

International Intelligence

Jordan water crisis has political ramifications

A water crisis broke out in July in Jordan, when water from Lake Tiberias into Amman was found to be polluted. The Zai Water Treatment Plant, which provides domestic water to western Amman, was not able to deal adequately with the water, which was colored and had a bad smell. The water crisis provoked a scare among the population, and political protest in the Parliament, which blamed it on the government. The first political victim is Water and Irrigation Minister Munther Haddadin, who resigned on Aug. 9. (In 1995, Haddadin had denounced *EIR* and the LaRouche proposal to use nuclear-based desalination, to solve Jordan's water shortage.)

A petition is circulating in Parliament, demanding that the entire government resign. Although this session of Parliament, which is "extraordinary," is not empowered to organize a no-confidence vote, public discontent could explode. The ordinary session should convene in October. King Hussein, in the United States for cancer treatment, is due back in October.

Menem will not seek third term in Argentina

President Carlos Menem announced on July 21 that he will not seek a third term, although he did not say that his bid had been slammed by the London *Financial Times*. His withdrawal threw the "Peronist" Justicialist Party into turmoil, even though his bid would have required a constitutional amendment. On July 21, the *Financial Times* wrote an editorial, "No More Menem," saying that a Menem third term would damage "the country's still fragile democracy . . . [and] neutralize the short-term benefits of economic and political stability," by which they mean International Monetary Fund dictates.

The *Wall Street Journal* nervously reported on July 15 that infighting within the Justicialists between Menem and his rival,

Buenos Aires Gov. Eduardo Duhalde, could jeopardize passage of monetarist economic reforms in Congress. Menem couldn't have taken kindly the report from *La Nación's* London correspondent, that the election brawl was turning plans for his year-end visit to Britain into an occasion to portray him "as the dictator of a banana republic."

An angry Menem is now backing former Tucumán Governor (and monotone rock star) Ramón "Palito" Ortega, an outsider, rather than Duhalde. The latter is an older political machine man, frequently accused of corruption, who has begun to criticize the government's economic policies, reflecting the disgust in the party over IMF destruction of the economy. Political sources say that *EIR's* mobilization against the privatization of the Banco de la Nación also helped galvanize Peronist opposition to Menem's reelection.

S. African police raid Mark Thatcher's office

South African detectives, investigating charges of loan sharking by Mark Thatcher, the son of former British Prime Minister Margaret Thatcher, raided his Cape Town home and offices in mid-August, seizing records of his firm, Matrix Capital. The police are probing the possibility that Thatcher was using his money-lending operation, which has an average of \$350,000 "on the street" at any one time, to influence police and government officials, who are the principal recipients of his cash.

Thatcher's "loans" average a 20% per month interest rate, which is not illegal in South Africa. Anti-corruption police Superintendent Robert Bester told the *Sunday Times* of London on Aug. 16, "We are ploughing through piles and piles of documents to try to piece together how the operation worked, as well as to formulate possible charges." Thatcher allegedly hired large numbers of police officers to serve as "book makers" for his loan-sharking operations. He was in the process of expanding his operation into other ministries when the raids occurred. He moved to South Africa from

Texas in 1995, after he was hit with several multimillion-dollar civil lawsuits.

Fernandes: China and India need closer ties

India's Defense Minister George Fernandes, who had earlier been misquoted by many media about India-China relations, insisted that the two countries can have "closer ties," according to the *Asian Age* on Aug. 8. If China and the United States could have a strategic partnership to de-target their nuclear missiles in order to improve economic ties, there is no reason why India and China could not have a "still more closer" relationship, Fernandes told the Indian International Center, where he spoke on "National Security and the Role of the Media."

Fernandes said, "India does not want a war with Pakistan and never initiated one. There is a longing in the minds of most Indians to have not just friendship with Pakistan, but a special economic and political relationship." He spoke about the concern over China's nuclear weaponization and assistance to Pakistan in missile technology, but complained that his views had been distorted by "sections of the media." He wondered aloud if it "could be deliberate mischief" that his comment on China as "potential threat No. 1," was made into China as "enemy No. 1?" He added that the "damage such distortions by the media can cause to the nation's security interests is beyond measure."

Habibie addresses Indonesian nation

In his first major speech to Parliament since he took office on May 21, President B.J. Habibie delivered a two-hour address, broadcast live, spelling out his intent to launch a new era of "democratic resurgence," and outlining his program for economic stabilization and reform. His program is based on four priorities: 1) straightening up the financial institutions; 2) dealing with the private sector debts; 3) bringing about greater economic efficiency and eliminating

CANNABIS poses no health risk, asserted the New Zealand Health Ministry in a report last month. In a submission to Parliament's health select committee, the ministry disingenuously claimed that most people who use cannabis do so only occasionally and do not report any mental health problems. "Overall, the current public health risks of cannabis use are small to moderate in size," the submission says.

'FREE BURMA' foreign activists, whom Myanmar authorities had detained, pleaded guilty to violating a 1950 sedition law and were sentenced to five years in prison, before being ordered to be immediately deported. Moreover, the Thai Foreign Minister said that the Thais involved had been guilty and that he would *not* interfere with Yangon's actions, although he supports "democratic freedoms."

NATO has approved a military intervention contingency plan against Serbian genocide in Kosovo, which includes airstrikes. The plan can be implemented within 18 hours after a decision has been made to use a military option, according to the *International Herald Tribune* on Aug. 14.

YASSER ARAFAT, the President of the Palestinian Authority, returned to Gaza 12 hours early from an official visit to South Africa because of a reported assassination threat. On Aug. 12, President Nelson Mandela's security detail exploded a suspicious package that was among the presents he received for his birthday, as part of the security precautions that surrounded the Arafat visit. It is not clear whether the threat also extended to President Mandela.

THE TIMES of London claimed on Aug. 4 that Russia is selling Iraq devices used in guidance systems of long-range missiles. After claiming that a sale worth \$1.2 million was made utilizing a front company in Jordan called Al-Khayrat, the *Times* admits that the same device is used in oil-drilling equipment.

monopoly practices, as well as developing an incentive system; and 4) promoting openness and transparency in government and management in order to eliminate "corruption, collusion, and nepotism." He restated his commitment to hold parliamentary elections, with a revamped seating allocation, by May 1999, followed by the Presidential election in December. He said he would be a candidate, if the people wanted him.

Dr. Habibie also delivered his most public and damning denunciation of the orgy of violence in May, scoring the mass rapes of women, most of whom were ethnic Chinese, saying, "As a civilized and religious nation, we curse these barbaric acts." He expressed "deepest regrets" also on behalf of the government for past human rights violations, and addressed needed reform in the military, pointing to ongoing investigations of abuses, saying it is "imperative to restore the dignity and honor of our Armed Forces." He supported the separation of the national police force from the Armed Forces, and said that the police should serve primarily as a law enforcement body.

Anglo-socialists launch 'Third Way' movement

An international conference to promote the "Third Way" ideology will occur on Sept. 21, addressed by British Prime Minister Tony Blair, Italian Premier Romano Prodi, Sweden's Göran Persson, and President and Mrs. Clinton. The event is sponsored in New York by the World Policy Institute, to coincide with the UN General Assembly. According to the London *Guardian* on Aug. 14, "political thinkers, social scientists, and religious leaders are now being tapped to contribute to the conference."

The *Guardian's* Martin Walker writes that "much of Third Way thinking is fed by awareness of the global economy as the most potent current motor of change." Clinton and Blair think that "Third Way" doesn't quite define "the kind of market-friendly social democracy they believe is being built," he says. They "reject the idea of market forces unrestrained by social and democratic con-

cerns, but also see the traditional left-of-center faith in state intervention in the economy as outdated."

Walker, who has written a book on Clinton, blurs the distinctions between Blair and Clinton: While the former is not very successfully striving to implement Thatcherite austerity with a socially friendly face, Clinton's dabbling in "third way" policies, such as NAFTA and "welfare reform," has only occurred under pressure from advisers tied to the Dick Morris wing of the Democrats, exemplified by the Democratic Leadership Council, and have been unalloyed failures.

IRI out on a limb in Cambodia obstructionism

Liz Dugan, Southeast Asia representative of the International Republican Institute, the U.S. Republican Party wing of Project Democracy, issued a statement on Aug. 12 warning that "things are starting to unravel" in Cambodia, following the elections. The IRI is alleging "pervasive intimidation" of opponents of Hun Sen's CPP, and going so far as to thoroughly insult the 500 members of the Joint International Observers Group, representing the European Union, Japan, the Association of Southeast Asian Nations, and the UN Secretary General, claiming, "I wonder if any international observers, unless they were born and bred here or knew the language, would have had the tools to observe the election where it would have made a difference."

What's unravelling is the IRI's credibility: The Canadian technical adviser to Cambodia's electoral commission weighs in that, all things considered, he is deeply impressed by how well the Cambodians conducted this crucial election earlier this month. Western diplomats in Phnom Penh, not usually a Hun Sen fan club, add that the rhetoric of candidates Sam Rainsy and Prince Norodom Ranariddh is simply aimed at getting the best deal, but is a very dangerous game that could seriously hurt Cambodia. Both UN General Secretary Kofi Annan's representative and King Norodom Sihanouk have tried reasoning with them.