.

Asia has seen increasing rates of HIV infection in recent years, with 1.4 million new infections occurring in 1998. Southeast Asia and the South Asian subcontinent are rapidly becoming the new epicenter of the AIDS epidemic. The UN-AIDS report for 1998 documents an alarming and unexpected trend in HIV infections in India. It was previously assumed that India's large rural population was relatively insulated from the AIDS epidemic, which initially spread quickly in the large cities. However, a new study in Tamil Nadu state has found that a higher percentage of the rural population of the state is HIV infected as compared to the urban population. The new study estimates that there are 500,000 HIV cases in Tamil Nadu, whose population is 25 million. Also alarming, is that 13.6% of women treated for other sexually transmitted diseases at clinics in Tamil Nadu were HIV infected. If the HIV prevalence found in Tamil Nadu reflects the situation throughout the Indian population of 930 million, then the actual numbers of HIV-infected persons may be in the range of 13-20 million.

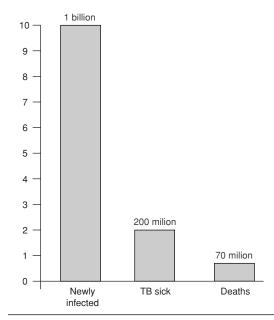
In Southeast Asia, the WHO estimates that there are about 7 million HIV cases, and the epidemic has increased sharply in the past five years. Thailand, Cambodia, and Vietnam have the highest HIV prevalence in the region, accompanied by an epidemic of TB, which is being fueled in part by the growing number of immunosuppressed HIV-infected persons. For example, in Cambodia, 43% of prostitutes are HIV infected, and the prevalence of HIV in the military is around 7%. Again, youth are becoming infected with HIV at increasing rates; 700,000 people age 10-24 were newly infected with HIV in Southeast Asia and the Pacific islands in 1998.

Russia and the former Soviet republics have seen an explosion of HIV cases since 1991. The rapid increases in intravenous drug use and prostitution have abetted the large in-

FIGURE 2

World Health Organization estimates for 2020 if TB control is not strengthened

(Hundred million population)



creases in HIV infections, which is conservatively estimated by the Russian Ministry of Health to be about 1 million cases by the end of 1999. While the spread of HIV in eastern Europe and Russia is the worst in the industrialized nations, the epidemic in the United States shows no sign of letting up.

The number of new HIV infections in the United States has not decreased in the past five years, with 40-60,000 new cases each year. WHO estimates that there are currently just under 1 million HIV cases in the United States, but with very little testing, the actual number may be much higher. The use of combination drug therapy, including protease inhibitors, has reduced the U.S. death rate from AIDS, but none of these treatments is a cure for the disease. In fact, AIDS is the leading killer of African-American males age 25-44, and the second leading killer of women in this same group.

Malaria: an old killer returns

Malaria, once one of the biggest killers, which had been controlled or eradicated from many areas of the world, has returned as one of the top four killers. Malaria now exists in 100 countries, and more than 40% of the world's population is at risk from this parasitic disease. At present, 300-500 million cases of malaria occur each year, and 2.7 million people die. Approximately 1 million children under the age of 5 die each year. All of these needless deaths could be prevented with the application of mosquito control programs and proper medical treatment.

According to the WHO, "the global malaria situation is serious and becoming worse." Mosquito control programs, including the use of DDT, which successfully controlled malaria in the past, have been eliminated or drastically reduced. Africa bears the brunt of 90% of the world's malaria cases, and has the most deaths from the disease. Resistance to the drug chloroquine, which is used most frequently to treat the malaria parasite, is spreading. Over the past five years in Senegal, there has been a sevenfold increase in malaria deaths, due to increased resistance to chloroquine. To make matters worse, no major pharmaceutical company in the United States or Europe is developing any new drugs to treat malaria. This means that, as resistance to the traditional drugs used to combat the parasite increases, doctors will be left with no effective drugs, which will increase the deaths from malaria worldwide.

Malaria is also being reintroduced into areas where it had previously been eradicated. The populations of Central Asia and the Caucasus region are now suffering from malaria for the first time in decades, as wars and economic collapse have eliminated mosquito control programs.

The banning of DDT by the U.S. Environmental Protection Agency in 1972, a decision which was made for purely political reasons, and which clearly violated all scientific evidence supporting DDT use, resulted in the precipitous rise in malaria cases around the world. For example, in Sri Lanka, before mosquito control programs using DDT, in 1946, there were 2.8 million cases of malaria, and 12,500 deaths. In 1963, using DDT, there were *only 17 cases*. But five years after the use of DDT was stopped, malaria climbed to more than 500,000 cases, with 113 deaths.

The reduction in the use of DDT to control mosquitoes has resulted in the resurgence of malaria and other mosquitoborn diseases, such as dengue fever. In Ibero-America, spraying of house walls with DDT to repel mosquitos was a successful practice for controlling malaria. In 1962, according to the Pan-American Health Organization, in 21 countries, almost 14 million houses were sprayed, and malaria cases that year were 173,570 in those countries. In 1992, however, only 4.4 million houses were sprayed, and malaria cases increased to 1,186,053.

Dengue fever, a mosquito-born viral disease, infects approximately 50 million people a year, according to the WHO. Dengue hemorrhagic fever (DHF), the most serious type which causes internal bleeding, is often fatal, and is a major cause of death of children in Asia, killing 100,000 in 1995. However, DHF was virtually unknown in the Americas until 1981. The decline in mosquito control programs led to the eruption of an epidemic of dengue fever and DHF beginning in 1981. Before 1981, DHF was known in five countries of Ibero-America, with only 60 recorded cases since 1968. From 1981 to 1997, DHF spread along with the reintroduction of the *Aëdes aegypti* mosquito, into 25 countries, resulting in 54.248 cases.

In 1974, Lyndon LaRouche and his associates issued a report warning of a "biological holocaust" starting in the mid-1980s, as the result of clinging to the policies of the "post-industrial society." The report forecast the return of old infectious diseases, and the emergence of new epidemics, first focussed in the developing-sector nations, and then spreading into the industrialized nations, if the current policies were not reversed. Unfortunately, the world has not yet broken free of those types of economic policies typified by the IMF, and we see the result in the emergence of the AIDS pandemic, and the resurgence of old epidemics such as tuberculosis and malaria.

Indonesia is 'dying, do you understand?'

by Gail G. Billington

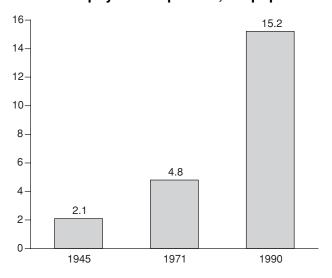
September 1997: President Suharto received the UN prize for poverty eradication, having reduced the percentage of the population living below the poverty line from 60% in 1970 to 11% in 1996, better than the 13% then recorded in the United States. Exemplary of what was achieved is seen in **Figures 1-3**, the ratio of physicians to population, reduction of infant mortality, and the near doubling of electricity production in less than a decade.

September 1998: The International Labor Organization released a report warning that in 1999, some 66% of Indonesians will fall below the poverty line, "poverty not seen since the 1960s," the ILO said. By mid-1998, already 37% had fallen below the poverty line; by end-1998, that would rise to 48% (**Figure 4**).

Thirty years wiped out. Indonesia today is not *yet* experiencing the horrific demographic collapse seen in Africa and Russia. But it is teetering on the brink of a more rapid collapse in that direction than one might think. At a briefing in Washington, D.C. on Feb. 26, 1999, the highly respected scholar Dr. Nurcholish Madjid reported that in some areas rural schools are empty because of the success of the country's family planning program over the past decades. Look at that in the light of the recent reports of the spread of malnutrition and outright starvation among children under five years old.

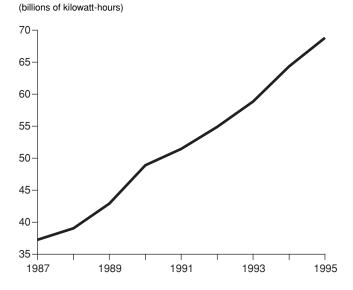
In March 1999, the head of the UN Children's Fund (UNI-CEF) for Indonesia and Malaysia, Stephen Woodhouse, told reporters that, based on UNICEF research and field experience, malnutrition in this age group "has become a national disaster. Up to half of Indonesian children under five are malnourished and half of them are babies under two." He estimated that there are around 23 million children under five years of age, and 8 million under age two. Malnutrition is

FIGURE 1 Indonesia: physicians per 100,000 population



Sources: Republic of Indonesia, National Development Information Office; United Nations, Statistical Yearbook, 1974.

FIGURE 3 Indonesia: total electricity production



Source: United Nations, Statistical Yearbook, 1995.

most devastating in the first two years, when 90% of brain cells develop.

Woodhouse said that UNICEF has not officially updated its figures since just before the financial crisis hit Southeast Asia in mid-1997, but that data show that 750 children were

FIGURE 2

Indonesia: under-five child mortality

(deaths per 1,000)
250
216
200 - 150 - 128
100 - 50 - 71

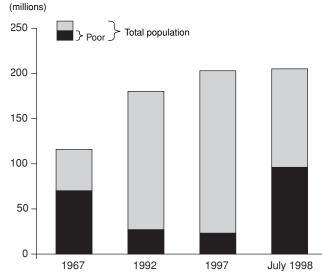
1980

1996

Sources: UNICEF, The State of the World's Children, 1998.

1960

Indonesia: population below the poverty line



Sources: Republic of Indonesia, National Development Information Office; International Labor Organization.

dying daily in Indonesia, at least 60% from malnutrition, specifically, deficiencies in vitamin A, iron, and protein, and 35% of pre-school children were "mildly" malnourished. Woodhouse pointed to a recent Ministry of Health report of 610 deaths from marasmus and kwashiorkor, acute malnutrition

due to a diet lacking, respectively, in calories and protein. On April 2, the state wire service Antara reported that in urban areas of East Java alone, 15,000 children are suffering from malnutrition.

The UNICEF report makes clear that the next generation of Indonesians is already at risk, but the September 1998 ILO report underscores that the entire Indonesian productive labor force is deteriorating at a terrifying pace, leading to irreparable damage to Indonesia's capacity to produce.

Indonesia stands out in the intensity of the crisis it is facing, and its importance as the fourth most populous country in the world, an archipelagic nation of 17,000 islands, straddling 3,000 miles of the world's most important sea lanes, with a proud history of battling colonialism, a political leader in voicing the aspirations of developing nations in international forums such as its founding role in the Non-Aligned Movement, and as a moderating influence in the Muslim community, consistent in its support of promoting the common interest between sovereign states. There are 300 ethnic groups, 500 dialects, and 5 major religions, which diversity, under conditions of economic crisis, has been a factor, manipulated or not, contributing to recurring violence, as survival takes precedence over other considerations.

In an unusually alarmist statement issued on the eve of the July 1998 meeting of the Consultative Group of Indonesia's foreign creditors, the World Bank warned: "The seriousness and urgency of Indonesia's financial and economic crisis cannot be overstated. No country in recent history, let alone one the size of Indonesia, has ever suffered such a dramatic reversal of fortune. . . . Too much is at stake for Indonesia and the world to allow the country to fall back into a nightmare of recession and poverty after 30 years of economic and social progress."

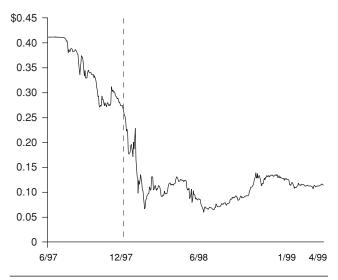
Deliberate destruction

The principal causes of this human catastrophe are the refusal of leading governments, starting with the Group of Seven, to implement LaRouche's New Bretton Woods policy, and the International Monetary Fund's (IMF) ideological insistence on protecting financial assets over the general welfare of nations and peoples. Central to Indonesia's continuing crisis is the lack of controls on currency fluctuations and speculation. As of April 6, the Indonesian rupiah was trading at 8,692 to the U.S. dollar—almost 72% below where it was when the crisis began in July 1997 (Figure 5). A wide spectrum of Indonesians have called for some controls throughout this crisis. The IMF, in January 1999, refused to accept its responsibility for deliberately driving the Indonesian economy into the ground, claiming that it "badly misgauged" the situation.

Indonesia was the Southeast Asian country hardest hit by the stock market and currency meltdown, following the July 2, 1997 float of the Thai baht. On Aug. 14, Indonesia abandoned its managed exchange rate. Within a month, the IndoFIGURE 5

Indonesia: rupiah against the dollar

(dollars per thousand rupiah)



Source: Wall Street Journal.

nesian rupiah had collapsed 25%, prompting then-Justice Minister Utoyo Usman to say that if, indeed, speculators "cause disorder in the national economy, of course, it can be categorized as a subversive criminal act," subject to prosecution. Simultaneously, the region was ravaged by such extreme drought that conditions in tropical Indonesia were comparable to the Sahara Desert. By late September 1998, in Kalimantan and Sumatra, foodstocks for humans and livestock were devastated, cash crops were wiped out, and 1-1.5 million acres of forest destroyed by fires. By April 1998, crops on 80% of cultivated farmland in Kalimantan had failed, and estimates of losses from peat and other forest fires was set at \$2-3 billion, a crisis ignored by the IMF.

IMF I: the Halloween coup

In September 1997, with the rupiah and stock market down 30% since July, the Suharto government announced \$37 billion in cancelled or deferred infrastructure projects, including a series of three bridges that, for the first time, would have tied continental Asia to the Southeast Asian archipelago, linking Malaysia to Sumatra, Sumatra to Java, and Java to Madura. Also cut were two refineries, 14 power plants, a rail and road terminal in Jakarta, a telecommunications tower. Nine other power plants, 29 toll road projects, port projects in four cities, and two airports were postponed.

On Oct. 8, amid rumblings of delays or defaults on private sector foreign debt payments, then-Indonesian Finance Minister Mar'ie Muhammad said that the government had approached the IMF for assistance. By late October 1997, the

Indonesian rupiah had collapsed 50%; prices of imported vehicle spare parts and 90% of medicines increased 100-500%. Initial estimates on the IMF package were in the range of \$4-6 billion, but on Halloween 1997, IMF Managing Director Michel Camdessus announced what would become a \$41.2 billion package. From the outset, the IMF targetted the Suharto family in the "kkn" campaign—anti-corruption, anticollusion, and anti-nepotism. A primary IMF demand was that government food and fuel subsidies be deregulated. Sixteen banks were closed, with the government guaranteeing compensation of only \$5,555 per account. Camdessus said that GDP growth would drop over the next two years, but would recover to 7% in 1999-2000.

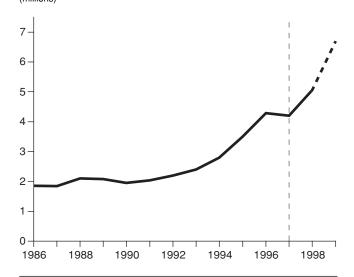
By late November, Finance Minister Mar'ie Muhammad told parliament that debt service would rise to 34.5% of the budget. Textile sector leaders said the industry would produce skilled but unemployed workers in 1998, not garments, and the chairman of the only officially recognized union, the Federation of All Indonesia Workers Association, issued a "red alert" on unemployment in 1998, pointing to the 25,000 workers laid off from the 16 closed banks, and 84% of new college graduates who would not find work. Unemployment, he said, would rise from 7% to 10% in 1997, and up to 11% in 1998 (**Figure 6**).

On Christmas 1997, the rupiah closed 59.5% below its July level. Four days later, Dec. 29, the Indonesian Chamber of Commerce (Kadin) heard reports that 40,000 employees were dismissed from the property sector in 1997, 300,000, or 15%, of textile workers would be dismissed by mid-1998, another 500,000 workers were dismissed because their employers went bankrupt, and the trade union chairman warned that "open employment," less than one hour of work per week, would rise from 7.7% to 9% of the country's 91 million workers. A representative from the construction sector estimated that 3-4 million workers were already jobless, though official statistics reported only 950,000. The Kadin issued a statement saying, "If this crisis is left too long, it will make development a slave and lessen the achievements made [up to] this time."

IMF II: colonial compulsion

The dominant image from January 1998 is of Camdessus standing over President Suharto, as he signed the second letter of intent with the IMF, an image that evoked the surrender to Dutch colonialists centuries earlier. Nineteen ninety-eight opened with the rupiah sinking to 63.3% of its July value, and rumors that the government might be considering a debt moratorium, which were denied. On Jan. 6, President Suharto presented the 1998-99 budget in Parliament, a balanced budget, pegged to a rupiah rate of 4,000:\$1. As he delivered the speech, the rupiah sank to 7,400:\$1, closing at 9,400. The budget was scrapped, but not before both the *Washington Post* and *New York Times* editorialized on Jan. 11 that the solution to Indonesia's economic problem was for Suharto "to step aside."

FIGURE 6 Indonesia: official unemployment



Sources: United Nations *Statistical Yearbook, 1995;* employment statistics, Badan Pusat Statistik (Statistics Indonesia), Republic of Indonesia; International Labor Organization

The IMF's revised budget demanded a 1% budget surplus, further reduction, if not outright elimination, of fuel subsidies, and further deregulation of essential food commodity subsidies. Zero GDP growth was projected, but expenditures rose due to higher interest rates and debt servicing, in particular, foreign debt servicing. An additional 15 infrastructure projects, some under the pretext of links to Suharto family members, were deferred. But the new budget was erroneously premised on a revised exchange rate of 5,000:\$1 and increasing revenues from oil and gas sales. On Jan. 23, as the budget was being presented, the rupiah crashed to 15,500:\$1, closing at 12,750. Market analysts pointed out that at the point the rupiah had passed the 7,000:\$1 threshold, there was "not a single solvent company" in Indonesia. Oil and gas prices plunged. By the end of the month, 2.7 million Indonesians entering the labor force for the first time were listed as unemployed; prices of rice and sugar doubled.

Runs on banks followed. Foreign banks refused to accept Indonesian letters of credit for trade. A temporary freeze on foreign debt was imposed, while a creditors' committee was put together and an agency to take on the awesome task of bank reorganization was created. By early February, budget revisions included 51.7% higher spending on debt, in particular, foreign debt. By the second week of February, the first fatalities resulted from food riots, with mobs attacking shops selling those essential food commodities that the IMF demanded should no longer be subsidized, and shops selling spare parts, which were no longer affordable. The demo-

graphic characteristic of those leading the attacks were teenagers and young men in their 20s and 30s, as well as younger children—i.e., those on the IMF's scrap heap.

In his February 1999 briefing, Dr. Nurcholish Madjid made a crucial point: It is far too convenient to write off any conflict in Indonesia to "ethnic" conflict between the majority Muslim population and the minority Chinese. The vast majority of Chinese Indonesians are small shopkeepers, part of the 90% of such small and medium-sized businesses in the country that employ 49% of the labor force. They also represent the underpinnings of the country's food distribution system, a point appreciated by the current Minister of Cooperatives, Adi Sasono, in his "people's economy" program. Furthermore, on the demographics of these conflicts, the principal beneficiaries of the extraordinary advances over the last 30 years is the current generation of university-age students, whose frustration level is being tested to the limit under these conditions.

Camdessus expressed his worry in early March 1998 that Indonesia's potential to resist had not been sufficiently broken. "Even if you have the impression that we have made important progress in handling the Asian crisis, . . . we are not there by far in Indonesia," he said. "If this problem is not solved soon, the whole thing is at risk."

IMF III: Dump Suharto

Presidential elections slated for March 1-11, coinciding with a meeting of the People's Consultative Assembly, became a focal point for an escalation of student protests, initially confined to on-campus protests and focussed on rising food costs — noisy, but peaceful. A ban was placed on demonstrations from one week before to one week after the March parliamentary session. In his March 1 speech to the parliamentary session, President Suharto condemned the IMF program as "fatally flawed" because it failed to stabilize the rupiah exchange rate. It is in that context, and that context only that he said he would "carefully and cautiously" contemplate a currency board to combat the effects of the "monetary tsunami."

Hyperinflation set in. Cooking oil prices were up 130%; rice, 34%; eggs, 88%. In his speech, Suharto said that the previous four years of economic gains had been wiped out in six months. Capital flight was so intense that the Singapore *Straits Times* reported on March 6 that only 10-15% of all cash in circulation remained in Indonesia. On March 3, the chairman of the Inter-Islamic Universities Cooperation, Syarifudddin Harahap, wrote a personal letter to President Clinton asking the United States not to delay the release of the next \$3 billion tranche from the IMF, expected after March 15. Harahap told President Clinton, "The IMF recommendations aim only to achieve economic efficiency while their social and political impacts are not considered." Pointing to the lifting of fuel subsidies and restrictions on foreign retailers entering the

domestic market, Harahap said that his association opposed full implementation of the IMF's 50 demands as leading to social and political instability, and asked for assistance in rescheduling debt and postponing interest payments in order to commit the money to develop agriculture to feed people and provide employment.

In the second week of March, the IMF did exactly what Harahap had warned against. Days before the parliamentary session to elect the President and Vice President, the IMF delayed release of the \$3 billion tranche. In meetings with one of the three recognized political parties, the Muslim United Development Party (PPP), President Suharto invoked Article 33 of the 1945 Constitution, entitled "Social Welfare," which stipulates that the economy be organized as a "cooperative effort, founded on the basis of family spirit." The article reads in part: "Branches of production essential to the state and governing the life and living of the public shall be controlled by the state. Land and water and natural riches contained therein shall be controlled by the state and used for the greatest prosperity of the people." PPP head Syakir said, "We're just concerned that if the economy is too open, Indonesians might end up with nothing." National Development Minister Ginandjar Kartasasmita was quoted in the March 9 Indonesian Observer, "We welcome international bodies such as the IMF and World Bank to help Indonesia. But if that means they can impose their will or humiliate us, we would be better off without their aid."

One day after his re-election as President, Suharto told a reception, "In the short term, we merely wanted a stable exchange rate for our rupiah to prevent the people's living standards from dropping any further."

The outlines of IMF III were presented in early April, reflecting three major changes: a strict, week-by-week, reform regime, full discussion of said regime within the cabinet, and measures to tackle private-sector foreign debt. Key details included revised growth of -4%; continuing rice and soybean subsidies; delay of energy price increases to early May; promises of no bailouts for private sector foreign debt; privatization of state-owned firms; new bankruptcy laws; and, aid for small and medium enterprises (SMEs). In mid-April, Ginandjar announced a debt "standstill" on private sector foreign debt. IMF Deputy Director Stanley Fischer threatened in early April, "We have measures in place, and if they are not implemented, the program won't go ahead. We have no assurance." One week later, close Suharto protégé Bob Hasan was quoted in Republika, "This is the Republic of Indonesia, this is not the IMF republic." Shortly thereafter, the meeting of creditor banks in New York City were told that 40-70% of privatesector loans would have to be written off, but the talks ended without resolution.

In the third week of April, protests turned violent, starting in the third-largest city, Medan, Sumatra, and spreading to Jakarta in early May. Fuel price increases of 25-71% were set

to take effect on May 4. Before the clock struck midnight, all hell broke loose, with protests in 13 cities, and the chief of socio-political affairs of the military saying that the country had reached the "worst ever critical level."

On May 12, six students were shot by sniper fire on the grounds of the exclusive Trisakti University in Jakarta, igniting rioting on May 14-15. More than 1,200 people were killed, and there was an estimated \$1-2 billion in damage, which has yet to be repaired, including 4,939 buildings destroyed or burned, 1,935 vehicles destroyed, 313 bank branches, 221 sub-branches, 220 automatic teller machines, 13 public markets, 4,168 shops and supermarkets, 21 government offices, 383 private offices, 24 restaurants, 12 hotels, 9 gas stations, 2 churches, 1,026 residences, and 11 public parks destroyed, and 1 billion rupiah damage to electrical infrastucture and 4 billion rupiah damage to gas stations and fuel trucks. Scores of rapes were reported.

The country's leading bank, Bank Central Asia, owned by President Suharto's longest-standing Chinese associate, Liem Sioe Liong, heavily targetted in the riots, collapsed two weeks later, while Bank Indonesia admitted later that it had spent \$1.8 billion to prevent more bank collapses.

On May 21, President Suharto resigned, after 14 ministers delivered a letter warning that the economy would collapse within one week if action was not taken, and adding that a cabinet reshuffle was not enough. On May 31, Dewi Fortuna Anwar, senior foreign policy adviser to President B.J. Habibie, told the London *Sunday Times*, "We need international assistance for food security and a basic social safety net. . . . [The IMF is] playing too much politics, saying we have to wait for stability. If they want to wait, people are going to die. There will be riots and that will be the real threat to reforms." The state logistics agency estimated at that time that existing food supplies would only last 8-12 weeks, at the same time the Agriculture Minister reported that domestic rice production would sink 8% due to the continuing drought.

Manpower Minister Fahmi Idris reported the next day that unemployment would rise from an earlier estimate of 13.4 million, to 15.4 billion, or 17.1% of the 91 million workforce. The Central Statistics office predicted the economy would collapse 10.1%, with inflation hitting 80-85%, possibly breaching 100%, if further social upheaval occurred. The IMF accepted re-imposition of subsidies on the nine essential commodities. On June 4, a Tokyo meeting of the foreign creditors committee succeeded in reaching an eleventh-hour debt rollover on \$29.2 billion in private corporate and private bank debt coming due within fiscal 1998-99.

On June 10, with the rupiah hovering at 11,750:\$1, opposition economist Rizal Ramli confirmed that 80% of Indonesian firms were de facto bankrupt as soon as the rupiah passed the 7,000 mark in January. The Importers Association reported that imports had collapsed 80%, with only medicine, chemical raw materials, and vehicle spare parts still coming

in. The Coordinating Minister for People's Welfare reported that 30 million people would fall below the poverty line, and the Education Ministry reported that 30% of students had dropped out of school for economic reasons.

IMF IV: The collapse sinks in

The fourth letter of intent with the IMF, announced on June 25, agreed to an additional \$6.2 billion for Indonesia, giving priority to the social safety net and unemployment, and calling for an 8.5% budget deficit, to fund a 4% increase in funding of social safety net programs, to 7.5% of GDP. A food-for-work public works program was planned, especially for drought-stricken rural areas. The letter incorporated estimates of a 10% collapse in GDP growth and 85% inflation. However, the plan still stuck to its commitment to phase out subsidies by year end, adding that until then subsidies would be offset by further cuts in infrastructure equal to 2.5% of GDP. Restructuring the banking system was another priority, through recapitalization, mergers, and bank closings, while on corporate debt, the letter said that "in some cases, debt writedowns will be needed." The letter wishfully hoped the rupiah would settle to 10,000:\$1 by year's end, but as the letter was made public, the rupiah slipped from 14,650, to 14,750 to the dollar, 83.3% below its July 1997 rate (Figure 5).

On July 2, the first anniversary of the float of the Thai baht, the head of the Central Bureau of Statistics reported that by the end of 1998, some 95.8 million Indonesians, 48% of the population, would be below the poverty line, and that almost 80 million people, 40%, would no longer be able to afford food and basic needs. He pointed to the more than 80% collapse of the currency and the devastation to agriculture from drought and fire. On the same day, a delegation of six Indonesian parliamentarians were in Washington, representing 103 of their peers, warning that without further assistance, Indonesia "will have more instability and might even disintegrate," but saying that aid should not be tied to Indonesia's internal political affairs.

On July 8, fifteen prominent Indonesian economists, representing a cross-section of institutions, issued a joint declaration: "If there is no prompt action, the situation will move toward a total destruction of the Indonesian economy, bringing along the collapse of the social and political life of the people and even the existence of Indonesia." They estimated that the economy would shrink 15% in 1998, that 80 million would fall below the poverty line, and inflation would be 100%. One signator said, "Class conflict could happen, where people with no rice beat up others. . . . We are dying, do you understand?"

The end of July meeting of the Consultative Group of Indonesia's foreign creditors agreed to extend another \$7.9 billion to help cover the projected 8.5% budget deficit, with an agreement to meet in September to discuss deferral of principal payments on the country's sovereign debt. In Au-

gust, a group of 21 Indonesian businessmen appealed to President Habibie and the Supreme Court to declare the economic situation "an act of God," under the legal principle of *force majeure*, which declares an event outside the control of parties to a contract, thereby releasing them from the terms of the contract. The appeal was made in anticipation of the Aug. 20 activation of a new bankruptcy law, which many feared would lead to hostile takeovers of local firms by foreigners. Estimates put non-performing loans at 60% by year's end.

IMF V: 'We are dying'

On Sept. 11, Indonesia signed a fifth letter of intent with the IMF, which focussed on immediate measures to stop the hyperinflationary increase in rice prices, up more than 400%, and to increase the supply and distribution of subsidized rice, especially to 7.5 million families considered at risk from starvation. The second major feature was Economic Coordinating Minister Ginandjar Kartasasmita's "Jakarta Initiative," to speed up settlements between creditors and private sector debtors. The same week the letter of intent was signed, a second major wave of student demonstrations erupted, contributing to the crash of the rupiah from 10,650:\$1 to 11,800:\$1 on Sept. 10. An editorial in the Australian Sydney Morning Herald the day the letter was signed made the point that "hunger is a bigger threat to stability than moral or political principle. . . . The potential for widespread upheaval cannot be discounted." Within days, the Food Minister confirmed the figures in the ILO report (cited at the beginning of this article) that 48% of Indonesians would sink into poverty in 1998, and 66% in 1999. On Sept. 21, Food Minister A.M. Saefuddin told Parliament that 25-27 provinces and 150 of 308 regencies faced food shortages, and 53 regencies faced severe shortfalls.

One week after the fifth letter was signed, two prominent Indonesian economists, former Finance Minister Emil Salim, and Umar Juoro, a protégé of President Habibie at the Indonesian Muslim Intellectuals Association, called for some kind of exchange controls, which was seconded by the chairman and deputy chairman of the Indonesian Chamber of Commerce and Industry, Aburizal Bakrie and Iman Taufik.

At the end of September, Indonesia's police chief, Lt. Gen. Roesmanhadi, addressed the economic crisis from a different standpoint, saying, "No day passes without demonstrations. Basic essentials and land are looted and theft with violence is on the rise, especially in Jakarta. We are dealing with a heavier, more complex, and more serious situation." He reported that between the May riots and August, the number of arrests related to continuing rioting included 2,099 in Jakarta, 1,372 in North Sumatra, 287 in Central Java, 205 in East Java, 2 in East Kalimantan, and 10 in South Sulawesi. He added that 1,714 protests had occurred around the country from May up to his press conference, and that investigations were continuing into suspicions that some of the riots "were instigated to disturb order."

Violent riots erupted again in mid-November in Jakarta, at the time of a special session of the People's Consultative Assembly to debate election reforms in advance of national elections in June 1999. Thousands of students and unemployed youth engaged in armed attacks and looting. In late November, the "Ketapang" riots erupted in Jakarta, widely reported as motivated by "ethnic" clashes between Muslims and Christians. But, Dr. Nurcholish Madjid pointed out in his February 1999 briefing, that the initial cause was gang wars over parking lot concessions in Jakarta!

All bets off for 1999

By year's end, official figures showed that the economy had collapsed 13.68%, but a comparison of fourth quarter 1997 to 1998 showed a 19.53% decline. Oil revenues, the country's major source of foreign exchange earnings, collapsed 50% due to the global oil price depression. Bureau of Statistics head Sugito Suwito said that politics would be decisive to economic performance in 1999, with legislative elections in June, a major vote on the status of East Timor, and Presidential elections in the fall. Every sector of the economy experienced negative growth in 1998, except agriculture, electricity, and drinking water! Inflation year-on-year was 77.63%.

President Habibie's presentation of the 1999-2000 budget on Jan. 5, 1999 was punctuated by an emotional appeal "to maintain patience and clear thinking," and to "realize our dignity and honor as a big nation." The budget again focusses on social safety net spending equal to 4.8% of GDP, but which will have to be funded by new foreign borrowing. Zero growth is projected, itself a major turnaround from the 1998 collapse. Inflation is estimated at 20%. Reviving the comatose banking system is a key feature, with \$3.5 billion targetted for recapitalization, and a hopeful projection of \$1.68 billion from sales of bank assets. However, interest costs on the debt issued to carry out the recapitalization are estimated at \$5 billion.

In mid-March, Economics Coordinating Minister Ginandjar Kartasasmita announced that another 38 banks will be shut down, and 7 taken over; 10 companies were delisted from the Jakarta Stock Exchange. At the end of the month, negotiations with the steering committee of foreign creditors succeeded in securing one- to four-year rollovers of private sector debt, including banks' foreign debt.

Violence continues, in East Timor, Maluku, and Kalimantan; tens of thousands have been displaced, hundreds have died since the beginning of 1999. What Indonesia has set out to do in the June general elections, if successful, will be nothing short of miraculous. But the economic crisis will not be solved within Indonesia.

The IMF's role in collapsing the Indonesian economy was deliberate, willful, and carried out with intent. There is only one way for Indonesia to "realize our dignity and honor as a big nation." It must join the "Survivors' Club" of nations for a New Bretton Woods financial system.

Mexico: from debt bomb to population bomb

by Carlos Cota Meza

Since the beginning of the 1970s, Mexico has been considered a "demographic enemy" of the oligarchical political forces which we know today as the proponents of globalization and free trade. This is made explicit in a U.S. National Security Council memorandum known as NSSM-200, issued in 1994 over the signature of Henry Kissinger, then serving as National Security Adviser for President Nixon in the United States.

Since then, sometimes under coercion and sometimes voluntarily, Mexico's governments have applied Malthusian policies of population reduction, which have ravaged the population more than the ongoing criminal attacks by NATO in Kosovo or the demented "ethnic cleansing" being carried out by the Milosevic dictatorship against the Kosovars.

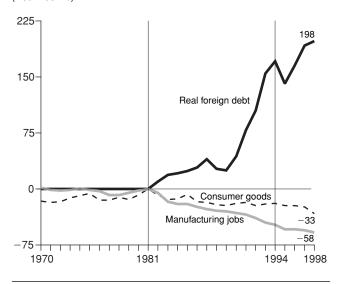
From 1982 onward, the imposition of International Monetary Fund (IMF) conditionalities, which subjected the Mexican economy to "restructuring" and "readjustment," against the efforts to develop a national economy undertaken by previous governments, especially that of José López Portillo (1976-82), have been recognized as "government economic policies based on demography." These demographic policies have caused such socio-economic destruction, that after nearly two decades of application, they threaten to trigger one of the most dangerous conflicts on the face of the Earth.

At the time of the López Portillo government, it was estimated that by the year 2000, the Mexican population would reach 100 million, but that figure wasn't considered something to be feared. "Mexico's demographic policy has established population growth goals from the year 1982 to the year 2000," according to the official document *Demographic Mexico*, 1978. "By the year 1982, there will be a growth rate of 2.5% a year. By the end of the century, it is hoped that Mexico will reduce its rate to approximately that of 1% a year. . . . This means that there will be a population of 100 million. . . . The alternatives to a demographic goal of 1% [growth] by the year 2000 suggest that with a rate of 1.5%, there will be a population volume of 104 million, and of 109 million if 2% is reached by the end of the century."

Despite all the government campaigns that have been run since 1982 against optimism regarding human nature, and which have fanatically insisted that Mexicans cannot reach 2000 with a population of 100 million, because this would lead to a mystical "end of the world," it appears that we will be entering the new millennium with 103 million Mexicans.

FIGURE 1

Mexico: a typical collapse function



Sources: UN; FAO; ECLAC; World Bank; INEGI, Banxico, CONAPO, SEMIP, SARH, SHCP, SECOFI (Mexico); *EIR*.

The serious problem that we do face, is that the multilateral financial organizations, like the World Bank and IMF, do not recognize Mexicans' existence as legitimate and, according to them, we should just disappear. To achieve this, from 1981 onward, they have systematically destroyed between one-third and one-half of the physical economy of Mexico, to the point that a decent living *can no longer be sustained* for 100 million Mexicans (**Figure 1**).

In 1995, the Ernesto Zedillo government unveiled its National Population Program, in which it projects the "existence" of Mexicans through the year 2030. Our passage through life, according to the Malthusian "gods" of Olympus, will take place in the following way:

From 1975-95, the number of children per fertile woman fell from 6.0 to 3.0, while the number of women of childbearing age doubled. This collapse in fertility produced a narrowing of the population pyramid, equalling an accumulated reduction of nearly 27 million births during those two decades. Had that historic tendency continued, we would be starting the year 2000 with 132 million Mexicans.

The population group which most reflects this "reduction of fertility" is the pre-school age group (0-5 years), which, since 1985, has stayed constant at 13 million children. From 1992 onward, annual increases have begun to shrink until they are now zero. According to the National Council on Population (Conapo), an agency of the Interior Ministry, by the next century, Mexico "will need fewer pediatricians, fewer maternity wards, fewer daycare facilities, and fewer schools."

The school-age population (6-14 years) follows the same

pattern of aggressive reduction that we see with the previous group. The highest annual increase reached for this segment of the population was 470,000 per year, but by 1995, growth was only 35,000 a year, with a decreasing tendency that will be negative by 2000.

The working age population (15-64 years) shows an accelerated growth rate. Between 1975 and 1980, the rate of annual growth of the working age population rose beyond 3.5%, to then stabilize at 2.5% a year. The working age population has historically had a growth rate superior to the rate of population growth overall. From 1988 to 1995, annual increases in this segment of the population were 1.4 million, and from 1995 to 2010, the annual increases will be more than 1.2 million.

The sector of the population over 65 years of age, while representing 4% of the total population, is also the sector which registers the highest growth rate, which has led the government to present the thesis of the "aging" of Mexican society as a positive thing, which makes it like the European societies of the "First World."

What if we count the living?

It is clear that Zedillo's National Population Program is an accounting of the dead and unborn. And when it attempts to count the living, it considers them "undesirable existences."

According to the projections of the Malthusians themselves, from 1988 onward, the working-age segment of the population will show the greatest relative growth, and therefore will require the greatest investment with regard to generation of manufacturing jobs, investment in infrastructure and services, and food production.

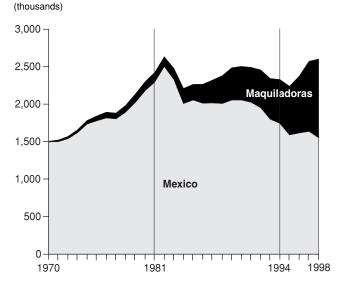
But since 1982, and in an accelerated way after 1988, when the Carlos Salinas de Gortari government was inaugurated together with the George Bush government in the United States, precisely the opposite occurred. The Mexican economy was bombarded with the IMF's "free-market" policies, with the General Agreement on Tariffs and Trade (GATT), and finally with Salinas's and Bush's North American Free Trade Agreement (NAFTA), destroying entire sections of the economy, and raising real unemployment rates to historic levels of nearly 50%. This economic policy is what has created the "population bomb" that is now on the verge of exploding, given that the economy has been left without the ability to sustain the population, already reduced by "demographic policies."

As we have analyzed in previous studies on the Mexican economy published by *EIR*, this level of real unemployment has meant the creation, over 17 years, of an army of unemployed of more than 16 million, which has virtually turned an entire sector of the population into nomads both within and outside the national economy.

As can be seen in **Figure 2,** while the employment in national manufacturing has fallen by one-third, going from 2,293,000 at its high point in 1981 to approximately 1,550,000 in 1998, in the *maquiladoras* (foreign-owned assembly plants) during this same period, employment rose from

FIGURE 2

Mexico: real employment in manufacturing



Sources: INEGI (Mexico); EIR.

131,000 to 1,050,000 workers in 1998.

It is important to remember that the *maguiladora* sector, in real physical-economic terms, does not form a part of the national Mexican economy. It is a foreign enclave of globalization, located on Mexican territory. Every Mexican employed at a maguiladora does so out of desperation, due to the urgency of finding an income, any income, to feed his or her family. Living conditions for the maquiladora worker and his or her family, is of truly extreme poverty. As can be seen in Figure 3, while employment in this sector has increased, the wages have decreased, down to a mere 80¢ an hour. For every million "formal" jobs in the maquiladoras, there are "indirect" jobs (the majority of them, "informal") for some 3.5 million more Mexicans, thus generating a totally dependent and impoverished sector of the population, which can be found concentrated along the border with the United States, which is where 80% of the *maguiladoras* in Mexico are located.

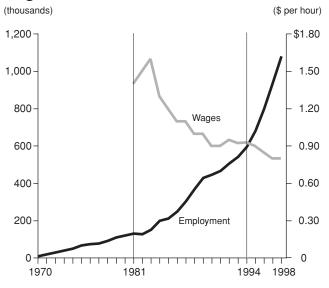
This inability of the national economy to sustain its own population, under the dictates of free trade and globalization, also shows up in food production. **Figures 4, 5,** and **6** show the production levels for three staples in the Mexican diet. Measured in kilograms per capita, the production declines in bean, corn, and wheat production between 1981 and 1994 dramatically increased after the "rescue" of the Mexican debt in 1994-95. The result is that, between 1981 and 1998, per-capita production of beans fell 67%, of corn 20%, and of wheat 30%.

Mexican population shrinks

These realities have even begun to affect the absurdly optimistic official projections on Mexico's future. According to a study by the Social Development Ministry (Sedesol),

FIGURE 3

Mexico: maquiladora employment and wages

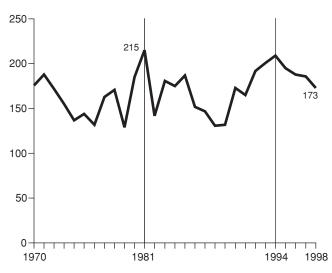


Sources: INEGI (Mexico); EIR.

FIGURE 5

Mexico: corn production

(kilograms per capita)



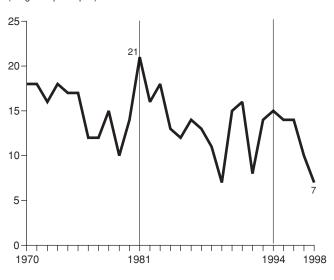
Sources: FAO; SARH, INEGI, Banxico (Mexico); EIR.

there are "three Mexicos" at the end of this century. The first is dubbed the "modern and exporting Mexico," linked to the international markets and including some 23 million of Mexico's 98 million population. This "modern Mexico" includes the million or so *maquiladora* slave laborers, and the 3.5

FIGURE 4

Mexico: bean production

(kilograms per capita)

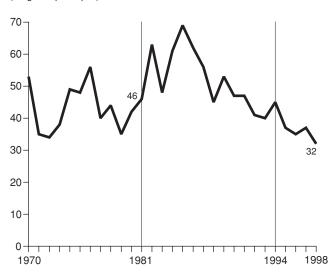


Sources: FAO; SARH, INEGI, Banxico (Mexico); EIR.

FIGURE 6

Mexico: wheat production

(kilograms per capita)



Sources: FAO; SARH, INEGI, Banxico (Mexico); EIR.

million floating population generated around this.

The "second Mexico" is the traditional one, of industry, agriculture, and services. This "Mexico," where, according to the government, 49 million Mexicans live, is the one created under a system that seeks progress through a protected na-

tional economy. Although Sedesol doesn't admit it, the IMF's restructurings since 1982 have sought the disappearance of this traditional sector. Under NAFTA, over the past five years, this sector has indeed been driven down the road toward extinction.

The "third Mexico" includes 26 million Mexicans living in abject poverty, without links to any market, be it national or international. For this sector of the population, the Mexican government conducts 57 assistance programs under the rubric of "combatting poverty," which consistently fail to address the root of the problem.

Interrelations among these "three Mexicos" reveal the weakest links of the chain, through which the population bomb could explode at any time. The "second Mexico" is the national economy destroyed by globalism, which until 1981 incorporated segments of the "Third Mexico," which was seen as marginalized within an otherwise developing economy. The so-called "modern Mexico" is simply the overexploitation by the *maquiladoras* of the unemployed labor of "traditional" Mexico.

According to the Program on Education, Health, and Food (Progresa, one of the 57 assistance programs), of the 26 million Mexicans living in extreme poverty (one-fourth of Mexico's total population), some 13 million people (about 2.3 million families) show even more severe levels of impover-ishment than the group as a whole.

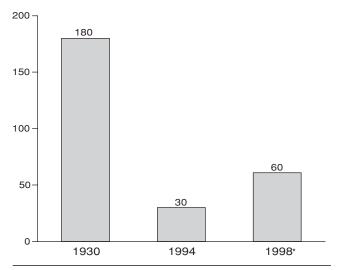
In this extremely poor sector, the mortality rate for children under one year of age is 60 per thousand live births in the rural area; among the extremely impoverished in the urban areas, infant mortality is 35 per thousand live births. However, the National Population Program indicates that "in 1930, 18% of newborns died before their first birthday; in 1994, this figure was only 3%." This contrast means that among the poorest 25% of the Mexican population today, there exist Africa-style conditions, with infant mortality rates that haven't been seen in the Mexican economy for decades (see **Figure 7**).

The shrinking of the Mexican population and the freetrade destruction of its economy has provoked larger waves of migrant population than the refugees displaced by NATO's criminal war in Kosovo, and by Milosevic's genocidal "ethnic cleansing."

The documented—and undocumented—emigration of Mexicans to the United States increased rapidly starting in the 1970s. In 1970, there were some 1.4 million Mexicans residing in the United States. In 1980, somewhat more than 2.5 million lived across the border, and in 1990 that figure reached 4.5 million. By 1995, that figure equalled 5.4% of the total population of Mexico for that year. But this doesn't include the undocumented population. Because of its clandestine nature, it is difficult to establish how much of the Mexican population lives illegally in the United States. However, the U.S. Immigration and Naturalization Service reports that there as many as 2 million illegal border crossings every year.

FIGURE 7 Mexico: infant mortality

(deaths per thousand)



*rural, extremely poor

Source: National Population Program (Mexico).

Meanwhile, the United Nations has described the U.S.-Mexican border as "the world's largest economic migration phenomenon." The dollar-transfers from the United States to Mexico, from legal and illegal residents alike, add up to \$6 billion a year (not including money laundering). The purchase of used cars in the United States which are then brought to Mexico, which was partially legalized as of 1986, now adds up to a cumulative value of \$2 billion. The majority of this revenue goes back into the so-called "informal economy," which was created by free-trade policies, with the destruction of the national economy.

How about a 'little' population war?

No one denies that the migration stems from the economic crisis, caused by the policies of the international financial organizations. In the United States, Mexican emigration has already led to racist, police-state legislation like the Simpson-Rodino Act, and Proposition 187 of former California governor Pete Wilson, whose contents can be compared to Milosevic's "ethnic cleansing" policies.

The same racists of the British-American-Common-wealth oligarchy who, with their free-trade policies, have destroyed the Mexican national economy, now present Mexican population growth as a grave threat to the national security of the United States, to such a degree that Mexico and its population are viewed by some as the primary military threat to the United States in the 21st century.

The anglophile Sir Caspar Weinberger, U.S. Secretary of Defense during the Reagan administration, proposed in his book *The Next War*, a scenario of war between the United

States and Mexico, which would break out in the year 2003, because the U.S. would be forced to invade Mexico in response to a government classified as an "enemy of democracy."

Far-fetched? Not really. According to the New York Council on Foreign Relations' magazine *Foreign Affairs* (January-February 1999), Mexico is on the verge of civil war which, among other things, would let loose a flood of illegal immigrants, thus posing a conflict on the border. To respond to this conflict, the Eastern Establishment's policy magazine proposes that Washington consider "plans to shut the border" and the possibility of an "American intervention" in Mexico.

If someone wants to hypocritically talk about genocide, to justify NATO's intervention in the Balkans, let that person look at the demographic "Balkanization" the IMF has created in Mexico, representing genocide against a fourth of its population, and the legal and illegal emigration of nearly 10% of its population, not to mention the destruction of its manufacturing and agriculture. If military intervention in Yugoslavia truly were justified as a defense of "human rights," then Mexico would have every right to demand that the army of the United States bomb the offices of the International Monetary Fund in Washington, D.C.

Who created the crisis in Yugoslavia, and why

In a nationally televised Presidential campaign broadcast on Oct. 31, 1988, titled "The Winter of Our Discontent," Lyndon H. LaRouche, Jr. warned of the danger of world war developing once again in what was then still federated Yugoslavia. In the context of the spring 1988 power grab in Moscow by KGB and military hardliners, and the worsening economic crisis in the Soviet Union, LaRouche saw the danger as coming primarily from a potential Warsaw Pact military move into Romania, with a resulting partition of Yugoslavia, in which Serbia, Montenegro, and Macedonia would come under Moscow's military protection.

As the crisis in the Soviet bloc deepened, leading to the fall of the Berlin Wall in November 1989, and the collapse of Mikhail Gorbachov's Communist regime in August 1991, events developed at a breath-taking pace. LaRouche details in the campaign statement published on page 68 in this issue, and in the box on page 5, how the British-American-Commonwealth factional grouping launched a geopolitical strategy that would destroy the sovereignty of Germany, and dismember the Soviet Union and its allies. The International Monetary Fund, professors from the London School of Economics, Harvard flea-market economist Jeffrey Sachs, and

other so-called reformers swarmed into Poland, Yugoslavia, and Russia. It was these policies, including the shock therapy of the IMF, that led to the break-up of Yugoslavia and the brutal wars there.

We publish here excerpts from *EIR*'s coverage and statements by LaRouche, which prove the case beyond any shadow of a doubt.

On the other side, however, there existed the potential for Europe—including Yugoslavia—to adopt LaRouche's "Productive Triangle" program for Eurasian development. See the item by Paolo Raimondi, below.

* * *

Konstantin George, "Yugoslavia Caught Between the IMF and Moscow," *EIR*, May 27, 1988:

Yugoslavia's worst postwar crisis has begun. The gravity of the situation was underscored, when, for the first time since 1945, the deputies of two republics, Slovenia and Croatia, during the May 14-15 weekend session of parliament, threatened a vote of no confidence against Prime Minister Branko Mikulic.

The geography of the revolt reflects the looting chain behind the Yugoslav crisis. Yugoslavia has been bled white by its Western creditors and the International Monetary Fund (IMF) on the one hand, and by Soviet looting, on the other. Belgrade, so far, has continued to acquiesce in disastrous IMF-dictated austerity programs, causing an overall collapse in Yugoslav living standards.

It is the austerity policy that has exacerbated centrifugal tendencies in Slovenia and Croatia, the two westernmost republics of the six that comprise Yugoslavia. Not that those two republics have suffered the most from IMF looting. Quite the contrary. IMF looting policies have rather gutted the poorer central and eastern regions of the country (the republics of Bosnia, Serbia, Montenegro, and Macedonia), widening the gap between these four and the far more westernized Slovenia and Croatia.

To prevent social explosions in the poorer eastern regions of the country, above all in Serbia, which contains nearly half of Yugoslavia's population, Belgrade has increased its *internal* looting of Slovenia and Croatia, to "subsidize" the rest of the nation. This dynamic is the underlying cause for the revolt by Slovenia and Croatia. . . .

Parliament as a whole issued a slap in the face to the government by refusing to approve Mikulic's two-year interim report on the economy. The same parliament, however, did pass a new round of austerity measures, scheduled to take effect by the end of May, whose "success" will ensure a still more profound long-term political destabilization of Yugoslavia.

Mass unrest is now on the agenda. Under the new program, wages will be cut by 20%, and the price freeze, imposed last November, will be lifted on 60% of all items. The price



Lyndon LaRouche warned, in a televised broadcast on the eve of the 1988 elections, of the imminent breakup of Yugoslavia, fraught with the danger of world war.

for basic food and energy will jump by 50-60%, and by 80-90% for some items. It is expected that the dinar will soon be devalued by 20-25%. Even under the so-called "price freeze," Yugoslavia's inflation reached an annual rate of 159% in March, and is currently estimated at a staggering 170%.

The wage cuts, price increases, and dinar devaluation are demanded by the IMF and the Western creditor banks as "conditions" for a \$420 million IMF standby credit, which itself forms the main precondition for Western creditor banks and governments agreeing to reschedule Yugoslavia's \$20 billion in foreign debt.

The rescheduling question is urgent. At present, Yugoslavia earmarks 45% of all foreign exchange earnings for debt repayment, a rate which cannot be prolonged much longer, without moving the economy close to the precipice of physical breakdown.

The "daisy chain" of each credit being predicated upon a preceding credit agreement extends even further. In addition to implementing a new round of austerity, Yugoslavia must first receive a \$500 million emergency "bridge loan" from the Bank for International Settlements and a mix of Western governments and banks, desperately needed to stock foreign exchange reserves to purchase Western imports.

The bridge loan has failed to come together. The BIS has pledged its share (\$250 million), but the remaining half, divided among Western governments and banks, is up in the air. . . .

Rachel Douglas, "Prices Explode in Yugoslavia," EIR,

Sept. 9, 1988:

"Almost two-thirds of our population is 'squashed' somewhere between starvation and poverty," reported the Yugoslav daily *Borba* on Aug. 4. That already deep depression gets magnified every single day in Yugoslavia, by a dizzying sequence of price increases. . . .

On Aug. 3, prices for bread went up and the price of one staple, cooking oil, increased by 66%. Train fares rose by 39% to 70%. These startling jumps are par for the another course in Yugoslavia, where the government plan to limit the inflation rate to 95% this year is in shambles. On Aug. 22, *Borba* reported the inflation rates, shown in **Table 1**, released by the Federal Price Institute. . . .

The social explosion danger ... stems also from rekindled conflicts among the six republics of Yugoslavia, each inhabited by a different main ethnic group, which conflicts are further aggravated by the economic straits.

When the Serbian party chief, Slobodan Milosevic, stated in a July 3 interview, that Serbia needed constitutional changes to give it more power over its two non-Serb provinces, Kosovo and Vojvodina, he gave an economic justification: 'Serbia must pull itself out of its economic backwardness and must constitute itself as a state, which is to say as a republic. . . . Serbia did not take onto itself to have two provinces in order to be a second-class republic.". . .

Another nasty fix for the resource squeeze, put forward by national party presidium member Franc Setinc, a Slovene, is to enforce population growth reduction on the poorer, more deficit areas. He demanded that this start with Kosovo, the mainly Albanian-ethnic province of Serbia, where, "on the basis of the present birth rate," no help from Yugoslavia would be adequate to sustain development.

Konstantin George, "Yugoslav Crisis May Be Heading Toward Civil War," *EIR*, Sept. 16, 1988:

A catastrophic economic situation and a wave of ethnic conflicts that is fast going out of control are driving Yugoslavia toward the end of its existence as a federal state, one way or another. The prospect of one of three tragic endings is growing with each passing week:

- 1. A Serbian military coup d'état and Army-enforced central rule, ending the power of the non-Serbian republics.
- 2. A civil war between Serbia and the western republics of Croatia and Slovenia.
- A breakdown into chaos and fragmentation along ethnic lines.

TABLE 1
Yugoslav inflation rate

	July 1988 above June 1988	July 1988 above July 1987
Retail prices	11.2%	188.9%
Services prices	11.2%	180.3%
Cost of living	8.2%	189.5%

The Yugoslav crisis threatens to serve as the trigger for a general crisis in the Balkans, history's "powder keg of Europe," and could well lead to a full-blown international strategic crisis should Moscow or any of its satellites begin to "fish" in troubled Balkan waters. . . .

Beyond the near civil war ethnic conflicts, a new strike wave began in early September, provoked by the collapse of living standards under the burden of Yugoslavia's enormous foreign debt. The economic situation, with a 200% inflation rate alongside an officially enforced wage freeze, is unbearable. The shortages of food and consumer goods are the worst since the early postwar years, and with the massive fuel shortages, this winter will be the most bitter in decades.

Most of Europe's population still lives in ignorance of the fact that a Balkan crisis of tragic dimension not only exists, but is fast moving out of control. Events will soon lift, abruptly, that veil of ignorance.

Konstantin George, "Sachsomania Sets Yugoslavia on Course to Civil War," *EIR*, July 5, 1991:

The June 25 declarations of independent statehood by the western Yugoslav republics of Slovenia and Croatia, and the brutal ongoing intervention on the territories of these republics by the Serbian-controlled Yugoslav Army, mark the formal start of a civil war process, potentially but not inevitably quite bloody. This process did not start on June 25. The die was cast when, back in mid-May, the national-bolshevik Serbian cabal, grouped around Serbia's Communist President Slobodan Milosevic and backed by a powerful Serbian extremist faction in the armed forces, police, and security service, rejected the offer by Slovenia and Croatia to peacefully end the centralized Yugoslav Federation, and replace it with a loose confederation of sovereign republics. . . .

In a more fundamental causal sense, the die had been cast two years ago when the Belgrade government hired as a so-called economics adviser one Jeffrey Sachs of the Harvard mafia. Sachs and the International Monetary Fund, which recommended him, imposed on Yugoslavia the same austerity conditionalities as were foisted on the Polish nation, with the same result: depression-level mass unemployment combined with hyperinflation; a reversal of living standards first by years, and then by decades; and a halt to all projects for national economic development.

There is one key difference. Poland is ethnically homogeneous. Applying Sachsomania to a multi-national state such as Yugoslavia ensures, besides the full gamut of economic and social horrors, the guaranteed breakup, in a few years at most, of the state along ethnic lines. The crisis is not "Made in Yugoslavia." Had there been a Western policy of promoting national and regional economic development in the republics of Yugoslavia, the country today would not be at the brink of civil war. . . .

The final act of sordid conduct in this regard by the Bush administration was the failed June 22 "mediation mission" to Belgrade by U.S. Secretary of State James Baker. Baker spent a mere 24 hours in Belgrade, with not even agenda provisions for talks with leaders of the various Yugoslav republics. Baker stated that only Yugoslavia's continuation as a centralized federation is acceptable to Washington. This killed any remaining hopes for last-minute inter-republic talks to reach some form of agreement on transforming Yugoslavia into a loose confederation. His "mission," with a U.S. stamp of approval to centralized rule, gave the green light for the Serbian-extremist-dominated federal cabinet cabal to crack down on Slovenia and Croatia in such a way as to ensure partition. . . .

Paolo Raimondi, "IMF Wrecked the Yugoslav Economy," *EIR*, Aug. 2, 1991:

The economic crisis is the main cause of the present looming civil war in Yugoslavia, and a political solution can only come in the context of a program of economic development. The economies of the republics of Yugoslavia have been destroyed by a combination of the bureaucratic incompetence of a dictatorial bolshevist regime, and the more recent austerity policies of the International Monetary Fund (IMF).

Dominated by this perverse pair, Yugoslavia has been paying interest and principal on a debt of approximately \$20 billion for over a decade, and still has a hard-currency debt of approximately \$20 billion to be serviced. The final blow came at the end of 1989, when the federal government of Prime Minister Ante Markovic, a Croatian, unveiled a brutal austerity program, worked out in coordination with the IMF. As part of the package, Yugoslavia hired Harvard University austerity specialist Jeffrey Sachs as a "special adviser" on the introduction of free market mechanisms, and Markovic called in World Bank and IMF experts to "reform" Yugoslavia's banks....

A look into the economic disaster in Croatia, the republic that is in the best economic condition, gives an insight also into the situation in the other republics. Ivica Gazi, the president of the Zagreb industrial association, reports that, leaving aside the effects of the "monetary war" among the republics, the economic damage in Croatia is so far estimated at the level of \$4-6 billion, equivalent to 30% of the Croatian yearly GNP.

In 1990 Croatia produced 26.7% of the total Yugoslavian GNP, Slovenia 19.7%. In Croatia, the transportation system

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is paralyzed, exports are near zero, and harbor activity fell 80%. All the trucks which normally use the Croatian road system, are now using alternate, longer and more expensive, routes. Gazi says that hopes of an economic recovery, which existed up until May, are now out of the question, with the freezing of all cooperation treaties and joint-venture deals. Many factories are going through bankruptcy procedures, in particular those which exported for the Soviet market, and the banks are compelled to take them over to prevent their definitive closure. . . .

Some good ideas for a peaceful solution were discussed on May 14, just a few days before the intervention of the federal Army against the independence moves of Slovenia and Croatia, in a conference organized in Belgrade by the Yugoslavian Institute of International Politics and Economics, on the necessity of the economic and infrastructural integration of the republics of Yugoslavia and all the states of the Balkan region, with the rest of continental Europe. Eighty representatives of all the republics and of the governments of Austria, Italy, Albania, Hungary, Czechoslovakia, Greece, Romania, Turkey, and others participated.

A program was presented which coheres well with Lyndon LaRouche's "Productive Triangle" plan for high-technology and industrial development of the Paris-Berlin-Vienna core area. The program presented in Belgrade foresees a high-

speed train connection Paris-Budapest and Gdansk-Budapest, and from there a spiral arm moving south toward Belgrade and beyond. High-speed trains and highways would connect Italy and Austria, via Ljubljana, Zagreb, and Belgrade, to Turkey and the Mideast. As for waterway transport, the conference supported a program to make the Danube River completely navigable, and the construction of a new water connection in Belgrade with the Danube and the Morava toward the south, and the construction of a canal connecting the Morava with the Greek river Axios, up to Thessalonika on the Aegean Sea. This would establish a quick connection with the Mediterranean and in particular the Suez Canal, providing a tremendous impulse to traffic and trade. This infrastructure program, which could have led the whole region out of economic backwardness, was presented in 1989 to the central government in Belgrade, but was turned down, on the insistence of the IMF team.

Lyndon H. LaRouche, Jr., "This Universe Has a God and Bush and Gorbachov Are Not It," Presidential campaign statement, Aug. 19, 1991:

...Today, the news is, that overnight, Mikhail Sergeyevich Gorbachov, one of the would-be gods of Olympus, has fallen. The news is, the question: What other would-be gods of Olympus will soon follow Gorbachov in the fall? Will it

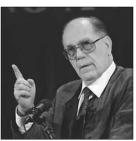
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supplying economic advice to the Jakarta government.... [Reporters] were surprised to spot, among [Ginandjar's] papers, a video entitled, 'The World Financial Collapse: LaRouche was Right.' Lyndon LaRouche . . . has been arguing for years that the world's

wond's financial system was on the brink of collapse due to unfettered growth in speculative funds; he says now that the Asian crisis is just the beginning..."

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include President George Herbert Walker Bush? . . .

The issues are upfront: the economic reform, so-called. More specifically, Soviet awareness of the utterly incurable failure of the economic reform. That is, a Soviet economy cannot survive a continuation of the economic reform—and on that, they happen to be right. . . .

Remember, it was the reforms of Harvard maniac Jeffrey Sachs which led to the break-up of Yugoslavia. The preconditions for this break-up more or less existed, as I've reported in a television tape broadcast to the nation back in election eve in 1988, a tape called "The Winter of Our Discontent."

However, what brought the break-up of Yugoslavia on, was the disastrous effects of Jeffrey Sachs's policies. What is ruining Poland, as highlighted by the bankruptcy of the largest tractor firm, Ursus, and by the impending bankruptcy of an estimated fifteen hundred other Polish firms, was Jeffrey Sachs's Polish model; the Polish reform. What was being proposed for the Soviet Union was, to a large degree, a copy of those Yugoslav and Polish models of Harvard professor and maniac Jeffrey Sachs...

Lyndon H. LaRouche, Jr., from an interview in the Bosnian magazine *Ljiljan*, March 29, 1993. He was interviewed by the magazine's chief editor, Faris Nanic, and by Umberto Pascali of *EIR*:

Q: The war in former Yugoslavia seemed to surprise the public. Do you think that the political establishment in some of the most powerful countries was really surprised?

A: No, they planned it. The plan for using the Yugoslavian military to destabilize the southern flank of NATO by means including making war on its own neighbors within the former Yugoslavia is a well-known plan which I, for example, broadcast in the U.S. on television in 1988 during my Presidential campaign. That was broadcast from coast to coast, many millions of people saw it. I have discussed this thing, many others have discussed it; we're well aware of this plan. In this particular case, in 1990, coincident with people around the Thatcher administration in England, the Thatcher government, such as the now recently deceased Nicholas Ridley, one of her ministers, and the British intelligence service's Conor Cruise O'Brien, launched publicly an attack on Germany, saying that Germany, by unifying, was becoming a "Fourth Reich," a new Nazi-like imperial danger within Europe. Under the umbrella of this, certain forces in Israel and Moscow and in Washington allied with Mrs. Thatcher's group around Lord Carrington and others to unleash the British intelligence service's asset Milosevic in concert with the Gorbachov government in Moscow, for example Marshal Yazov. The unleashing of Serbian forces, this fascist faction under the leadership of Milosevic, against their neighbors, was a planned operation, undertaken with the direction of these circles: the Gorbachov government in Moscow, the Thatcher government in London, and the Bush administration, especially the Kissinger faction of Brent Scowcroft and Lawrence Eagleburger in Washington, and others. So this was well known among all of the leading circles in Europe. No one among the leading circles is surprised by any of this. . . .

Umberto Pascali, "World Bank Demands Pound of Flesh from Bosnia," *EIR*, March 15, 1996:

... The financial institutions that control the credit faucet for Bosnia are saying: Either you pay back 17% of the debt of former Yugoslavia—the entity that unleashed four years of genocidal aggression against Bosnia—or we are going to block any serious credit for your reconstruction. Obviously, as was the experience of so many countries that fell victim to the IMF's usurious "shock therapy," it is almost certain that, once a victim capitulates to this financial diktat, it will be crushed by the shock therapy and looting presented as "privatization."...

At this very moment, the World Bank is engaged in a dramatic escalation of pressure, while "negotiating" in Washington with a Bosnian delegation. A public threat was delivered on March 1 at the headquarters of the World Bank, by the bank's "acting Country Director" for Bosnia, Christine Wallich, who announced that a First Emergency Recovery Project has been put together, in the pathetically low amount of \$160 million (mostly pledged by "donor" countries, and \$45 million of which is to come from the World Bank's Trust Fund for Bosnia). "The Trust Fund was established . . . to enable the [Bank] to assist Bosnia in advance of the country becoming a member of the World Bank," a Bank news release stated. "Membership is expected in the near future, once agreement is reached on a plan to clear Bosnia's arrears to the Bank." Only then, will Bosnia be given a larger amount of credit-still an amount far lower than the minimum reconstruction needs of the war-ravaged nation...

And what are these "arrears to the Bank"? A World Bank report, "Economic Issues and Priorities," prepared in December, reveals the unprecedented blackmail against the Bosnian people: "In order to gain access to the longer-term financing needed for a sustainable recovery of economic activity, Bosnia would benefit greatly from being able to normalize its international financial relationships. It has accumulated substantial arrears, including to the IMF, the World Bank, and other international financial institutions, bilateral creditors, and commercial banks creditors. Based on an assessment of the entire external debt situation ... the [Bosnian] government will need to design, jointly with the IMF, the World Bank, and other creditors, a mediumterm balance of payment. . . . The most important conditions for World Bank membership are for Bosnia to assume its agreed share of the outstanding Bank loans to the Former Yugoslavia and agree on a plan to eliminate arrears on these loans."...

Mrs. Wallich also confirmed one of the most shocking

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conditionalities imposed upon Bosnia: the governor of the new Central Bank must be nominated by the IMF and "cannot be a Bosnian national," he must be a foreigner. As if the assault against Bosnia's national sovereignty were not enough, the "Country Director" stated publicly, she had just came back from a negotiating mission "both in Sarajevo and Pale."...

The country that the Bank is blackmailing is, according to the Bank's own report, one in which "the war has destroyed much of the infrastructure and disrupted the economic system."

"The annual per capita income has fallen to about \$500 (compared to \$1,900 in 1990) and industrial output in 1990 was 5% of 1990 output," says the Bank. Ninety percent of the population depends on humanitarian food aid. Water supply, power generation, roads, central telecommunication facilities have been "extensively damaged." Seventy-eight percent of electrical generating capacity is damaged or out of operation. "Virtually all parts of the transportation system have been damaged." Fifty-nine main bridges are lost, and 63% of all housing units have been seriously damaged, 18% destroyed altogether.

Out of a population of 4.5 million, 250,000 have been killed, 200,000 wounded, 13,000 permanently disabled, mostly young people. Water and sewerage systems are in such disrepair as to represent a health hazard. The number of hospital beds has fallen by 35%, infant mortality has doubled. Some 14,000 children have lost both parents, 24,000 have lost one parent. A state of psychological trauma is very common for children that often have seen their parents killed, tortured, or raped. Around 1 million people—almost one-fourth of the population—are refugees. Workers, especially those employed by the State administration, have not been paid wages for years.

In the face of this suffering and destruction, the World Bank warned the government to save the money it has *in order to pay the debt*, not to help the population. "Every effort should be made to limit the Government's use of domestic banking funds," says the Bank, which also calls for "rapid privatization of the idle assets of State enterprise," a measure that brought misery and corruption in many countries of the former Soviet empire, countries that had not gone through four years of war and genocide. Finally the Bank's specialists call for the "efficient deployment of scarce resources to help the poor."

Efficient means here, as little as possible. In fact, "a bloated social assistance budget would undermine fiscal prudence needed for stability" and "inappropriate targeting and excessive amounts of social assistance would discourage work and enterprise restructuring, and inappropriate foreign aid distribution mechanisms would impair domestic production recovery."

In the midst of this destroyed country, the World Bank even has the nerve to demand that "emergency food aid be phased out."

Economic human rights assaulted in the U.S.

by Richard Freeman

While the Principals Committee has justified air war in the Balkans on the basis of "protecting human rights," economic policies of harsh austerity and outright neglect now pursued in the United States are putting tens of millions of American lives at risk. Anything more than rhetorical concern about human rights, would start by overturning these, and the International Monetary Fund's genocidal policies.

Here are discussed three long-standing human rights violations in America:

First, as **Table 1** demonstrates, the number of Americans not covered by health insurance is steadily increasing. Were something serious to happen to these individuals, because of the pro-genocide environment set up by health maintenance organizations, there is a growing danger that hospitals would not admit them.

The level of income is the major barometer of whether one has health insurance or not. Despite Medicaid, the Federal program which provides medical coverage for the poor, 11.2 million people, 31.6% of all poor Americans, have no medical insurance. As well, 25.4% of all persons who live in a household with income less than \$25,000 per year, have no medical insurance. By contrast, only 8.1% of all persons who live in a household with income of \$75,000 or more have no medical insurance.

In six U.S. states, at least 20% of the population is not covered by medical insurance: Mississippi, 20.1%; California, 21.5%; New Mexico, 22.6%; Arkansas, 24.4%; Arizona, 24.5%; and Texas (of Gov. George W. Bush), 24.5%.

Second violation: poverty

A second major violation of human rights is the large

TABLE 1

Americans without health insurance, 1987-97

	Americans without insurance (millions)	Percent of total population
1987	31.026	12.9
1990	34.719	13.9
1993	39.713	15.3
1995	40.582	15.4
1996	41.716	15.6
1997	43.448	16.1

Source: U.S. Deptartment of Commerce, Bureau of the Census

number of Americans who are compelled to live below the poverty level. In the United States, 35.8 million people are *officially* living in grinding poverty, representing 13.3% of the population, or 1 out of every 6.5 Americans. This is not a recent development, but one of a quarter-century's standing, which should have long been corrected. These are people whom the bankers have dumped on the human scrap heap. In most cases, they are unable to afford the basic essentials—shelter, food, clothing—let alone the market basket of goods needed to produce creative, productive human beings.

As **Table 2** shows, the situation is worse today, in terms of the percentage of the population living below the poverty level, than in 1975. However, the official poverty level, as a measure of poverty, is a joke. The Census Bureau calculates the poverty level by the following method: It determines the bare food subsistence that a human being can live on, which is called the "thrifty food plan." For example, under this plan, a lunch might include some broth, two slices of bread, two slices of cheese, and an apple. This expense is then adjusted by a multiplier, to get the total expense that a poor person can live on, and then multiplied by the number of people in a family. By this method, the Bureau of the Census has defined poverty for a family of four as an income of \$16,400 per year or less (there is a poverty level for a family of three, for a family of five, etc.).

EIR has shown that a more accurate poverty level would be what the Census Bureau classifies as "150% times the poverty level," or an income for a family of four of \$24,600 per year. But even this is not even half of what it actually costs to maintain a family of four in the United States—approximately \$60,000 (pre-taxes) per year. **Table 3** shows the result.

Using this more accurate standard, more than 60 million Americans are below the poverty level, which represents 22.5% of the population. These are Americans who are not earning enough to get by.

Further, the Bureau of the Census publishes information on those people whose income is *only one-half the official poverty level*. This means that a family of four is living on \$8,200 per year or less (**Table 4**). The percentage of Americans living in extreme poverty is 1.5 times greater than it was in 1975.

TABLE 2
Official poverty in the United States, 1975-97

	Population (millions)	Number in poverty (millions)	Percent of total population
1975	210.9	25.9	12.3
1980	225.0	29.3	13.0
1985	236.6	33.1	14.0
1990	248.6	33.6	13.5
1995	263.7	36.4	13.8
1997	267.5	35.8	13.3

Source: U.S. Department of Commerce, Bureau of the Census

TABLE 3
Real poverty in the United States: 150% of official poverty level

	Population (millions)	Number in poverty (millions)	Percent of total population
1975	210.9	49.1	23.7
1980	225.0	52.0	23.1
1985	236.6	57.0	23.9
1990	248.6	56.7	22.7
1995	263.7	64.1	24.3
1997	267.5	60.3	22.5

Source: U.S. Department of Commerce, Bureau of the Census

TABLE 4
Extreme poverty: Americans living below 50% of official poverty line

	Number in poverty (millions)	Percent of total population
1975	7.47	3.5
1980	9.80	4.4
1985	12.38	5.2
1990	12.91	5.2
1995	13.89	5.3
1997	14.59	5.4

Source: U.S. Department of Commerce, Bureau of the Census

Cutting Social Security

A third violation of human rights is the attempt to "reform" the Social Security system. This "reform" not only includes the attempt to put a portion of the Social Security system into propping up the stock market bubble, but also includes—such as in the plan put forward in the State of the Union address by President Clinton—increasing the Social Security retirement age to 68 to 70 years of age (from the current retirement age of 65); cutting benefits, by lowering the cost-of-living adjustment; and other schemes.

Currently, there are 31.7 million Americans age 65 or older who receive Social Security, and another 12.1 million under the age of 65 who receive various Social Security benefits, for a total of 43.8 million Americans. Social Security accounts for more than half of the income received by 80% of older Americans (the average monthly Social Security benefit is only \$740). To chisel the Social Security benefits of the elderly, or put them into the stock market, threatens the survival of the elderly.

Without economic existence, there can be no human rights. These are three examples of systematic violations of human rights that threaten the lives of tens of millions of Americans. When will the British-American-Commonwealth faction and the Principals Committee be called to account for these violations?

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Business Briefs

Finance

Regulate capital flows, says Chinese newspaper

Developing countries need to regulate capital flows better to prevent future financial crises, an editorial in the April 2 *China Daily* said. "Many developing countries, vocally represented by Malaysia,... feel vulnerable to the sudden and sometimes unpredictable flow of foreign funds," it said. It is now widely recognized that East Asian countries and Brazil, for example, were victims of speculative capital attacks, rather than themselves culprits who created the problem, it said.

The editorial reviews the importance of distinguishing different types of foreign capital flows, favoring foreign direct investment in project-oriented deals over short-term speculation and foreign portfolio investment, for example, with the aim of maximizing sovereign control of national economies.

The biggest stumbling block to reform, the editorial said, is that "at the level of the wealthy Group of Seven countries, there is a division between the United States, which insists markets should be left alone (and countries should improve their economic policies and financial systems), and several others, including France, Germany, and Japan, which advocate greater government intervention to curb market excesses. . . . As long as there is no consensus between the three giants . . . debate will not lead to international action."

Petroleum

BASF, Gazprom sign deal to explore Arctic Sea

On March 31, Gazprom board chairman Rem Wyachirev and BASF board chairman Jürgen Strube signed the biggest-ever private German-Russian economic agreement, for the exploration of three gigantic Russian gas and oil fields in the northern Russian region of Timan-Petchora and in Western Siberia. A precise dollar figure was not placed on the investments involved, but it

will be in the range of several billion dollars. Strube stated that he views the long-term cooperation as a "great chance" for BASF.

The 30-meter-deep Arctic Sea oil field Prirazlomnoye (near Archangelsk) alone could contain as much as 1 billion tons of oil, according to preliminary aerial estimates.

BASF would assist Gazprom in the mapping, investigation, and exploitation of the fields, and in the transport and marketing of the gas and oil. BASF and Gazprom are also planning to start joint projects in other areas, such as petrochemical and other chemical production, medicine, telecommunications (integration of optical telecommunications cables with gas-oil pipelines), and joint participation in international gasoil exploration projects. As BASF managers emphasized, cooperation is focussed on joint investments, compared to the recent multibillion-dollar deal between the German gas supplier Ruhrgas AG and Gazprom, which was a trading deal.

Wingas, a joint venture by BASF and Gazprom, has invested 4.5 billion deutschemarks in Germany in recent years, in particular for a 1,600 kilometer gas pipeline. In 1994, Gazprom, BASF, and the German industrial groups Linde and Salzgitter agreed to construct a petrochemical complex in Novy Urengoy, Siberia. However, not much has happened in this project. At the moment, 33% of all gas consumed in Germany is of Russian origin.

Biological Holocaust

UN rings alarm on HIV rates among Asian youth

The United Nations AIDS program issued a new report in Bangkok on April 2, which warns that the rates of infection among youth 25 years old and under are vectored to rival rates in sub-Saharan Africa. The report estimates that there are 1.2 million new HIV infections annually, of which 700,000 are among those 25 years old and younger.

Peter Piot, UNAIDS executive director, said that there are currently 7.2 million people in Asia living with AIDS-HIV, but that

20% of these were infected in the past year alone, and 50% of the new infections are among youth 25 and younger. Piot cited the economic crisis as a factor in the rate of increase, pointing to lack of education and spending on health care, but also pressure on the young to help support their families, leading, in particular, to young women turning to prostitution.

The hardest hit countries are India. Cambodia, Thailand, and Myanmar, India has close to 5 million HIV-AIDS cases, Thailand slightly more than 1 million, Myanmar an estimated 440,000, and Cambodia around 180,000 adult AIDS cases, the worst rate at 3.7% of the total population. So far, 250,000 have died from AIDS in Thailand. UNAIDS expert Kul Gautam said that the rates in Asia are less spectacular than in sub-Saharan Africa, where some countries show that 15-20% of 16-year-old girls are HIV positive, but Asia could soon outstrip these rates. He added that 10% of AIDS orphans are in Asia, which could rise to 33% within a decade.

Cartels

British Petroleum set to take over ARCO

British Petroleum-Amoco (BP), at the heart of the British oligarchy's raw materials and strategic materials cartels, announced on March 31 that its board had agreed to take over the California-based Atlantic Richfield Co. (ARCO), America's seventh-largest oil producer. BP will pay \$28 billion, or approximately \$75 per share for ARCO stock.

In December 1998, BP completed its \$62 billion takeover of Amoco Corp., the former Standard Oil of Indiana Co., which had been one of the "Seven Sisters" oil giants and the fifth-largest oil company in the world. With its purchase of ARCO, BP will reportedly now be the largest oil producer and refiner in America. The U.S.-based Exxon Corp., which is in the process of merging with Mobil Corp., is the world's largest oil producer, but this includes its production around the world. BP-Amoco-ARCO will be the largest producer of U.S. reserves, as well as the largest refiner. This

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is a key point of control for the British Commonwealth oligarchy, which is buying up raw material assets as the world financial disintegration advances.

According to the March 31 Wall Street Journal, following BP's merger with Amoco last December, BP fired 10,000 workers, and BP chief executive officer Sir John Browne unveiled a bluepint to force out most of Amoco's leadership. The Journal states, "Almost all of Amoco's senior executives have left the company—many unexpectedly. BP executives talk privately of the 'Amateur Oil company' they acquired." The Journal predicts that the same treatment will be meted out to ARCO's executives.

Lord Wright of Richmond is one of the dominant BP board members. During 1972-74, he was head of the Middle East Department of Britain's Foreign and Commonwealth Office; from 1986-91, he was permanent undersecretary of state and head of Britain's diplomatic service. He is on the board of Barclays Bank and is the chairman of the Royal Institute of International Affairs. BP chairman Sir David Simon, CBE, is very close to British Prime Minister Tony Blair. Kuwait reportedly still owns 9.4% of BP's stock, and Morgan Guaranty's trust company reportedly owns more than 15%.

Industry

Production collapse hits Ibero-America

The global economic crisis is leading to the collapse of production throughout Ibero-America.

In Peru, the National Society of Industries (SNI) reports that industrial production dropped 8-9% in February, and it expects a similar fall in March. SNI Vice President Eduardo Iriarte charged that government statistics are flawed, because they no longer include entire sectors, such as pesticide and fertilizer production. The SNI has lost 25% of its members, as companies have gone bankrupt or were forced to merge. Tax collection fell 9% in the first two months of 1999, he said, and if the government doesn't renegotiate the terms on which businesses pay taxes, to allow firms to continue to oper-

ate, tax revenue will keep falling.

In Venezuela, 359 manufacturing plants shut down in January and February, according to the head of Coninustria.

In Brazil, industrial production in January was 3.6% below that of January 1998, according to the Brazilian Institute of Statistical Geography, the eighth consecutive month in which production fell. The biggest drops were in transport (-17.2%), metalworking (-15%), and metallurgy (-9.4%). In São Paulo, the industrial heartland of Brazil, production fell 10.9% compared to the vear before, the sixth month in a row of decline. The collapse is accelerating: São Paulo production fell 4.6% in November, and 6.9% in December, with transport dropping 24.8%, and metalworking and metallurgy combined, 17.5%. According to the São Paolo Industrial Federation, in January and February, 28,519 industrial jobs were lost. Since July 1994, when Fernando Henrique Cardoso's Real Plan took effect, São Paulo industry has lost more than a half-million jobs, a drop of 24.8%.

Trade

Egypt to boost ties to Japan, China, S. Korea

Egyptian President Hosni Mubarak visited China on April 5, inaugurating a 10-day tour to hold summit talks in China, Japan, and South Korea, and to finalize major economic cooperations agreements on trade, industry, and energy cooperation. Egyptian Prime Minister Kamal Al-Ganzouri visited China last year and initialed a number of cooperation protocols on Chinese assistance to build a new industrial zone in northern Suez, which includes ports, steel industries, textiles, and power plants.

"A delegation of major South Korean companies, such as Hyundai, Samsung, and Daewoo, visited Egypt [in March] to study proposals on agreements to invest in Egypt. Investments will be made in Egypt's textile industry, new energy projects, seawater desalination and ventures on the use of nuclear power for peaceful purposes," said Egypt's Ambassador to Seoul, Hussein Darar.

Briefly

JAPAN'S machinery orders in October-December 1998 fell 3% compared to the same period in 1997, the fifth straight quarter of year-on-year declines, according to a survey by the Japan Machinery Federation. Orders by all industrial sectors declined, with transportation machinery down by the widest margin, at 24.8%.

CONAGRA, the food cartel giant, had earnings 44% higher in the quarter ending Feb. 28 over same time a year ago. The firm declared earnings of \$171.4 million, up from \$118.9 million the same time in 1998. Farmers, meanwhile, are now facing prices for their commodities at 20-year lows or worse.

SYRIA is near economic collapse, according to U.S. officials who recently visited the country. In 1997, production declined 4.4% despite positive growth in the previous two years. Per-capita production decreased from \$1,050 in 1995 to \$900 in 1997.

QATARI Emir Sheikh Hamad Bin Khalifa Al Thani started a tour to Asia on April 6, that will take him to Pakistan, India, Thailand, China, Japan, South Korea, and Kazakstan, which consume 80% of Qatar's energy production. The aim of the visit is to increase trade and sign agreements for economic and commercial investments.

AUSTRALIA'S population is second to the United States in exposure to the stock market bubble. Latest figures show that financial assets held by Australian households have topped \$1 trillion, a 10% increase from the year before. Some 5.5 million people out of a total population of 18 million are direct investors.

THE RAIL LINE construction from Melbourne to Darwin in Australia is being speeded up. The federal government has set up a committee to remove impediments to the line; the major concern is Aboriginal land claims.

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Isolate the British arsonists before it's too late

by Umberto Pascali

Despite escalating psychological warfare against the peoples and elites of NATO countries, two things have clearly emerged concerning the war in the Balkans:

- 1. Key details and names of the group that plotted the rush to war, and made sure that the Rambouillet peace talks failed, and that any obstacle to war—such as the crucial summit between Russian Prime Minister Yevgeni Primakov and President Bill Clinton—were removed. The perpetrators include liberal-imperialist British Prime Minister Tony Blair, Al Gore, and Madeleine "the bomber" Albright.
- 2. A peace alternative does exist and is gaining strength. Indeed, governments and institutions representing the majority of the peoples of the world are dead set against the "New NATO's" war. From the Vatican, to Russia, China, and India, to most of the nations of the Third World and large political and institutional forces inside virtually every NATO country, there is a strong rejection of this adventure. Above all, there is a growing understanding that the war arsonists intend to establish a legal precedent that would allow the official subversion of national sovereignty everywhere. The world is supposed to be pushed back to a state of feudal anarchy, in a British empire gone "global."

The New NATO is supposed to apply its "gunboat diplomacy" to whoever intends to resist its rule. Yet, largely because of the beacon of sanity represented by Lyndon LaRouche, it is dawning on a growing number of the elites in many countries, that the *real reason* the British-steered financial oligarchy has gone "war crazy," is that they see the military instrument as *the only way* to try to save their destructive speculative power. For the oligarchy, war is the only way to prevent an otherwise inevitable international realignment to establish a new financial system, a New Bretton Woods. The oligarchy is running out of time, but so are the peoples of the world. This is the real war to be fought right now.

'Something for NATO's anniversary'

The two tendencies—the rush to war, and the push to "defuse the time-bomb"—are clashing right now all over the world. This war is being fought with military weapons only in a small part; to a much larger degree, it is fought as psychological warfare. The battlefield? The living rooms of those families who are bombarded daily through the TV screen, by reports fabricated mostly by the New NATO apparatus, under the stage direction of NATO top military spokesman, Her Majesty's Commodore David Wilby.

This is that same Wilby who was caught lying (see *EIR*, April 9, 1999) about the supposed "mass executions" of the "moderate Kosovars" around Kosovo leader Ibrahim Rugova. The lie was used to justify an escalation of the NATO bombings and to undermine the attempts at mediation by the Vatican and the Russians.

Before analyzing these peace activities, let's see what really happened at the Rambouillet peace talks, which led to the refusal to sign the final document not only by the Serbs, but also by the Russian mediator.

The Russian "no" at Rambouillet was the key issue. What Commodore Wilby tries to obfuscate in his daily briefings, is that the only point of frontal disagreement between the five NATO countries of the Contact Group on the Balkans (Britain, France, United States, Germany, and Italy) and the sixth member (Russia) was the "military annexes" added secretly and at the last moment, reportedly under the incitement of British Foreign Secretary Robin Cook and U.S. Secretary of State Madeleine Albright.

The mysterious expression "military annexes" means the deployment into Kosovo of 28,000-36,000 NATO troops under the leadership of Britain's Gen. Sir Michael Jackson, the head of the elite NATO special force, the Rapid Reaction Corps. Of course, and *EIR* is still the only medium in the

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United States to have reported it, then-Captain Jackson was the second in command of the British parachuters battalion that, in 1972, committed the Bloody Sunday massacre in Derry, Northern Ireland! Sir Jackson had established his head-quarters in Skopje, Macedonia, before the Rambouillet talks ended. As he stressed in a press conference, he considered the talks a formality, and showed indignation because the "politicians" made him wait before giving him the mandate to become, in effect, the Viceroy of Kosovo.

The deployment of Sir Jackson and his Corps in Kosovo would have made out of Kosovo, what the London *Times* arrogantly called a "NATO protectorate," and established the precedent that the New NATO could deploy "for humanitarian reasons" into any sovereign country.

According to several reports, the way the "war arsonists" acted in Rambouillet is very close to the report given by the Russian Ambassador to the United Nations, Sergei Lavrov, during an interview with the PBS Charlie Rose Show on March 25. Lavrov explained: "They were listening, but at the same time, behind our backs, they were doing something different. . . . You referred to the [refusal] to accept foreign peacekeepers. . . . When the Contact Group first drafted what eventually became known as the Rambouillet Draft Agreement, it had nothing about military implementation of the agreement. It had political principles, political mechanisms for Kosovo autonomy within Serbia. . . . And it was a very elaborate document of the Contact Group, and Russia is a full co-sponsor of that document.

"Then, as negotiations in Rambouillet proceeded, without telling us, NATO members in Brussels developed this paper on military ground forces to keep peace if the agreement is signed.... They just told our negotiator, 'Look, this is another piece of that package. Let's give it to the parties as a Contact Group proposal.' We were never warned that NATO would be developing something else on behalf of the Contact Group without inviting Russia. And we said that this is not going to be our paper, ... but we offered some very practical approaches, which would allow us to co-sponsor the document on implementation.... We were rejected."

Commenting on the deployment in Kosovo of Michael Jackson for "humanitarian reasons," Lavrov commented: "The argument about NATO's area of responsibility I cannot accept, because it is *not* the area of NATO responsibility and NATO is trying to *develop something for its [50th] anniver-sary*, which is unfortunately going to be a gloomy anniversary because of what is happening in Kosovo—to develop something to justify the right to have this outreach to other territories. I don't think Europeans are comfortable with this idea. And I don't think it would be within the UN Charter."

On April 6, Albright confirmed that arsonists such as herself are plotting the subversion of national sovereignty through "humanitarian" means. "The NATO of the 21st century is being tested now before the new century even begins. And we are determined to pass that test; using aircraft and

facilities from more than a dozen countries, we are striking hard," she screamed in a speech on the New NATO at the Brookings Institution in Washington. "Some of the key policies and principles to be affirmed at the [NATO] Washington summit are already in practice.... I think the whole issue of sovereignty is one that is complicated by the fact that when somebody like Milosevic has been an aggressor, ... he ... gives up some of his rights, in terms of protecting what is going on inside his country."

This was *not*, however, President Clinton's policy. On April 7, the *New York Times* reported that Clinton had ordered Al Gore to call Russian Prime Minister Primakov, to signal that the United States would appreciate a renewed mediation effort by the Russians. Sources close to the White House indicated that the President and National Security Adviser Sandy Berger were now in favor of a non-NATO peacekeeping force for Kosovo, one that would include Russia and other countries of the region, as well as the UN Security Council—a move that would formally involve China in the effort to end the bombing and the ethnic cleansing. The sources said that Albright, however, has been adamantly opposed to any non-NATO military force, arguing that it would "ruin" NATO's birthday party.

Neither Blair, nor Albright, nor Gore—who reportedly will play the key role at the April 23 NATO summit—attribute any real importance to what Milosevic has been doing. The British have been cynically using, for more than one century, the ideology of Greater Serbia, and for the same reasons, they are now trying to use a synthetic Greater Albania ideology. Both people, Serbian and Albanians, will be the big historical losers if they accept the oligarchy's "kiss of death."

What is required for peace

The main requirement for a viable peace settlement, is not so much in the practical details of how to reach a cease-fire, but rather how to contain the British, and how to mobilize the United States to defend its real interests. Blair's big victory is to have succeeded—at least for the moment—in getting President Clinton to go along with him in this insane adventure.

The paradox is that the British feudal financial model was never so close to its death than it is at the present moment. An alliance among the United States, Russia, China, India, and, as a consequence, continental Europe and most of the rest of the world, would put an immediate end to the agony of the wounded beast—the financier oligarchy.

But the war escalation is bound to gain a momentum of its own, if it is not stopped. This is the reason why both the Vatican and the Russians are pushing for a cease-fire.

Reportedly, the rejection by President Clinton of Pope John Paul II's call for a cease-fire, was a terrible disappointment to the top leadership of the Vatican. On April 2, a front-page commentary—reportedly reflecting the position of the Vatican leadership—in the Vatican daily *Osservatore Romano*, read in part: "The last hours have frustrated the hopes

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that, at least in the most sacred days for Christians, both Catholic and Orthodox, there could have been a remission of pain, a cease-fire to violence. The proposal [by the Pope] has been rejected." The article called for a mobilization of international institutions to fill the vacuum left by the non-intervention of the United States. "Europe is called to a forceful, immediate assumption of responsibility. The epoch-like changes in the remaining of this millennium, the end of bipolarism, do not allow the [exclusive] delegation of the responsibilities to defend the common interests to the U.S.... Europe should have rejected the temptation of a low profile.... It is not too late: In the horror of the Balkans, the European Union can and must recognize its past in order to avoid a similar future."

A death camp set up to reach your TV screen

It was in this situation, that the New NATO went into action, not just in Serbia, but above all against the populations and the leaders of the NATO member countries. It was at this point that Her Majesty's Commodore David Wilby "executed" the group of Ibrahim Rugova, and the living rooms of Americans and Europeans were filled with the terrible pic-

tures of the camps on the Macedonian border, where the Kosovar refugees had been amassed without any real supplies, without water, without medicine, with scarce and inadequate food, with no real cover. This situation lasted for weeks, from the beginning of March, and worsened after the beginning of the NATO bombings of Kosovo on March 24. On April 4 and 5, the Macedonian authorities, in a desperate move, broke out the camp at Blace, sending the refugees mostly to Albania.

Not surprisingly, given the unhygienic conditions, cholera and other diseases began to spread, and every night there was an increasing number of dead, especially small children who died of fatigue, malnutrition, and cold. Why was such a powerful organization as the New NATO, which officially had mobilized all its forces out of "humanitarian concern," not able to do anything about this, for weeks? In fact, the mass of starving, degraded Kosovars was the most precious commodity that Wilby and Jackson had, to feed their psychological warfare campaign: "NATO has to bomb Pristina and the other cities of Kosovo in order to stop this humanitarian horror." But in fact, the horror of the Blace camp could have been stopped by NATO in a very short period of time.

Sen. Carulli: Pursue any hope for peace in Balkans

The following statement was released to EIR on April 8 by Sen. Ombretta Fumagalli Carulli, a member of the Italian Senate and president of the Interparliamentary Committee for the Jubilee. The purpose of the committee, which includes thousands of members of parliament from all over the world, is to accomplish the tasks set by Pope John Paul II for the Jubilee year, including debt cancellation for the poorest countries and an end to the death penalty. Senator Fumagalli Carulli also chairs the parliamentary group of the Italian Renewal party, created by Italian Foreign Minister Lamberto Dini. She recently received Lyndon LaRouche's March 27 statement, "Gore Provokes Total War," on Vice President Al Gore and the danger of World War III (EIR, April 2).

War is an adventure without return. With reason, hope, and dialogue, with respect for the inalienable rights of peoples, it is possible to identify and follow the path of understanding and peace." Coherent with this conviction, expressed in the "Urbi et Orbi" message on Dec. 25, 1998, the Pope did the impossible to solve the crisis which opened in the Balkans. He asked Belgrade to respect the inalienable rights of the Albanian majority in Kosovo, and to stop the massacres and deportations on the side of the Serbian army and, at the same time, he asked NATO to stop punitive expeditions and air

strikes on Yugoslav territory. He committed Vatican diplomacy to an unprecedented mediation effort (an effort which has been shared and encouraged also by the Italian government), and came to the point of formulating personally, during a liturgical celebration, a cease-fire proposal. He asked Milosevic and the Atlantic Alliance to respect the solemnity of two Easter celebrations, the Catholic and the Orthodox one, so that, in the course of this one week, dialogue and understanding could be reestablished.

Belgrade answered, although ambiguously, only after the Catholic Easter was over. NATO does not trust the ambiguity and the many promises which Belgrade has never kept, and it demanded the immediate withdrawal of the Serbian troops from Kosovo and an international peace force to oversee the return and physical security of the refugees, who must be returned to their fatherland from which they were expelled.

At this point, while bombs continue to fall, there seems to be no way out. Yet, John Paul II is right: There are no alternatives to peace, and war, as the air strikes in recent days have demonstrated, is only a dangerous adventure without turning back, which will affect also those who believe that they will come out of it as winners.

We have to pursue any hope for peace. Milosevic proposed a cease-fire. I believe we should explore all paths to find out how much sincerity there is behind this initiative, and help the Serbs to live together with other people. Only in this way shall the population of Kosovo be able to go back safely to its homes, and start again to live together in peace with the enemies of today.

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Buyoya regime rejects compromise on reform of Burundi military

by Linda de Hoyos

Under the sponsorship of former Tanzanian President Julius Nyerere, the government of Burundi, led by Maj. Pierre Buyoya, who came to power in a military coup in July 1996, and opposition groups, have been holding regular talks in Arusha, Tanzania, with the hopes of bringing an end to the civil war in the east-central African country of 6 million people.

Since an attempted coup against the first elected President of Burundi, Melchior Ndadaye, in October 1993, Burundi has effectively been at war. Ndadaye was assassinated in the coup attempt, which was led by Buyoya. Ndadaye was not only the first elected President of Burundi; he was the first Hutu to become President. As in Rwanda, Burundi is composed of a majority Hutu population with a Tutsi minority elite. The military, composed almost totally of Tutsis and with an exclusively Tutsi officer corps, has dominated the country since independence and the 1962 murder of Prince Louis Rwagasore. Post-independence history has been a chronicle of the oppression of Hutus in the country, with mass slaughters by the military carried out against them in 1969, 1972, and 1988.

In the latest round of negotiations in Arusha in March, Burundi's military leader Buyoya categorically ruled out the possibility of any demobilization of the military or the inclusion of any Hutu armed groups in the army. Calling it "out of the question to bring in the rebel groups," Buyoya declared: "In this region, when you don't have a strong army, everybody can attack you and impose his law on you or colonize you," he said. The only possibility for changing the composition of the army, he said, is that if Hutus want to join the army's ranks, there is no law forbidding it. However, they would be entering at the bottom and be excluded from the officer ranks.

An oligarchical structure

The oligarchical structure of the Burundi military and its domination by a small clique of Tutsis from the Bururi region of Burundi has made the Burundi military a natural partner of the warlord force backed by British Commonwealth interests and centering around the figure of Ugandan President Yoweri Museveni. The Burundi military has been involved on the side of Uganda and Rwanda in both wars of invasion against Congo-Zaire, in 1996 and again in 1998. War is not the only joint venture. Salim Saleh, half-brother of Museveni, has announced that he will start a livestock operation in Burundi; a

Canadian company has also been awarded the contract for the mining of nickel in Burundi, which holds one of the world's largest deposits.

The National Council for the Defense of Democracy in Burundi (CNDD) is the primary opposition to the Burundi military, and one of the key negotiating partners at Arusha. The CNDD was organized by Leonard Nyangoma, who had first organized the Frodebu party with Ndadaye and led the organizing for the Frodebu vote in the elections of June 1993, which brought Ndadaye to power. After the 1993 coup, Nyangoma was forced into exile under threat of his life. In September 1994, the United Nations, with backing from London and Washington, organized an interim coalition government, bringing in the Tutsi-dominated Uprona party. But this "coalition" government rapidly became but the fig leaf for the international community's silence as the Tutsi military carried out a relentless campaign of terror in the country. Between October 1993 and the end of 1996, the Tutsi military carried out the murder of two Burundian Presidents, the assassination of 8 out of 16 provincial governors, the murder of 16 cabinet ministers, and 10 members of the National Assembly. More than 48 leaders of the Frodebu party were killed or forced into exile under threat of death. Tutsis who had rejected the oligarchical mentality of the Bururi-Tutsi clique were the first targets for elimination.

At the same time, as decried by then-U.S. Ambassador to Burundi Robert Krueger, the Burundi military was carrying out the systematic ethnic cleansing of the capital city, Bujumbura, and was slaughtering Hutu villagers wholesale.

It was this reign of terror that compelled Nyangoma and others to organize the Forces for the Defense of Democracy, and to take up arms against the military-dominated regime. The response of the Buyoya regime has been to forcibly relocate Hutu civilians into camps where they lack food, water, and sanitation. At the height of this policy, the Burundian camps held 850,000 people and produced the biggest typhoid epidemic seen since World War II, which killed many.

In the interview which follows, Nyangoma explains the goals of the CNDD, which was not organized along ethnic lines, but around a commitment to democracy. The Bururi clique, however, rejects democratic rule on principle, as its stance on its continued domination of the military makes clear, seeing it as a threat to its grip on power.

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Interview: Leonard Nyangoma

The road toward peace in Burundi

Mr. Nyangoma is chairman of the National Council for the Defense of Democracy of Burundi. He was interviewed on April 1 by Linda de Hoyos.

EIR: What are the goals of the National Council for the Defense of Democracy (CNDD)? And what are the military goals of the Forces for the Defense of Democracy in Burundi? Nyangoma: Our political goals are to restore democratic rule in Burundi. As you well know, before going into the bush I belonged to an elected government, as a Member of Parliament and Cabinet Minister, in 1993. Our government was then overthrown by the army, led by Maj. Pierre Buyoya, who is the present military dictator.

Our military goals are of two natures:

Firstly, we want to prove to the putschist army that it can no longer rely on arms to ascend to power. Army officers and soldiers must abide by the law and respect the will of the people by supporting any elected constitutional—that is, legitimate—government. The present government is illegal and illegitimate.

Secondly, we want to force the formation of a truly national army, which will replace the present mono-ethnic and tribalist Tutsi army.

EIR: Why and when was the CNDD organized?

Nyangoma: When our legitimate government was overthrown, on Oct. 21, 1993, and when, subsequently, the democratically elected President Melchior Ndadaye was assassinated, the people who had just voted us in begged us to lead them and to challenge the army from ruling the country. We decided to create the CNDD in September 1994, when all other means of peaceful solutions to the crisis imposed upon us by the army had been blocked by the same fascist army.

EIR: Can you give some background on the government of President Ndadaye?

Nyangoma: The government of President Ndadaye, to which I belonged, was made up of members of the ruling party, Frodebu, at 60%, and 40% was from the coalition party, Uprona. What is to be known here, is that we, the leaders of Frodebu around President Ndadaye, decided to associate, into the government, our opposition party, Uprona, although we did not have to. They responded with ingratitude, by staging

a coup d'état and by assassinating our beloved President, together with some of our colleagues.

EIR: Can you give us background on how the elections of 1993 were achieved and carried out and won?

Nyangoma: After the fall of the Berlin Wall and the Franco-African summit of La Baule, international pressures were mounted against military dictators, including President Buyoya. Although he did it half-heartedly, Major Buyoya accepted nonetheless to open up the political system to multiparty democracy, and he then agreed to hold free and fair elections, deeply convinced that he would win them.

It is at that juncture that Melchior Ndadaye, Pontien Karibwami, Sylvestre Ntibantunganya, Richard Ndikumwami, and myself, decided to come out in the open with our clandestine political party, Frodebu, which we had created years earlier. We masterfully organized our campaign, and our program was espoused by the majority of the Burundians in the Presidential and parliamentary elections. Our candidate, Melchior Ndadaye, won, and became the new President. Out of 81 parliamentarians who made up the new National Assembly, 65 were from our party, Frodebu, while 16 were from the former ruling party, Uprona, which became the official opposition. I was proud that my contribution to our victory was major, because in the leadership of Frodebu, I was the National Secretary for Recruitment and Propaganda.

Let me emphasize that, if President Buyoya had known that he would lose the elections, he certainly would not have held them, or he would have won by rigging the polls. However, we won against all odds, and we appointed the government and the administration and the civil service. Major Buyoya and his friends, the losers, made a pretense of accepting the results, while preparing secretly to take over state power again by force. Three months later, on Oct. 21, 1993, a coup d'état took place, and this is what we considered unacceptable and we decided to counter it by all available means.

EIR: How would a government be shaped in Burundi now? How does the CNDD envision that?

Nyangoma: Whatever the transitional arrangements that can be negotiated, as in South Africa five years ago, the government of Burundi must definitely be an elected government, truly representing the people and caring for them. Any government to be appointed by people who have no such mandate will be unacceptable to the CNDD.

EIR: What does the CNDD propose for the reorganization of the Burundi military?

Nyangoma: Independently of the crimes committed by the present army—and which must be dealt with—it is simply unthinkable to have an army made up of members of one ethnic group, and above all, a minority almost exclusively from one single province out of 16 provinces, as is the case

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now. The system that created such an army was ruled by irresponsible politicians and thugs. We in the CNDD, therefore, think that a new army must be created, one which will be representative of the people from all ethnic groups, and one that should be made up of soldiers originating from every corner and commune of Burundi.

EIR: What security guarantees does the CNDD require in Burundi on behalf of itself and also of Hutus?

Nyangoma: Guarantees to life, guarantees to fundamental liberties and all human rights, guarantees to be ruled by the leaders of an elected government, guarantees to participate freely in the public affairs of our country; most importantly, guarantees to a Constitution of Burundi and sure mechanisms to uphold and implement it.

Finally, as a practical measure, we will make sure that a law-abiding national army is set up, an army respectful of the institutions and trusted by every citizen. All these guarantees mentioned above must be given to all citizens of Burundi, irrespective of their ethnic group or region of origin.

EIR: What security guarantees does the CNDD believe are required by the Tutsi community?

Nyangoma: Since the tragedy in Rwanda in 1994, there is a propaganda operation going on, and amplified by interested lobby groups in America and Europe, that the Tutsi minority group of Burundi needs some special security guarantees. There is also a very dangerous trend to equate "Hutu" with "killer," and any crime committed by the Tutsi is tolerated and justified by their quest for security. We find such reasoning very cynical indeed. The goal and trick of this propaganda is to make sure that the Tutsi hang onto power forever, by invoking their security.

The truth is that in Burundi, it is not the Tutsi who need security guarantees, although they are also entitled to it, of course. But first and foremost, the Hutu ethnic group, whose members, numbering more than 600,000, have been killed by the Tutsi mono-ethnic army since independence in 1962, are the ones who actually need security guarantees. The Tutsi have lost about 15,000 of their people in the same period during inter-ethnic massacres or civil wars in Burundi. If we put all the propaganda aside, who is actually exterminating whom?

For the CNDD, no single Burundian should die, and everything must be done to avoid civil war. But if one is provoked, what else can we do?

EIR: What route does the CNDD believe must be followed to achieve peace in Burundi?

Nyangoma: Our first option for the road to be followed to achieve peace in Burundi is through negotiations. But again here, the other side must show its willingness and seriousness this time around, because the people of Burundi have already been cheated several times by the oligarchy. If while negotiat-

ing in Arusha, we discover that Major Buyoya and his army are playing tricks and using the negotiations held under the facilitation of [former Tanzanian President] Mwalimu Nyerere as a way of consolidating their ill-acquired and illegitimate state power, then you can be assured that the liberation war will continue, until we remove this ugly dictatorship from our country.

EIR: How does the CNDD think that peace can be achieved in the Great Lakes region?

Nyangoma: Concerning the Great Lakes region, there can be no peace when some countries find it fit to grab others' land and minerals under the pretense of protecting their borders' security. Only a fool can believe that a border on Lake Kivu can only be protected by sending occupation troops to Kisangani and Kitona, towns situated 1,000 and 2,000 kilometers away, respectively, from the said border to be protected.

What is really at stake, is the will to occupy and exploit by force other people's vast fertile land, and to loot their Godgiven huge deposits of minerals. That is the real truth and everybody knows about it. We are simply amazed when we are told the opposite by the concerned regimes, aided by the trigger-happy Western media, as if Africans were fools.

EIR: Does the CNDD have anything specific to tell the American people?

Nyangoma: What we would like to tell the American people, is for them to preach and practice modesty and wisdom. Being the strongest does not always mean to alone possess the right, as far as international relations are concerned. In African affairs, we please ask the American people to support *right*, *not might*.

We are convinced that the best way of defending one's interests is to respect other people's as well. Concerning the relations between the CNDD and America, we are satisfied with our good and sincere relations with Hon. Howard Wolpe, the U.S. Special Envoy to the Great Lakes region, although we do not always agree on everything. But we are sincerely afraid that some so-called specialists, including U.S. officials and private lobbyists, give inaccurate information about the situation in the Great Lakes region in general and in Burundi in particular.

EIR: What type of positive role could the United States play in the region to bring about peace?

Nyangoma: We continue to believe that the United States can play a positive role in bringing about peace in Africa, but only if it gives support to the elected leaders, instead of throwing its weight behind self-appointed dictators like Marshal Mobutu yesterday, Maj. Pierre Buyoya and the so-called new breed of leaders today. Only elected leaders who represent the aspirations of their people should be supported, instead of being victimized and demonized. The African people will remember.

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The economic development of Turkey is the key to peace

by Joseph Brewda

The Turkish government lost no time after arresting Kurdish Workers Party (PKK) leader Abdullah Ocalan in Nairobi, Kenya on Feb. 15, in announcing plans to speed up development of the impoverished southeastern region of Turkey where the PKK war is being waged. Speaking to the Turkish daily *Milliyet* on Feb. 21, Turkish President Suleyman Demirel said that the drive to complete the Southeastern Anatolian Project (GAP), which will vastly increase the region's agricultural and industrial production, is "one of the two most important steps that will be undertaken"—the other being the Repentance Law, granting amnesty to surrendered PKK fighters. He added that "the development drive for this region, which has been the target of terrorists, and which has suffered most from the effects of terrorism, must not be allowed to stall."

Accordingly, the Turkish National Security Council met in late February to discuss new highways and railways, and a step up of GAP irrigation plans, to hasten the resettlement of villages abandoned because of the war.

Turkey's GAP also has an important role to play as a necessary component of the Eurasian Land-Bridge, or new "Silk Road," which would link Europe to China, through Turkey and Central Asia, providing for the industrial and agricultural development along its route. As **Figure 1** shows, the proposed Eurasian Land-Bridge's main routes proceed through Turkey, including through the southeastern Anatolian war zone.

The GAP plan

Begun in the 1970s, and planned for completion in 2010, the GAP calls for building 22 dams and 19 hydroelectric power plants on the Tigris and Euphrates rivers, the major sources of water for the Mideast. When finished, the project will make southeastern Anatolia, Turkey's most impoverished region, into the nation's breadbasket and major source of electrical power. Comprising the northern part of what is historically known as the "Fertile Crescent," the region could provide three harvests a year because of its climate and soil, with the provision of a reliable water supply.

According to the Turkish Foreign Ministry, "Agriculture and industrial potential created by GAP will increase the standard of living in the region by fivefold."

The origin of project dates back 1936, when the founder of the Turkish Republic, Mustafa Kemal Ataturk, ordered

studies into the country's hydroelectric potential. The State Hydraulic Works was established in 1954 to plan future projects, and the Euphrates Planning Administration was formed in 1961 to study the Euphrates basin. In 1977, the government brought together numerous projects proposed, or already undertaken by the two organizations, under a new master plan, the Southeastern Anatolia Project, or GAP.

In 1983, Turkey began construction on the centerpiece of the project, the Ataturk Dam on the Euphrates. Work on the gigantic irrigation tunnels to carry water from the Ataturk reservoir to nearby arid plains, also began at that time. In 1986, the State Planning Organization was authorized to integrate the GAP with all other regional planning, to ensure its smooth coordination.

Because developing southeast Anatolia would undermine Britain's geopolitical aim to keep Turkey vulnerable and weak, Britain moved quickly to try to stop the project, including through unleashing the PKK, which has always been under its control. PKK military operations began in 1984, one year after the major GAP construction projects began; construction projects have always been a top PKK target.

The British do not hide their objective. "GAP has the agricultural development of the southeast as a major aim," a 1998 report on Turkey by the British *Economist Intelligence Unit* warned. "However, the war against the PKK has made most of the regional development plans for the southeastern provinces academic."

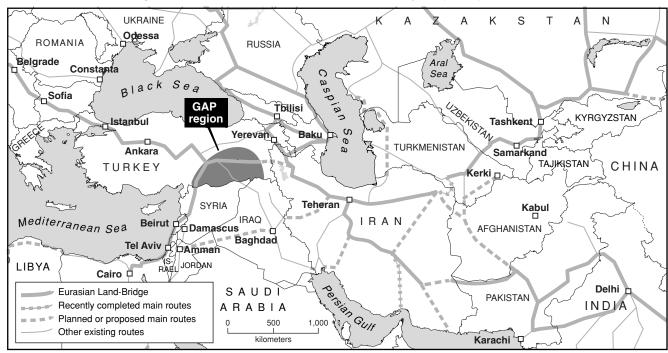
Britain's Lord Avebury, the PKK's top international patron, is also a prominent opponent of GAP. In March, he issued an open letter to British Prime Minister Tony Blair, claiming that the proposed Ilisu Dam on the Tigris is genocidal, because it would require relocating several Kurdish villages out of the reservoir area.

Ocalan, the founder and leader of the PKK, concurs. "Hopes are being pinned on the assumption that the economy in the southeast will develop," he told the PKK's London-based MED-TV, on July 4, 1997. But, he threatened, "I take this opportunity to warn all business circles that take an interest in the region: Our major targets will be economic. Machines and workshops are being destroyed. Let them not invest in GAP."

Addressing this issue, Turkish Prime Minister Bulent Ecevit told *Anatolia News* on Feb. 21, 1999, that "the PKK has

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FIGURE 1 **Eurasian Land Bridge and the Southeastern Anatolian Project (GAP)**



tried to obstruct development in the eastern and southeastern parts of Turkey. It has claimed that it fought for Kurdish rights, but in effect it has acted as the real enemy of the Kurds." Ecevit added that "the problems and ailments of these regions are largely due to their semi-feudal heritage. The vestiges of feudalism, which hindered development, would have eroded by now if it were not for PKK terrorism."

Cost of the war

The cost of the British-run war has been immense. The standard of living in eastern and southeastern Anatolia has been steadily falling since the war began in 1984. Although 20% of Turkey's 61 million population lives there, it only employs 3.5% of its workforce. Stockbreeding, the region's main occupation, has collapsed 40% since 1985. The annual per-capita income in the region is only \$529, compared to \$2,888 for Turkey as a whole.

According to Prime Minister Ecevit, approximately 370,000 villagers, all ethnic Kurds, have been forced to flee to western Turkey, because of PKK attacks. At least 3,185 villages have been totally evacuated, and 134 industrial plants have been forced to shut down. Two hundred and ninety factories and civilian government buildings have been destroyed by the PKK.

Education has been particularly targetted. The PKK has destroyed 225 schools and murdered 92 teachers in cold blood since 1984, forcing the government to close 2,076 schools for security reasons. Consequently, 117,000 children, all ethnic

Kurds, are unable to go to school. Cumulatively, millions of Kurdish children have been denied an education since the war began.

Moreover, Turkey has been forced to pay at least \$50 billion to fight the war—more than twice that needed to finish the GAP.

The PKK has also criminalized the area, making it the major highway for Afghan heroin reaching western Europe. According to the U.S. Drug Enforcement Administration and European police agencies, 75% of the heroin used in Europe transits Turkey, mostly through eastern Anatolia, and primarily under PKK and allied Kurdish mafia control.

The southeast Anatolia region

The region defined by GAP comprises eight provinces bordering Syria and Iraq, constituting 9.7% of Turkey's total area — a land area of 74,000 square kilometers, corresponding to half of Greece or one-third of England.

According to a 1998 report by the Turkish Foreign Ministry, the project will irrigate 1.7 million hectares of land when completed. The total planned irrigation area corresponds to 19% of the economically irrigatable area in the country. It will generate 27 billion kilowatt-hours (kwh) of electricity annually, with an installed capacity of 7,500 megawatts. The total annual electric generation planned will account for 22% of the country's economically viable hydroelectric generation.

The total cost of the project is estimated at \$32 billion, of

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Regional disparity is the basis of PKK war

The vast discrepancy in the standard of living between western and southeastern Turkey, has provided the basis for the war. A few statistics give the picture.

While Gross National Product per capita in 1996 for Turkey as a whole stood at \$2,888, most of the southeast was well below \$1,000. GNP per capita for Turkey's poorest city, Mus, in the southeast, was \$654—less that 10% of that of Turkey's wealthiest western city of Kocaeli, at \$7,096. The per-capita income of at least four major ethnic Kurdish cities—Mus, Agri, Bitlis, and Bingol—was below many cities in Africa. And, the standard of living in the southeastern countryside is far worse than in its cities.

Because of such differences, there was a massive emigration from eastern to western Turkey even before the Kurdish Workers Party (PKK) stepped up its terror war in 1991. According to the 1990 census, 30% of eastern Anatolia's population, that is, 3.6 million people, had already moved to the west by that time. Since then, many more people have fled. For such reasons, 15% of the population of Istanbul, Turkey's largest city, is from the east.

Southeastern Turkey's population is overwhelmingly agrarian – 71% of its working population is employed as farmers or shephards, and only 5% employed is in industry. Here, the greatest oppressor of the Kurds is the traditional Kurdish landlord. Whereas 5% of the region's families own 65% of the land, 70% of the region's families own only 10% of the land, and almost entirely in plots of five hectares or less. Many villages are owned by a single person or family. No less than 38% of the peasant families in the region as a whole are landless. In numbers of places, the percentage of the population that is landless is far greater. By providing newly irrigated, formerly barren lands to Kurdish peasants, and through accompanying land reform, the Southeastern Anatolia Project (GAP) would eliminate that feudal relationship—one of the reasons that many of the top landlords financially support the PKK.

which \$12.5 billion has already been invested. About 41% of the project has been completed. Current plans are to spend \$19.4 billion to complete the project in the next 12 years.

The Ataturk Dam spans the Euphrates River downstream from the ancient town of Samsat. Begun in 1983 and fully completed in 1993, the dam is the ninth-largest rock-filled dam in the world, standing more than 600 feet high and more than 6,000 feet long. It is designed to produce one-third of the GAP's projected energy output, and provide water for more than half the land to be irrigated. Now in the process of being filled, the Ataturk Reservoir could potentially hold as much as 50 billion cubic meters of water. Compare this to the average amount of 30 billion cubic meters carried by the Euphrates into Syria in a whole year.

The Karakaya Dam over the Euphrates has also been completed. It is expected to supply one-quarter of the GAP's electrical output. In 1997, the Ataturk and Karakaya dams together supplied 18.8% of the country's electrical power. When all the dams are completed, the GAP's annual electrical production will reach 27 billion kwh, corresponding to 70% of Turkey's total hydroelectrical production in 1997.

The first phase of the GAP's irrigation plan was completed in 1995, when Turkey finished the twin Sanliurfa Tunnels, the longest irrigation tunnels in the world, which carry water from the Ataturk Dam onto the Sanliurfa-Harran plains 16 miles away. As of 1998, the tunnels irrigate 100,000 hectares. The plan is to increase the land irrigated to 380,000 hectares by 2002.

Since 1995, a significant increase in agricultural produc-

tion has already been observed. For example, cotton production in the Harran plains now stands at 800,000 tons, 25% of Turkey's total production, and it is expected to rise to 1.2 million tons once the project is completed. Total regional agricultural production, which was valued at \$65.4 million in 1995, rose to \$85.1 million in 1997.

Related projects include a transregional highway already under construction, rail lines, an international airport, and a major new university in the city of Sanliurfa.

And while the GAP is designed to revolutionize Turkey's economy, it is also needed to revive Syria's economy and rebuild war-shattered Iraq as well. The long-planned Badush Dam on the Tigris, near Mosul, Iraq, which Iraq was forced to postpone because of the Anglo-American embargo, is exemplary of what must be done. A series of dams, irrigation systems, and water and sewage treatment facilities, complementing the GAP in Syria and Iraq, would vastly boost food output and living standards in both countries.

Such shared projects are necessary, because Syria and Iraq have repeatedly expressed grave concerns that large water projects in Turkey could greatly reduce the flow of the Turkish-origin rivers on which the two states depend. Without detailed, fully transparent agreements between all three states—and a Turkish commitment to aid Syria and Iraq's downstream water management if needed—it will always be possible for outside forces to exploit tensions on this issue, and even trigger a "water war." More generally, only nuclear power-driven desalination can meet the growing freshwater requirements of the arid region as a whole.

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Turkey and the Land-Bridge

As part of its development drive, Turkey is also taking part in the Eurasian Land-Bridge, and is engaged in major domestic rail, road, and port projects, to integrate Turkey into the overall plan.

Speaking at a Dec. 26, 1998 press conference summarizing developments over the previous year, President Demirel reiterated Turkey's commitment to the Land-Bridge policy. "The main transportation projects which constitute the infrastructure of the Silk Road that is re-emerging on the scene of history, and once again connects Europe with Asia, are being carried out in Turkey," Demirel said. "Turkey is the center of the transportation network which connects three continents."

The Turkish Foreign Ministry 1999 report, *Turkey and the World*, 2010-2020, emphasizes the importance of the project. In a section titled "Silk Route for the 21st Century," the ministry lists the following projects as priorities:

- Building deep sea ports and receiving terminals in the Mediterranean and in the Black Sea;
 - Construction of a rail tunnel under the Bosphorus;
 - Building of a bridge over the Dardenelles;
- Completion of the Kars, Turkey to Tbilisi, Georgia rail line;
- Extension of the Trans-European Motorway in an eastern and southeastern direction.

To pave the way for this role, Prime Minister Ecevit has accelerated plans to upgrade Turkey's domestic rail and road system. Under his direction, the Ankara-Istanbul and Antalya-Alanya rail projects, which were proposed and planned 20 years ago, have been taken off the shelf and put on the front burner. Tenders for feasibility studies on the lines were released in January. In mid-February, Japanese Overseas Investment and Financing Organization representatives travelled to Ankara to discuss both rail lines, as well as the Bosphorus rail tunnel.

As part of the Eurasian Land-Bridge project, Turkey has also begun construction on a \$717 million Black Sea coastal road, linking Turkey, Georgia, Russia, Ukraine, Romania, and Bulgaria. It has also announced plans to increase its annual harbor capacity to 200 million tons within 15 years.

One of Turkey's main concerns in proposing such projects, is to ensure a supply of cheap and reliable energy. Ironically, although three-quarters of the world's proven oil and natural gas reserves are in its immediate vicinity, Turkey is not energy self-sufficient, with domestic energy production accounting for only 42% of its total consumption in 1995. The proposed Baku-Ceyhan pipeline, to export Caucasus and Central Asian oil via the Azerbaijan capital of Baku to the Turkish Mediterranean port of Ceyhan and onto international markets, would be one way to solve this problem. The pipeline, which would be 1,730 kilometers in length, would carry 45 metric tons of oil per year.

Turkey pushed toward new 'Afghanistan'

by Joseph Brewda

Turkish Prime Minister Bulent Ecevit told Russia's NTV on March 28 that "there is a danger of a world war" because of the U.S.-led NATO assaults on Yugoslavia, in which Turkey is taking part. "I wish [U.S. President Bill] Clinton and [Russian President Boris] Yeltsin would meet as soon as possible," he said, "and search for a common policy." Ecevit welcomed the March 25 Russian initiative for a negotiated settlement, saying that "if Russia can throw its weight behind an effort to persuade Serbia to take a reasonable course, it will do humanity a great service." That same day, Prime Minister Ecevit told Turkish TV, "If this spreads to Albania, Macedonia, or Bosnia-Hercegovina, it will lead to disaster."

That the NATO adventure might boomerang against Turkey was referenced by Russian Prime Minister Yevgeni Primakov, during a March 22 stopover in Ireland, shortly before his meetings in Washington were cancelled. Denouncing the airstrikes as an act which "could destabilize the world situation," Primakov warned: "Maybe some will feel like attacking Turkey because the Kurdish issue is not solved."

However, the fallout from the British-American-Commonwealth faction's geopolitical games in the Balkans is not the only threat Turkey faces. Another, is that some British and American policy circles, represented by British Foreign Secretary Robin Cook, want to bust up Iraq along ethnic and regional lines—a policy which is an immediate threat to every nation in the region except Israel.

Because of such concerns, Prime Minister Ecevit told the press after meeting U.S. Ambassador Mark Parris on Jan. 26, that he is "deeply concerned" that if Iraq continues to collapse, it may lead to a Kurdish state in northern Iraq, which would also threaten Turkey. Similarly, Turkish President Suleyman Demirel has condemned U.S. plans to help the Iraqi opposition overthrow Saddam Hussein, telling the press on Jan. 30 that such efforts have "disastrous implications," and that U.S. plans against Iraq today should be compared to the failed U.S. intervention in Vietnam.

The push for a Turkish invasion

Despite Turkish opposition to such geopolitical games in the Balkans and the Mideast, media outlets in Europe and the Arab world, as well as some in Turkey itself, continue to report that the United States and Britain are pressuring Turkey to occupy northern Iraq, as part of their plans to

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bust up that country. As it is, Turkey has launched several limited military interventions into northern Iraq since the 1991 war, to wipe out the bases there of Kurdish Worker's Party (PKK).

According to one report on Feb. 2 in the Turkish daily *Sabah* by Sedat Sertoglu, the U.S. government "wants Turkey to be responsible for the federation that will be established in northern Iraq." But, he reports, "neither the General Staff nor the bureaucratic officials in Ankara have adopted a favorable approach to the proposal."

Sertoglu says that the "the bargining on the matter between the two countries began, when the United States proposed: 'A Federation will be established in northern Iraq. Can Turkey agree to be its 'elder brother?' "Ankara studied the military and civilian aspects of the proposal in detail, and found it wanting. It judged that the task "would require at least 100,000 Turkish troops to be permanently deployed in the area," and that it "would create the possibility of clashes between the Turkish troops and those who would oppose the order Turkey would establish." Sertoglu added that Turkey terminated the discussions, and lectured the Americans that "security cannot be established only through the use of arms in northern Iraq, if the income per capita is not increased to \$2,000," from its current \$435.

An article in the March 12 Saudi Arabian newspaper Al Watan Al Arabi, entitled "United States Is Baffled in Iraq Between the Bay of Pigs and the Afghan Scenario," says that the United States has three major options: use the U.S. Air Force to destroy the Iraqi regime and force Saddam to capitulate; help the Iraqi opposition take and hold areas of Iraqi territory, and extend its control, until Iraq is liberated; or, launch a war of attrition by neighboring countries against Iraq, similar to the Afghan struggle in the 1980s, until the regime falls.

According to the paper, "The U.S. experts add that the key element to make such a guerrilla war succeed [as per the third option] is the acquiescence of a neighboring country to play the role that Pakistan played in Afghanistan." This is where Turkey comes in. But, the paper reports that U.S. experts acknowledge that this option might fail, because "Turkey fears that such a guerrilla war in northern Iraq would rekindle Kurdish national sentiments once again. In the long run, this effort would be counterproductive, and would not bode well for Turkish national interests."

Turkish government sources ridicule the idea that Turkey would ever be so stupid as to invade Iraq, as such accounts envision. "The breakup of Iraq is one of the greatest possible threats to Turkey . . . and for such reasons we have always insisted on Iraq's territorial integrity," one official emphasized. "It is inconceivable that you could find such a fool in the Turkish General Staff or political command, who would want to invade and occupy northern Iraq as such accounts claim. . . . It would be madness! One of the worst things which could happen—and everyone knows this."

Former Mexican President José López Portillo:

'And it is now necessary for the world to listen to the wise words of Lyndon LaRouche.'



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Report from Bonn by Rainer Apel

Dissidents prefer silence on Balkans

Coerced by Blair and Gore into "solidarity" with the NATO air war, Germans are trapped.

An old German saying warns that you cannot build a home without building a wall first, which in politics, means that you cannot have cooperation without being constructive. Apparently, this wisdom was absent in Bonn, when Russian Prime Minister Yevgeni Primakov arrived there on March 30, coming from six hours of talks with Serbia's President Slobodan Milosevic. Primakov's plan was to discuss with Chancellor Gerhard Schröder, in Schröder's capacity as the current chairman of the European Union, ways to get off the air war track and back to diplomatic talks.

But Schröder, doing what even the German media admitted other NATO leaders had told him to do, rejected Primakov's message as "unacceptable."

German television news broadcasts that evening showed a stone-faced Schröder standing beside a much livelier Primakov, after their short meeting. In Moscow three hours later, Primakov told journalists that he did not view the Bonn meeting and his talks in Belgrade as a failure just because NATO would not stop its air war against Serbia. Primakov used an old Russian saying, that "the appetite comes with the eating," to indicate that he was confident that the time for renewed cease-fire proposals would come.

The German government has been coerced into an insane "solidarity" with the hawks in NATO on the Balkans, and it is coming under massive pressure from the population, including from labor and industry, which do not want to see tensions generated by NATO geopolitics spill over into German industrial relations with Russia.

This pressure, including the strong peacenik "anti-war" currents in both government coalition parties (Social Democrats and Greens), is making it difficult for Schröder to maintain "solidarity" with the NATO hawks.

There is a reason for him to look stone-faced. During the cabinet session on March 31, one day after Primakov's visit, Schröder urged that no one question "solidarity." "We must face up to our responsibility.... Whoever is spreading doubts from this desk to the public outside, no longer has a place here. The decisive point in fighting the butcher of humans in Belgrade, is our own firmness.... Germany's reasons of state include its part in the Western Alliance."

This message was not only designed to please London and other NATO hawks' strongholds, but also addressed those in Germany who, particularly after reunification, have been hoping to improve Germany's status in NATO. This author has had many discussions over the years with pro-American politicians among the Christian Democrats, Social Democrats, and Free Democrats, who have argued that, in order to intensify the alliance with the Americans, the Germans would have to shoulder more direct military burdens in the Balkans, to equal the status of the British and the French, and to be able to convey German interests inside the alliance. Now, these Germans are grabbing for what they view as a "chance to get in," through the prominent role that Germany is playing with logistics and the air force contingent in the NATO air war.

This is dangerous nonsense, be-

cause it puts pro-American Germans in a trap: On one side, they are pulled into a British script for military confrontation with "rogue nations," a scenario run under the auspices of the oligarchical circles that want a "new NATO strategy." On the other, they are contributing to growing anti-Americanism among those, like the peaceniks, who have always been against the United States, and those drawn into anti-American positions because there are good reasons to disagree with the NATO air war. And, it makes it impossible for Germany to maintain a dialogue with the Russians. Over the first two weeks of the war, the climate in Germany has grown increasingly hysterical, and Schröder's rejection of the Primakov offer and his address to the cabinet are just two among the more spectacular events.

But at the same time, government officials and other institutions have begun to send out signals to Moscow that Germany is uneasy about the war in the Balkans, and that it would prefer diplomatic efforts—as long as they do not conflict with Germany's "solidarity" with NATO. At the same time, German officials keep telling the Russians that they sympathize with "softer" conditionalities on Western loans for Moscow — as long as they do not interfere with the International Monetary Fund fundamentals. This is like saying that one wants to have a home, but without having to build a

Germany is heading for a policy disaster. The government, which is already teetering on the economic abyss, may fall over the Balkans issue. And, who knows: When Primakov spoke of "the appetite that comes with the eating," he might have been thinking of a new German government. After all, Primakov's government seems to have more support in Russia, than Schröder's does in Germany.

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ERStrategic Studies

De Gaulle, JFK, and stopping war: a lesson for today

by Mary M. Burdman

Thirty-five years ago, on Jan. 27, 1964, France, led by President Charles de Gaulle, became the first leading Western nation to establish full ambassadorial relations with the government of the People's Republic of China. De Gaulle had sent Edgar Faure, who had been President of the Council (Prime Minister under the Fourth Republic), to China in late October 1963, to discuss setting up diplomatic relations with the Chinese government. On Nov. 2, Faure signed a protocol of agreement for establishing relations, and then, upon his departure from China, stopped over in India to meet with Prime Minister Jawaharlal Nehru, as he had visited Prince Norodom Sihanouk in Cambodia, on his way to China. Upon his return to France, Faure presented his agreement to President de Gaulle in the Elysée Palace—on Nov. 22, 1963.

That same day, U.S. President John F. Kennedy was assassinated in Dallas, Texas.

Jean Lacouture, the biographer of de Gaulle, wrote: "The General had taken recognition of [Faure's agreement with China] when he received his envoy, on Nov. 22, 1963, the same day as the assassination of President Kennedy—which, together, they deplored, since, wrote Edgar Faure, 'we had the vague idea that the Americans would draw advantage . . . of our initiative, notably for the part of it concerning Vietnam. . . . I think that that would have (or, could have) been the case for the Kennedy administration.' "

De Gaulle declared a full week of national mourning in

1. In 1950, Great Britain had recognized the existence of the P.R.C. government, on the basis that Britain always recognized whatever government was in place, and, in June 1954, established a chargé d'affaires in Beijing. Britain, however, adhered to the economic blockade imposed on China by the United States. Britain did not exchange ambassadors with China until March 1972, after China re-gained its seat in the United Nations in October 1971.

France for the murdered American President.

On Jan. 31, 1964, President de Gaulle explained his reasons for recognizing the government of the People's Republic of China. Not only was it necessary to recognize "the world as it is," because, "for 15 years, almost the entirety of China" had been "brought together under a government that applies to it its law [and] manifests itself to be a sovereign and independent power," he said. But also, France had a clear interest that the prolonged wars in Indochina should finally be ended, and that it would be impossible to do so without engaging the great nation of China in that process.

De Gaulle was certainly also aware of the role which Chinese Prime Minister Zhou Enlai had played in the Geneva conference ten years earlier, in the effort to create "an area of collective peace" in Indochina.

France and China also had joint economic interests, de Gaulle said. France was producing more and more valuable technologies, "for which China has an infinite field of uses." France, de Gaulle said, thought "that sooner or later, some governments that are still hesitating will favor following its example."

Vietnam and the Cultural Revolution

Had John Kennedy lived, the United States might have been spared the debacle in Vietnam, about which de Gaulle had warned him during their first meetings in Paris in 1961. There are many indications that, shortly before his death, Kennedy was considering withdrawing U.S. troops from Vietnam. These include papers released from U.S. archives in December 1997, which include an October 1963 memo from Gen. Maxwell Taylor to the U.S. Joint Chiefs of Staff, telling them to prepare for the withdrawal of all U.S. military personnel from Vietnam by the end of 1965. Most compelling,

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President John Kennedy (left) and President of France Gen. Charles de Gaulle. Said de Gaulle of the American President: "John Kennedy had the ability, and had it not been for the crime which killed him, might have had the time to leave his mark on our age."

are the statements of Kennedy's brother Robert, before he was assassinated during his own Presidential campaign in 1968, that John Kennedy had been determined to avoid a land war in Asia.

Had Kennedy followed de Gaulle's lead, 15 more years of estrangement between the United States and China—the world's largest developed nation, and the world's largest developing nation—might well have been avoided.

In China in 1963, Liu Shaoqi was President, Zhou Enlai was Prime Minister, and Deng Xiaoping, from his position on the Communist Party Central Committee Secretariat, was the day-to-day administrator of China. Liu and Deng were the architects of the nation-building economic policies, which had been attempted several times since 1949, and finally were implemented consistently beginning in 1978. Zhou Enlai, who, in cooperation with the independent Republic of India's first Prime Minister, Jawaharlal Nehru, promoted the "Five Principles of Peaceful Co-Existence," was another great nationalist leader of China, and along with Marshal Nie Rongzhen, father of China's nuclear program.

The power of Mao Zedong, who had already been "retired" once in 1959, was vulnerable in the wake of the economic disasters of the Great Leap Forward. Mao's Cultural Revolution, which killed Liu Shaoqi, ousted Deng Xiaoping, and besieged Zhou Enlai, had not yet been unleashed. There is reason to consider that, had the United States, along with France, established diplomatic ties with China, with the intention to supply China with the advanced technologies neces-

sary to develop an economy of well more than 650 million people, devastated by 30 years of war and civil war, the upheavals of the Cultural Revolution might have been avoided.

As history transpired, the opportunity to open relations between the United States and China fell to the geopolitician Henry Kissinger, who, as Kissinger himself confessed at the Royal Institute of International Affairs on May 10, 1982, always held British policy interests above American interests. President Richard Nixon wanted to open ties with China; Kissinger, as his Secretary of State and National Security Adviser, first visited Beijing in July 1971. The visit of President Nixon followed in February 1972. Even so, the United States did not establish full diplomatic relations with China until January 1979.

Nationalist policies

After he established the Fifth Republic in 1959, de Gaulle's policy toward Indochina, and Vietnam in particular, reflected France's disastrous experiences there after World War II. De Gaulle had drawn a profound lesson from this debacle, and determined that he and France would make every effort to prevent history from being repeated.

De Gaulle was also a statesman, who understood well the genuine power of effective war-prevention. He insisted that France must develop its own, independent *force de frappe* nuclear capability, and deploy it, as the "dissuasion du faible au fort": a weak power's deterrence against the strong. His finger on the nuclear trigger, de Gaulle said, could be used to

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stop wars from happening. He insisted that the force de frappe be kept independent within NATO, so that France could deploy it in French national interests: perhaps against the East bloc, but also, if needed, "à tout azimuts"—against any enemy.

For carrying out such nationalist policies, de Gaulle's life was threatened repeatedly, by the same networks that assassinated President John Kennedy.²

In Kennedy, de Gaulle had found an American President he considered an "interlocutor." Franklin Roosevelt and de Gaulle had been hostile toward each other. One source of conflict was that, during World War II, Roosevelt had wanted de Gaulle to form a coalition with the incompetent Gen. Henri Giraud, whose associates, such as resistance leader Marie-Madeleine Fourcade, abandoned him to work with de Gaulle. Also, the United States was the only anti-Axis government to recognize the Vichy regime in France, and to maintain an ambassador, Adm. William D. Leahy, an admirer of Marshal Pétain, at least until December 1941.

However, the most serious source of conflict was that Roosevelt despised French colonial policy, and was determined that, once World War II were won, France would not be allowed to re-take control of its colonies in Indochina. De Gaulle opposed Roosevelt's anti-colonial policy; in the period immediately following World War II, he was determined to reestablish French control over its colonies, although with the long-term goal of eventually creating an international union of all nations influenced by French language and culture.

These conflicts were never resolved. De Gaulle mistrusted Roosevelt's successor, Harry Truman; with Dwight Eisenhower, his relations were cordial, but, as Lacouture wrote, "the questions went unanswered."

However, President Kennedy "posed the questions, understanding that de Gaulle could be the best defender of the rights and traditions of the West, and could want a profound transformation of the Atlantic Pact." De Gaulle and Kennedy, both Catholics (John Kennedy was the first, and only, Catholic ever elected U.S. President) were also brought together by the efforts of Pope John XXIII, whom Kennedy met at the Vatican in spring 1961.

De Gaulle was very optimistic about relations with the United States after meeting Kennedy. As he wrote in his *Memoirs of Hope: Renewal and Endeavor*, 1958-62: "The new President was determined to devote himself to the cause of freedom, justice, and progress. It is true that, persuaded that it was the duty of the United States and himself to redress wrongs, he would be drawn into ill-advised interventions. But the experience of the statesman would no doubt have gradually restrained the impulsiveness of the idealist. John Kennedy had the ability, and had it not been for the crime

which killed him, might have had the time to leave his mark on our age."

No peace in Indochina

Indochina was occupied by Japan in 1941, although the Japanese allowed the French colonial representatives of the Vichy regime to remain nominally in power until March 1945, when the Japanese staged a coup and took full control.

Already in 1942, Franklin Roosevelt had Indochina assigned to the China war theater, but British Prime Minister Winston Churchill demanded the creation of a South East Asian Command (SEAC), which was assigned to Lord Louis Mountbatten, a grandson of Queen Victoria, in November 1943. The United States, however, insisted that Indochina and Siam (Thailand) be excluded from SEAC, and assigned to U.S.-Chinese command.

Yet, after the death of Roosevelt, and Truman's succession, all the lines were rapidly redrawn. At the July 17, 1945 Potsdam Conference, the division of Mountbatten's SEAC and U.S. Gen. Douglas MacArthur's South West Pacific Area was changed, and those areas of Southeast Asia which had previously been under MacArthur's command, were turned over to Mountbatten. The changes were formally announced on Aug. 15, 1945. Thus, Java and Sumatra, the most densely populated islands of Indonesia (which had been a Dutch colony when the Japanese invaded in 1941, and was still claimed by the Dutch), and the portion Indochina south of the 16th parallel, close to the later division of Vietnam, were shifted to the British command. As of October 1945, all U.S. activities in SEAC ceased, on the decision of the U.S. Joint Chiefs of Staff.

This was a big change. Not only Roosevelt, but also American military leaders in the Asian theater in World War II, including Generals Joseph Stillwell and A.C. Wedemeyer, Stillwell's successor in China, had despised the British, both for their military incompetence and their obvious determination to re-assert colonial control after the war. Among U.S. military in the region, SEAC was better known as "Save England's Asian Colonies." The British were open about their opposition to Roosevelt's intentions for Indochina: Sir Alexander Cadogan, Permanent Undersecretary of the Foreign Office, noted in February 1945, that the area would create problems for Anglo-American relations, and the basis of the whole dispute was "the President's sinister intentions in regard to Indochina."

Roosevelt definitively told Secretary of State Cordell Hull in January 1943, that Indochina "should not go back to France." He did not call for its immediate independence, however. At the Cairo Conference in 1943, Roosevelt proposed that, after the defeat of Japan, a trusteeship should be established in the region for 25 years. However, at Yalta in February 1945, the issue was set aside, to be decided at the conference to establish the United Nations in San Francisco in May. After the Japanese coup against the Vichy government, Roo-

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^{2.} See Mark Burdman, "Permindex Revisited: British Threaten Clinton and Chirac," and Joseph Brewda, "Permindex Oversaw Assassination of Kennedy, Attempts on de Gaulle," *EIR*, Sept. 8, 1995.

sevelt did agree to allow the French resistance forces to go to Indochina to fight Japan. France might be Indochina's trustee, Roosevelt stated in March, "with the proviso that independence was the ultimate goal. . . . It must be independence, . . . and you can quote me at the State Department."

On April 12, 1945, Roosevelt died. Truman immediately modified Roosevelt's policies, and only weeks after the President's death, at the UN Conference in San Francisco, Secretary of State Edward Stettinius and Assistant Secretary of State Joseph Grew told the French delegation: "The record is entirely innocent of any official statements of this government questioning, even by implication, French sovereignty over Indochina."

French rely on Japanese troops

The actual situation in Indochina at the time of the Japanese surrender on Aug. 15, 1945, was astonishing. Japan had been defeated by General MacArthur's strategy of striking the Japanese at strategic points where they had the least forces, leaping over many Japanese concentrations of forces which, once cut off from the Japanese home islands, were left essentially to rot. However, in the SEAC command, except within Burma, the Japanese were never defeated in battle. At least 600,000 undefeated Japanese troops were still occupying huge areas throughout Indochina and Indonesia.

For many months after the end of the war, France did not have the resources to make any decisive intervention in Indochina. British forces in the region, as was the situation throughout the war, were "imperial" forces—the vast majority of "British" troops were actually Indian troops. France was in an even worse condition, totally dependent on British forces and resources.

After the Japanese surrender, Mountbatten assigned Maj. Gen. Douglas Gracey of the 20th Indian Division to go to Saigon. The situation there was moving rapidly. The Viet Minh, led by the nationalist Ho Chi Minh, had deposed Emperor Bao Dai and, on Aug. 23, set up a provisional government in Hanoi, Saigon, and Hue. On Sept. 2, 1945, in Hanoi, Ho declared the Democratic Republic of Vietnam, reading a Declaration of Independence, which quoted directly the opening passages of the American Declaration of Independence of 1776.

The only basis, on which the imperial powers, Britain, Holland, and France, could return to the region, was by using the power of the still-present, defeated Japanese military.

When Gracey arrived, Japanese General Terauchi was given responsibility for maintaining "order." The airfield was surrounded by Japanese soldiers; they "guarded" the way into Saigon. Gracey refused to meet the Viet Minh delegation, and intervened against the Viet Minh government, banning newspapers, demonstrations, meetings, and weapons throughout south Indochina. The battle was closed; the Viet Minh called a general strike, and on Sept. 23, Gracey and the French colonialists staged a coup in support of French

imperial rule. Indian troops began disarming the Viet Minh police, and took over the Treasury, post offices, and other offices from the Vietnamese. French colonialist atrocities against the population abrogated future negotiations. While the Vietnamese were disarmed, armed Japanese troops "maintained order" inside Saigon and beyond. When French General Leclerc finally arrived in Saigon on Oct. 5, his route from the airport to Saigon was lined with armed Gurkhas of the British Army, and Japanese soldiers.

The Viet Minh continued to demand the reestablishment of the government ousted by the coup, the disarming of French forces, confinement of French nationals within certain areas, and the end of British military assistance to the French, but all demands were rejected by Gracey. The situation deteriorated rapidly.

France began to bring in its troops from Europe in November 1945. This in no way resolved the situation. These French troops were by no means necessarily sympathetic to the situation they found: Many of them had been recruited from the "maquis," the resistance fighters in France, and wanted to fight the Japanese, not the "Vietnamese maquis."

In January 1946, the British surrendered their "control" to the French; on March 26, 1946, with the repatriation of the Japanese military finally under way, the last "British" troops left Indochina. American Lend Lease matériel, which had been used by the British, was turned over to the French forces, with the consent of President Truman.

Ho Chi Minh's Declaration of Independence

In this situation, an alternative existed. One group within the American Office of Strategic Services (OSS), led by Capt. Archimedes Patti in Hanoi, had developed very good ties with Ho Chi Minh and the Viet Minh, and supported Vietnamese independence.

During the war, Ho Chi Minh wrote admiring letters to Roosevelt from his guerrilla headquarters in the jungle. In February 1945, when Viet Minh guerrillas rescued an American pilot shot down by the Japanese, Ho Chi Minh accompanied him 600 kilometers to Allied headquarters in Kunming, China, where Ho met Charles Fenn, of the OSS. Ho also met Gen. Claire Chennault; he was flown back to the border in mid-April on an American plane, carrying a signed photo of the famous Chennault and six U.S. pistols. Ho was also accompanied by two Chinese-American officers, a radio operator, and an intelligence officer. In mid-July, a six-man OSS training team parachuted into Viet Minh headquarters in Tan Trao, to train a 100-man "Vietnamese-American company." After the Japanese surrender in Tokyo, Ho's force marched to Hanoi, still fighting the Japanese, and accompanied by OSS officers.

When Ho Chi Minh read out his Declaration of Independence, Captain Patti was present. Two U.S. Lightnings staged a fly-past for the celebrations. The French population of Hanoi was kept confined; the Americans moved about freely. Ho

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sent a message to the United Nations, transmitted by the OSS, that if Vietnam were not granted independence, it would fight for it. A message was also sent to de Gaulle, in the name of Emperor Bao Dai, saying: "You would understand better, if you could see what is happening here, if you could feel this desire for independence which is in everyone's heart and which no human force can any longer restrain."

De Gaulle's envoy to Saigon in southern Indochina, Vice Adm. Thierry d'Argenlieu, was worse than useless, but Maj. Jean Sainteny, who had been head of de Gaulle's wartime military mission in China, at Kunming, saw a real possibility of a political settlement with Ho Chi Minh, whom he greatly respected. Sainteny went to Hanoi as France's first postwar emissary, where he witnessed the establishment of the Viet Minh government in northern Vietnam.

Sainteny wrote (although not positively) of the demonstration in Hanoi, on Sept. 14, 1945, "which marked Vietnam's declaration of war on the British Empire. Throughout this memorable day, Vietnamese youths marched through the streets of Hanoi, waving, shouting, and carrying banners which informed the British Empire that, Vietnam having declared war, if the empire did not want to become involved in the direst catastrophes, it had no alternative but to withdraw the troops which General Gracey had just landed in Saigon."

Yet, only one week after the declaration of independence, Washington told the U.S. agents in Hanoi that steps were being taken "to facilitate the recovery of power by the French." By mid-October, all U.S. uniformed personnel were ordered to leave Indochina.

Another group of 12 OSS men in Saigon, led by Lt. Col. Peter Dewey, developed contacts with a whole range of groups, including the local Viet Minh. Gracey, after he arrived on Sept. 13, complained of Dewey's activities as subversive; Dewey was killed at a Viet Minh roadblock to the north of Saigon on Sept. 26, 1945.

The 'Gandhi of Indochina'

The growing French forces went first to Saigon, "retook" southern Vietnam and Cambodia, and then made an assault on Tonkin.

Sainteny, however, maintained his respect for Ho Chi Minh. He wrote of Ho in early 1946, "His wide knowledge, his intelligence, his unbelievable energy, his abstemiousness and his total dedication had earned him incomparable prestige and popularity in the eyes of the people. It is undeniably tragic that France had minimized this man and not known how to understand his strength and the power which he commanded. . . . His words, his conduct, his attitude, his personality all led to the conviction that he was opposed to the use of force. Throughout this period, it is beyond question that he aspired to become the Gandhi of Indochina."

Sainteny also considered Vo Nguyen Giap, a doctor of law, a "brilliant product" of French culture.

Although the French were already fighting the Viet Minh

in southern Vietnam, on March 6, 1946, Ho and Sainteny signed an accord that the French could return peacefully to Hanoi. Soon thereafter, General Leclerc came to Hanoi. The Viet Minh ordered a cease-fire for all Vietnam; France recognized the Republic of Vietnam as a "free state with [its] own government, parliament, army, and finances," but as part of the Indochinese Union and the French Union—an entity yet to be established.

The political chaos that was the French Fourth Republic, aborted this potential step toward a peaceful resolution of the crisis. The new government in Paris recognized a separate "state" in southern Vietnam, undermining Ho Chi Minh. The 1946 Fontainbleau conference refused to recognize the Viet Minh government, despite the fact that it was the only one in all Indochina which had been democratically elected, in National Assembly elections in 1945. In the wild, right-left political battles in France, Vietnam was an "issue" only as it could be used by one faction against the other; there was no policy beyond French party politics. Ho's peace proposals were rejected. By the end of 1946, the Viet Minh government moved out into the jungle, and full-scale war began.

In Paris for the Fontainbleau conference, Ho had met the U.S. Ambassador, and told him that the Viet Minh wanted independence within the French Union, rather than communism. However, the United States did not exercise any pressure on the French to negotiate, as they had pressured the Dutch on Indonesia.

The war degenerated, sinking into quicksand. Like the Japanese forces in China in the 1940s, outside the cities the French controlled only the roads, and those only during the day; all other areas were contested.

In 1949, a government under former Emperor Bao Dai was set up in Saigon and promised "independence" by the Fourth Republic. This "government" was recognized by the United States, and U.S. financial support for the French war effort soared: By 1954, the United States was paying for 80% of the French war effort. Already by 1951, France was using napalm supplied by the United States.

In the same period, by December 1949, the Chinese People's Liberation Army had reached the border with Vietnam; by January 1950, China and the Soviet Union recognized Ho Chi Minh's Democratic Republic of Vietnam.

'The last stronghold'

In 1953, General Giap moved his forces toward the Mekong Valley via Laos. The potential for the Viet Minh to reach Cambodia and southern Vietnam by this route, induced the French, in November 1953, to take the ill-fated decision to set up a stronghold in the highlands west of Hanoi. The place selected was called Dien Bien Phu. On March 13, 1954, the French forces there came under heavy assault by the Viet Minh.

U.S. Secretary of State John Foster Dulles, that most committed cold warrior, was quick to rattle his atomic sabre. In

May 1952, Dulles announced the U.S. policy of massive retaliation to stop even prospective "aggressors." They must be convinced in advance, that they would be "subjected to retaliatory blows so costly that their aggression [would] not be a profitable operation," Dulles stated. In January 1954, Dulles spoke at the New York Council on Foreign Relations, where he warned China against any intervention in Indochina in support of Ho Chi Minh. American policy, proclaimed Dulles, was "to depend primarily upon a great capacity to retaliate instantly by means and at places of our choosing." This retaliation would use "a selection of military means, instead of a multiplication of means," as the way to get what Dulles termed protection, against "an aggressive state, which was glutted with manpower." He warned that if China intervened in Vietnam, it would incur "grave consequences which might not be confined to Indochina."

As the situation in Dien Bien Phu worsened for the troops of French Expeditionary Force, Chairman of the U.S. Joint Chiefs of Staff Adm. Arthur Radford warned of what he called the danger of the "communization" of all Asia, and proposed the use of tactical atomic weapons against the Viet Minh. This was not approved: The proposal was submitted orally to General MacArthur, then Counselor to the Defense Department, who opposed even threatening the use of such weapons.

Later, in April 1961, MacArthur also met President Kennedy, and advised him not to commit American ground forces to a war on the Asian mainland; after the meeting, Kennedy told an adviser that he would not risk sending U.S. troops to Indochina. MacArthur repeated this advice to Kennedy in 1963, and after Kennedy's assassination, to Lyndon Johnson, but in vain.

The Viet Minh destroyed the French airstrip at Dien Bien Phu, and cut off all supplies. The French Expeditionary Force was rapidly destroyed. They capitulated on May 7, after the loss of 15.000 lives in less than two months.

Geneva: an effort to end the war

Russian Foreign Minister V.M. Molotov proposed the five-power conference, including China, which was convened in Geneva in May 1954 to negotiate a settlement for Vietnam.

In France, Pierre Mendès-France became Prime Minister in June 1954. Acting decisively, Mendès-France declared that he would end the war in Vietnam within 30 days, by July 21, or resign. The Prime Minister meant what he said: He gave force to his policy, by declaring that if no cease-fire were agreed to at Geneva, France's General Assembly would have to enact conscription to raise an army to fight in Vietnam. Such a law would never have passed, as Mendès-France well knew, and he went to Geneva to negotiate a settlement. He and Ho finally agreed to partition Vietnam at the 17th parallel, and to hold elections for final reunification within two years.

(In his brief period in power, Mendès-France, an admirer



Pierre Mendès-France became Prime Minister in June 1954, and acted decisively to end the war in Vietnam. He and Ho Chi Minh agreed to partition Vietnam at the 17th parallel, and to hold elections for final reunification within two years, but the government of the United States, as well as those of Hanoi and Saigon, refused to sign the accord.

of the New Deal policies of Franklin Roosevelt and a founder of the French Atomic Energy Commission, attempted to build up France's nuclear potential within the European context, but de Gaulle later said that France must build its nuclear energy program on the basis of its own national resources. Mendès-France also attempted to solve the crises of Morocco, Tunisia, and Indochina, but he was ousted by pro-Anglo-American forces. A Jew, he was later attacked by the French right wing for his efforts to resolve these critical situations: Along with de Gaulle and Roosevelt, he was labelled a "seller" of the French empire.)

The concept of an overall solution for the political situation in Indochina based on the independence and neutralization, or non-alignment, of the three nations in the region—Vietnam, Cambodia, and Laos—was put forward at the Geneva Conference by Chinese Prime Minister Zhou Enlai.

This concept of a peace-generating neutralism, was the foundation of Indian Prime Minister Jawaharlal Nehru's international policy. Nehru could be called a "nationalistic internationalist," who strove to pursue peace, not through alignment with any power blocs, but through cooperation among sovereign, independent nations.

On Dec. 31, 1953, India and China articulated the famous "Five Principles for Peaceful Co-Existence," as they opened their negotiations on the status of Tibet. The Five Principles were later incorporated into the Chinese-Indian and Chinese-Burmese joint statements issued during Zhou Enlai's visits to those nations in June 1954.

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The Five Principles are: "mutual respect for sovereignty and territorial integrity, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence."

It was in Geneva, that the notorious incident took place, where John Foster Dulles refused to shake Zhou Enlai's hand. Dulles encountered Zhou in a room, and Zhou, who had not met Dulles before, proffered his hand. Dulles refused all contact, and stalked out of the room.

Despite Dulles, Zhou Enlai played a key role in ensuring that a settlement was achieved. India, Burma, and other non-aligned nations in the region supported the neutrality policy. Zhou himself was motivated by China's urgent need for a peaceful environment to rebuild its own economy.

Neutrality was also welcomed by the Europeans, who were concerned that the implacable, hostile anti-communist stance of Dulles could only prolong the war. Zhou met privately with Mendès-France in Berne in June 1954, where they agreed that a united government should be formed in Vietnam on the basis of a national election, and Zhou agreed to recognize the royal governments of Cambodia and Laos, if their neutrality were confirmed.

Zhou visited India and Burma during a conference recess, in June 1954. In New Delhi, Zhou and Nehru issued a joint statement calling for a political settlement for Indochina and neutrality for all three Indochinese states.

At the beginning of the Geneva conference, Zhou proposed to end the Vietnamese war and prohibit reintroduction of military personnel and armaments into Indochina. This, he said, was the "most important condition" for putting an "end to foreign interference." Zhou warned of the international effects of continued war in Indochina: "The existence of this state of affairs, and its further continuation, hinder the peaceful settlement of urgent international questions, especially those of Asia, and aggravate uneasiness and tension in international relations."

The Geneva Accord, finally signed on July 21, 1954, declared a cease-fire, and pledged that the signatories would not impair the sovereignty, independence, and neutrality of Vietnam, Cambodia, and Laos. Vietnam was partitioned at the 17th parallel, but the accord affirmed that "the military demarcation is provisional, and should not in any way be interpreted as constituting a political or territorial boundary." Elections were to be held in July 1956, to form a national government for all Vietnam.

Military bases of any foreign country on their territories were forbidden. Zhou noted that these measures "will enable the people of the three states of Indochina to engage in the construction of their respective countries in a peaceful environment." In a speech in Beijing in August 1954, Zhou stated that it was now possible to establish "an area of collective peace in Indochina and its surrounding countries."

There was one great flaw: The government of the United

States, as well as those of Hanoi and Saigon, refused to sign the accord. The United States only pledged to refrain from "the threat or use of force" against the arrangements.

Vietnam becomes an American issue

President de Gaulle, in his *Memoirs*, wrote of the autumn of 1958, when he had been appointed Prime Minister as the Fifth Republic was collapsing:

"My aim, then, was to disengage France, not from the Atlantic Alliance, which I intended to maintain by way of ultimate precaution, but from the integration carried out by NATO under American command; to establish relations with each of the states of the East bloc, first and foremost Russia, with the object of bringing about a détente, followed by understanding and cooperation; to do likewise, when the time was ripe, with China; and finally, to provide France with a nuclear capability such that no one could attack us without running the risk of frightful damage. But I was anxious to proceed gradually, linking each stage with overall developments and continuing to cultivate France's traditional friendships.

"As early as Sept. 14, 1958, I hoisted my colors. In a memorandum addressed personally to President Eisenhower and Mr. [British Prime Minister Harold] Macmillan, I called into question our membership in NATO.... My memorandum pointed out that a genuine organization of collective defense would need to cover the whole surface of the earth, instead of being limited to the North Atlantic sector, and that the worldwide character of France's responsibilities and security made it essential for Paris to participate directly in the political and strategic decisions of the Alliance, decisions which were in reality taken by *America alone with separate consultation with England...* As I expected, the two recipients of my memorandum replied evasively. So there was nothing to prevent us from taking action."

However, due to complicated circumstances, including France's lack of nuclear weapons, the unresolved crisis in Algeria, and the threats to Berlin from Nikita Khrushchov, de Gaulle waited.

Beginning in 1959 until 1962, de Gaulle took steps to ensure the independence of Algeria. This process went in phases, first granting Algeria self-determination, then powersharing with France, and finally, full independence in 1962. That this was a cooperative process, is demonstrated by the fact that, as late as 1968-69, the Algerian government agreed to allow France to conduct its nuclear tests in the Algerian Sahara. De Gaulle, when he came to power in 1958, had been supported by the French Army in Algeria, whose leaders had assumed that he would oppose independence. Once in power, de Gaulle acted on the basis of necessity, and not on whoever had supported him. There was a brutal reaction by the pro-NATO elements in the French Army, led by General Challe, resulting in two coup attempts against de Gaulle, in 1960 and 1961.

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De Gaulle meets Kennedy

Early in John Kennedy's Presidency, in March 1961, President of the French National Assembly Jacques Chaban-Delmas visited Washington. De Gaulle instructed him to tell the U.S. President "not to get bogged down in this Vietnam affair, where the United States can lose its forces and its soul." Kennedy authorized Chaban-Delmas to give the French view of a neutralist solution for the region, beginning with Laos, to the Pentagon and State Department.

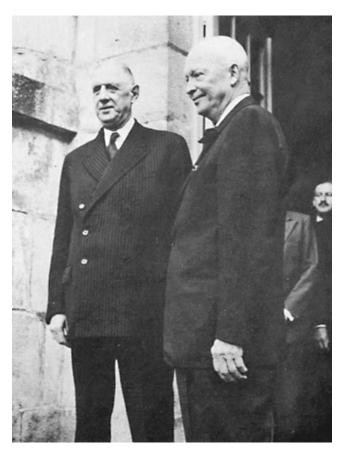
De Gaulle received a positive report about JFK from Chaban-Delmas and from the French Ambassador in Washington, Hervé Alphand.

On May 31, 1961, de Gaulle received President Kennedy in Paris. De Gaulle wrote in his Memoirs of Kennedy: "Chosen to get things done, but elected only by the skin of his teeth; placed at the head of a vast and wealthy country, but one with grave internal problems; by nature inclined to act swiftly and boldly, but hampered by the cumbersome machinery of Federal administration; entering upon the scene in a world in which American power and glory had spread far and wide, but whose every wound was suppurating and in which a hostile monolithic bloc stood opposed to America; enjoying the advantages of youth, but suffering the drawbacks of a novice—in spite of so many obstacles, the new President was determined to devote himself to the cause of freedom, justice, and progress. It is true that, persuaded that it was the duty of the United States and himself to redress wrongs, he was to be drawn into ill-advised interventions. But the experience of the statesman would no doubt have gradually restrained the impulsiveness of the idealist. John Kennedy had the ability, and had it not been for the crime which killed him, might have had the time to leave his mark on our age."

As soon as he had been elected, Kennedy had begun a correspondence with de Gaulle on many issues: the Congo, Laos, his proposed summit with Khrushchov in Vienna.

For de Gaulle, wrote his biographer Lacouture, the golden rule in Indochina had become to prevent any military intervention, of whatever type. He stated this to JFK, who objected, that if the adversary saw no risk of intervention, he would not yield. De Gaulle stressed to Kennedy how complex the problems were, the diversity of the nations of the region, and the role of China, which must be taken into account. There were already Chinese-Soviet tensions, de Gaulle said. Kennedy, however, remained under the influence of the "Manichean thesis of a Communist bloc confronting the Free World, which had the force of law in Washington at that time....

"He arrived in Paris brimming over with dynamism, he and his dazzling and cultivated wife forming a remarkably attractive couple.... It emerged that the attitude of the United States toward France had undergone a very decided change. The day was long past when — traditional friendship aside —



General de Gaulle with President Dwight Eisenhower, in September 1959, where de Gaulle warned the United States against military intervention in Vietnam.

Washington insisted on regarding Paris as just another of its protégés. . . . Now, the Americans acknowledged our independence and dealt with us directly and specially. But . . . basically, what Kennedy offered me in every case was a share in his projects. What he heard from me in reply was that Paris was by all means disposed to collaborate closely with Washington, but that whatever France did, it did of its own accord. . . .

"It was above all on the subject of Indochina that I pointed out to Kennedy how far apart our policies were. He made no secret of the fact that the United States were planning to intervene. In Siam, thanks to the virtually exclusive influence they exercised over the government of Marshal Sarit, they were setting up air bases. In Laos, whose neutrality was about to be reaffirmed at a conference in Geneva, they were nonetheless introducing their 'military advisers' in collusion with some of the local chiefs, in spite of the reservations of Prince Souvanna Phouma and the neutralist party. In South Vietnam, after having encouraged the seizure of dictatorial power by Ngo Dinh Diem and hastened the departure of the French advisers, they were beginning to install the first elements of

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an expeditionary corps under cover of economic aid. John Kennedy gave me to understand that the American aim was to establish a bulwark against the Soviets in the Indochinese peninsula. But instead of giving him the approval he wanted, I told the President that he was taking the wrong road.

"'You will find,' I said to him, 'that intervention in this area will be an endless entanglement. Once a nation has been aroused, no foreign power, however strong, can impose its will. You will discover this for yourselves. For even if you find local leaders who, in their own interests, are prepared to obey you, the people will not agree to it, and indeed do not want you. The ideology which you invoke will make no difference. Indeed, in the eyes of the masses it will become identified with your will to power. That is why the more you become involved out there against Communism, the more the Communists will appear as the champions of national independence, and the more support they will receive, if only from despair.

"'We French have had this experience. You Americans wanted to take our place in Indochina. Now you want to take over where we left off and revive a war which we brought to an end. I predict that you will sink, step by step, into a bottomless military and political quagmire, however much you spend in men and money. What you, we, and others ought to do for unfortunate Asia is not to take over running these states ourselves, but to provide them with the means to escape from the misery and humiliation which, there as elsewhere, are the causes of totalitarian regimes. I tell you this in the name of the West.'

"Kennedy listened to me. But events were to prove that I had failed to convince him. . . .

"Kennedy left Paris. I had been dealing with a man whose ability, whose age, and whose justifiable ambition inspired immense hopes. He seemed to me to be on the point of taking off into the heights, like some great bird that beats its wings as it approaches the mountain tops. For his part, on his return to Washington he was to say in a 'report to the American people' on June 6 that he had found General de Gaulle 'a wise counsellor for the future and an informative guide to the history that he had helped to make. . . . I could not have more confidence in any man.' Having taken stock of one another, we continued on our road, each carrying his burden and marching toward his own destiny."

Six months later, at the end of 1961, the United States doubled its deployment of "advisers" in Saigon.

A real policy for Asia

De Gaulle had the strategic vision to consider a real policy for Asia, then a region of "2 billion people, 50 centuries of history, the infinite space from Sinai to Kamchatka. . . . A Gaullist horizon," wrote Lacouture.

When de Gaulle returned to power in June 1958, Indochina was still only on the verge of cataclysm. In Vietnam, Ngo Dinh Diem's problems were only beginning; in Cambo-

dia, Prince Norodom Sihanouk had made "his neutralism more dynamic by recognizing the P.R.C."; Laos suffered a coup d'état by pro-American Marshal Phoumi Nosavan. From 1958 to 1962, the situation in Vietnam worsened. In December 1960, the National Liberation Front, or Vietcong, was established, and the United States escalated its involvement.

De Gaulle's reactions to the deepening involvement of the United States in Indochina, wrote Lacouture, were inspired not only by his respect for peoples' rights to determine their own destiny, but also by his quasi-prophetic vision of the consequences of this involvement. De Gaulle was "haunted" by Roosevelt's policy of 20 years earlier, to evict France from Indochina. It was one thing to understand—with hindsight—the necessity to finally do in 1954, what had not been done in 1946; it was another to watch Washington walk in France's footsteps.

Had he been a genuine anti-American, de Gaulle might have savored the U.S. course into the swamp, especially because he had forecast each step. He might have perceived an opportunity for France to have greater freedom of action, as the United States became enmeshed, but de Gaulle was far more committed to world peace than to France's opportunities, wrote Lacouture. De Gaulle saw a threat to world peace in the American involvement in Indochina, so close to China, itself in turmoil.

De Gaulle had a strategy for Indochina, which he launched in respect to Laos in 1962. In 1963, he proposed a neutralist solution for Vietnam, and this policy was adopted for Cambodia on Sept. 1, 1966. He expressed the hope that the Vietnamese people would make a "national effort" to attain unity and "independence from foreign influences," and pledged that the French would make every effort to cooperate.

There were indications that North Vietnam was interested in such a proposal, and French officials had been sending out feelers to Hanoi from various capitals. But the situation deteriorated, with the generals' coup and the assassinations of Ngo Dinh Diem and his brother, Ngo Dinh Nhu.

De Gaulle's policy was founded on three ideas: that no military intervention in Asia would serve the cause of the West; that neutrality, at least for the Indochinese nations, or better for all Southeast Asia, would be the best way to establish an equilibrium, on the basis of which China, Hanoi's policy for control of all Vietnam, and the Russian presence in Vietnam, could be dealt with.

De Gaulle had tried to bring Kennedy to support this policy. He also tried to work with all the leaders of the region, especially with Prince Sihanouk of Cambodia, who had chosen the doctrine of the "just middle." If, by their steadfastness, the Vietnamese people had succeeded in convincing de Gaulle of his error, this could also be made true of the Americans.

De Gaulle had warned President Eisenhower against military intervention on Sept. 1, 1959, and President Kennedy on

June 1, 1961, but his cautions were restrained, as long as the American engagement remained limited.

But, after the military coup against Ngo Dinh Diem, and as the Saigon government launched its brutal suppression of the Buddhist protests on Aug. 29, 1963, de Gaulle announced his views on Vietnam to the world. He wrote with his own hand, a statement that France, knowing the "value of this people," wanted Vietnam to "deploy its activity into independence vis-à-vis the outside, into peace and unity internally." Speaking of "the entirety of Vietnam," he said that it was for its people to "choose the means" to achieve unity, and that France was ready to help it in this direction.

De Gaulle did not make an explicit reference to neutrality, but advocated reunification, without civil war. However, in Vietnam, he did not have the capability to carry out this policy, that he had had in Algeria.

Therefore, de Gaulle made a bold move: He established relations with the People's Republic of China, making clear, in his speech on Jan. 31, 1964, that the fate of Indochina was an important element in this decision.

In establishing relations with Beijing, ending, for France, the political, economic, and military blockade that had been imposed on China for 15 years, de Gaulle changed the agenda. The London *Observer* reacted on Feb. 2, 1964: "De Gaulle has just entered Asian affairs like a diplomatic icebreaker," the paper said.

But, wanting only to see this as a "challenge" from the French, the Americans and their Indochinese allies reacted negatively.

About de Gaulle's Indochina diplomacy, Lacouture wrote: "What would it have been without the decisive gesture accomplished [in Algeria] 30 months previously, and which had already made him the privileged interlocutor of the Asian masses? In announcing the establishment of diplomatic relations between France and the People's Republic of China, on Jan. 27, 1964, General de Gaulle saw himself accorded in the Far East—including by India and Japan—a credit without rival.

"The business had been thoroughly reflected on and prepared by him, and conducted by him alone.... The ground had been prepared by the predecessors of Charles de Gaulle from the 1950s: in the course of the Geneva conference of 1954, Pierre Mendès-France had met, in Berne, Chinese Prime Minister Zhou Enlai, whose efforts toward a peace settlement had appeared to be the promise of yet more positive days ahead. But the support given afterwards by Beijing to the Algerian insurgents had blocked the process—to say nothing of the latent veto from Washington, on any rapprochement between the allied and the Chinese revolution.

"This last argument was not of the kind to stop de Gaulle. On the contrary, the minor pleasure that he took in reminding Washington that French diplomacy was elaborated only in Paris, was combined with the major satisfaction, of bringing reason to history, and law to geopolitics. How could it be

possible, not to recognize that China was governed by the powers—good or bad—of Beijing, and not those of Taipei? And how could it be possible, to exclude from the great debates of Asia and the world in general, this giant nation, still exhausted and diminished, but richer in history that any other, and comprising, by itself, a quarter of humanity?"

Chiang Kai-shek remained an issue for de Gaulle, who remembered the common struggle of World War II. The wartime Chongqing government had based its legitimacy on its contribution to safeguarding the independence of China, not on its control of national territory. But on this point, Lacouture wrote, Mao Zedong and Zhou Enlai "had as much title as Chiang—for whom no organized movement, on the Chinese mainland, seemed any more to support the claim to legitimacy."

As he wrote when he returned to power, de Gaulle made the recognition of Beijing a long-term project, to be realized as soon as the settlement of the Algerian conflict made that possible. In 1957, the General had read *The Serpent and the Tortoise*, a book written by Edgar Faure on his return from a stay in China, whose title was inspired by a poem by Mao. Faure called for establishing a "diplomatic link" between France and the P.R.C. He sent his book to de Gaulle, who sent him a response "totally favorable to [his] point of view," accompanied by his habitual reservation, "If France had a state!"

In 1961, France had one, wrote Lacouture. Then, de Gaulle invited Faure to come "to speak to him about the Chinese problem." Faure counselled caution, until the Algerian conflict were resolved.

Three years later, de Gaulle again asked Faure for his view. By then, not only was the Algerian conflict resolved—by the independence of Algeria in 1962—but China was also facing difficulties due to its frictions with the Soviets. "What better moment to choose to extend them a hand?" Faure asked de Gaulle. He also told the President that he was going to be invited to China.

De Gaulle the statesman said: "Yes, you will go to China. But you will go as my representative."

The trip was combined with two other visits: one, on the way to China, to Prince Sihanouk in Cambodia, and on the way back, to Nehru in India. Lacouture wrote that this was done to cover up the real objective of the trip. But there was also, possibly, more to it. China and India had fought a short, but bitter boundary dispute in 1962—at the same time as the Cuban Missile Crisis—which had taken an enormous toll on the developing sector. Sending his envoy also to New Delhi at this point, was a wise move by de Gaulle.

The President gave Faure a personal letter of accreditation to the Chinese government. Faure noted that, on landing in China at the end of October 1963, the Chinese leaders treated him as a negotiator. "It was Zhou Enlai who took the affair in hand, and established, with Edgar Faure, a protocol of agreement that, on Nov. 2, the French envoy took upon himself to

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sign, with the reservation that it must be approved by the official authorities, as he had only been charged with a mission of sounding things out. . . .

"A visit to Mao Zedong having put the most solemn seal on his mission, Faure left for Europe," wrote Lacouture. During his stopover in New Delhi, he transmitted the agreement to the Elysée. "The General expressed his gratitude when he received his envoy, Nov. 22, 1963, the same day as the assassination of President Kennedy."

With the loss of the young President, the two men were convinced that the conclusion of the affair had to take place in January 1964. De Gaulle made the effort to write to Chiang Kai-shek, on Jan. 14, 1964, to inform him personally. "But," he wrote, "France could not for much longer ignore an established fact."

A discreet mission by Jacques de Beaumarchais (Europe director in the French Foreign Ministry, very close to Couve de Murville) to the Ambassador of China in Berne, made possible the completion of the text initialled in November by Faure. A joint communiqué was simultaneously published on Jan. 27, in Beijing and in Paris, specifying that the two governments had decided "to establish diplomatic relations" and to exchange ambassadors, "in a three-month period." The government of Beijing specified that France had accepted "one China."

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Documentation

De Gaulle: 'We shall talk about China'

On Jan. 31, 1964, de Gaulle spoke at the Elysée Palace on the new relations with China. Here are his remarks:

We shall talk about China.

I have been asked many questions. I shall answer everyone at the same time, and explain what the story is about.

China, a great people, the most numerous on earth; a race whose patient, laborious, and industrious capacity, over thousands of years, has with difficultly compensated its collective lack of method and cohesion, and constructed a very distinctive and profound civilization; a very vast, geographically compact country, although without unity, stretching from Asia Minor and the steppes of Europe, to the vast Pacific shore, and from the Siberian ice down to the tropical regions of the Indies and the Tonkin; a state more ancient than history, constantly resolved on independence, striving, without rest, for centralization, instinctively directed inward and distrustful of foreigners, but conscious and proud of an immutable perpetuity; such China has always been.

Coming into contact with modern nations was very hard and costly. In one century, numerous interventions, expeditions, and Japanese, European, and American invasions, brought it as many humiliations as dismemberments.

These terrible national upheavals, together with the elites' desire to transform their country at all costs, to bring it to the same level of power and living conditions as the peoples that had oppressed it, led China to a revolution. Without doubt, Marshal Chiang Kai-shek, to whose valor, patriotism, and greatness of soul I must pay homage—I am convinced that one day history and the Chinese people will not fail to do as I have done — Marshal Chiang Kai-shek, after having led China to the Allied victory that concluded World War II in the Pacific, had attempted to hold back the flood. But the situation was such that it excluded all possibilities except the extreme. As soon as the United States, which had given the Marshal direct military support on the mainland, had to withdraw, he retreated to Formosa and the communist regime, long prepared by Mao Zedong, established its dictatorship. This took place 15 years ago.

Since then, the enormous effort which, in any case, was necessary for developing natural resources, for industrial development, for agricultural production, for educating the nation, for fighting against the country's inherent scourges—hunger, epidemics, soil erosion, flooding of rivers, etc.—has

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been deployed over the entire territory. As is always the case in a communist system, what had been achieved caused terrible suffering to the people, implacable coercion of the masses, huge losses and waste of goods, the crushing and decimation of innumerable human values. Nonetheless, it appears that at the price of so many sacrifices, some results have been attained, due in part to the action of the totalitarian apparatus and also, largely due to the passion of a proud people, deeply determined to elevate itself, in all cases, and also to the treasures of courage and ingenuity they are able to call forth, whatever the circumstances.

It is true that Soviet Russia, in the beginning, helped China a great deal, providing credits for machinery and purchases of supplies, providing mining and industrial equipment, installing entire factories, direct student and specialist training, sending engineers on site, technicians, skilled workers, etc. This was the time when the Kremlin, using there as elsewhere its rigorous preponderance within the communist Church to support Russian supremacy over the peoples whom a dictatorship similar to its own, had subordinated, counted on keeping China under its thumb, and, thereby to dominate Asia. But the illusion vanished.

Of course, there still remains, between the ruling regimes in Moscow and Beijing, a certain doctrinal solidarity that can manifest itself in the world ideological contest. But under a mantle, more torn every day, appears the inevitable difference of national politics. The least we can say on that subject is that in Asia, where the border between the two states from the Hindu Kush up to Vladivostok, is the longest in the world, the interest of Russia, which keeps and maintains, and that of China, which needs to grow and take, are by no means the same. It follows, that the attitude and action of a population of 700 million, can only be properly determined by its own government. Given that, for 15 years, almost the whole of China has been under a government that implements its laws and manifests itself abroad as an independent and sovereign power, France was prepared to establish regular relations with Beijing. Undoubtedly, some economic and cultural exchanges have already been put into practice. Undoubtedly, we were compelled, as were America, England, the Soviet Union, India, and other states, to negotiate with the Chinese representatives in 1954, when the Geneva Conference determined the fate of Indochina, or, as in 1962, in the same form and in the same city, the situation in Laos was somewhat defined. However, the weight of evidence and that of reason growing, day by day, the French Republic has decided, for its part, that the time is ripe to put its relations with the People's Republic of China on a normal level — otherwise called diplomatic. We have met identical intentions in Beijing, and we know that, on this point, President Edgar Faure, asked to carry out an informal survey on site (who visited China for the purpose at the end of 1963), reported positive indications to Paris. It was then that the two states agreed officially to do what was necessary.

I talked about the weight of evidence and of reason. In Asia, there is no political reality concerning, notably, Cambodia, Laos, Vietnam, or, either India, Pakistan, Afghanistan, Burma, Korea, or Soviet Russia as well, or also Japan, which does not interest or touch China. There is, in particular, no conceivable war or peace, on this continent, in which it would not be involved.

It would, therefore, be absolutely inconceivable without it to have an eventual neutrality agreement regarding the states of Southeast Asia—to which we Frenchmen, for so many reasons, pay such special and cordial attention; neutrality which, by definition, should be accepted by them all, guaranteed on the international scene, and would forbid armed incitements supported by any one of them in another, as well as many-sided interventions from abroad. Neutrality, in this period, seems to be the only situation compatible with a peaceful life and the progress of populations. But also, China's own mass, its values and present needs, the dimension of its future, makes it more and more an object of interest and concern to the world as a whole. For all these reasons, it is clear that France must hear China directly and also be heard by it.

Why not also mention, how fruitful personal relations can be between peoples, if they can be established, thanks to contacts established between two states? We should not entertain too many illusions in this regard. Economic trade, which is now being undertaken, and can, for sure, be improved, will remain limited for a long time. The same is true for investment in Chinese industrial development. But the case is different concerning technology, whose sources in France are more and more valuable, and for which China has an infinite number of uses. Finally, who knows if the affinities between the two nations concerning all things of the mind, given their deep-rooted, reciprocal sympathy and consideration, will not lead them to a growing cultural cooperation? That is, in any case, sincerely hoped for here.

Paris and Beijing have agreed to exchange ambassadors. Need it be said that, on our part, there is nothing in this decision that indicates any approbation for the political system that currently dominates China. After many free nations have done so, by establishing official relations with this state, as it has done with others that are subjected to a similar regime, France recognizes simply the world as it is. It believes that sooner or later, some governments that are still hesitating will follow its example. Above all, it may be, in the immense evolution of the world, that by multiplying exchanges between peoples, we would serve the cause of mankind, that is to say, that of wisdom, of progress, and of peace. It may be, that such contacts contribute to lessening the dramatic contrasts and opposition between different camps that divide the world. It may be that souls, wherever they may be on earth, arrive a bit sooner at the cross-road that France gave to the world 175 years ago, that of liberty, equality, and fraternity.

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ERNational

Gore Presidential campaign runs into a buzz-saw

by Harley Schlanger and Jeffrey Steinberg

Al Gore has wanted to be President all of his life. But, as the prospects of a Gore Presidency via a constitutional coup d'état by impeachment were dashed last February, and as his nascent year 2000 campaign has met with little more than scorn, derision, and disinterest by a large percentage of the traditional constituents of the Democratic Party, Gore's hopes of residing at 1600 Pennsylvania Avenue are beginning to fade fast. Things have reached the point that some leading Democratic Party figures are predicting that, by the summer of 1999, the race for the Democratic Presidential nomination will be wide open, with a new cast of challengers joining Lyndon LaRouche and Bill Bradley.

The aura of the inevitability of Vice President Gore's ascension to the Presidency, which his handlers and the media have done so much to promote, has been replaced by the mocking of pundits and, far more significant, desertions by key Democrats and growing hostility toward his candidacy from major Democratic constituencies. The "Gore Express" is being derailed, and much of the blame for its impending crash can be attributed to the candidate himself.

On April 5, *Time* magazine led off its national news section with a feature entitled "Stuck in the Starting Gate?" *Time* reported on Gore's political near-death experience in Iowa in late March, when he turned a meeting with United Auto Workers officials into a a political brawl, after one worker asked him whether the global warming treaty threatened American jobs. *Time* noted, "Gore's moment is now. Miss it, nervous Democratic veterans say, and he could squander his chances to define the election. Worse, Gore's gaffes and missteps, made all the more conspicuous when he is virtually alone on the stage, could harden into a perception that he is not up to the job."

And lately, there has been no shortage of gaffes. In trying to "reinvent" himself as an interesting character who can relate to the "average American," Gore has succeeded only in highlighting how untrustworthy he is. His claim to be the inspiration for writer Erich Segal's *Love Story* was denounced by the author; his assertion in a recent interview with CNN's Wolf Blitzer that "during my service in the U.S. Congress, I took the initiative in creating the Internet," brought hoots of derision from all quarters.

To top it off, this child of privilege, whose family was bankrolled by the notorious Armand Hammer, who was raised in a luxury hotel in Washington's "Embassy Row" and attended elite private schools, told the *Des Moines Register* that he's just a working stiff who has shoveled hog manure, cleared land, and plowed fields with a mule team—a confession as touching, and believable, as Linda Tripp's claim that she's "just like you," a typical "soccer mom." Comments like these led *Houston Chronicle* columnist Jane Ely to write that Gore, "long noted as being rather spectacularly straight arrow and Boy Scout honest . . . also seems to have a supertalent for defensive lying."

The real Gore emerges

The really bad news for Gore, however, goes far beyond his problem of foot-in-mouth propensity, which rivals another former Vice President, George Bush. While Gore has been playing the fool, the growing citizens' movement behind the candidacy of Lyndon LaRouche has been focussing attention on the real Gore, by circulating the *New Federalist* pamphlet, "The Pure Evil of Al Gore." It is Gore who, as LaRouche wrote in "Al Gore and Adolf Hitler" (included in the pamphlet), was chosen by the British-American-Commonwealth

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financial oligarchy as the point-man in their coup against President Clinton, and key operative in their drive to destroy the potential for a U.S. alliance with Russia and China to establish a new monetary system.

In getting this pamphlet into the hands of hundreds of thousands of voters who are part of the traditional Franklin D. Roosevelt coalition of core constituencies of the Democratic Party, LaRouche Democrats are providing answers to their questions, such as why they don't like Gore. From his radical anti-growth environmentalism to his support for depression-inducing free trade, Gore is a rabid promoter of policies which are destroying the nation, and collapsing the living standards of these core constituencies.

Gore's "deep ecology" beliefs, put down in black and white in his 1992 book *Earth in the Balance*, clearly place him in the camp of Prince Philip, the international head of the World Wildlife Fund who has publicly called for the reduction of world population by 80%. Even a Democratic National Committee "opposition researcher" described Gore's environmental views as insane. Critics renamed Gore's *Earth in the Balance* as *Mein Planet*, a direct reference to Adolf Hitler.

A recent issue of *National Review* featured Gore's crazy environmentalist beliefs in a cover story, that prompted syndicated columnist Ben Wattenberg to write, in the March 26 *New York Post*, that "Democrats now see Gore as a potential big problem. They think, with some real merit, that they have a good chance of recapturing the House of Representatives and possibly even the U.S. Senate. But that's not likely to happen if the Democratic candidate at the top of the ticket loses solidly."

Signs of the fall

The implosion of his campaign was clear to those at the California Democratic convention on March 25-28 in Sacramento. Of 2,700 delegates registered, only 1,700 delegates attended, and many elected officials also stayed home. There was a conflicting mood among delegates. While many revelled in self-congratulation over the sweeping victories in 1998 statewide elections, they showed concern over the prospect of Gore leading the ticket in 2000. Typical was one statewide official who dejectedly asked, "Who else is there?" when confronted with Gore's rapid slide in the polls.

LaRouche delegates at the convention handed out several thousand copies of the "Pure Evil of Al Gore" pamphlet, and copies were prominently displayed in the empty chairs of the VIP section when Tipper Gore addressed the convention. Al Gore did not attend. According to a report in the *Sacramento Bee* On-Line, the official word—that he stayed home to remain involved in the Balkans war—was only part of the story. The White House had been told "that support for Gore . . . would not be overwhelming," and that it would be better politically if Gore did not attend, so that his opponent, Bill Bradley, would not attend. After all, an enthusiastic reception

for Bradley would be highly embarrassing for Gore. The *Bee*'s coverage concluded by noting that there is a "lack of enthusiasm for his candidacy at the grass roots."

Gore's troubles mount

That Gore is in trouble in California, a state which gave Clinton huge majorities in 1992 and 1996, was confirmed by a Field poll, which showed that more than 60% of Californians polled did not name Gore as their choice for President. There is a revolt brewing against him among Hispanics, especially because of his aggressive push for free trade policies such as the North American Free Trade Agreement (NAFTA), which has lowered wage scales in the United States and Mexico. Some Hispanic labor leaders who delivered votes for Democrats in 1996 and 1998, have announced that they are looking for other choices. The same is true among key African-American leaders, who are disgusted with Gore's alliance with Dick Morris in promoting "Third Way" attacks on the role of government, which they see as betraying the ideals of the Civil Rights movement.

The one area of support for Gore in California is around San Jose, home to billionaire yuppies who made their fortune in speculative stocks related to the Internet. Whenever he is in California, Gore makes a pilgrimage to Silicon Valley, where he is amply rewarded for his "invention" of the Internet. It is rumored among southern California Democrats that the corrupt Gore, whose close ties to organized-crime networks in Russia are documented in the March 19 issue of *EIR*, gets funds from this crowd due to his strong behind-the-scenes efforts on behalf of the Justice Department's prosecution of Microsoft, the major competitor of Silicon Valley firms.

This may be a source of some of his problems in Washington State, where top Democratic contributors and fundraisers, including many who backed President Clinton's campaigns, will hold a \$1,000-a-person gathering for Bradley on April 22. Among the co-sponsors are a "slew of folks with connections to Microsoft," according to the *Seattle Post-Intelligencer*. An April 2 article noted that a number of key Democrats in Washington State are expressing their fears "that Gore doesn't have what it takes to win the Presidency." Sources have also informed *EIR* that Microsoft chairman Bill Gates could join with Omaha billionaire Warren Buffett in backing an "Anyone But Gore" Democratic Party candidate, possibly U.S. Sen. Bob Kerrey (Neb.), at the first sign that Gore's stumbling is becoming terminal.

And, in early April, even the Silicon Valley diehards began to show signs of tiring of Gore's losing ways. On the day that the Vice President was arriving in the Bay Area, a group of 55 top executives of such core information-age firms as Netscape, Cisco Systems, Microsoft, and Oracle signed a fullpage ad in the San Jose Mercury, praising Texas Gov. George W. Bush for his efforts at encouraging the growth of hightech businesses in the Lone Star State. The message could not have been more obvious.

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'The LaRouche Doctrine' on the Balkans crisis

The following statement was released by Democratic Presidential candidate Lyndon LaRouche's Committee for a New Bretton Woods, on April 7:

1. Recent developments make it urgent that I summarize my personal knowledge of the principal causes and implications of the present tragic folly of the U.S.A. in supporting the British Blair government's orchestration and direction of the presently ongoing war against the rump state of Yugoslavia.

2. This war

This war, like the still-ongoing war against Iraq, is entirely a creation of the Blair government, as "Desert Storm" was adopted by the government of former President George Bush at the behest of the former Thatcher government of Britain, as the same Thatcher government had earlier duped the U.S. government into violating U.S. treaty law by support for the provocation and conduct of Britain's 1982 Malvinas War against its victim, Argentina.

3. Not a war in U.S.A. interest

Any contrary view of these events, whether as individual events, or as a series of events, is either an outright lie, or a case of inexcusable ignorance.

This war, like typical British-orchestrated Balkan wars of earlier during this century, is not a war against atrocities by the Milosevic government; it is a war launched on the pretext of atrocities by that government, atrocities which, themselves, have been orchestrated in a knowing and willful manner by agents and assets of Her Majesty's Blair government.

4. Corruption in Washington, D.C.

The U.S.A. and NATO involvement in this series of wars, was made possible through corrupt U.S. accomplices of the British monarchy's respective Thatcher and Blair governments. These accomplices are the U.S. component of what was created under U.S. President Theodore Roosevelt, as a British-controlled faction inside U.S. official and other powerful institutions.

5. The BAC's crucial role

This entity within influential U.S. official and other strata, was originally known as the faction assembled, through British monarch Edward VII's assets Cassel and Schiff, to become the Wall Street-centered Federal Reserve System. During World War I, this Wall Street-centered set of protreasonous British assets became known as the U.S. component of a "British-American-Canadian" (BAC) formation.

Since the détente process, consolidated step-wise follow-

ing the 1962 Cuba Missiles Crisis, and since the British monarchy's recent decades reorganization of its Commonwealth, the BAC has been enlarged, to become recognized today as the "British-American-Commonwealth" Cabal.

The U.S. component of this Cabal may be identified with certain former U.S. officials of the Nixon, Ford, Reagan, and Bush administrations who have gained so-called honorary titles of British gentry and nobility, conferred by HM Elizabeth II for "outstanding services to the British Empire." (Such titles may be honorable for Britons, but, honorary or otherwise, are utterly dishonorable for U.S. citizens, especially when granted for services performed on behalf of actions in furtherance of British imperalism, while high-ranking U.S. officials.)

The roles of outright BAC lackeys, including such members of the Principals Committee as Vice-President Al Gore, Secretaries William Cohen and Madeleine Albright, and also of certain anglophile assets of Israel as Leon Fuerth, are notable in respect to the way in which the currently ongoing war against Iraq was launched, and in which British intervention, as abetted by Albright, avoided a successful negotiation of a peaceful solution for Kosovo.

6. BAC strategy

The 1989-1999 policies of the British monarchy were first set forth publicly by Thatcher government Minister Nicholas Ridley, during Autumn 1989, in the Thatcher government's declaration that the collapse of the Warsaw Pact shifted British strategic interest to an effort to ruin the economy of a united Germany, if that reunification could not be prevented altogether. This became known as the "Fourth Reich" policy of the Thatcher, French, Yugoslav, and Israel governments. This policy, of ruining Germany, was the basis for the assassination of leading German banker Alfred Herrhausen by a certain European intelligence service, the imposition of the "Maastricht" agreements around the euro, the launching of "Desert Storm" against Iraq (as part of this British "Fourth Reich" policy), and the intentionally ruinous so-called IMF "reform" and "conditionalities" policies which the G-7 governments, and, later, U.S. Vice-President Al Gore, imposed upon the member-nations of the former Warsaw Pact alliance.

This "Fourth Reich" policy coincided with the BAC's shared commitment, to using the elimination of the only capable opposing military superpower, the Soviet Union, as the opportunity for fragmenting the existing nations of continental Asia, especially China and the former Soviet Union, and

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for eliminating the sovereignties of all nation-states to the effect of creating a new world-wide British Empire, an empire constituted by assimilating the U.S.A. components of BAC into de facto integration within a new world empire based upon the Commonwealth as such, rather than an empire of the previously quasi-autonomous member-nations of the Commonwealth. This thrust for world-empire was conducted under the deceptive terminology of "globalization."

Just as the British monarchy's provocation and conduct of its Malvinas War against Argentina was deployed as a precedent for establishing what was known, in 1982, as "NATO out-of-area deployment" (aggressive warfare conducted by NATO outside the area designated for NATO defense), "Desert Storm," "Desert Fox," and the currently ongoing war against Yugoslavia, have been selected as pretexts for establishing a "new NATO"—presently intended to be introduced officially later this month—which will award total control over deployment of NATO forces to the BAC, that is, to the British Commonwealth of Tony Blair's Elizabeth II and its BAC stooges within the U.S.A.'s Wall Street BAC establishment.

For that reason, each of these latter wars—"Desert Storm," "Desert Fox," and the current war against Yugoslavia—are to be recognized as nothing but the intended detonator for a form of World War III evolving out of the combined doctrines of "globalization" and the "new NATO" doctrine already being practiced in the current war against Yugoslavia. This policy is therefore to be regarded as sheer strategic lunacy.

7. The present danger of global war

Global wars do not necessarily start out with the intent of becoming actually global wars. Like Britain's design and launching of World War I, and Britain's putting Adolf Hitler into power in Germany in 1932, global wars usually begin with the intent of conducting wars in a limited area, but to a global purpose. Madmen, typified by those of Britain's Blair government, and the majority of the U.S. Principals Committee, do not intend to fight a global war; they are lunatic utopians, who intend to fight "only one war at a time," since their faction's pro-ecology and globalization policies have destroyed the economic basis needed to support wars on the scales of World War I or World War II. They intend to gain global objectives piece-meal, by fighting not more than one limited war-or, perhaps a war-and-a-quarter-at a time; worse for all of us, they are idiots who believe they are fighting only one war at a time-presently against Yugoslavia (not counting Iraq).

This foolishness of Blair et al. is not the general opinion of high-ranking circles in the U.S.A. or the United Kingdom, for example. Clearheaded thinkers know that these so-called limited wars are nothing but idiocies adopted by hare-brained incompetents such as Prime Minister Blair or Vice-President Gore themselves. Most of these wiser heads, who are already beginning to distance themselves publicly from the military lunacies of Blair, Gore, Cohen, Albright, and company, are



Presidential candidate Lyndon LaRouche. "This war, like typical British-orchestrated Balkan wars, is not a war against atrocities by the Milosevic government; it is is a war launched on the pretext of atrocities by that government, atrocities which, themselves, have been orchestrated in a knowing and willful manner by agents and assets of Her Majesty's Blair government."

slyly positioning themselves, like many leading U.S. Republican Party figures, for the incumbents to bring discredit upon their policies and themselves, thus creating the situation for a new government of the U.K., a Republican victory in year 2000 in the U.S.A., and so on. Nonetheless, all of them are dallying with the rapidly increasing risk of global warfare.

8. Clinton dangles by a thread

President Clinton is presently attempting to balance between two absolutely irreconcilable policies. On the good side, he is defending strategic partnership with Russia and China (and with others); on the other hand, his present policies on "free trade," "globalization," Iraq, and NATO deployments, combined with the detonator of the war against Yugoslavia, threaten to doom Clinton's Presidency to an early consignment to eternal ignominy. The rapidly deteriorating strategic situation, which has been set into motion by the successive recent actions against Iraq, in fostering a "new NATO" policy, and the manner in which he permitted the British government to use its asset, Madeleine Albright, to manipulate NATO into war in the Balkans, will, if continued, ensure that no partnership potentials exist, and, then, the world is headed toward global, prolonged warfare of the sort central Europe experienced during 1618-1648.

The responsibility, but not the blame, lies with President Clinton: it happened on his watch. The guilt lies with the Blair government and its accomplices in both the U.S. Republican (and some other) members of the U.S. Congress, with the BAC-controlled mass media, and others who pounded and hounded this President into a battered state in which he could be manipulated into his presently precarious policy situation. The blame lies with those who do not join with me in working to extricate the President from this monstrous situation.

9. Why it happens now!

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To understand how and why the Blair government was able to lead the world to the present brink of global war, go back to the events of mid-August through mid-October 1998.

Until mid-August 1998, Vice-President Al Gore had succeeded in playing a key role in looting Russia, in partnership with the so-called "Russian mafia," while lining his own pockets with what are fairly regarded bribes taken by a monstrously corrupt elected public official, Al Gore himself. In this way, Al Gore was enjoying hand-outs for his future election-campaign from persons involved in a massive swindle known as "derivatives" speculation on Russian GKOs. Gore's cronies in an entity known as Long-Term Capital Management were a key part of this "John Law Bubble"-style financial swindle. On August 17, 1998, the bubble burst.

Gore acted immediately, behind the back of President Clinton, to attempt to bail out Gore's Wall Street financial angels, by putting Gore's crony Viktor Chernomyrdin back into the position of Russia's Prime Minister—to bail out the LTCM betters. By mid-September, Gore's Chernomyrdin stunt was collapsing; LTCM's situation was hopeless. So, as during the first weeks of October 1998, a series of decisions were made, all leading in the direction of risking global warfare at some early time.

This was the time that Gore exposed his malicious policies toward both Russia and China (nations to which President Clinton had misguidedly entrusted Gore's special relations). During the first half of October, two general developments erupted, in reaction to the looming meltdown of the world's present financial system. The financial blowout of Brazil was the detonator. It was the combination of the threat of Russian default, Brazil collapse, and the ultra-explosive yen bubble, which threatened the immediate doom of the world's present financial system-exactly as I have warned would be the crisis-point reached, as it was reached, during October 1998. The G-7 and their associated central banking systems reacted to the mid-October situation, by: a) unleashing the most lunatic, wildest hyperinflationary monetary and financial expansion in the history of the human species; b) driving toward war, unleashing the Principals Committee's initial efforts to swindle President Clinton into the bombing of Iraq while the President was on a later visit to the Middle East. Every step toward war, including the attempt to break Clinton from strategic partnership with Russia and China, has been a step-bystep—quick-step—movement toward global war since then.

Such combinations of financial-economy crisis and the timing of incidents leading to outbreaks of warfare, are not unfamiliar to the historian.

From their visible public performances, fellows such as NATO's General Wesley Clark, Secretary Cohen, and Chairman Shelton, are silly, if nasty tin soldiers fighting wars designed in a RAND Corporation-style sand box. Political and economic illiterates in history, such as they exhibit themselves to be, should never be entrusted with command responsibilities of so important a nature.

How global war would unfold is not clear, and could not be clear at this time. How it would unfold would depend upon choices yet to be made by (especially) some of the leading powers being arrayed against one another by the "new NATO" policy. A Primakov-led Russia, or a Jiang Zemin-led China will not respond in ways as foolish as those of lunatics such as Blair and Gore.

Nonetheless, these nations presently being targetted by Blair et al., notably Russia and China, have been put on notice that no offering of peace will be made to them with which they could live. Russia, already raped by George Bush's and Al Gore's Russian Mafia cronies, has reached the extreme state that it is ready to explode if provoked more along present lines. In the last ditch, there are major nuclear arsenals which no Russian dare give up to negotiations with Blair et al. China's tough resolve has a different quality, but it is equally decided, if on a longer fuse than the short-fused Russia situation.

Meanwhile, the global financial system is ever closer to meltdown. Under present G-7 policies, that financial meltdown is inevitable for the near future, and will be of such a character that entire nations, including some nations of western Europe, such as Spain, will simply disintegrate under such conditions. We are not looking at the likelihood of a World War II reenacted, but, rather something from early Fourteenth-Century Europe, or the 1618-1648 Thirty Years War, the kind of war novelist H.G. Wells would have adored.

10. The remedy

There will be no successful avoidance of a continued and accelerating degeneration of the global strategic situation, unless two measures are placed foremost on the agenda for immediate action by President Clinton at this moment. Otherwise, the march toward the kind of global warfare which would plunge the entire planet into a new dark age, is more or less inevitable.

a. There must be immediate emergency action to establish a virtually global New Bretton Woods agreement, as I have defined the principled features of such a new system of strategic partnership among perfectly sovereign nation-states.

b. The U.S.A., together with at least one leading continental western European strategic partner (e.g., France, Germany, Italy), must take emergency action to establish a general partnership of economic and other cooperation with the group of states now developing a system of partnership among China, Russia, India, et al. The objectives should be those anti-British policies which U.S. President Franklin Roosevelt intended to be the basis for a just, imperialism-free form of a new world economic order among perfectly sovereign nation-states enjoying free access to the most advanced discoveries in science and technology.

If you wish security, that, as of now, is the only possible way it can be reasonably assured. If you will not join me to that purpose, you are not serious about either your own personal interests, or those of the U.S.A.

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National News

U.S. high court takes Virginia death row case

The U.S. Supreme Court announced on April 5 that it will take up the appeal of Virginia death row inmate Terry Williams, who was scheduled to be executed April 6. The court had stayed Williams's execution April 2. The appeal was taken on two grounds: first, the appropriateness of the Virginia Supreme Court denying Williams a new sentencing hearing, since the first one did not present mitigating evidence showing that he was retarded; and second, whether the U.S. Fourth Circuit Court of Appeals applied too stringent a standard in reviewing (and upholding) the Virginia high court's decision. The U.S. Supreme court is expected to hear the case next year.

In an interview with this news service before the Supreme Court had stayed Williams's execution, Henry Heller, Director of Virginians for Alternatives to the Death Penalty, had pointed to Williams's case as one of outright innocence. Williams has fetal alcohol syndrome, and confessed to the murder for which he was convicted because he dreamed he had killed the victim six months after the victim's death, which a coroner had ruled was caused by injuries he suffered from a fall while intoxicated.

Williams is one of seven men slated to be executed between March and April in Virginia. The execution binge has sparked anti-death penalty protests in the state, with one planned on the date of each of the remaining four executions.

Congressman: Buddhists worship freely in Tibet

In the widely read "Washington Whispers" column in the April 12, 1999 *U.S. News & World Report*, the following brief item appeared:

"Au Contraire: China's repression in Tibet is less than meets the eye, says witness Rep. Matt Salmon, Arizona Republican. 'I was told that things were very repressive there, but I've got to say the countenance of the people seemed pretty good, pretty happy,' reports Salmon, a former Mormon missionary who speaks fluent Mandarin and who just returned from the Tibetan capital of Lhasa. Contrary to reports of widespread religious persecution, Salmon says he saw and spoke to 'hundreds upon hundreds' of Buddhist monks worshiping in 'an unfettered way.' "

McDougal case: Starr gang put on defensive

Susan McDougal has put Kenneth Starr's prosecution on trial in her trial for criminal contempt, which held closing arguments on April 7. McDougal succeeded in overriding prosecution objections in order to call Julie Hiatt Steele as a defense witness. Steele was vindictively indicted by Starr after she contradicted Kathleen Willey, who is one of Starr's cooperating witnesses in his sex investigation against the President. In her testimony on April 2, Steele told the jury how Starr's office had pressured her to back up Willey's story, and that she is now in massive debt, faces losing her home, and has seen friends and relatives harassed because she wouldn't lie as Starr wanted her

Steele herself is scheduled to go to trial in Alexandria, Virginia, on May 3, and her decision to testify in another case before going on trial herself, is highly unusual.

Prosecutors were stunned when the judge allowed McDougal to call Steele as a witness. "This is mammoth," proclaimed Mark Barrett, one of Starr's assistant prosecutors. "I think we've been on the defense since the case began," Barrett told reporters outside the Little Rock Federal courthouse. "but this is a different level." 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 show the jury the modus operandi of Starr's office.

Showing how much they have been thrown on the defensive, prosecutors had to put one of their own on the witness stand on April 5, as a rebuttal witness. Ray Jahn, one of the Whitewater prosecutors against McDougal in 1996, was compelled to acknowledge that Starr's strategy, as of 1994, was: "Convict Mrs. McDougal and then basically roll her over on the President." But a few minutes later, Jahn testified that when he first interviewed for the job, he had said that he didn't think convicting the President would be good for the country.

On April 6, prosecutors asked the judge to include in his jury instructions the following statement: "Please remember that this defendant, not anyone else, is on trial here." Barrett said later, "It's to remind the jurors who the defendant is. It's Susan McDougal, in case they forgot."

California Green Party wins one assembly seat

Green Party candidate Audie Bock won a special election in April to the California State Assembly, defeating former Oakland Mayor Elihu Harris (D), in a stunning upset. Harris was attempting to win back the seat he had held for 12 years, before serving eight years as Oakland's Mayor. In the February primary, Harris defeated a strong challenge from Democrat Frank Russo. In the runoff campaign, Harris spent \$300,000, but did little actual campaigning. He was defeated by Bock, by 300 votes.

While the press portrays this as an example of what an aggressive, attractive third party candidate can do when a major party candidate takes an election for granted, some California Democrats point to current Oakland Mayor Jerry Brown (D) as key to Bock's victory. Brown is the former radical environmentalist Gov. Jerry "Moonbeam" Brown. Now, as Oakland's mayor, he has made the idiotic proposal to turn the roofs of houses in Oakland into gardens, fertilized by recycled human waste. He has also said that Oakland should get rid of its port, which he alleges is a major source of pollution.

Although the Assembly District won by Bock is overwhelmingly Democratic, and only 1.2% of its voters are registered with the Green Party, Brown's supporters backed Bock, and engaged in a campaign to undermine Harris.

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Editorial

The Chinese Premier's visit

The fact that Chinese Premier Zhu Rongji made his visit to the United States is a testament to the determination of the Chinese political leadership and President Clinton's commitment to developing a strategic partnership with the world's most populous nation. Obviously, the concrete results of the visit were severely curtailed by the insane "Yellow Peril" McCarthyism within the United States, which is prepared to blame everything but the Y2K problem on alleged Chinese espionage. But there is reason to hope that the trip was not a failure from the standpoint of the broader strategic necessity.

There is no way to exaggerate the importance of the U.S.-China relationship in this period of crisis. As Lyndon LaRouche emphasized as early as three years ago, the combination of these two nation-states provides the *sine qua non* for destroying the British Commonwealth's plans for reasserting a geopolitical regime that will seal the world's fate, plunging it into a long-term New Dark Age. Both China and the United States have the potential to reassert the principles of the sovereign nation-state, and must form the core of an alliance of sovereign nation-states, which is required to bury the International Monetary Fund system, and build a New Bretton Woods based on economic development.

The current Chinese leadership, around President Jiang Zemin and Premier Zhu Rongji, has demonstrated an eloquent understanding of the principles required for such an alliance. They assert them regularly in their discussions of the nation-building concepts of America's greatest President, Abraham Lincoln, for example—who was also a key inspiration for the founder of the Chinese Republic, Sun Yat-sen. President Jiang's most compelling discussion came in his November 1998 speech in the Russian city of Novosibirsk, where he described scientific and technological collaboration toward progress for all mankind, as the foundation for Russian-Chinese relations. This could apply to the U.S.-Chinese relations as well.

This is not to say that the Jiang-Zhu group has no opposition in China. As President Clinton has astutely pointed out, there is a grouping there which warns that the United States is trying to contain China and keep it

"down on the farm," and thus opposed Zhu's trip, as well as closer strategic ties. What President Clinton has not said, is that the aggressive unilateral military actions of the United States in Iraq and now Yugoslavia, have given added impetus to this opposition grouping.

On the U.S. side, President Clinton has carried the ball in favor of what he called a "strategic partnership" with China. His opening remarks at the the Premier's arrival ceremony on April 8 provide the flavor: "Your visit is an important event in the long relations between our people, a relationship that spans nearly the entire history of the United States. Before this city even existed, even before our Constitution was signed, China granted our newly independent nation equal standing with the powers of Europe. At the dawn of a new century, we now recognize that our interests coincide on many issues and diverge on some others, but that we have a fundamental responsibility to speak with candor and listen with an open mind. And certainly we can agree that China and the United States can best achieve our hopes in the next century if we continue to build a constructive strategic partnership, a relationship that allows us to make progress on the issues that matter to our people."

But it is President Clinton's responsibility to go beyond such sentiments. The U.S. President must emulate Franklin Roosevelt—as he recently indicated he wished to do—and assert his personal authority to bring China, and Russia, into direct, responsible co-partnership (together with some relevant continental European nations) to settle the Balkans mess. Such a combination is the political prerequisite for preventing a no-end war that is rapidly escalating toward World War III. At the same time, the President should personally take similar steps in establishing a new, just world economic arrangement, in partnership with these nations.

We have no way of knowing what President Clinton and Premier Zhu discussed in private. With world peace hanging in the balance, we can say with certainty, however, that the nature and content of those discussions may well determine world history for decades to come.

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