

and domestically, toward this “globalization form of monetarism,” meant that Japan’s productive base would increasingly be weakened, they were essentially powerless to change the situation.

As a result of this transformation, the traditional partnership among the politicians-bureaucracy-business fell apart. With the external pressure becoming greater and greater on Japan, the resistance to change became more a problem of inertia. Only a major crisis could force some fundamental change. Now the question is whether this change leads Japan into becoming a new “Venice of the East,” where financial power exerts itself to subordinate other nations through debt collection and International Monetary Fund conditionalities, or Japan begins to become a nation-state, where policies are guided by a quest for economic development in full and equal partnerships with those countries devastated by the present collapse. One of the critical tests for Japan is how it responds to the new emerging partnership between the United States and China, following President Clinton’s successful, if limited summitry.

The euro seduction

The “Venetian model” has gained some currency among sections of the Japanese elites. The Mitsubishi “clan” has been lured into seeing themselves as the cutting edge of this trend. The merger of the Bank of Tokyo and the Mitsubishi Bank, forming the Bank Tokyo-Mitsubishi, is a reflection of this current. Now, these forces are looking at the emergence of the new European single currency, the euro, as the alternative to the United States and the dollar. These Japanese factions still dream of reviving a yen currency bloc to join the euro against the dollar.

At a recent meeting in Tokyo of the Bank of International Settlements and Asian central bankers, European spokesmen openly called for the euro to be the chief competitor to the dollar. It is now being discussed as an alternative to a New Bretton Woods policy, where it would be the centerpiece of closer cooperation with the United States and other Asian, African, and Ibero-American countries.

How the new government and Japanese policymakers respond to the deepening crisis could determine whether the world tumbles into a full-blown depression. Both the United States and Japan face the prospect that the present monetary system is unsustainable. There is no way to save the speculative bubble driving the so-called “global and emerging markets.” Discussions of a new “financial architecture” have been woefully inadequate to deal with this crisis.

Now, Japan has a historic opportunity to join with other Asian nations, including China, India, and Russia, to demand that the United States push ahead for a New Bretton Woods system.

If Japan fails, so does the United States, and so does the world. There is no escape from this reality.

Genocide in Kosova goes unchallenged by NATO

by Umberto Pascali

“NATO must intervene immediately with military action inside Kosova. . . . President Clinton please remember what you promised [Kosova] President Ibrahim Rugova: that you will not allow a new Bosnia! Time is running out.”

Feride Istogu Gillesberg made this emotional appeal to President Bill Clinton in an interview with *EIR*, after representing Kosova at the Parliamentary Assembly of the Organization for Security and Cooperation in Europe. This assembly, one of the most prestigious international forums, brought elected representatives from all over the world to Copenhagen, Denmark on July 7-10, to address how to stop the genocide being unleashed by Serbian dictator Slobodan Milosevic against Kosova. After the meeting, a delegation of the OSCE, whose 54 member-nations include the United States, left for Serbia and Kosova on a fact-finding mission.

In his speech to the conference, Reza Nikqi, the representative of President Rugova, stressed the need to stop Milosevic. The “OSCE and other international institutions must pressure Belgrade by the strongest political means. NATO must intervene with military means. Let me remind you, that this is the third military aggression which the government of Milosevic has initiated within the last decade. Therefore, no one in this assembly should have any illusion concerning what this conflict really is about,” he said. “NATO must intervene in order to stop a humanitarian catastrophe and prevent a regional conflict.”

It is clear that the eyes of the Kosovars are on the United States, as the only force that could potentially tilt the balance of the “international community” away from a suicidal policy of appeasement. At the OSCE conference, it was U.S. Rep. Steny Hoyer (D-Md.) who declared, “Never Again!”

Cabinet warfare

Unfortunately, the OSCE resolution, whose original draft called for NATO intervention, was changed by the time of the final vote, so that it called for submitting the decision for military intervention to the “explicit endorsement of a relevant UN Security Council resolution.” It will be impossible to pass any such resolution, given the already-announced opposition of Russia, which has veto-power in the Security Council. The role of the various actors in the Kosova tragedy was made clear during the debate. While the Russians, as expected, opposed even the watered-down resolution, it was



A demonstration of Kosova Albanians, the Schiller Institute, and other activists, in Copenhagen on July 9, greets delegates attending the OSCE conference, who were attending a reception at the Danish Parliament.

the British who were shown again to be the masters of preventing any adequate decision. The British delegate, Frank Cook, argued that a NATO intervention would increase the danger of war. He also endorsed the latest diplomatic ploy, that of blaming the Kosovars for their internal divisions. At least Milosevic speaks with one voice, he said.

Indeed, after the June 15 “Determined Falcon” NATO air exercise over Albania and Macedonia, NATO and the main Western military spokesmen went into retreat. At this point, a “consensus” among the experts suggests that no real military step will be taken to stop the genocide. At most, there will be support for Special Forces operations, i.e., instead of a professional, direct, and resolute intervention by national military forces, the area will be left to guerrilla-style insurrections and counter-repression, a “population war” which could become endemic in the area, and which guarantees that the largest number of people will be forced to escape or be killed.

According to qualified observers, this looks like the most plausible plan of the British and their tool Milosevic.

NATO Secretary General Javier Solana stated on July 16: “Everybody thinks that the solution for that conflict . . . has to be a diplomatic solution. NATO has never thought of solving the problem militarily.”

Such statements in the face of the Greater Serbians’ genocide would appear bizarre in the mouth of any political leader, but when it comes from the head of a military alliance, it means that the insanity of cabinet warfare, as opposed to a winning strategy, has taken over.

In fact, there is no intention to apply a winning strategy against Milosevic and his war criminals. On the contrary, military means are applied to arrive at “negotiation,” no matter how many people will be killed. “If in order to get a diplomatic solution it is necessary to use the capabilities that we

have,” said Solana, “we will be prepared to act in order to help the diplomatic solution.”

Meanwhile, Solana and the “experts” piously repeat that Milosevic is showing restraint. “I do think that the restraint that we see now in the Milosevic camp has a lot to do with the clear statement made by NATO that we are preparing to act,” Solana said.

Milosevic’s ‘restraint’

It would be difficult to explain “Milosevic’s restraint” to the Kosova population, which is being forced to choose between leaving behind everything they have and joining the Kosova Liberation Army. In fact, Milosevic has more thoroughly succeeded in carrying out the ethnic cleansing of the non-Serbian population in Kosova than he did in Croatia, and probably even in Bosnia.

The same day that Solana acknowledged Milosevic’s “restraint,” Austrian Interior Minister Karl Schlowegel sounded the alarm: An unprecedented “mass exodus” from Kosova is under way, and Austria is one of the destination points, he warned. During the genocide in Croatia and Bosnia, Austria alone took in 92,000 refugees. Now, Austria cannot accept such a large number of displaced persons. The minister met with his counterparts from Italy, France, Switzerland, and Germany to find a “common answer.” Reportedly, the authorities of these countries are extremely concerned. In Italy, a major exodus from Albania in the past provoked panic, an emergency situation, explosions of xenophobia, and the beginnings of mass violence.

But, it’s not just Solana who is failing to face reality. On July 15, U.S. Defense Department officials told reporters that they do not believe NATO will take any action in Kosova unless “intolerable” atrocities take place there. The Pentagon

officials explained that Milosevic's forces have slowed down, and that "a balance of sorts" has emerged on the ground. NATO will "take a balanced view" rather than a "one-sided approach," these officials said. The Kosova Liberation Army (UCK) "needs to know — and NATO has made this clear, and the U.S. has made this clear — that the cavalry is not coming."

The growing withdrawal from reality was also clearly evident at the July 8 meeting of the Contact Group, whose representatives from the United States, Russia, France, Germany, Britain, and Italy are supposedly mediating peace in former Yugoslavia. The Contact Group issued a statement in Bonn demanding that the hostilities in Kosova cease "immediately." It called on the UCK to lay down its weapons, and for "both sides" to "immediately" resume the stalled talks. Not surprisingly, none of that happened. The Contact Group also elaborated "basic elements" of a "carrot-and-stick" peace plan, but they were not made public. Rather, they were communicated to both sides "confidentially." The closest the Group came to reality was its statement that, "The prospect of a peaceful settlement has deteriorated since the [last] Contact Group meeting."

The frustration of the diplomats has grown. Richard Holbrooke, the official mediator of the Bosnia peace agreement in Dayton, Ohio, was recently recalled from his job in the

private sector and appointed by President Clinton as UN Envoy to deal with the Kosova crisis. At the time of the Dayton negotiations, the paramilitary gangs of war criminal Radovan Karadzic and Ratko Mladic had been pushed to the wall by limited NATO air strikes against their logistic and communications centers. Paradoxically, the Dayton negotiations revived the status of the "defeated" Milosevic, who, suddenly, became the "guarantor" of peace. The clauses that the Bosnians of President Alija Izetbegovic were armtwisted into accepting — basically, the denial of the fundamental conditions for building a sovereign country — explains why three years after the "peace," there is neither peace nor reconstruction in Bosnia, but a divided country whose economy (or non-economy) is run by the International Monetary Fund. Thinking about a new Dayton, Holbrooke launched a shuttle diplomacy that, for example, included three dinners with Milosevic over three consecutive days. Against the political instincts of Kosova President Rugova, Holbrooke insisted that he meet Milosevic and start direct negotiation. Rugova went to Belgrade, where Milosevic arrogantly condescended to shake his hand.

For Rugova, it was the kiss of death. No negotiations were possible with Milosevic. Instead, after the humiliating meeting, Milosevic unleashed one of his most brutal assaults

'Chemistry' of a backdown

Among the participants at the OSCE Parliamentary Assembly was Russian chauvinist Vladimir Zhirinovsky, who represents those forces that the British, in particular, are counting on to thwart any U.S. impulse to intervene, by means of sabre-rattling support for his "Slavic brother" Milosevic. The chemistry between Russians and British emerged clearly from the debate. Zhirinovsky went into a rage after the speech of Reza Nikqi, the representative of Kosova President Ibrahim Rugova. Ethnic Albanians, Zhirinovsky thundered, have no rights in Kosova. When Kosova representative Mrs. Feride Gillesberg tried to respond, the British moderator prevented her from speaking. Instead, British delegate Frank Cook intervened to say that "the Albanians [sic] are not innocent."

Reports from the Danish press show the divide between those who wanted action, and those who backed down.

U.S. Rep. Steny Hoyer as quoted in *Berlingske Tidende* July 11:

"This resolution sends a useful signal, but we must not stop there. We must give form and strength to the words

'Never Again.' It was the international community's shame, that led to action in Bosnia. But this time, we cannot wait until the shame is upon us, before we act."

Aktuelt of July 10 quoted **Vladimir Zhirinovsky** shouting from his seat at the assembly:

"The Albanians have no historical right to Kosova. There were no Albanians in the area, before Yugoslavia. President Tito invited them in!"

Leonid Ivanchenko from the Communist Party of the Russian Federation, was quoted in the July 11 *Berlingske Tidende* urging the assembly:

"We encourage the delegates to vote against initiating punishment actions against Serbia and the use of military power. If you vote for the resolution, you will suffocate Kosova province, and thereby we will, with our own hands, open the way for guns, which can be used to kill other people, in another place. Is that really what we want to do?"

Socialist Party Danish parliamentarian Helle Degn, who will be the next president of the OSCE Parliamentary Assembly, told the forum, according to the July 11 *Berlingske Tidende*:

"The resolution is a signal to the Kosova Albanians that we will not send our young people to war for their independence. It is also a signal that we still believe in a negotiated settlement. We must absolutely appeal to all international parties not to throw gasoline on the fire by supporting with weapons."

against Kosova's towns and villages close to the Albanian border. Rugova's credibility — which had won him the large majority of the ethnic Albanian vote — was badly shaken.

The ferocious assaults of Milosevic's special police and paramilitary gangs set up Rugova to look like the "appeaser." They also pushed a large number of people, both in Kosova and outside, to join the UCK as the most radical answer to the genocide. Reportedly, the UCK controls up to 30% of Kosova territory, especially small villages, mountainous territory, and the countryside. Milosevic's special police, increasingly assisted by paramilitary gangs of Serbs recruited from Bosnia and Croatia, control the larger towns. It is a hellish scenario: The undisputed superiority in armaments and logistics of the special police allows them to attack villages and towns using heavy artillery and grenade launchers, helicopters, and, it has been reported, air forces.

Young Kosovars are attracted more and more by the UCK. This kind of war could last for a very long time. Again, the *only* reason why this appalling scenario has developed is because, when Milosevic unleashed his forces against the civilian population of Kosova, there was no adequate reaction by the West against that aggression. No military intervention, no air strikes, not even the *credible threat* of military action.

Shortly before the Contact Group meeting in Bonn, Holbrooke decided to play the UCK card. In front of journalists, he met with UCK representatives in Kosova. Reportedly, U.S. Balkan Envoy Robert Gelbard did the same in Switzerland.

But, despite the shuttle diplomacy, Holbrooke could not convince the UCK and the political parties representing the Kosovars to start negotiations. Apparently Holbrooke realized that there are several groupings inside the UCK. He finally publicly expressed his frustration, and accused the Kosovars themselves of making negotiations impossible because of their internal divisions. The Contact Group followed his lead. Rugova's top adviser, Alush Gashi, retorted, "The international community blames their failures to bring peace on natural divisions in Albanian politics. The Contact Group keeps demanding the Serbs withdraw their forces, but [they] are ignored [by Milosevic]. Indeed, for us, the biggest problem is that *there's no international agenda.*"

It is particularly telling that the Clinton administration has failed to apply the lessons of the Bosnia experience, and make a decisive break with the British and the French. While President Clinton has a fundamentally different agenda than his London and Paris counterparts, the administration's resorting to pragmatism and cabinet-warfare methods has undermined its ability to give any competent leadership. Sources in Washington tell *EIR* that the Clinton administration is so wary of falling into a British geopolitical trap of a prolonged military quagmire, that Washington is resorting to the "Afghan War" strategy. The result is an even more hideous "ethnic cleansing" than was seen in Bosnia.

This abdication of responsibility by the United States is pushing Kosova toward an Afghanistan-type situation. In Af-

ghanistan, the Western factions led by British Prime Minister Margaret Thatcher and U.S. President George Bush decided to experiment with a new kind of war against the Russians. Instead of a military intervention, they deployed groups of "fundamentalists" that could finance themselves. In Afghanistan, it meant drug-trafficking.

That model was not new; it had already been applied in Southeast Asia, and it had been applied routinely by the British colonial empire. The Afghansi guerrillas became more dangerous to the West than the enemy they were intended to fight. The logistical and organizational apparatus of the Afghansi still exists today, and constitutes an irregular warfare capability that is being used against U.S. targets. The radical subversion of the local economy created by armed groups with the power to protect their drug-trafficking, is evident in any area where this model has been applied.

There is a deeper epistemological connection between the military doctrine of the "special forces," and an economy immersed in speculation and trafficking — up to the logical consequence of an "economy" of organized crime. Both conceptions are based on the elimination of the idea of the sovereign nation-state and, thus, of a productive economy. Feudal warlords easily controlled by supranational powers are substituted for the nation-state and productive economy. This new feudalism is what is developing rapidly in the former Soviet Union and in many parts of the Balkans: what is known as the "Russian mafia" and all the new criminal gangs.

Substituting special mercenary forces driven by greed or ideological manipulation, for a national army devoted to the defense of a sovereign nation-state, on one side, and mafias based on trafficking and looting, for a productive economy, on the other, are part of the same manifold. This is especially relevant in the Balkans, especially in Albania, which was brutally "liberalized" by the International Monetary Fund after 50 years under one of the most oppressive Communist regimes in existence.

The IMF policy led to its logical consequence in the speculative "pyramid schemes," whose explosion one year ago destroyed whatever remained of the country's economy. At this point, the central government of Albania has little control over large parts of its own territory, and lacks the financial ability to maintain a standing army of more than 5,000 men. The country is controlled by local gangs, with a great deal of power in the hands of the so-called "Albanian mafia." Lately, this parallel economy has become integrated. There is a large area that stretches from the Adriatic to the Black Sea, where the various mafia groupings are becoming part of the same integrated machine.

Reports from law enforcement agencies in Italy and elsewhere in Europe, point to the fact that Italian mafia organizations, such as the Camorra and the Puglia-based Sacra Corona Unita, have started collaborating, to the point that leaders of the Puglia mafia have moved to the Balkans, to locales where their rule is unchallenged. And, all the major war criminals

in Milosevic's court, including Karadzic, Arkan, and so on, are leaders of large organized crime organizations.

The organized crime apparatus that is emerging in the Balkans is strong enough to challenge almost any government in the area. If one looks at what is happening in Kosova in this light, then one can understand the dangerous insanity of those who suggest leaving the conduct of the war to an Afghansi-style guerrilla group.

Interview: Feride Istogu Gillesberg

U.S. must force NATO action in Kosova

Mrs. Gillesberg was one of the two delegates representing Kosova at the Seventh Annual OSCE Parliamentary Assembly Session. She was interviewed on July 15 by Michelle Rasmussen in Copenhagen.

EIR: What should the West, and specifically the United States, do in Kosova?

Gillesberg: Serbian military action against the civilian Kosova-Albanian population is ongoing. Villages are being attacked and civilians are being massacred and forced to flee. Indications are that 100,000 people have fled to Albania, Macedonia, and Montenegro. Since the beginning of May, there have been at least 350 people killed, mostly children, women, and the elderly. But one-third of the areas that have been attacked by the Serbian forces, have not been allowed to be seen by outsiders. . . . This has to be stopped.

NATO must intervene immediately with military action inside Kosova, to stop the Serbian genocide. Air exercises over Albania and Macedonia are not enough. The United States should keep its word. President Clinton, please remember what you promised President Rugova, that you would not allow a new Bosnia. Time is running out. The United States should take to heart what Rep. Steny Hoyer [D-Md.] said at the OSCE conference. He reminded the gathered parliamentarians that they must give content to the statement "Never Again." He said that it was the shame of the international community which led to action in Bosnia, but that this time, the world's nations cannot wait until the shame is upon them, before they act.

There was a good intention behind the original OSCE resolution, namely, that NATO should prepare a military intervention. Unfortunately, because several European countries were against this, the resolution was amended to state that NATO could only be allowed to intervene, if mandated

by the UN Security Council. Under current conditions, that will never happen; more people will be killed, and the tragedy will unfold. The United States must make the decision to initiate an immediate NATO military intervention inside Kosova to stop the Serbian genocide.

EIR: What do you think will be necessary to solve the terrible economic problems of Kosova?

Gillesberg: First, the political status of Kosova has to be resolved. President Rugova has called for the establishment of an international protectorate, as an interim stage, and that the best, long-term political solution would be an independent Kosova, open for cooperation with both Albania and Serbia.

Second, given Kosova's geographical position, where Europe meets Asia, and the Middle East, there has to be economic development based on a program to build up infrastructure, which would link Kosova up to the proposed Eurasian Land-Bridge. There also need to be improvements in agriculture and industry, and investment in education and scientific research. There has to be an increase of the living standard for all people in Kosova, without discrimination against any group. This would bring back the optimism needed to build a future for all of Kosova's citizens. Economic development of all the countries in the Balkans, will be necessary to create peace in the future.

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