

and others in his cabinet. Although Yeltsin's recent interviews indicate his commitment at this time to the Gaidar-Sachs plan, the question is whether Yeltsin himself will have enough common sense to bail out before it's too late, or whether he intends to go all the way with reforms, which are opposed by public figures such as Vice President Aleksander Rutskoy, and by seven prominent Russians who issued a "*Cri de Coeur*" through the newspaper *Pravda*.

The "*Cri de Coeur*," titled "Free Prices in Our Conditions Is Suicide," stated: "The liberalization of prices in conditions where there is a state monopoly, unprecedented corruption, crippling shortages, monstrous lawlessness, virtual anarchy, and the absence of guarantees of social protection . . . a fall in production, and reluctance on the part of private business to invest capital in productive spheres, will be counterproductive . . . and will lead to real famine and to social explosions which will sweep away everything and cause total destabilization, with the potential loss of control of globally lethal structures."

The seven also referenced the Polish economy:

"In Poland the population's economic situation deteriorated after prices were liberalized. And this is evidently precisely why in the recent parliamentary elections representatives of left-wing forces came in second. . . . Rejection of free prices and a catastrophic crash inevitably lie in store for us too."

Gaidar did not basically disagree with this analysis, in an interview on Jan. 5 with Russian television and radio. He admitted that the situation will get worse before it gets better. "This will be a period when prices will be growing still very fast," he said, "while no goods will be yet readily available. This stage of price liberalization is always the most politically painful and hard to endure." He forecast a drop in real incomes, but said that in three or four weeks, things should start to improve.

Market? What market?

Asked who is exercising control over prices now, Gaidar retorted, "Price control? Prices are largely uncontrolled because it is the market which is to set prices now."

Interviewer: "But there is no market yet."

Gaidar: "The market is emerging. It will inevitably come to be in the nearest weeks and months. There is, however, no special instrument or body which would control market prices. There is no need to invent such a mechanism. There is the Price Committee with the Ministry of Economics and Finances. The committee is in charge of controlling prices. There is the State Statistics Committee engaged in recording prices and informing the government and the parliament on their dynamics. There are local administrative structures which also regulate prices for particular products."

In other words, there are the pre-existing structures of the socialist command economy—and a growing "market" of organized crime and speculation. Not much else.

Bush seeks apparatus to control East Asia

by Lydia Cherry

George Bush's waning prestige did not stop the U.S. President from attempting to use his four-nation Asian tour to shore up Washington's imperial rule, both by insisting that U.S. allies bail out the U.S. economy and attempting to stifle all regional initiatives that the U.S. does not control. That Bush is convinced that it is the United States that must set the agenda, rather than the Association of Southeast Asian Nations (ASEAN) as a group or Malaysia's Dr. Mahathir Mohamad in particular, became especially evident in Bush's initiative-packed stopover in the island nation of Singapore Jan. 4-5.

In Singapore, Bush made three announcements: 1) that an agreement had been reached to shift the command of the U.S. Seventh Fleet from the Philippines to this island nation that sits on the tip of the Malay Peninsula; 2) that the United States is strongly opposed to Dr. Mahathir's proposal for an "Asian only" trade group, the East Asian Economic Caucus (EAEC); and 3) that U.S. government and non-governmental agencies have drafted a many faceted environmental policy plan for Asia.

From the time Bush arrived in Canberra, Australia, his first stop, on Jan. 2, he was hit with demonstrations. He was greeted by a 16-foot by three-foot sign, "LaRouche for President, Bush for Jail," at the front of a demonstration of 1,500 angry farmers. Other signs said: "Bush Is a Thug!" "New Wheat Orders, Not New World Order!" Bush's response was vulgar, making an obscene hand gesture at the crowd.

While demanding that other countries engage in the "free-trade" dogmas of Adam Smith (which, unfortunately for that nation, Australia is following to a tee), the U.S. now collaborates with cartels such as Cargill, Con-Agra, and Louis-Dreyfus to dominate the world grain markets, and in recent months has taken over what were previously Australian markets in the Middle East. Australian farmers attempted to nail Bush on the contradiction involved in his blathering about how Asian countries must open their markets to the United States, while he takes no heed of the impact of U.S. and grain cartel actions on Australian farmers. Bush smirked: "We've never said we're totally pure," and blamed the problem on Europe's refusal to give up the protection of its agricultural production.

In Melbourne, demonstrators carried banners reading: "Stuff Bush's New World Order!" Here, with only about 500 demonstrators in the streets, fights broke out and Australian

mounted police battled demonstrators who were focusing on Bush's "criminal" role in the war against Iraq and the fact that Iraqi children are continuing to starve because of the U.S.-led embargo.

The battle of the blocs

In Australia, Bush drew the line against Dr. Mahathir's East Asian Economic Caucus, which is backed by the six nations of ASEAN. Addressing the Parliament, Bush commended Australia for taking the lead in the formation of the U.S.- and Australia-dominated Asia Pacific Economic Cooperation bloc (APEC), which was established in 1990. "We were especially encouraged by Australia's leadership in the APEC," he said. "The success of the November APEC ministerial in Seoul was proof that APEC is emerging as *the* economic forum in the Pacific and is increasingly fostering a sense of community around the Pacific Rim. North America—Mexico, the United States, and Canada—is part of this community." ASEAN countries have kept their distance from APEC because they know it is controlled by the U.S. and Australia, and they are acutely aware that both of these countries' economies are collapsing.

Later, in Singapore, Bush personally attacked Dr. Mahathir's proposed EAEC. Malaysia had been hopeful that Singapore, a strong proponent of the EAEC, would encourage the Bush administration to be reasonable. There now seems to be heightened concern in Kuala Lumpur that the U.S. might go even further to stop the plan. The Malaysian daily *The Star* reported that Dr. Mahathir has "expressed concern that Washington might resort to some form of action to negate Malaysia's effort in forming the EAEC." Mahathir said that Malaysia would raise the issue at the ASEAN summit in Singapore in January.

South Korea protects rice farmers

In his visit to South Korea, Bush did not succeed in forcing President Noh Tae Woo to yield on opening the country's rice market. The week before Bush arrived in Seoul on Dec. 27, Korean farmers had delivered to the U.S. Embassy a petition weighing 4.5 tons and bearing 12.93 million signatures opposing U.S. pressure to open South Korea's rice market. Over 2,000 farmers, housewives, students, and officials from the National Agricultural Cooperatives Federation marched through downtown Seoul in protest. Some 31% of the entire South Korean population had put their names on the petition, according to the South Korean news service Yonhap.

Speaking at a Chamber of Commerce luncheon Jan. 5, Bush laid out the spiel he had tried out on audiences throughout the tour: "Let me tell you why I am here. As you might expect, with tough times at home in the United States, my highest priority is stimulating economic growth and jobs for Americans. . . . The business executives [accompanying Bush] . . . believe in building stronger economic ties with you. . . . Korea must address fundamental problems that

stifle the ability of foreign firms to compete in your great country."

Lines clearly drawn in Singapore

The announcement in Singapore that the U.S. naval logistics element from Subic Bay in the Philippines will be relocated to Singapore caused quite a stir. From Malaysian press accounts, it is clear that U.S. officials leaked the news, which made leaders in Singapore very unhappy. At a Jan. 5 joint news conference with Bush, Singapore Prime Minister Goh Chok Tong said that details were still to be worked out. U.S. Ambassador to Singapore Robert Orr admitted to Malaysia's *Business Times* that Singapore's announcement of an agreement in principle rather than a full accord was because of the U.S. leak. In any case, Indonesia and Malaysia, who were apparently not consulted beforehand, reacted immediately and indignantly, and were given heavy press coverage in the Indian capital of New Delhi. Indonesian Foreign Minister Ali Alatas was quoted saying, "Indonesia is still waiting for an explanation from Singapore about the agreement."

The U.S. Defense Department insisted that Singapore will not become another Subic Bay. In fact, the move is in keeping with the Bush policy of dismantling the U.S. defense capability against any serious threat from a formidable power, while preparing for Iraq-style actions against weak Third World opponents. The Malaysians appear to recognize this. An editorial in the Malaysian *Business Times* Jan. 7 noted that although the security threat to Asian nations is "way, way down," the United States, under Bush, is not functioning as a political ally. The editorial read: "His [Bush's] contention for a U.S. military presence was debatable, that should there be a regional conflict, it will be needed. This is exactly the reason why many countries in the region are against a foreign military presence—interference in regional matters that will most likely only worsen things, especially when President Bush clearly said that such interference will only be to serve U.S. interests."

Officially, Deputy Foreign Minister Datuk Dr. Abdullah Fadzil Che Wan was quoted saying that his government "will keep a close watch on plans by the United States to move its naval logistics facility to Singapore," and that Malaysia and its ASEAN partners would oppose any move to set up an American naval base in Singapore.

Bush also claimed that the United States was developing a "creative approach in partnership with Asia to better address the challenge of balancing environmental protection with development," and said that a new institution called the U.S.-Asia Environmental Partnership (US-AEP) would be set up. Malaysia's *New Sunday Times* quoted Bush: "This will be good—good for Asia's environment, good for American jobs." U.S. officials added that the plan will help open a vast market for pollution control equipment, noting that this is an area in which the U.S. enjoys a commanding technological and marketing lead.