

International, that the IMF and the NGOs were engaged not in reform, but “revolution,” referencing the Jacobin mobs of the French Revolution as his preferred model.

The Khmer Rouge are just what the witch doctor ordered. A revival of the Khmer Rouge would not only destroy any prospects for peace in Cambodia, but disrupt the carefully constructed unity of the Southeast Asian nations, blocking Asian-wide rail and road development that are crucial for Asia, and for the world.

The future

Although the discovery of the Khmer Rouge papers has gone unreported in the West, the story is a lead item in the Asian press. Hong Kong’s *South China Morning Post* reported on May 25 that the documents “have all but destroyed the Prince’s political credibility,” and admitted that they “vindicate Hun Sen’s actions, because it now seems certain there was a very serious threat to Cambodia.”

The Prince, just days before the revelations were made public, resigned as head of the National United Front, and has even floated rumors that he may leave the country due to “financial problems.” Ranariddh’s coalition ally, Sam Rainsy, former Finance Minister and the favorite of the IMF and the IRI, has been frantically trying to distance himself from the discredited Prince, although Rainsy’s own support for the Khmer Rouge conspiracy is also well established. Only last December, Rainsy was inciting his followers to refuse military service to fight the Khmer Rouge. “Forget the Khmer Rouge,” he said. “There is no Khmer Rouge. There are no hard-liners, just one Cambodian people.”

The Khmer Rouge papers prove beyond any doubt that the Western nations must immediately lift the sanctions against Cambodia, which were imposed after the events of last July. President Clinton, while steadfastly refusing to support Ranariddh’s deals with the Khmer Rouge, nonetheless imposed sanctions against Hun Sen’s government, based on evidence now known to be fraudulent, that Hun Sen had carried out a coup against his co-Prime Minister Prince Ranariddh. While the truth was available even then, and was covered in *EIR*, the discovery of the notebooks makes it irrefutable. The sanctions must be lifted, and support must be provided to allow this battered nation to finally move forward in peace.

Unfortunately, the United States has moved in the opposite direction. Elections scheduled for July 26, which the “international community” has demanded as a show of Hun Sen’s commitment to “democracy,” are in desperate need of international financial support, and yet, the United States, during the week of May 25, reduced its pledge of \$7 million to \$2.3 million, and announced that the money would not go to the government but to NGOs and the United Nations. We must ask: What is the “truth record” of those NGOs? Is the IRI, and others who have shown their true colors by promoting the attempted coup by the most infamous killers of the last half-century, among them?

Transparency International

Camdessus unleashes anti-corruption pimps

by Umberto Pascali

Last January, Indonesian President Suharto signed the second package of conditionalities dictated by the International Monetary Fund (IMF). The official photo shows the leader of the fourth most populous country in the world sitting tense and solemn, signing his name to a document that would end the country’s successful war against poverty and for development. Behind him, standing with arms folded and looking down with a shadow of a smile across his face, is IMF Managing Director Michel Camdessus. The immediate impression, is that one is witnessing a surrender.

Indeed, it was, if not the end of a war, the end of a crucial phase of a war, waged by oligarchy-controlled institutions such as the IMF, against developing countries that not so long ago freed themselves from the colonial domination of those same oligarchical forces. (In the case of Indonesia, it was the Dutch Empire that divided up the region with the British and the Portuguese, in which the British Empire grabbing the northern part, Malaysia.) The dramatic improvement in levels of economic and social development achieved by Indonesia since independence was recently documented by *EIR* (May 22, 1998); however, the attempts to put Indonesia and other countries back “under control,” to re-colonize them, never ceased.

The normal strategy used by oligarchic forces to weaken and destabilize victim countries includes: constant attacks against any protectionist measures (what Camdessus calls “state interference”) applied by the elite of those countries to foster development; the undermining, on behalf of “free market” dogma, of any defense mounted against the looting of financial thugs such as George Soros; the spreading of corrosive financial derivatives and other speculative instruments; and, finally, a frontal assault against those countries’ leaders who show a propensity to resist pressures and enticements, and who more or less guarantee that the country stays on its development course.

Indeed, the modern-day feudal lords couldn’t be less concerned with the reality that stopping the development of the real economy, means the inevitable collapse of the world financial system. In fact, four months after the “surrender,” Indonesia was in flames, economically and financially prostrate, and victim of a self-destructive Jacobin rebellion that

has been given as its target, not Camdessus and his puppet-masters, but the Indonesian elite, namely, President Suharto. On their banners the modern *sans culottes* emblazoned: Fight Corruption! “The IMF task force left [Indonesia] secretly at dawn,” the May 18 Italian daily *La Repubblica* editorialized on the crisis. “It took a charter flight at the Jakarta airport to escape the rage of the Indonesians: This image captures the sense of the social explosion that is devastating the island of Java. . . . The IMF technocrats arrived with their simple recipes . . . end public subsidies, liberalize prices, . . . and [they left] a burning Jakarta. . . . The danger now is that Indonesia will become a new Iran. . . . In such a scenario, even a war becomes possible. And, as in the 20th century, the European wars were necessarily world wars, so in the 21st century, there could be an Asian war.”

Let them eat ‘anti-corruption’

But Camdessus’s IMF had already diverted the “rage of the Indonesians,” with the demagogic trick of an “anti-corruption” campaign. The IMF’s main instrument: Transparency International (TI), a powerful organization behind which stands Prince Philip, Duke of Edinburgh, which is staffed with “former” IMF and World Bank officials (see “Prince Philip Deploys ‘Anti-Corruption’ Weapon, *EIR*, July 25, 1997). TI was launched at the beginning of the 1990s in the context of a well-financed, global strategy that rooted its operations in more than 60 countries, with more than 70,000 members. It has an increasing influence on parliaments, elected bodies, business organizations, and especially the media. It has the capability, thanks to its interconnection with the IMF, World Bank, and British, French, and Dutch institutions, to trigger destabilizing movements all over the world. It has the capability to challenge and destabilize governments, and to create synthetic “revolutions.” Its self-definition is “the coalition against corruption in international business transactions.” Leaders of TI have publicly admitted that TI has been given the task to make sure that countries which are subjected to conditionalities by international financial institutions such as the World Bank, obey those prescriptions.

The controllers of TI base themselves on a simple assumption: In a moment of extreme crisis, such as wars or economic crashes, people are looking for the responsible parties. The idea is to give them scapegoats, to turn citizens against their own national leadership. The ethics of TI and its fake anti-corruption campaigns is comparable to the ethics of the Nazi doctors in the concentration camps: They carried out genocide, but nobody would be so corrupt as to steal a bar of soap made from the bodies of the inmates!

The chairman of TI, former World Bank executive Peter Eigen, has conducted a ferocious campaign against Indonesia, and against Suharto personally. The development of that country, Eigen said again and again, is only because of corruption, and must be stopped. Camdessus and Eigen have been working against Indonesia, at different levels. Eigen conducts

his propaganda campaign and Camdessus uses the power of his conditionalities.

Call for ‘French Revolution’

More recently, however, the two abandoned such political covers for their operations, and on Jan. 21, Camdessus delivered his “French Revolution” call from the barricades, at the TI conference in Paris.

The targets of his speech were Korea, Thailand, and Indonesia. There, Camdessus invoked the model of the French Revolution, and called for even closer coordination with TI against “corrupt” governments—i.e., against those that resist the oligarchical destruction of their national sovereignty—in order to trigger a new revolution and the end of “state interference.” Camdessus was proud to reveal that he had blackmailed the Indonesians—of course, on behalf of “transparency.” “The media,” he stated, “have discussed the scope and coverage of the [IMF] Indonesian program at length, so I won’t go into further details *about the arm-wrestling we had to do* with the directors of monopolies, and cartels of all kind. Just as corporations and financial institutions must become more open and transparent, so too must their governments. . . . Yes, the [IMF] programs [for Indonesia] are far-reaching and *confirm the basic intuition of your organization [Transparency International]: that anyone who takes the need for transparency seriously will profoundly change the course of events*” (emphases added).

In order to explain what he meant by “profound change,” Camdessus then made the appalling parallel with France on July 14, 1789, when that nation was engulfed by a British-run operation, as punishment for having been the key strategic element in ensuring the success of the American Revolution. Also, in France, the bloodthirsty *sans culottes* were mobilized on the basis of rage against the nobility’s “corruption.” Indeed, a large part of that nobility were corrupt, but those were precisely the ones promoting the revolution: The ferocious austerity that had thrown many Frenchmen into misery, was in fact due to an “economic program” organized by the Swiss banker Jacques Necker. The program was similar, *mutatis mutandi*, to the present program of the IMF.

Said Camdessus at the TI meeting: “If you permit me to paraphrase the words of the Duc de Liancourt, Master of Robes to Louis XVI [later decapitated], on July 14, 1789, I would say: ‘It’s not progress, Sire, it’s a revolution!’ Such reforms will require a vast change in domestic business practice, corporate culture, and government behavior. . . . For the IMF, which for 50 years *confined itself*, essentially, in accordance with its mandate . . . to helping its member countries accept essential monetary and macroeconomic discipline, *these are entirely new frontiers*, both vast and promising, as they are for the World Bank. . . . Like all revolutions, this one will be successful only with the unrelenting and ultimately irresistible pressure of civil society. Spearheading this effort, Transparency International has already contributed to bring-

ing about change. The IMF is proud to work alongside TI in this vitally important effort. . . .”

‘Get Suharto!’

Camdessus’s speech was the signal for a new and more outrageous level of global criminality. Indonesia was the most immediate sacrificial victim. Eigen and TI went wild. Suharto, who was identified with the development of the country, was to be painted as the “corrupt monster.” Suharto tried, as have other developing countries’ leaders, to deal with the campaign unleashed against him. He had been in TI’s cross-hairs since at least August 1996, when he rejected efforts by some to use the World Trade Organization Ministerial Conference in Singapore to launch anti-corruption campaigns. Opening the 28th meeting of the Association of South-east Asian Nations (ASEAN), Suharto stated that the WTO should concentrate its efforts on trade issues, and not divert attention to matters such as corruption or environmental protection. “Let us avoid all unnecessary controversy during such a very important meeting,” he said. The TI newsletter of December 1996 angrily reported those words. Suharto’s statement was a direct attack against its strategy.

Again, in March 1998, Suharto tried to fend off the TI assault, but this time the country had been drastically weakened by the IMF “program.” Suharto asked his ministers to declare their assets. Officially, this is what TI had been asking for, but this was not the moment for talks: TI had received its orders to go for blood. On March 27, TI issued a ferocious statement, proclaiming, “Indonesia Anti-Corruption Reforms ‘Mere Symbolism.’ ” It read: “The announcement by President Suharto has been described as ‘meaningless’ and a lost opportunity by the anti-corruption NGO, Transparency International. TI chairman, Dr. Eigen, said that ‘the course chosen by President Suharto constitutes a typical act of political symbolism. . . . The suggested procedure will have absolutely no impact. It’s either a tragic lost opportunity or simply window dressing and part of a wider campaign to persuade the international community that the Indonesian government is at last facing up to the need to get its corruption under control.’ ”

The many strings that TI has in the international media were pulled, and the domestic and international campaign against Suharto’s “corruption” and “cronyism,” as the *only* causes for the Indonesian crisis, escalated without limit.

Eigen’s editorial in the March 1998 TI newsletter is dedicated to celebrating Camdessus’s “French Revolution,” and to hammering home the idea that Indonesia’s economic development equals “corruption.” It also is a shameless defense of Camdessus and the “trio of the World Bank, the IMF, and the World Trade Organization,” against those who propose to create “new international bodies” to deal with the global financial crisis. The publication of the editorial coincided with increasing interest globally in Lyndon LaRouche’s proposal to convene a “New Bretton Woods” conference.

Eigen writes: “The teetering of the economies of the East Asian ‘Tigers’ has created riots throughout Indonesia and stirred ripples around the world. That Indonesia and South Korea in particular, should be in such trouble should really come as no surprise. We in TI have been saying consistently to all who would listen — and to some who would rather have not — that economies driven by corruption are unsustainable in the longer term. . . . There is little joy in being proven right in such circumstances . . . but a consensus has emerged surprisingly quickly that, despite all predictions to the contrary, corruption did in fact play a significant role in provoking the crisis.”

And, who gave the stamp of approval to this “consensus” that absolves Camdessus from any and all responsibility? Camdessus himself!

Explains Eigen: “Only recently this consensus was articulated by the Managing Director of the IMF, Michel Camdessus, speaking in Paris at a conference organized by Transparency France. What, then, should the lesson be? We warned in September 1996, when the head of the South Korean stock exchange was found to have rigged the flotations of companies, that corruption could not be contained . . . that when pigs start feeding from the trough, other snouts will start claiming their share.”

Intentionally confusing the immense and expanding speculative bubble created by the IMF’s criminally insane policies, with the nations that are victims of such policies, Eigen continues: “Corruption, unless strenuously contained, will spread. While for a short time it may create an appearance of economic growth, corruption-induced growth is likely to prove to be a ‘South Sea Bubble,’ to be unsustainable.”

Then, Eigen heaps praise on Camdessus and the attack on the “New Bretton Woods”: “There have been suggestions recently that new international bodies were needed to protect the global economy against the kind of shady dealings that lay at the heart of the current Asian crisis. While . . . policy decisions [must be] more transparent and accountable, we believed that the existing trio of IMF, World Bank, and WTO, has sufficient institutional capacity to deal with these issues. In fact, as Michel Camdessus remarked, there is a striking similarity between the measures for more financial and political transparency that the IMF is advocating and the areas of reform that the TI Source Book has identified as . . . an overall anti-corruption strategy.”

Thus, the feudal lords are using all the tricks in the book to prevent the financial crisis from leading to the end of their domination. Suicidal explosions of chaos, violence, and “French Revolutions” are supposed to root out the very concept of the sovereign nation-state. But under these crisis conditions, all bets are off. And once the oligarchist target is out in the open, the revolution could very well become a republican one, a global American-style revolution. That is what the present worldwide battle is all about.