

# EIR

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Mbeki Challenges Economic Apartheid on AIDS Policy  
Ten Uncomfortable Questions for Peru's Toledo  
LaRouche on the Failure of Globalization

## Indochina 25 Years Later: Leaving Colonialism Behind



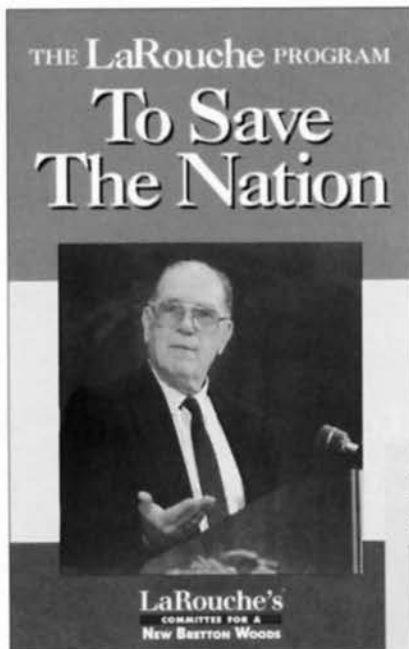
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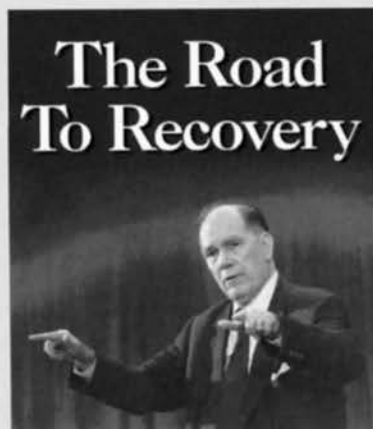
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*World Wide Web site: <http://www.larouchepub.com>  
e-mail: [eirns@larouchepub.com](mailto:eirns@larouchepub.com)*

**European Headquarters:** Executive Intelligence Review  
Nachrichtenagentur GmbH, Postfach 2308,  
D-65013 Wiesbaden, Bahnstrasse 9-A, D-65205,  
Wiesbaden, Federal Republic of Germany  
Tel: 49-611-73650. Homepage: <http://www.eirna.com>  
E-mail: [eirna@eirna.com](mailto:eirna@eirna.com) Executive Directors: Anno  
Hellenbroich, Michael Liebig

**In Denmark:** EIR, Post Box 2613, 2100 Copenhagen ØE,  
Tel. 35-43 60 40

**In Mexico:** EIR, Río Tiber No. 87, 5o piso, Colonia  
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## From the Associate Editor

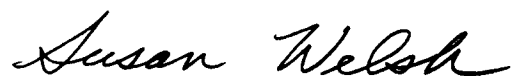
**F**or many, if not most, Americans, the Vietnam War is a chapter in the book of our history that we have kept tightly closed, during the 25 years since American troops pulled out of Saigon. For the World War II generation, the war marked a painful paradigm shift that ushered in the counterculture and the “post-industrial society.” For Baby Boomers who reached adulthood during the war, memories of that time are fraught with shame and guilt—either for having participated in a senseless and cruel war, or for having avoided responsibility, dodging the draft and taking refuge beneath the clouds of marijuana smoke that shrouded the nation’s college campuses during those years. For young Americans born after the war, the whole thing is something vague, incomprehensible, and sad.

So, for all of us who have pushed these thoughts and memories aside, this week’s *Feature* is a real eye-opener. While chronicling the legacy of the past, it also points the way to a better future.

Look at the Laotian children pictured on our cover. Though they were born long after the U.S. bombers stopped flying over their country, the war is still very much with them. Their “flower pot” is made from the casing of an American bomb. The whole region is covered with landmines and unexploded ordnance, which can maim or kill a person, or their livestock—their livelihood—at any moment. The United States owes these children a lot; it is to them that the future belongs, and to them that we dedicate our story on the policies required to rebuild Indochina.

A happy ending to the story is possible, in large part, because the LaRouche movement exists. Ironically, it came into being during the Vietnam War. I, for one, vividly recall the U.S. bombing of Cambodia in 1969 as the event that made me decide to become political: I realized that something was terribly wrong, in the direction our country was heading, and that I had better do something about it. Since that time, the LaRouche movement has developed a plethora of ideas and proposals, discussed in this issue.

Today, as the global financial crisis rushes in upon us, the urgency for these proposals is greater than ever before. See *Economics*, for Lyndon LaRouche’s comment on the moves toward an Asian Monetary Fund, and also for a delightful report on a conference in Egypt on LaRouche’s concept of the “New Silk Road.”



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**Photo and graphic credits:** Cover, page 46, Lao National UXO Programme. Pages 10, 16, 24-29, 31, 32, 61, *EIRNS*. Page 23 (Ho Chi Minh), U.S. National Archives. Page 34 (Guangdong plant), Courtesy of Framatome/Gabriel Liesse. Page 35, Courtesy of the Embassy of the Lao People's Democratic Republic. Page 39, Courtesy of Amb. Ouch Borith. Page 45, Loung Ung, *First They Killed My Father* (New York: HarperCollins, 2000). Page 49, Institute for Military History, Vietnam. Page 52, *EIRNS*/Leo Scanlon.

## Bankers on New Financial System: ‘Don’t Go There’

by Jeffrey Steinberg

On May 15-17, hundreds of central bankers, finance ministry officials, private bankers and brokers, industrialists, and leading politicians gathered in Washington, under the sponsorship of the Economic Strategy Institute (ESI), for what one participant called “Davos on the Potomac,” a reference to the annual World Economic Forum that draws similar large crowds of monetary heavy-hitters to the Swiss Alps for a week of seminars and private talks. Among those who addressed the forum were U.S. Defense Secretary William Cohen, U.S. Treasury Secretary Lawrence Summers, former Philippines President Fidel Ramos, and South Korean President Kim Dae-jung.

The gathering of some of the “best and the brightest” of the trilateral world’s economists and economic policymakers, unfortunately, had the aura of “Balshazzar’s Feast.” Despite public warnings from several prominent Asian participants, and a stark admission by Bank for International Settlements Managing Director Andrew Crockett, that the world financial superstructure is reeling from a decade of shocks, and is ill-prepared to deal with the next, inevitable financial crash, the majority of participants refused to “read the handwriting on the wall,” and seriously take up the question of a New Bretton Woods reorganization of the global financial architecture.

Clyde Prestowitz, Jr., a former senior Reagan Administration Commerce Department official, and founder of the ESI, had written in the pages of the London *Financial Times* on Nov. 2, 1999, that Malaysia had proven all the experts at the International Monetary Fund (IMF) wrong, and that “there is much to be gained from studying a strategy for recovery that rejected IMF prescriptions.” Yet, when Malaysia’s former Finance Minister Dato’ Mustapa Mohamed delivered a strong warning about a looming new Asia crisis — this time triggered by a crash on Wall Street — and chastized the Group of Seven (G-7) governments in particular for failure to establish a new global financial architecture, a groundswell of support for

the more-than-overdue overhaul of the world financial order failed to materialize.

### The Chiang Mai Initiative

Mustapa Mohamed led the Malaysian delegation to the May 6 Association of Southeast Asian Nations (ASEAN)-plus-Three meeting in Chiang Mai, Thailand, which established an Asian currency pool to beat back the anticipated next round of hedge-fund speculative attacks on Asian currencies and markets. According to sources who participated in the Chiang Mai event, efforts to take up the broader issue of the Asian Monetary Fund (AMF), including a development fund that would lend for large-scale development projects in the region — outside the framework of IMF and World Bank conditionalities — were stymied by fears on the part of both China and Japan of alienating the United States.

At the time of Chiang Mai, the forthcoming vote in the U.S. Congress on Permanent Normal Trade Relations with China, was weighing heavy on the leadership in Beijing. And, Japanese officials had come under heavy pressure from Summers at the recent G-7 meeting of central bankers and finance ministers, to maintain their policy of zero interest rates, lest the flow of money into the global financial bubble be disrupted, and a ratchet collapse of the world asset markets triggered.

Treasury Secretary Summers, who, as deputy secretary in 1997, had thrown a public fit against the initial AMF proposal by Japan’s then-Deputy Finance Minister Eisuke Sakakibara, is even more adamant today, that no initiatives be taken that might interfere with his efforts to avert another financial shock before the November 2000 U.S. President elections. Summers’s bully tactics on behalf of the unelectable Al Gore, however, did not stop the officials gathered at Chiang Mai from taking the first, crucial step, to distance themselves from

the insanity coming out of London and Wall Street, in particular (see Kathy Wolfe, "Financial Crisis Prompts Asian Chiang Mai Initiative," *EIR*, May 19).

Furthermore, according to participants at the ASEAN-plus-Three event, both Japan and China are still committed to the AMF plan as a whole, and have been encouraging Malaysia to "take the point" in keeping the momentum for the broader regional defense against the insanity in Washington, London, and elsewhere.

In a campaign policy statement that was widely distributed on May 17 among the ESI conference participants, Lynndon LaRouche denounced the bullying by Summers on behalf of Gore and Wall Street, as "monstrous," noting, "The efforts of Summers, Greenspan, et al. have put the U.S. at the throats of the vital interests of its trilateral partners, continental Europe and Japan." He characterized the actions at Chiang Mai and the motion toward an Asian Monetary Fund as an important step toward the realization of a New Bretton Woods system, the key points of which he spelled out in the statement (see p. 6).

## Warning Signs Galore

During one session of the ESI forum on May 16, "The Coming Global Crisis," a group of well-known financial "experts" tripped over each other's feet, in an effort to juggle the acknowledged evidence of the systemic crisis with the conference theme: Globalization is a panacea, that will make us all rich, if only everyone will learn to play by the rules of the "new economy."

David Levy, of Levy Forecasting Institute, in response to a question from *EIR*'s Suzanne Rose, rejected the idea of returning to a fixed-exchange-rate system, because the floating-rate system has brought "too much success for too long."

Steven Roach, the chief economist for Morgan Stanley, described his role in a New York Council on Foreign Relations study group on the new financial architecture, but fudged on any true systemic reform. He did acknowledge that some concerted action had to be taken against the unchecked flows of "hot money," to force more long-term investment. But then he schizophrenically said, "I am not as concerned about derivatives."

Nevertheless, in a statement quoted the next day by the Xinhua Chinese news agency, Roach acknowledged that, with the "forging of a new axis of leadership between Japan and China that could have much to say about the region's economic and political prowess in the 21st century, Asia is now taking matters into its own hands in shaping a new financial architecture."

Bank for International Settlements Managing Director Crockett was brutally frank in his opposition to any such "Asia first" maneuverings. In his luncheon keynote on May 15, he warned that any new architecture must preserve two key elements of the current, admittedly dysfunctional system: hegemony of the private capital markets, and retention of the

IMF system of harsh conditionalities. In a private discussion with *EIR*, he lashed out at the idea of an Asian Monetary Fund, calling it a move by Asian states to "create their own IMF, with their own conditionalities." Crockett was equally adamant that, under no circumstances would he support a return to a Bretton Woods-modelled system of fixed exchange rates.

Crockett had preceded these ravings with a fairly accurate account of the succession of grave crises that have hit the world financial system, beginning with the crash of the European Rate Mechanism in 1992, as a result of speculative attacks. He recounted the Mexico crisis of 1994-95, and observed that the same hot-money-driven crash had also occurred in Asia in 1997-98. By the time the Russian default occurred in August 1998, Crockett admitted, a "knock-on effect" had set it, wherein crises in one part of the global financial system rapidly spread to other areas. The near-crash of Long Term Capital Management (LTCM), as the result of the Russian default, almost sank the entire global system, Crockett acknowledged. And, nothing can stop another series of devastating crises, he added. "The global financial markets . . . are not functioning well."

## President Kim: New Architecture Needed

Crockett's agitation at the idea of a return to a Bretton Woods sane system had been stoked earlier in the day on May 15, when South Korea's President Kim Dae-jung delivered the keynote presentation, via satellite hookup from Seoul.

"I believe that we must firmly establish a new international financial architecture as soon as possible," Kim stated. "In the international financial markets, where more than \$1 trillion are being transacted every day, the efforts of any single nation are not enough to help maintain financial stability. This was proven by the crises in Asia, South America, and Russia."

Kim also repeated recent warnings by Japanese Finance Minister Kiichi Miyazawa, that the Wall Street bubble is a threat to the rest of the world. "Recently, moreover, we have witnessed a prominent phenomenon: World stock markets, including those in Asia, often act in concert with the New York Stock Exchange."

"I insist that a hedge fund and short-term capital monitoring channel must be set up, so that major national and international financial organizations can exchange information and maintain close, cooperative relations," Kim stated.

The clash between the podium globaloney rhetoric that characterized the majority of presentations during the forum, and the fears of a systemic crash by many in attendance, was captured in an informal discussion that *EIR* had with David Hale, chief global economist for the Zurich Group in Chicago. After Hale voiced confidence that the system would probably muddle through, this writer asked him, "What happens if the billion dollars a day in foreign capital inflows to the U.S. were to dry up?" Without blinking an eye, he responded: "The whole global system would crash."



# An Asian Monetary Fund

by Lyndon H. LaRouche, Jr.

May 16, 2000

On the record, I have been in favor of the establishment of an Asian Monetary Fund, or kindred arrangement, since the closing months of 1997. I have never deviated from that view, and support it more energetically today than at any earlier time. At the present time, especially in light of the ASEAN-plus-Three deliberations at Chiang Mai, opposition to the AMF from the U.S. government would have to be viewed as monstrous.

The following are the most timely observations to be made on this matter of the AMF.

1. The presently hopelessly bankrupt world financial system, together with the International Monetary Fund in its present form, are not only hopelessly bankrupt, but the efforts by such U.S. circles as Treasury Secretary Summers and Federal Reserve Chairman Greenspan to manage that crisis during the short term, have put the world system on an accelerating risk of either chain-reaction implosion, or a track of increasing potential for hyper-inflationary explosion like that of Germany of March-October 1923. The present, stubborn U.S. efforts to deny those facts are one of the greatest follies of the past hundred years.

2. The efforts of Summers, Greenspan, et al., have put the U.S. at the throats of the vital interests of its trilateral partners, continental Europe and Japan. The strategic hot-spots around the world are spreading and multiplying, largely as a result of current Anglo-American strategic policies, the U.S. most notably at the present moment.

3. There is no hope of avoiding a relatively immediate plunge into a decades-long new dark age, comparable to that of mid-Fourteenth-Century Europe, unless a Franklin Roosevelt-style policy initiative is set into motion now, to establish a new world monetary system immediately, one modelled on the crucial features of the way in which the old Bretton Woods monetary system functioned in U.S.-Western Europe relations during the 1945-1958 interval.

4. Now, years of valuable time and effort, which should have been devoted to preparing for, and developing this alternative, has been wasted. In this circumstance, the proposal to implement an Asian Monetary Fund among the ASEAN-plus-Three partners remains one of the indispensable, new, regional building-blocks toward the new Bretton-Woods-

modelled monetary system which must now emerge as the only alternative to the worst financial, monetary, economic catastrophe to be suffered by this planet in more than a hundred years.

5. The only kind of new monetary system which could enable the nations to master the presently onrushing global crisis would feature the follow leading points:

a. Reestablishment of the principle of perfect sovereignty of nation-states.

b. Adoption of protectionist measures of tariffs, trade, and monetary, financial, and economic cooperation akin to those used successfully in the 1945-1958 measures for the joint recovery and economic growth of the U.S.A. and western Europe.

c. The policy of emphasis upon long-term deployment of state credits, at nominal interest-rates, in support of production of capital goods for increasing the physical productive powers of labor, per capita and per square kilometer, especially in the so-called developing sector. This represents the fulcrum of common interest among those nations which had been formerly technology exporters to the nations of the so-called developing sector.

6. The potential role of ASEAN-plus-Three cooperation, through an Asian Monetary Fund, presents us with one of the several regional building-blocks naturally suited to promote a global economic recovery and growth under a new monetary system:

a. Japan typifies a nation whose ability to secure the raw materials and other imports needed for its economy and population depends upon long-term markets for high-technology exports, of physical capital goods, into the developing sector. ASEAN-plus-Three is a natural mechanism of cooperation, for both common defense of stable currency-values and for facilitating the long-term investment in physical capital-goods development upon which the welfare of the ASEAN nations depends.

b. Under conditions of crisis, such as the presently accelerating one, policy must place emphasis predominantly on the long-term mutual interests among trading partners, rather than the mere accidents of current politics and pre-existing policies. It is only in the true, long-term interest of the physical general welfare of the prospective trading and treaty partners, that a sane choice of policies and partnerships for the long-term lies.

I recognize that, for the moment, the majority of policy-shaping circles in the U.S.A. have relegated the possible return of national sanity to some time beyond the August Democratic Party convention, or even beyond the November general elections. On the subject of delusions such as that one, it is important to place great emphasis on the old aphorism: "Man proposes, but God disposes." The time for the U.S. to come back to its senses, is now. Support for the ASEAN-plus-Three resolutions on the Asian Monetary Fund, would be a hopeful sign of an urgently-needed return of the U.S. to sanity.



# Egypt Seminar Takes Up LaRouche, Silk Road

by Hussein al Nadeem  
and Muriel Mirak-Weissbach

Ideas work.

Especially in periods of systemic crisis, when entire historical orders crumble, it is not money, or military power, which determines the course of history, but ideas. Thus, it is extremely important, that in the current crisis, great ideas, like that of the Eurasian Land-Bridge (or New Silk Road), be debated openly among intellectual circles in countries throughout the world.

Port Said, Egypt, was the venue for a high-level conference on April 15-17, on "The New Silk Road and Its Impact on Egyptian Interests." Sponsored by the Center for Asian Studies of the Faculty of Economics and Political Science at Cairo University, the seminar explored various aspects of the great infrastructure design for rebuilding the historic silk routes across Asia into Europe, with modern technologies. As the title of the conference indicates, the papers presented also went beyond the Asia-Europe relationship, to examine the extension of the transportation networks and development corridors into the Arab world, Iran, Turkey, and Africa, through Egypt. Among the select group of attendees at the seminar, was the Governor of Port Said.

The conference papers, which are to be published in a book in Arabic, covered the main geographic and political aspects of the Eurasian Land-Bridge project. "Russia and The Silk Road: Opportunities and Challenges," was the title of the presentation by Dr. Nourhan Al-Shaikh, who went through Russia's view of the development of the New Silk Road. She started with a reference to *EIR*'s founder, Lyndon LaRouche. "In January 1997, prominent American economist Lyndon LaRouche lauded the project. . . . He stated that it would restore life and activity to the world economy, in the same manner as President Franklin Roosevelt did, following the Great Depression, to save the American economy. However, LaRouche emphasized that China would not be able to carry out this giant project alone, and called upon the United States to support this project. This means that the U.S. should adopt, supervise, and sponsor this project," Dr. Nourhan said.

A speech by Mithab Ayoub, on "Chinese Policy for the Eurasian Land-Bridge," developed further the political dimensions of regional cooperation around the project, reviewing the formation of what *EIR* had dubbed the "Survivors' Club," of China, Russia, India, and other Asian countries,

committed to surviving the world financial collapse through cooperative economic efforts, transcending bilateral agreements. The speaker presented China's policy of economic cooperation with its neighbors, and reviewed the historic visit of Chinese President Jiang Zemin to Russia, as well as the proposal by then-Prime Minister Yevgeni Primakov of Russia, for a "strategic triangle" among Russia, India, and China. He also raised the question, whether the United States would join the effort.

Another contribution, from Ridda Mohammad Hillal, on "Turkey's Policy Toward the Silk Road," presented the extension of the Eurasian Land-Bridge into Turkey, a country, he said, which the LaRouches had visited, and where they were highly respected. Hillal outlined rail expansion in Saudi Arabia, Iran, Egypt, Syria, and Jordan.

## The British vs. the American System

In addressing "Europe and the New Silk Road," another speaker, Sidqi Abdin, contrasted two approaches to European infrastructure development. The project outlined in 1989-90 by LaRouche, known as the Productive Triangle, was presented as superior to other, strictly western European approaches, in that LaRouche's design would have positive impact on the whole world economy, whereas the isolated proposals emerging in Europe every now and then, including the Jacques Delors "White Paper" for enhancing intra-West European transport, did not take into due consideration, the impact of the New Silk Road.

"In recent years," Abdin said, "the discussions about reviving the old Silk Road have been increasing. In this context there was the Chinese strong appeal, and also the call made by American economist Lyndon LaRouche." His project was very ambitious, Abdin said. "Such a giant project would be very difficult to accomplish if political, and at least, financial support were not provided by all the countries through which it will pass. It also requires support from the international organizations and the major powers such as the U.S., Japan, and the European Union."

Abdin detailed the diverse routes that the Silk Road would take, to connect Asia to Europe. "Therefore," he said, "it is obvious that the routes of the New Silk Road start in the Far East and end in Europe, and vice-versa. This means, that the two continents of Europe and Asia will be connected as one landmass through a network of routes, the which has prompted some people to say that 'the day will come when there will be a direct route from Rotterdam, Holland to Jakarta, Indonesia.' This means that movement from the far west of the European continent, to the far east of Asia, will take hours by land routes and not air." This, he said, "is what motivated an economist such as LaRouche, to describe the New Silk Road project as a locomotive, which could achieve world-wide development, especially because it passes through major population and technology centers." Here the speaker explained the concept of "development corridors"

along the routes, which comprise a “land-belt extending 100-150 kilometers.”

In arguing the superiority of LaRouche’s conception, Abdin stressed the impetus provided by it for development of the whole world, and its overthrowing all geopolitical designs. “Contrary to the European proposals, the proposal presented by American economist LaRouche on the Productive Triangle in Europe and its various extensions reaching to the Middle East and North Africa—even though they will mainly benefit the Europeans—he views it as a basis for a renaissance in the world economy, as a model which should be moved to include every region of the Eurasian continent,” he said. He lamented the fact that “LaRouche’s proposal for Europe has not been given enough attention inside Europe itself.”

As were other papers discussed at the seminar, Abdin’s was far from academic. Indeed, it focussed very finely on the factional differences in Europe, around the Silk Road concept. “There are people,” he said, “who say that, inside Europe, there are two irreconcilable attitudes toward the New Silk Road, as China has presented this project. The first one is positive, represented by the German stance. The other is negative, as represented by the British.” He said that this fact “surfaced clearly in the conference which was held in Beijing in May 1996. The positive attitude was most obviously presented by Helga LaRouche, as a German and wife of LaRouche, who, due to her great enthusiasm for the project, has been nicknamed ‘The Silk Road Lady’ by the Chinese. Through the institute, which she heads, she arranged a conference in her country on this subject in 1997 to which 150 international researchers were invited.” The negative attitude, he said, “was represented by the voice of Sir Leon Brittan, who participated in the conference as Deputy EU Commissioner. He talked about free trade and objected to the Chinese development model, and demanded that China should stop using huge investments in the development of infrastructure, and also demanded that China should abandon its protectionist measures and allow the market forces to decide everything.”

## Geopolitics vs. Development

A central feature of the discussion, was the historical conflict between the British geopolitical approach to Eurasia, and the pro-development approach. Abdin explained the attitude expressed by Leon Brittan, by referring to “some people” who know the history of British geopolitics and “its historical opposition to the emergence of a continental power, the which has led to two world wars. They still emphasize that Britain continues to have the same policy.” Abdin cited articles in the British press to support his view. He also hypothesized, that the reason why the efforts of LaRouche remain “as an academic viewpoint which is not binding for the German government,” lies in the fact that Germany and France have supported the British stance. If Europe is not forthcoming, he said, then “the Asians must do it themselves, if they are will-

ing,” and then the question will be, “Is Europe intending to be a freeloader on the New Silk Road?”

Another attack on British geopolitics came from Dr. Abdul-Aziz Shadi, in a speech entitled “The American Stance vis-à-vis the New Silk Road.” Shadi explored the American attitude toward the project, and located his remarks in the context of two traditions in Western and American policy toward Eurasia, and China specifically. “There is another limitation on American policy toward China,” he said, “which is related to the British legacy toward China and its impact on American policy toward the Silk Road. In spite of the emphasis made by people such as Wilhelm Leibniz, on the fact that the expansion of Eurasian land-based trade corridors would greatly contribute to more prosperity for the nations of Eurasia, the traditional British policy—which has many admirers among American policymakers—is to contain Chinese influence and not to allow China to expand economically outside its borders. London has never tried to hide this policy, making it clear that its intent is to destroy the possibility of establishing an infrastructure for Eurasian relations which was proposed by Jacques Delors in 1994. It is widely recognized that there is coordination and reciprocal influence between the U.S. and Britain. In many cases you have people inside American policymaking circles who are influenced by British policy vis-à-vis China,” for example, Zbigniew Brzezinski. “However, this does not mean that they can determine American policy, because American interests in this region are not determined by the historical complexes which control British policy.”

These two foreign policy considerations, Dr. Shadi stressed, have dominated “European politics since the Treaty of Westphalia” in 1648. And in the present context, he said that for the Americans, Caspian Sea oil pipelines represent a parody of the pre-World War I Berlin-Baghdad challenge for the British. Dr. Shadi demonstrated his keen insight into historical and present relations, by noting that there is one difference between British policy and American policy, and that is, that American policy may go along with the idea of building the Silk Road in order to save their collapsing industrial economy, and to establish fruitful relations with eastern Europe. That approach, which the speaker called “American geo-economics,” he said was preferable to British geopolitics.

One message which emerged from the discussions, although not explicitly formulated as such, was that Europe (especially Germany and France) and the United States should rethink their policy toward the New Silk Road project. Another message was that in Egypt, there are serious intellectuals who are dedicating time, energy, and serious concentration, to thrashing out precisely those ideas, championed by LaRouche and *EIR*, which represent the hope for leading not only their own country, but also the entire world out of economic disaster. It is to be hoped that the example set by the Center for Asian Studies at the University of Cairo, will be followed by others.

# New Government Bodes No Good for Russia

by Jonathan Tennenbaum

With the release of the list of cabinet appointees for the government of newly confirmed Prime Minister Mikhail Kasyanov, speculations and hopes of a possible turn away from the International Monetary Fund-style liberal economic policy line of German Gref and Presidential adviser Andrei Illarionov (see Prof. Taras Muranivsky, "The Penetration of Immorality into Russia's Putin's Economic Policy," *EIR*, April 14), have ended abruptly. In the new government, Gref himself has been appointed as head of the newly formed Ministry of Economic Development and Trade, while the post of Finance Minister has gone to Alexei Kudrin, a protégé of the liberal Anatoli Chubais, and who is to "coordinate all fiscal and economic policy." The composition of the new government points to an economic policy which, if anything, will be even worse than under President Boris Yeltsin.

Just days earlier, in State Duma (lower House of Parliament) meetings before his confirmation vote, Kasyanov had made a show of distancing himself from Gref, whose Center for Strategic Studies was charged by President Vladimir Putin with drawing up comprehensive economic policy proposals for the government. At the same time, Kasyanov had called for large-scale infrastructure projects, and indicated that there were "significant points of agreement" between the economic policy views of the new (Kasyanov) government and proposals put forward by Yuri Maslyukov, particularly concerning the role of state investment in promoting the growth of the Russian economy. Among other things, Maslyukov calls for setting up a state-owned Russian Development Bank to finance industrial and infrastructure investments, as had originally been planned under the Yevgeni Primakov government, in which Maslyukov served as First Deputy Prime Minister. (That government was ousted on May 12, 1999.)

In recent weeks, there were numerous rumors and media discussions about the possibility, that Kasyanov might bring the Communist Maslyukov into the new government. In the Duma meetings and again in his confirmation speech, Kasyanov declared that any further economic reforms must be carried out in such a way, that they cause no shock to the population, a third of which, he said, is living below the minimum necessary to exist. The influential Internet news service "polit.ru" had even declared that Gref had defini-

tively lost out in the struggle over future economic policy, and that Kasyanov had opted for a dirigistic "East Asia model" involving large-scale state investment and protectionism.

## Just a Deception

But *no trace* of any of this can be seen in the new government. The implication is, that Kasyanov's statements were just a deception, intended to secure a bigger vote for his confirmation in the Duma, and part of the smokescreen of contradictory statements and promises, which the Putin Kremlin has been maintaining since the beginning of the year.

The composition of the new government also places a strong negative accent on the measures, just announced by President Putin, for strengthening the control of the central government over the Russian regions. In principle, a consolidation and strengthening of the Russian state, in the face of rampant lawlessness and even separatist tendencies in the regions, is urgently necessary and would practically be a precondition for actually carrying out a dirigist mobilization of Russia's economy. But, such a centralization would *also* be a precondition for imposing a *brutal austerity policy*, of the sort supported by Gref and Illarionov, who favor a "Chile model" of dictatorship and austerity for Russia.

## GENOCIDE RUSSIA AND THE NEW WORLD ORDER

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# The Failure of Globalization and the Need for a New Bretton Woods

by Lyndon H. LaRouche, Jr.

*Mr. LaRouche addressed a meeting of 100-120 people at the Dominican Republic's University Institute for Exact Sciences (INCE), in Santo Domingo on May 3. The conference was jointly sponsored by the INCE and EIR. Mr. LaRouche spoke by videoconference from Frankfurt, Germany. The full title of his speech, which we publish here, is "The Failure of Globalization: The International Financial Crisis and the Need for a New Bretton Woods."*

There are four points in recent 30 years' history, which I wish to emphasize to you today.

In the middle of August 1971, the President of the United States, Richard Nixon, took a measure which resulted in a destruction of the previously established Bretton Woods system. Now, while there had been injustices under the Bretton Woods system, the system had otherwise worked, especially for the United States and western Europe.

In 1971, this system being destroyed, as a result we have had, since, a so-called floating-exchange-rate system. And because of the manipulation of currencies under the floating-exchange-rate system, we have seen, for example in the countries of Ibero-America, great injustice, where the currencies are pushed downward, but the debts are artificially pushed up. So, as a result, the countries of Ibero-America have paid many times more, in terms of debt service, during the past 30 years, than they have incurred in the form of debt. In point of fact, if the debt service paid by Ibero-American countries, were applied to the actually incurred debt, all of these countries have *overpaid* their former debts.

This system, this floating-rate system, has not only destroyed the entire continent of Africa; it has also destroyed the sovereign nation-states as they existed south of the U.S. border, and in the Caribbean.

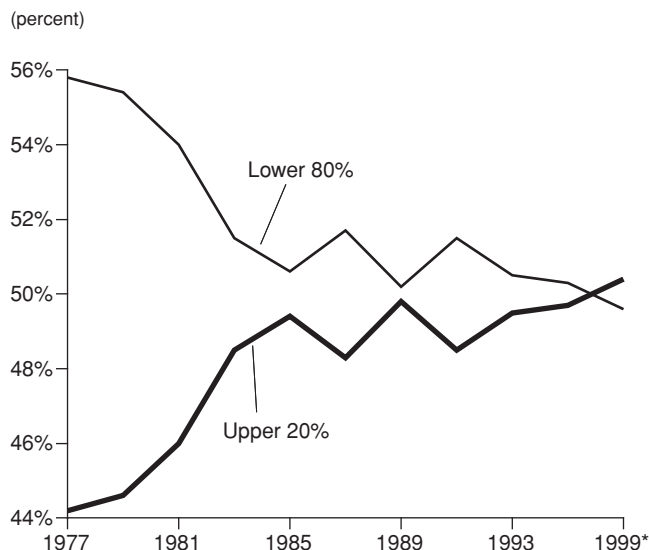
So, as a result, this has gone through a process of stages, in which not only have the developing-sector countries suffered, but the economies of western Europe, the United States, and so forth have degenerated. If you look at a graph [Figure 1]—take the lower 80% of the family income-brackets of the population, and compare the share of the total national income of the United States, of that 80%, with the total share enjoyed by the top 20%. And you see a picture of ruin of the U.S. economy.

The U.S. is by no means prosperous. Europe is by no

means prosperous. No part of the world is really prosperous today. There's a debate going on in England at this time, as to whether England shall have any industries or not. The entire English economy is about to be destroyed, while the financial giants continue to control the world.

This went through a stage where, with the fall of the Soviet system, in the period of 1989 to 1991, a group of people centered around Margaret Thatcher, François Mitterrand, and George Bush, then President of the United States, declared they were creating a New World Order. What they meant by that, was the fact that, since the major strategic power, challenging power, the Soviet system, was disintegrating, that the Anglo-American powers—that is, Wall Street and the City of London financial centers—could now establish a virtual military dictatorship, echoing the old Roman Empire, over the world as a whole.

FIGURE 1  
**Upper 20% of Families Haul in More of Total U.S. After-Tax Income than Lower 80%**



\*Projected  
Sources: Congressional Budget Office; EIR.

Since 1989-91, therefore, what we have seen is a process of globalization, an idea which was proposed many years ago by Bertrand Russell, probably the most evil single person of the 20th Century, and this process of globalization is really another name for new global empire, a Roman Empire, but this time run by financial oligarchies centered largely in London, and in New York City, and elsewhere. We've also seen a degeneration, a moral degeneration, inside the United States, as a result of many conditions over the past period—the counterculture, other things—that people who are in top positions today in the United States, as in western Europe, in the brackets, say, of between 35 to 55 years of age, are morally and intellectually inferior to people of the preceding generation. And this generation does not have the capability of understanding and comprehending the kind of problems which the previous generation, despite all their mistakes, was at least capable of understanding.

Now, in a more recent period, since 1996, this international financial system has been in the process of its terminal phase of self-destruction. As we meet today, the system is in an extreme stage of turbulence. It is about to disintegrate. The question posed to us, is, when this system disintegrates, what do we do about it? Because the world system has two characteristics. It dominates our lives, and our lives depend upon it. So, if the present system collapses, what do we do? Obviously, we must immediately establish a new system, clearing up the indebtedness, the waste, of the old system, and launching a new system that works.

## The Revolution We Must Make

To launch a new system will require two things. First of all, it will require that we adopt immediately the concept of a stable monetary system, with fixed exchange rates, or relatively fixed exchange rates, of the type we had in the 1950s, and the postwar period. That's the first step.

The second step is to do what Franklin Roosevelt had intended to happen, but which did not happen because he died. Roosevelt's intention was, at the end of the war, that all colonial powers—Portuguese, Dutch, British, and French—would be stripped of their empire immediately, at the point of the break of the war, and that the United States would establish a community of nations which would use their power as a community, to ensure that the right, not only to national sovereignty, but to access to necessary technology, would be given to them. It was the intent of Roosevelt that the postwar monetary system, as he had intended it to be designed, would supply a flow of state-backed, guaranteed credit at low borrowing costs, to all nations to enable them to use this credit on long-term, to build up their economies, with the technology they needed. Nations such as India, China, the nations of Africa, the rebuilding of the states of the Americas, were among the objectives.

So, today, we not only have to have a new monetary system which immediately goes back to the pre-1971, essentially

the pre-1959 form of the old Bretton Woods system, but this time, we must do what Roosevelt intended: that is, we must have a community of nations, not a few privileged powers, deciding how the monetary system will be run, and how the credit system will be run. This will work *only* if we restore the full principle of sovereignty of the sovereign nation-state.

Now, this is an economic consideration, as well as a political one. If you do not have governments, which are able to impose economic protection on the prices of their commodities, to protect their agriculture, to protect their industries, to protect the development of infrastructure, to collect taxes, and fix prices in such ways that all these things can be done, in sharing the income and protecting the income for that purpose, you can not have a stable world system. A free trade system is, by definition, a predatory system, in which you force countries to produce products at the cheapest prices, with the lowest-cost labor, with the poorest conditions of production and income, as a price of being able to compete in the world market. That is a predatory system, that belongs to the domain of the wild predatory beasts, and not the human beings.

Now, in point of fact, when the modern nation-state was created, which began in the 15th Century as part of the Renaissance, a new principle was introduced into government. It was actually put into effect first in France, under Louis XI, and next, at a later point, slightly later, by Henry VII in England. This was called a Commonwealth principle, and the moral principle was, as is in the first three paragraphs of the U.S. Declaration of Independence, and is reflected in the Preamble of the U.S. Constitution, that government has no moral authority to govern, except as it is efficiently committed to promoting the general welfare of *all* of the people, and their posterity.

This system of government, of sovereign government, made the difference, the fundamental difference, between the old Roman system, the barbarism system, feudalism, and the modern society. For the struggle for republics in the modern age, has been a struggle to create a set of political conditions, and social conditions, for mankind, in which no authority will rank higher than the government that acts on the moral authority of the use of its sovereign powers, to promote the general welfare of all the people, and their posterity.

It is also a principle that the world must finally be brought into order, in the sense that the world must be ruled not by an empire, not by a globalized system, which is really a form of imperial Roman rule, over the poor slaves, but must be ruled by a community of perfectly sovereign nation-states, which are bound together as a community, as a government should be bound to its own people. That its moral authority, as a community, is its shared commitment to promote the welfare of each and all of the member-nations, as it is to promote the general welfare of each of the persons, and their posterity, within the nation.

That's the revolution we must make.

## A Collapsing Empire

Now, where are we? In the process, we have reached the point, like where we're seeing the fall of an empire before our eyes, at the moment, as we speak. That does not mean the empire is going to disappear tomorrow morning, in terms of calendar date. But it means that what you're seeing in the markets today, in the extreme turbulence and shocks in all markets, in the collapse of the Nasdaq market, and so forth, that these shocks betray a system which is ready to disintegrate, and which will soon disintegrate.

What we don't know are the exact date the disintegration will occur, or the form in which the disintegration will occur, or whether, in time, there will be a new system established to replace the bankrupt old system. Those are the questions before us.

Under these conditions, several things will happen. First of all, we must eliminate not only globalization, but also free trade; we must also eliminate the delusion of so-called Information Society. What has happened in the past period, particularly affecting people in government and other positions of power in the age range of 35 to 55 — most of the people running most governments, institutions today, are either in that age range, or coming into it. Most of it, as in the U.S. government, in the U.S. society generally, as in European governments, European society generally, most of these people are deluded. They believe in a so-called Information Age; they believe in free trade. They believe in globalization. These beliefs are what have led them to the state of moral corruption, under which they have brought this system to the point it's about to disintegrate.

That is, remember, there are only two ways in which humanity, or nations, can suffer great calamities. One is natural disasters, over which we yet have no control. We might in the future, but we don't now. For example, we can not prevent the glaciation from coming back, as it had come back repeatedly on this planet over a period of 2 million years recently. We can not prevent meteorite showers from destroying large sections of the planet, for human habitation, as has happened in the past, probably eliminating some of the dinosaurs that way. There are other calamities we can not yet prevent.

But the thing that should concern us is that, apart from those natural causes, no civilization was ever destroyed except by its own immorality, by its own idiocy, and that's what's happening to us now. In the past period, especially as reflected by the 1971 change in the monetary system, we have adopted ideas which have become popular. It is the popularity of those ideas, especially among what have become ruling circles in industry, private sector, and government in parts of the world — it is these ideas by which we have been destroying ourselves.

The destruction of the economy, the imminent collapse of the world economy as we've known it, which is something for the weeks and months ahead, is not a result of some little mistake. It is a result of a systemic, moral corruption and intellectual corruption in the general popular opinion of those

who are ruling society — which in the United States is the upper 20% of the family income-brackets today, generally.

Therefore, what we're dealing with is a crisis, a crisis which is a condemnation of the immorality of an imperial system, the Anglo-American system of today, which has imposed this system upon us. It's a condemnation of the popular values, of entertainment, of education, of the mass media, and so forth, today.

So, when this crisis comes, if we're going to survive, we are going to have to put aside those values by which we have led ourselves to destruction.

## The 'Pearl Harbor' Effect

Now, I've often referred to an incident which occurred in 1941, Dec. 7, 1941, when the United States, most of the people, refused to believe that the United States was actually going to be drawn into the war then ongoing in Europe. People believed the United States would be affected by the war, economically and otherwise, but they did not believe that Americans would actually have to go out and fight that war.

On Dec. 7, 1941, the day the Pearl Harbor bombing occurred, the American people underwent, before my very eyes, a fundamental transformation, from a people who believed that the war wasn't coming to them, to they were rushing out to the recruiting booths, to volunteer for military service.

We are in such a period ahead right now. In which all things that seem secure, in terms of the power of certain bodies of opinion, of certain ideas, of certain mass-media values, of certain entertainment values; suddenly, in a moment, a shock will be administered, when the system comes down, and the question will be: Do we have the ability to respond to that shock? Can we respond effectively to the moment that people look up to government, and leading people, and say, "Save us!" "Save us from this catastrophe."

Do we have the ideas, and the will, and the qualities of available leaders, to step forward, and say, "Be calm. We can solve this problem. We can restore the nation-state, which you need to have done. We can eliminate globalization. We can eliminate free trade. We can eliminate the so-called Information Age. We can return to a society committed to infrastructure, infrastructure development, like adequate power for Santo Domingo, for example. To adequate water systems. To development of agriculture and its productivity. To the development of industry, and productivity, to improvement of the standard of education, to quality education at higher levels for all children."

We can promise the future, a better future, simply by returning to principles which we have violated, especially over the past 30 years. If there are leaders who can step forward, in each country, in the moment when the population says, "What did we do wrong?"

How do you save a people? You have to wait; you must be patient. You must wait until they recognize they're wrong, they made a mistake. And when they turn to you and say, "Okay, we made a mistake, now we'll listen to you; what do

you propose we do?”

And around the world, in every country of the world, the question today, is are there people — sometimes they’re going to have to be people in my generation, the generations in their 70s, and even their 80s — who are going to have to step forward, and remind people, that there was a time when we did things better. When we didn’t make these mistakes.

Now, we’re not going to simply go back to the past, but we’re going to recognize that we made a wrong choice, at a turn in the road, and we’re going to go forward, not to the past, but we’re going to go back to the point where we made the wrong turn in the road.

That’s the proposition before us now. That’s the issue before us today. This system is finished. We’re sitting in a moment of great privilege, when we can watch an evil system *die*. And it is going to die. Our job is to rally ourselves, to find the leaders to step forward, and when the shock hits, to have those leaders say to the people, “Be calm. Be assured. We have learned much from history. Terrible mistakes in popular opinion and others have been made. Radical decisions that should have not been made, have been made. We can cancel that. We can pull ourselves up, and get at the work, and we can rebuild from the starting point of the place we made the wrong turn in the road.”

We’re going to rebuild the nation-state, a global community of nation-states. We’re going to have a protectionist system, rebuild that system.

I’ll just say this: As some of you know, that in my function in this business, that apart from my function as the only rival, presently, to Al Gore for the Democratic Presidential nomination, I also am involved with friends in Mexico, in Peru, Colombia, a few daring souls in Venezuela, in Bolivia, and in Argentina and Brazil, and various nations in Africa and nations in Asia, and nations in Europe, in close contact with leaders, or leading strata, intellectual strata, in these countries, many of whom have very kindly supported my efforts in this region, to bring together groups of people who represent a *community*, of leadership, which will help to coordinate the efforts among us, to bring into being the new financial and monetary system which we need to rescue humanity from the great crash, which is about to occur, within either days, or months, or weeks, or what ahead, but immediately ahead.

It is probable this will happen this year. It could happen in June. It could happen over the summer months. It could happen in September. The efforts, I know, in the United States, to prevent this from happening, by Larry Summers, the Treasury Secretary, and others — these are fools. They don’t know what they’re doing. They’re totally incompetent. They can not control this process. They can influence it. But everything they do to postpone the crash another day, makes the crash worse the following week. Then they go back, and they have to do something still worse the following week, to do that.

So, the time is coming, very soon, when *we*, as in the

Dominican Republic, and other countries round the world, must, as patriots of our nations, bring together the intellectual forces, which will rally around the leaders, who will help to lead their nations, as part of a community of nations, in creating the new monetary system, which will finally be a just new world economic order.

Thank you.

## LaRouche ‘Remoralizes’ Santo Domingo Audience

by Carlos Wesley

In what a daily in the Dominican Republic described as “an historic encounter,” Lyndon LaRouche, who is vying for the U.S. Democratic Party Presidential nomination, engaged in a lively dialogue on May 3, from Frankfurt, Germany, live, via videoconference, with a select group of more than 100 patriotic intellectuals and political leaders gathered in Santo Domingo, the Dominican capital. The 90-minute exchange, during which LaRouche called for an end to globalization, and put forward two basic principles — the adoption of a fixed-exchange-rate monetary system, and the establishment of “a community of perfectly sovereign nation-states” — constituted a powerful programmatic intervention into the May 16 Dominican Presidential elections, which saw Hipólito Mejía, of the Revolutionary Democratic Party, defeat Danilo Medina, of the ruling Dominican Liberation Party (PLD), and 94-year-old Joaquín Balaguer, who was seeking his eighth term.

The videoconference, titled “The Failure of Globalization: The International Financial Crisis and the Need for a New Bretton Woods,” was sponsored by the University Institute for Exact Sciences (INCE), and *EIR*. After being introduced by Marino Elsevyf, a prominent Dominican attorney who played a leading role in organizing the event, LaRouche made an introductory speech, following which he was first questioned by a group of panelists including Father Lúatico García, a Jesuit priest and well-known author; Dr. Edilberto Cabral, the former president of the Autonomous University of Santo Domingo, the oldest university in the Americas; and Jorge Melendez, *EIR*’s correspondent in Santo Domingo. Afterward, the floor was opened for written questions from the audience, which included the Deputy Minister of Interior, a former Comptroller General of the country, several government officials from the areas of banking and finance, labor leaders, and others, even including a government official who is a close relative of outgoing President Leonel Fernández.

The reverberations of the seminar will be felt for a long time. It was broadcast in full, to the whole country of some 8 million people, by Dominican TV four times on the eve of the elections, and again, for a fifth time, the day after, as the



election results were being announced. LaRouche presented the Dominican people and their new rulers with the alternatives facing them in the present crisis. LaRouche's message, that we must make a revolution "to promote the general welfare of each of the persons, and their posterity, within the nation," was tremendously remoralizing to a people who, despite last year's 8.3% "miracle economic growth," daily endure long electricity blackouts, and cannot drink the water that comes from their taps.

As in the United States, the Internet-driven "economic boom" has benefitted mainly the upper 20% or so of the population. The privatization and other free-trade policies that the government has pursued under the prodding of the United States and, most emphatically, Great Britain, and upon the advice of neo-liberal "Chicago Boys," such as Arnold Harberger, one of the architects of Gen. Augusto Pinochet's "Chilean economic miracle," have resulted in layoffs and reduced wages.

For many Dominicans, their only hope of survival lies in emigrating to the United States, legally or illegally. As a result, scores drown in the high seas as they attempt to make the passage in rickety boats.

While there is much hype about the computer revolution (Bill Gates just announced a big donation toward a planned "cybernetic industrial park"), most people realize that unless you can afford your own electrical generator, you can't get the darn things to run, because most of the time there is no juice in the plug. Dominicans had taken to calling officials of the outgoing PLD government, perhaps unfairly, "Los Comesolos" ("Only They Eat"). A Hamilton Poll survey in March, recently cited by the Washington, D.C. Center for Strategic and International Studies—which expressed the fear that the disenfranchised population might turn to Balaguer, who, CSIS said, would "defy the IMF [International Monetary Fund] and U.S. preferences [and] pursue a more statist and nationalist economic policy"—showed that nearly 70% of the population feel that their lot has not improved, or that they are worse off than before.

Thus, when LaRouche responded to a question, saying that what is needed worldwide is a policy of promoting investments in infrastructure, so that, for example, you could get electricity when you flipped the light switch in Santo Domingo, or clean water when you turn on the faucet, the audience burst into applause. Similarly, when in response to another question, he denounced privatization as "piratization," everyone laughed and applauded and stomped the floor.

### **'Who Is This Fellow?'**

This writer was privileged to be on hand to translate for the event, and was able to witness first-hand the audience's complete concentration, and their warm response to LaRouche. Twice the connection that allowed LaRouche in Germany and the audience in Santo Domingo to see and speak to each other, was broken, and the large screen on which

LaRouche appeared went blank, but everyone patiently remained in their seats until the connection was reestablished—nobody wanted to miss a word of what LaRouche had to say. People nodded in understanding when he explained that the yardstick for measuring government "corruption" is not, as the U.S. media would have one believe, political patronage as such, nor keeping state-owned enterprises going, so as to provide useful employment; corruption is that which creates suffering. It is the suffering that must be eliminated, he said. He reminded the audience that already in the 1980s, he had outlined a policy, "Operation Juárez," of Ibero-American cooperation for the economic benefit of all.

By the time the event ended, not only were nearly all the paying participants still in their seats, but they had been joined by scores of waiters, waitresses, and other employees of the downtown hotel where the seminar took place. Those unfamiliar with LaRouche were asking, "Who is this guy? He is great! Are you sure he is American? I can't believe it; no American talks like that!" As I walked out of the hall, seminar guest and hotel worker alike came up to ask me to convey their congratulations and gratitude to LaRouche.

The following day, attorney Elsevyl and this author appeared for a half-hour broadcast on "Revista 110," the country's most important news and political commentary TV program, which is hosted by Dr. Julio Hazim, to report on the seminar. There was also an earlier TV interview on Generoso Ledesma's "No te acuestes sin saberlo" ("Don't Go to Bed without Knowing This").

For most Dominicans, their image of America is that conveyed by U.S. Ambassador Charles Manatt, whom the press has dubbed "Mr. Charlie." A former chairman of the Democratic National Committee and a self-avowed enemy of LaRouche, Manatt arrogantly appointed himself an "observer" in the Dominican elections, and then added insult to injury by sending two U.S. military attachés, instead of any of the Embassy's scores of civilian officials, to work out the details with the election board—a no-no in a country with such a long history of U.S. military interventions. Earlier this year, in his first official speech, Manatt threatened Dominicans with dire consequences if they violated "intellectual property" rights. "That's a dangerous man," said a journalist who met him. "That guy scares me."

The televised broadcasts of LaRouche's presentation were also well received. An economist close to the Catholic Church who saw the entire dialogue on TV, told an acquaintance: "I was bowled over. I did not know that there were such towering intellects in the U.S. LaRouche stands for exactly the same thing as the Church's doctrine of social justice," a statement which echoed remarks by Father García at the seminar. And such responses come not only from the Dominican Republic: A former member of the cabinet of an African country endorsed LaRouche's bid for the Presidency, immediately after reading a transcript of his speech to the Dominicans.

# Eurasian Land-Bridge Approach Needed To Develop China's West

by Mary Burdman

Water is the key to the development of the vast interior regions of China, and the surrounding nations in Central Asia and Southeast Asia. While the commitment of the Chinese central government, and the involved provincial governments, to “develop the West,” is very strong, this cannot be achieved without solving the vital problem of ensuring access to sufficient water for this huge region. The challenge is enormous. Currently, most of China north of the Yangtze River is suffering severe drought. In some areas of the great plain along the Huang He (Yellow River), the drought has been of several years' duration. In some areas, millions of people, and their livestock, do not have enough to drink. The summer harvest, which provides one-quarter of China's grain, is endangered, and, if the critical situation continues, planting for the autumn harvest will also be affected. The drought extends beyond China. Its neighbor to the north, Mongolia, is facing economic disaster due to a drought which began last summer, followed by an extremely severe winter.

The problem of water management, in the broadest sense, is of even greater strategic importance to China, than the size of its population, as Lyndon LaRouche pointed out to a group of Chinese scholars and scientists at a seminar in New York in 1998. To provide the water necessary for a modern agricultural and industrial economy, for a population already of 1.25 billion, and which will reach 1.6 billion within 30 years, what is required, is not only the Three Gorges Dam, but also such great projects as “Move South Water North” (**Figure 1**). This project, which had been supported already by Mao Zedong in the early days of the People's Republic, would divert water from the overwatered south, to the dry north. Why it is necessary, is indicated by the fact that, as northern China is dried out, torrential rains are falling in southwestern Guangdong Province. There, the city of Lianjiang received 243.8 millimeters (9.6 inches) of rainfall overnight, the highest recorded since 1959.

Beijing has already announced ten major projects for developing the western region, to be launched this year. These include construction of railroad links, trunk highways, a gas pipeline, two flood-control projects, and reforestation of almost 800,000 hectares of land. These projects are vital, but fall short of the strategic “Eurasian Land-Bridge” approach, as outlined by LaRouche since 1989.

It would also be critical for China's planners, not to allow

the wild “information technology” hype emanating from the speculative bubble-dominated United States, to impinge upon thinking about developing the west. The ruinous idea, that computers and “information” eliminate the necessity to construct a modern industrial economy, is especially risky for an impoverished region like western China. There, development of the most advanced energy, transport, and industrial technologies, is the only way to overcome the challenges of poverty, geography, and climate.

## Lack of Water Will Hamper Growth

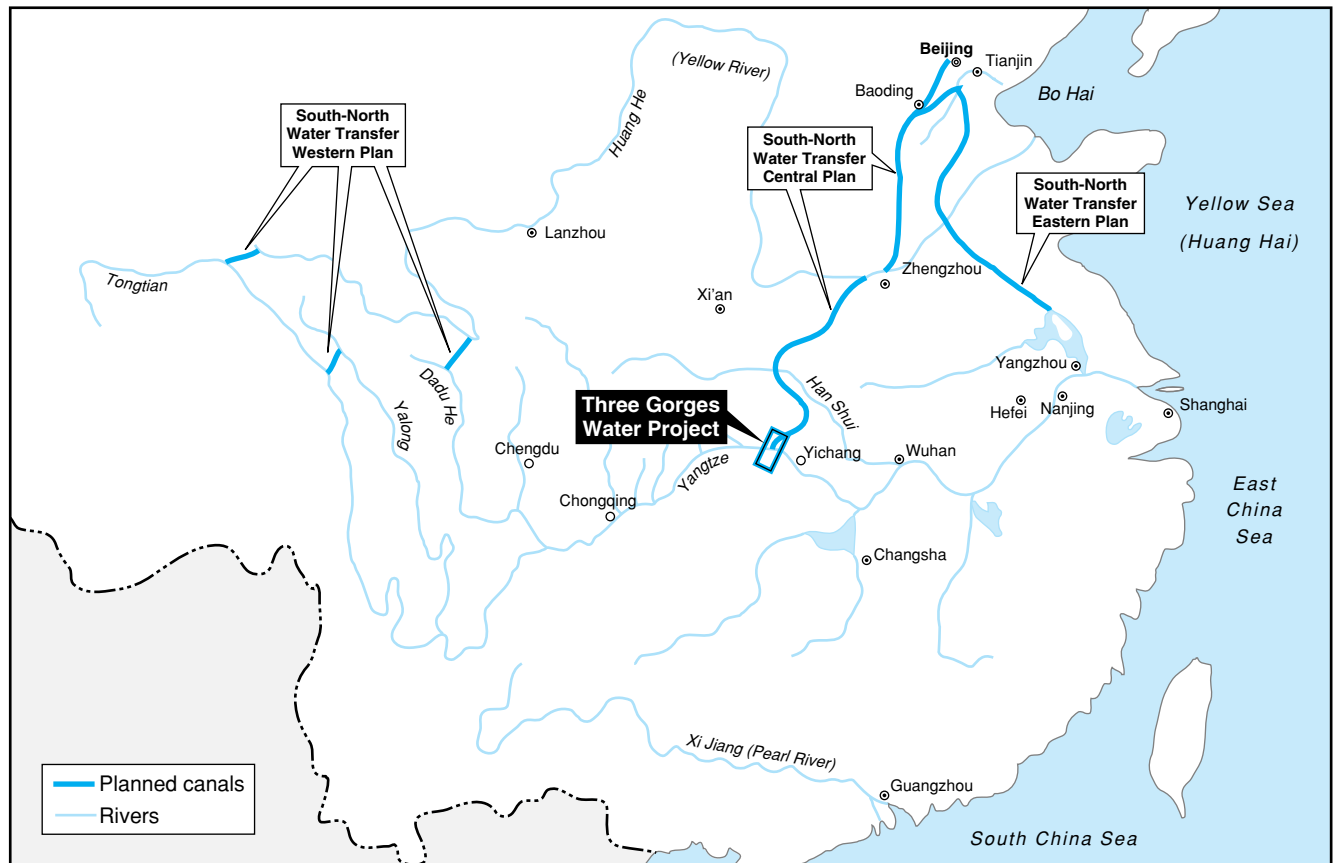
Even as the “develop the west” program is being launched, Chinese officials are warning that the lack of water could limit progress. On April 10, Tian Fengshan, who had been appointed China's Minister of Land and Resources in March, said, on returning from an inspection tour of western China, that the shortage of water could limit the development of the region. Also on April 10, Minister of Water Resources Wang Shucheng, said at an international seminar in Beijing, that saving water resources is a priority, in order to ensure that China's sustainable economic growth will continue.

A commentary in the *Economic Daily* on March 23, warned that the threat of a “severe water shortage which could endanger . . . sustained growth” in China. By 2030, China's population will be 1.6 billion, and this will bring down per-capita water resources, already low, by one-fifth. And on April 18, the *People's Daily* cautioned that, in the extreme conditions of western China, “If no breakthrough is made in scientific research work, and the problem regarding water-diversion and other infrastructure construction is not solved, it will be difficult to break free of the vicious cycle that ‘trees and grasses die after being planted, new saplings are planted again after the death of old ones.’” Water resources are being depleted in the west, *People's Daily* stated. “To achieve sustainable development of the economy in the western region, it is necessary to get rid of the ‘bottleneck’ restriction imposed by the environmental capacity. However, to ‘increase the capacity’ of the environment cannot be accomplished overnight. . . . Western development is a system project; while taking active action, we must have a sober understanding of the protracted and arduous nature of said development.”

Water management has been a millennial issue in China. The area along the Hexi Corridor—along the Yellow River

FIGURE 1

## Planned Water Diversion Projects in China



to the west—was the center of Chinese civilization in earlier millennia. Many events led to its current relative decline, but certainly of great importance, was the increasingly arid climate of Central Asia. As this vast area grew drier, many of the cities built in oases around the Taklamakan Desert, which formed the economic and cultural link between Europe, India, and China, were abandoned and became buried in sand.

Before the Tang Dynasty (618-907), Shaanxi Province had fertile land and abundant forest and grassland, and was the site of the capitals of tens of early Chinese dynasties, as historian Zhou Tianyu, curator of the Shaanxi Museum of History in Xi'an, recently pointed out in an article. Floods, erosion, wars, and too much monumental building by the Han and successor emperors, destroyed the region, turning it into the barren Loess plateau.

This history indicates why the Eurasian Land-Bridge approach is essential. This would combine the development of transport, water, energy, and city-building projects in "development corridors," capable of opening up the interior of China, Russia, and Central Asia, for economic development. While "arduous," the development of nuclear energy, at a

much higher rate than is currently planned, to provide the extra capacity necessary for such "great project" construction, water desalination, and great water-diversion projects, would make it possible to make China's west green again.

In stark contrast, is the approach of the international financial "mainstream," such as the Asian Development Bank. In its just-released 1999 annual report, the ADB has a special section on water. While addressing the real crisis in water supplies throughout Asia, the ADB, which calls agriculture an "old industry," concludes that imposition of "user fees," including on the impoverished population, and the end of government management, are key to water management via "stakeholder participation." For Asia, which has by far the greatest concentration of poverty in the world, the ADB touts the U.S. "model" — where industry has been devastated — for its success in saving water.

Clearly, this will not function in China.

China has per-capita water resources of only 2,400 cubic meters—25% of the world average—and is one of the 13 countries listed by the United Nations as having a serious shortage of water. China has the largest irrigation network

in the world, and uses approximately 70% of its water for irrigation, but shortages still hamper agricultural development. According to Chinese reports, around 27 million hectares of farmland, more than one-fifth of the total, are hit by drought each year. Even when there is rain, China needs an additional 30 billion cubic meters of water for irrigation. At the same time, only 40% of the irrigation water is efficiently used, due to backward technology.

Drought is now the worst disaster threatening China's grain yields; last year, damage amounted to nearly 90 billion yuan (\$10.7 billion). China is certainly taking measures: Water-saving irrigation methods are being applied over 18 million hectares, and a new research center on water-efficient irrigation technology was founded in Beijing on April 26.

Water is also an urban problem. An international forum on water, held in the city of Tianjin May 8-10, reported that more than 400 of China's 668 cities have a water shortage, and of the 400, more than 100 are seriously threatened. High-water-consumption industrial projects have not been built in many cities due to lack of water. The total annual urban water shortage is 6 billion cubic meters, reported Zhou Wenzhi, Vice-Minister of Water Resources.

## Severe Drought

Government leaders including Prime Minister Zhu Rongji and National People's Congress leader Li Peng have been inspecting the drought-stricken region north of the Yangtze during May. Zhu, in Hebei and Inner Mongolia, called for immediate efforts to combat serious desertification and to build "green belts"; he stated that abnormal weather is partially to blame, but excessive logging, mining, and use of unsuitable land for farming and over-grazing were the source of the problem.

Huge areas of north and northwest China are affected, especially the vast land along the Yellow River and its tributaries, including Hebei, Gansu, Shanxi, and Shaanxi provinces. The drought is extending beyond these generally drier areas, to the central provinces of Shandong, Jiangsu, Hubei, and Henan. Some 22 million hectares of farmland are dried out, and 13.8 million people and 10 million livestock do not have enough water to drink.

The State Flood-Control and Drought Prevention Headquarters in Beijing reported that there has been less than 10 mm of precipitation in the region since April, and strong winds have further dried out the soil.

Serious desertification of the lands to the west, has caused 12 dust and sandstorms already this year, some of which have struck the capital, Beijing, and as far south as Shangdong and Anhui. In Shanghai, rain has been muddy, due to the dust in the air.

All over northern China, rivers, lakes, and reservoirs are drying up. In the central provinces, among China's biggest grain producers, rain has been 30-85% below normal. Hebei Province, which surrounds Beijing, has had four consecutive

years of severe drought, and has a shortage of 800 million cubic meters of water. Now, 2.8 million hectares of cultivated land are endangered, and 380,000 head of livestock are thirsty.

Methods such as cloud-seeding are having some success in increasing rain, but cannot resolve the crisis.

## Desertification

Worse, is the long-term problem of desertification. An article in *Comment Biweekly* news magazine in late April, reported on the spread of desert and sandy wasteland. Around 40% of China's total land mass of 9.6 million square kilometers is inhospitable, including deserts, mountains, and the very high-altitude internal plateaus. In addition, over 15% of the land area is affected by desertification, and this area is spreading by more than 2,000 square kilometers a year, according to the Chinese Academy of Forestry. Forest cover is very sparse in western China: only 0.35% in Qinghai Province, 0.79% in Xinjiang Uygur Autonomous Region, 1.54% in Ningxia, 4.33% in Gansu, and 5.84% in Tibet.

In the 1960s, northern China was hit by about eight sandstorms a year; in the 1990s, it became 20. Sandstorms are causing losses of over 50 billion yuan (\$6.5 billion) a year—three times the revenue of five northwestern provinces and regions in 1996.

China's western region has suffered severe soil erosion because of excessive logging and cultivation over the past decades, a central cause of the "century floods" on the Yangtze and other rivers in 1998. A Qinghai Province official, speaking in Beijing on May 10 at an international forum of Finance Ministry and international officials, stated that in 1988, the central government had ended a program that funded local governments in some western provinces and autonomous regions. This led local governments, in an effort to earn money, to allow uncontrolled cutting of forests. At the same time, most rural households are dependent upon wood and charcoal for cooking and heating. Some 30% of the wood thus used, came from over-logging the endangered forests.

China's central government is now planning to reverse this devastation. The State Forestry Administration will launch two strategic afforestation projects, one to protect natural forests at the upper reaches of the Yangtze and Yellow rivers, and the other to control expanding deserts. The Forestry Administration, supported by the State Development Planning Commission and Ministry of Finance, is also launching a program to "barter grain for trees and grass." Farmers on marginal land will get subsidies of between 1,500 and 2,250 kilograms of grain a year, for every hectare of forest and pasture returned to wood- or grassland. The subsidies are to continue as long as needed to prevent farmers from recultivating the land. The government will provide seedlings, but the farmers will retain all profits from the trees and grass. The project will be carried out on 340,000 hectares of cultivated land and 430,000 hectares of bare hill- and mountain-

side. It is feasible, because China has big grain stockpiles due to consecutive bumper harvests, and the farmers themselves could not get such a yield from these lands.

Over the next decade, according to Land and Resources Minister Tian Fengshan, 50 million hectares of land will be reconverted from farmland to forests and grassland.

Priority will be given to new methods in afforestation. China has planted over 30 billion trees in the past two decades, but now the attempt will be to achieve an 85-95% survival rate of the plants, rather than the current 50-75% rate. Drought-resistant trees, methods to increase water in the soil, weather modification, especially fostering artificial rainfall, and other methods will be applied. China is increasing cooperation with Israel, Australia, the United States, and Japan on such projects, including on upgrading saline soil, using special fertilizers. The Soil and Water Conservation Institute of the Chinese Academy of Sciences, also wants to put into use a new chemical material which can absorb and release large quantities of water, if the production costs can be lowered. An American invention, a water-retaining chemical called "Driwater," would also be of great use in these regions.

These methods produce results. It was recently reported, that large-scale afforestation and desert control over ten years has improved conditions in Tibet. In the western area, the temperature has gone up an average of 1-1.4°C, and annual rainfall increased by 20.1-47.6 mm over previous years.

Near Urumqi, the capital of Xinjiang, a lake, 10×3 km in size, has recently reappeared near the "Mountain of Flames" at Turpan Basin. This is 161 meters below sea-level, and one

of the driest areas in the world. The lake, which had dried up entirely ten years ago, after excessive exploitation of its water and a severe heat-wave, has been re-filled by underground water, whose source is the surrounding mountains. Water experts reported that 100 million cubic meters of underground water has been replenished in recent years, enhanced by the use of water-saving irrigation.

Underground water reserves of at least 1 billion cubic meters, have already been found under the Loess plateau and the Taklamakan Desert. Guidelines are being put forward, to ensure that the water is exploited in the most advanced way. Techniques have been developed to sink wells for karstic water deep under arid land, and current projects are pumping out 660,000 cubic meters of high-quality water daily.

One aspect of China's tree-planting, however, demonstrates just how enormous its development challenges are: Even while the government is putting forward a new energy strategy, at the same time, the country is to plant 12 million more hectares of trees to produce firewood and charcoal, to try to meet energy needs in rural areas. Charcoal forests were first planted in 1981, and after 20 years of intense cultivation, now cover 4.3 million hectares of land. China is launching construction projects for hydropower, thermal power stations, and oil and natural gas exploitation. Nuclear power is included, but at a much too limited rate: Current nuclear reactors provide only 1% of China's electricity supply, and it is projected that total capacity will reach 20 million kilowatts by 2010 and 40 million kilowatts by 2020. Nuclear would then provide 5% of China's power.

### Limits to Development?

In the earlier years of the People's Republic, the western part of China was industrialized as rapidly as the coastal regions, due to such projects as Zhou Enlai's and Deng Xiaoping's "Third Line." After 1978, however, the focus became opening up the eastern coastal areas, leaving the interior for later development.

Now, the ever-greater relative backwardness of the interior, is making development there a critical issue. Yet, despite the fact that China now is, overall, in a much better economic situation than it was in 1978, the current international situation is posing extreme difficulties. The Asian financial debacle of 1997-98 wiped out several Asian economies almost overnight; Russia is in horrendous condition; and the vast U.S. speculative bubble is sucking out the financial blood of Europe and Japan. All this has hit China: Commodity prices collapsed, exports to Asia crashed, reform of the state industry stagnates, and plans for international projects, such as further construction of the Eurasian railroad, stopped. China's previously stagnating exports have risen sharply in the first months of this year, but government reports warn of the uncertainties of global markets.

These conditions, coupled with the growing emphasis on "market economy" methods in China, have produced a series

## LaRouche: Defeat the Desert

*From a speech by Lyndon LaRouche to Chinese scholars at a seminar in New York, in February 1998:*

We need to make the Earth habitable for human beings, and for the kinds of production human beings require. . . . This requires a constant drive of improved technology. . . . Look at the condition of China. . . . The inner area, . . . where people live, but they're poorly developed. . . . Not enough land area [is] developed, so that you can have population growth. . . . You must open up the desert. You take the desert area, and you design a Silk Road. . . . Along the transportation route, you move gas pipelines, water pipelines, [nuclear] power stations, everything. Develop the land area on either side, 50, 100 kilometers either side of the rail line, and you conquer that amount of desert. . . . It's like a military flanking operation against the desert. We are now going to defeat the desert. It may take us 50 years, but we will defeat the desert.

of stark warnings from the central government, about the need for “self-reliance” in the impoverished western provinces and regions. An April 5 commentary in the *China Daily*, while likening the “excitement and high hopes” about this opening the west, to those of two decades ago, states that times and circumstances are different. The “possibility for the central authorities to offer the same assistance it did for the east, has been reduced. The western areas’ weak financial capabilities require the central government to invest large amounts to kick-start development projects. But the western regions will have to rely more upon themselves in order to avoid lagging further behind the coastal areas.”

A *People’s Daily* commentary of May 11 warned of regional officials who “would rather wait for the central government’s preferential policies in investment and loans, than take the initiative to develop their local economy. History has proved that a planned economy would not be good for the healthy development of the national economy, nor for the efficient distribution of resources and the enhancement of national strength. To better develop western regions, it is imperative that local governments do away with the planned economy mentality and embrace the idea of a market economy.”

What that means, the commentary continued, is that “western regions should realize that any kind of help from outside the regions, either in the form of policies or capital, will be quite limited. The central government has suffered financial deficits for consecutive years, and is running out of preferential policies.

“Major state banks, haunted by inadequate assets, are no longer capable of injecting enough capital into western regions in credit loans. Furthermore, as China’s accession to the World Trade Organization (WTO) approaches, all enterprises, both Chinese and foreign, will have to compete on an equal footing under the rules set by the WTO. Thus the local governments must abandon their illusions about helping hands and stick to self-reliance in the development of the local economy. . . .

“Since the mid-1980s, the country’s industry investment has come mainly from bank credit loans, whose relatively high interest rates have increased the financial burdens on enterprises, which in return heightens the bad loan risks of financial institutions.” Capital could come from “30-50 billion yuan (US\$3.6-\$6 billion) each year in treasury bonds,” *People’s Daily* noted, but, on the other hand, the “stock market is another place to amass . . . capital”—hardly a reliable source of the essential long-term, low-interest credit China’s interior requires.

While the *Peoples’ Daily* statement, that “the main source of capital will not come from foreign investors, but from within the country,” and the proposed incentives to encourage migration from eastern China, including a favorable land-use system, are both sound policies, still, forcing China’s national financial priorities into the mold of the free-market WTO,

will undermine western development.

Equally problematic, is the growing infection of China by the “new economy” insanity. China had been able to protect itself reasonably well from the dangers of “financial AIDS,” by maintaining strict currency controls and repeated lancing of various internal financial bubbles. Such basic defenses will be lost, if China goes ahead to comply with WTO rules.

On top of this, comes the invasion of the pernicious Internet “information economy” from the United States, into China. Such most-unfortunate statements, as those of President Clinton at the White House Clinton-Gore “Digital Divide Kick-Off” on April 4, are being widely echoed inside China. The U.S. President, yielding to the dangerous illusions of his administration’s “New Market Initiative,” claimed that “the computer and the Internet give us a chance to move more people out of poverty more quickly than at any time in all of human history”—this, at a time when U.S. Energy Secretary Bill Richardson has warned that the U.S. electricity power grid has collapsed to a “Third World” level. What such computer illusions mean for impoverished nations and people, was indicated by what Clinton said about India, whose 1 billion people have a per-capita income equivalent to \$450 a year. Clinton described seeing, in an Indian village, a mother who had just given birth, going to a computer to get a printout of “information just as good as she could get if her baby were born at the Georgetown Medical Center.”

What he failed to note, was that while the woman might be able to read competent instructions, no Internet could give her the clean water, adequate food, medicines, or basic sanitation essential to her baby’s survival. These are also the realities facing western China.

Internet “whiz-kids” are proliferating in China, wildly claiming that the “the new economy is an inevitable revolution, in which the value of information will supersede the value of industry eventually.” Even economists at the State Information Center are echoing this line, that “the world is now changing from an industrial era to an information era,” citing the views of the World Bank, that the gap between developed countries and developing countries is essentially one of *information*.

At the High-Tech Industries Week just concluded in Beijing, for example, deals were worked out for joint development of a “digital port” by Ningxia Autonomous Region and the U.S. state of Utah. Utah representatives boasted of the “booming of its three high-tech pillar industries—software, medical instruments, and biological engineering,” but not mentioning, apparently, that the financial bubbles in software and biotechnology are in imminent danger of bursting.

The Internet will not provide China with the water so essential to its national future. Detaching the “whiz-kids” from their computers, and sending them out to help design and build the “development corridors” of the Eurasian Land-Bridge, would create a genuine economic revolution for China, and its Eurasian neighbors.

# Business Briefs

## Britain

### Blair Policy Means End of Most Manufacturing

A continuation of the policies of Prime Minister Tony Blair means the end to a good part of Britain's manufacturing sector, warned a survey presented by the Confederation of British Industry (CBI) in London on May 9, the *Independent* reported. The 14-year high of the pound sterling against other key continental European currencies, the government's taxation policy, and the political encouragement of companies to slash their workforce rather than invest in long-term improvements of industrial equipment, have put a big question mark over the future of manufacturing in 7 out of 11 British regions, the CBI stated.

The government's refusal to discuss the pound issue, and its ecology-minded climate-change tax, have created a burden on industrial companies, for which many managements try to compensate by slashing their workforce and reducing investments. But, "the lessons of history teach us that once the jobs have gone on this scale, then they are gone forever," said Neil Blake, of the Business Strategy consulting firm that carried out the survey in cooperation with the CBI.

John Towers, the head of the Phoenix consortium, which just bought Rover from BMW, demanded immediate steps in order to prevent further extensive damage to British industry, in an interview with the May 12 London *Times*. The government has to understand, he said, that the economy cannot survive on non-exporting service industries. "Someone at some stage in the value chain has to make something," he said.

## Asia

### China Needs 'Grand Passageway' to South

It is now time to build an "international grand passageway" connecting southwest China to South and Southeast Asia, stated Chinese economist Hu Angang, in an interview with the April 30 *China Daily*. Building this "grand passageway" will "significantly pro-

mote economic integration" of these three regions, he said. Hu Angang is adviser to a special research team studying cooperation among Southwest China and Southeast Asia and South Asia.

The "passageway" would include developing railways, expressways, waterways, aviation, oil pipelines, electric grids, telecommunications, and Internet networks. Communications bottlenecks seriously limit current cooperation in this region, Hu said.

China and its neighbors must cooperate to build or upgrade highways, to form a high-grade highway network, including a key route from Kunming to Bangkok and Singapore.

Existing railways should be linked to form three key arteries: one, in the west, from Kunming to west Yunnan's Dali, and then to Myanmar's Yangon; one, more central, from Kunming to Bangkok; and another to the east, to upgrade the existing Yunnan-Vietnam Railway.

In addition, the Lancang-Mekong River, which passes through China, Myanmar, Laos, Thailand, Cambodia, and Vietnam, is expected to be exploited as a key international inland waterway. Hu said that large oil-storage facilities and refineries could be jointly built in Yangon to process Mideast oil that would be transhipped via a pipeline to Kunming. Hydropower resources in Southwest China could be exploited also for Thailand and other countries.

Hu also said that first priority should be given to aviation relations, to promote tourism, and encourage such Chinese exports as cigarettes, flowers, and traditional medicine.

## Public Health

### Irradiated Hamburger Goes on Sale in U.S.

The first irradiated hamburger patties went on sale on May 16 in Minneapolis supermarkets. These are the first red meat products to be commercially irradiated in the United States using the electron beam method. The meat is irradiated by Titan Corp., at its new plant in Sioux City, Iowa, and marketed by Huisken Meats.

Titan's plant is dedicated to meat and poultry processing, using Titan's "Sure-

Beam" system, and Titan has contracts with several major food companies, including Tyson Foods, Cargill, Emmpak, IBP, and Hawaii Pride. The plant can turn out 80,000 hamburger patties per hour. The low-level radiation kills harmful food-borne pathogens, such as listeria and salmonella, without affecting the taste or wholesomeness of the food product.

"We are at an important point in the history of public health—a moment on par with the introduction of milk pasteurization earlier in this century," commented Jan Malcolm, Commissioner of the Minnesota Department of Health.

How long it will take irradiated ground meat to arrive at other locations around the country depends largely on consumer demand.

## Economic Policy

### Ignore IMF, World Bank, Says Nigeria's Aluko

Prof. Sam Aluko, the former chairman of Nigeria's National Economic Intelligence Committee, attacked the International Monetary Fund (IMF) and the World Bank for their meddling in the 2000 budget process, in an interview with the daily *Vanguard* on May 8.

"I don't support the dictation of the IMF and the World Bank in our budget. They are a nuisance," Aluko said. "The IMF and World Bank are snookers. They want to control all governments in the developing world. The running down of government is as a result of the IMF, the devaluation of our currency is their handiwork, the privatization is as a result of their pressure. It is high time that our government resists them. Now they say we want to take over \$1 million from them. What for? . . . I think we should wash our hands of any deal with them. Let them keep their money, let us organize ourselves. We are not a poor nation."

Professor Aluko said, "At the end of the day, those who stole our money would end up buying those things we now want to privatize." Speaking of enterprises that are beginning to be privatized, he said: "If they are run very well, they will not collapse; let government pump money into them, and let us



see if they would perform excellently. . . . How are we to be sure that private persons can finance properly what government cannot finance?" Aluko added, that for the electricity in the country to be efficient, Nigeria needs about 20 electric power authorities, instead of the "one we have."

Professor Aluko is an endorser of Lyndon LaRouche's Presidential campaign (*EIR*, Dec. 24, 1999, p. 64; see also *EIR*, Jan. 16, 1998 for his views on the Nigerian economy).

## New York City

### More Dependent on Wall Street than Ever

Contrary to the claims of some, New York City is more dependent on Wall Street now, than it was at the time of the 1987 stock market crash, according to a study by the New York Federal Reserve, the May 1 *New York* magazine reported. In 1998, the combined salaries and bonuses paid by Wall Street firms accounted for 19% of the total New York payroll, up from 11% in 1987. Some 75% of the capital gains recorded during the recent boom accrued to the richest 2% of the city's taxpayers.

"Because Wall Street represents a much larger share of the city economy than at any time in the past, a significant downturn in the industry could result in more severe employment and income losses than those recorded in the 1970s or the early 1990s," warned the study by New York Fed economists Jason Bram and James Orr.

A study by economist James Parrott showed that 97% of the increase in the city's total paychecks during 1990-97 went to workers on Wall Street, and that from 1992, when the city's "recovery" from recession began, the Wall Street crowd accounted for 56% of the gain. That so-called recovery was largely based on the Wall Street bubble.

The U.S. Department of Commerce estimates that every new job on Wall Street creates two other new jobs in New York, and Wall Street supports many of the city's restaurants, bars, car dealers, parking lots, clothing stores, law firms, accountants, and advertising firms (and, although the article was quiet on the subject, cocaine dealers).

The "most glaring" impact of Wall Street, the article stated, is in the "exorbitant run-up in real-estate prices."

The stock market crash of Black Monday 1987 devastated New York because of the cutbacks and layoffs on Wall Street, which hurt the city's and state's tax revenues, prompting tax hikes; within a few weeks of the crash, housing prices began to fall, eventually dropping 25%, with the real-estate market not regaining 1987 levels until 1996.

## Political Economy

### Thailand 'Too Weak for Free Market,' Says Judge

Chai-Anan Samudavanija, respected academic and member of the Constitutional Court, criticized the government's rush to pass legislation to speed up market liberalization, and insisted that the country is too weak to resist the forces of globalization, in an address to a seminar on the government's ninth economic and social development plan, the *Bangkok Post* reported on May 11.

Chai-Anan's alternative to Article 87 of the Constitution, which obliges the state to promote a free-market economic system, is in the direction of a concept of "general welfare," and more in line with the approach of King Bhumiphol, emphasizing "a sufficiency economy" (i.e., self-sufficient); a shift in emphasis from private sector to community cooperation; growth without greed; and development, which includes consideration of cultural, political, and educational aspects. National economic plans, so far, Chai-Anan said, have barred any input from the people and, thus, cannot be sustained. He accused the government of being obsessed with strengthening the private business sector, warning that if this situation continues, there will be conflict between government and people.

The manager of the government pension fund seconded Chai-Anan's remarks, saying that the government has been too generous in opening up Thai markets. A Thailand Development Research Institute adviser pointed out that budget constraints will cause the government to focus on paying off the public debt, when it should prioritize investment in education and public health.

**JAPAN'S** 16 major banks wrote off bad debts totalling 4.5 trillion yen (\$43 billion) in the year ended March, three times the figure projected last May. The higher-than-expected figure was attributed to losses by subsidiaries, losses on real estate held as loan collateral, and corporate debt gone bad.

**BANGLADESH** is ready to export excess natural gas to India, Foreign Secretary Gulam Rahman said at a meeting organized by the Federation of Indian Chambers of Commerce and Industry, *The Hindu* reported on May 10. There is domestic opposition to the plan, but the United States is urging Bangladesh to exploit its gas potential.

**CHINA** is expected to invest about \$10 million in Pakistan Railways projects, including doubling the 121 kilometer track from Lodhran to Khanewal, electrification of 161 km of track from Khanewal to Samasata, construction of rail bridges, and installation of signalling equipment.

**ARCHER DANIELS** Midland's view of customer relations was revealed by an unnamed executive during an illegal price-fixing meeting with a foreign competitor: "We have a saying here in this company that penetrates the whole company: Our competitors are our friends, our customers are the enemy." The remark was captured on tape by the FBI, according to *Smart Business* magazine.

**THAILAND** and Vietnam, the world's two largest rice exporters, with exports of 10 million tons, have agreed to cooperate to stabilize world rice prices.

**GHANA'S** President Jerry John Rawlings called for a redefinition of globalism on May 10. It is unfair to call a system "globalized" when only one sector defines the concept and its terms of operation, he said. Nations should take a cue from the Malaysian-initiated Smart Partnership, he said, where global interaction becomes mutually beneficial.

## Indochina 25 Years Later: Leaving Colonialism Behind

by Gail G. Billington

This spring has seen an outpouring of interest in Indochina, timed to coincide with the silver anniversary of the U.S. withdrawal from Vietnam on April 30, 1975. Inevitably, attention also focussed on the war itself, which dealt a blow to all France's former Indochina colonies—Cambodia, Laos, and Vietnam—from which they have not yet recovered, and on the horrendous genocide which followed the April 1975 seizure of power by the Khmer Rouge in Phnom Penh, Cambodia. Mixed into the reminiscences has been only the smallest hint of what should be done today—and most of that is the ludicrous perspective of how to spread the “new economy” of cell phones and computers to the impoverished people of the region.

*EIR* undertook this current study from the standpoint of our own active involvement in the policies involving the region over these same 25 years. While the war was basically over when *EIR* was founded, we put heavy emphasis from the mid-1970s on, to the requirements for lasting economic development in the region, which were first formally presented in Lyndon LaRouche's 1983 “A Fifty-Year Development Policy for the Indian-Pacific Oceans Basin,” a policy paper which encompassed the Indochina peninsula, and which was updated in recent years. Also during the 1970s, *EIR* was among the first Western journals to cover the 1979 trials *in absentia* of the Pol Pot genocidal crew, who launched a campaign of “purification” that led to the deaths of an estimated 1.7 million Cambodians, perhaps up to 3.3 million, in little more than three years and eight months. In addition, we exposed the source of this evil as located in the Western existentialist cults of the Sorbonne in Paris, which were dedi-

cated explicitly to destroying human civilization.

But, perhaps most importantly, *EIR* and its founder Lyndon LaRouche have devoted this same period to uncovering the source of the evils imposed on Indochina, in the tradition of imperial oligarchism, which has been the mortal enemy of the American republic, and in seeking to revive the American anti-imperial tradition as represented by President Franklin Delano Roosevelt. This work brought us to understand, in depth, the source of the evil policies represented by, for example, Henry Kissinger, a self-professed British agent and enemy of the “idealism” of FDR; and of Robert Strange McNamara, who turned out to be a fanatical adherent of the same Malthusian cult now headed by Britain's Prince Philip.

Today, the opportunity for Indochina to finally achieve economic development still depends upon resolving this battle between FDR's anti-colonial outlook (abandoned by his successors), and the British imperial yoke represented primarily by the International Monetary Fund, in favor of FDR. As our interviews and economic studies show, many of the prerequisites—in planning and political good will—already exist. The successful defeat of colonialism, however, will depend heavily upon Americans acting to make the necessary policy changes, changes which this *Feature* should make crystal clear.

### The Roosevelt Legacy

U.S. involvement in Indochina in the post-Franklin Roosevelt decades of the Cold War makes no sense, outside the context of the battle for, or against, that unique mission defined for the United States in the Preamble to the Constitution



*President Franklin Roosevelt (above, left) and British Prime Minister Winston Churchill, at Yalta, February 1945, and Vietnamese leader Ho Chi Minh (left), 1954. Ho backed the Allies, and the Vietnamese Declaration of Independence quoted from the U.S. Declaration of Independence, in anticipation of FDR's intention to end colonialism. After FDR's death, his postwar intentions, and U.S. and Southeast Asia's interests, were betrayed to the British.*

and the Declaration of Independence, a mission—to promote the General Welfare, in a community of principle among sovereign nation-states—intended to be shared as the universal patrimony of the truly sovereign, independent nation-state. Against that purpose, aided and abetted by assassination of too many American Presidents, have been repeated efforts to subvert that mission, to use the United States as the muscle to defend an oligarchical political and economic order that treats 10% as humans, and the rest as something far less. Since its founding in the mid-1970s, *EIR* has a track record of examining that historical conflict in U.S. policymaking.

In the twentieth century, U.S. contact with two prominent Asian leaders most succinctly captures the paradoxical relationship that landed the United States in the quagmire of a land war in Southeast Asia, a war that Gen. Douglas MacArthur strongly advised President John Kennedy against: China's Dr. Sun Yat-sen and Vietnam's Ho Chi Minh. In reviewing how the European colonial powers drew China into World War I against Germany, Dr. Sun Yat-sen outlined a plan for the international development of China, warning that failure to carry out his major infrastructure projects would surely lead to another world war. Dr. Sun's plan drew on the tradition of the nation-builders associated with President Abraham Lincoln's infrastructure building, such as the continental railway, a tradition which was shared also with Dmitri Mendeleev of Russia, and Japan's Meiji reformers.

Dr. Sun's plan is a precursor of a proposal that LaRouche and his associates have campaigned for since the founding of *EIR*, outlined in a series of "great projects" for each continent,

and linking the whole together. For Asia, in 1983, *EIR* issued its report, "A Fifty-Year Development Policy for the Indian and Pacific Oceans Basin," which identified five major water-management projects: canal projects for the Ganges and Brahmaputra Rivers in India; the Mekong River Basin; the Kra Canal in Thailand; the proposed Hangzhou-Peking (Beijing) canal in China; and a second Panama Canal.

In January 1997, *EIR* released its "Eurasian Land-Bridge" report, consolidating work over the previous two decades into a global great infrastructure program. **Figure 1** shows the priority intercontinental routes, as identified in the "Eurasian Land-Bridge" report. **Figure 2** shows the principal nations of the Southeast Asian peninsula, and the Mekong River Basin; and **Figure 3** presents in detail, proposed development corridors and links.

Both Dr. Sun Yat-sen and Ho Chi Minh sought U.S. support, over decades, to liberate their countries from colonial occupation, and to participate in developing those nations to their full potential. Dr. Sun Yat-sen was rebuffed when he came to the United States. President Woodrow Wilson, the President who resuscitated the Ku Klux Klan with Hollywood's help, had no time to meet with Ho Chi Minh on the sidelines of the 1919 Versailles Peace Conference after World War I. Following that "war to end all wars," Versailles was an orgy of the victors, who reimposed their right to carve up China and other colonial territories, crushing hope around the world that the colonial yoke would be lifted, and imposing a war reparations debt burden on Germany that ensured the outbreak of a new war. The betrayal of that hope in the Ver-

FIGURE 1

## Topographical Map of Eurasia, with Some Main Development Corridors

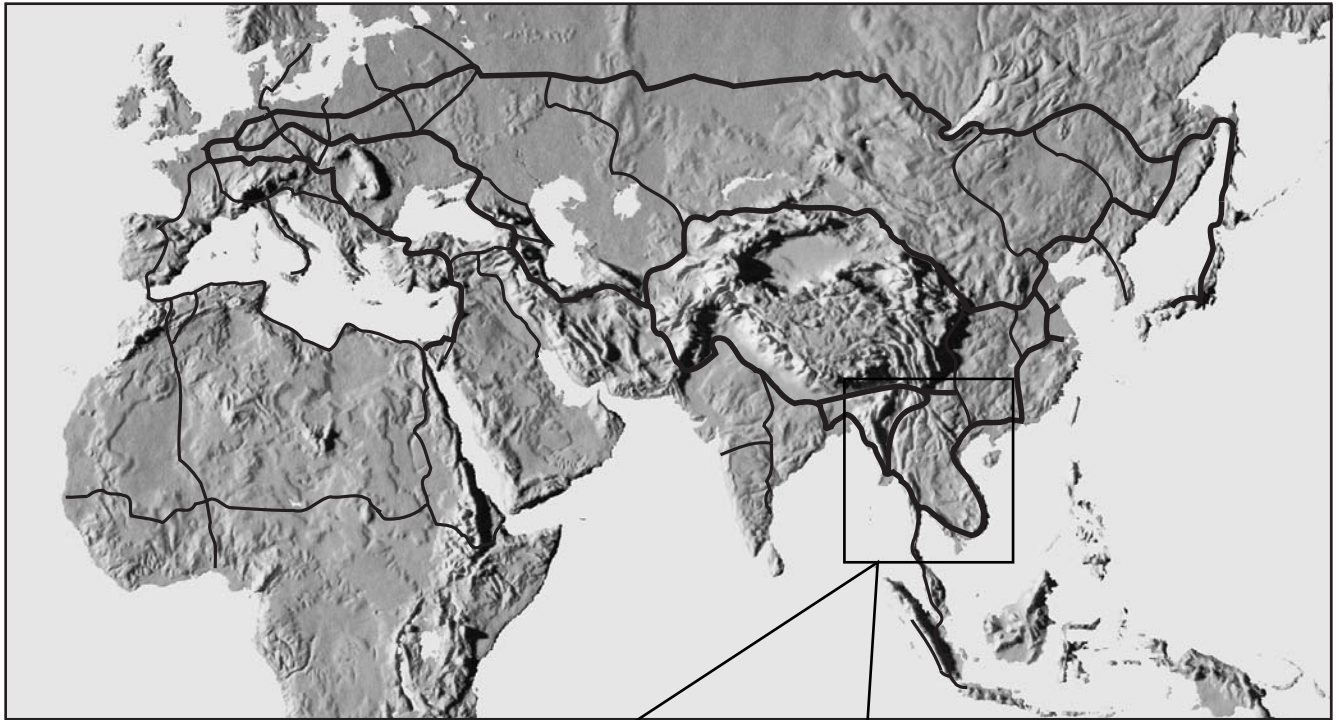


FIGURE 2

## Mekong River Basin and Nations of the Greater Mekong Subregion Development

*Figure 1* is a relief map of Eurasia, with priority “Land-Bridge” routes shown, indicating important development corridors to link nations all across the intercontinental expanse. There are key links to Southeast Asia for modern rail routes, both around the peninsular coastline, and importantly, across the highlands near Kunming, China. □ □

□ *Figure 2* shows in more detail, a principal physical geographic feature of the Southeast Asian peninsula—the Mekong River Basin. The Mekong is over 4,000 kilometers long, ranking 16th in length, and is also among the top 10 in volume of discharge, among the world’s rivers. □

□ Along its course, the Mekong drains a total catchment area of 795,000 square kilometers—well over twice the land area of Japan. In its lower region, an area of over 609,000 square kilometers, its drainage basin comprises almost the whole of Laos and Cambodia, one-third of Thailand, and one-fifth of Vietnam.

FIGURE 3

### Railways, and Kra Canal, in South Asia



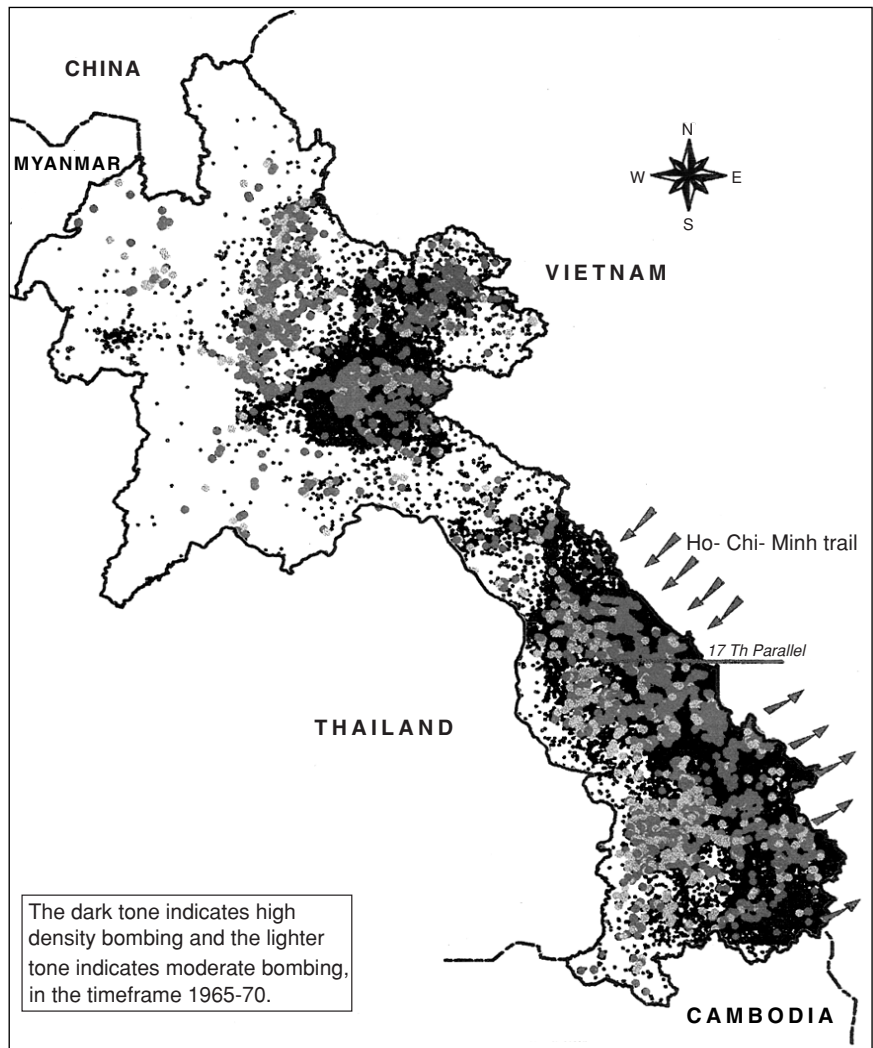
sailles “peace” did more to recruit into the ranks of Communist and Socialist parties than any other single event up to that point. Many leaders of the Communist Party of China, including Zhou En-lai and others, joined only after the crushing defeat at Versailles. Ho Chi Minh joined the Communist Party in Paris in 1920, insisting later that “it was patriotism and not communism that originally inspired me.” Ho Chi Minh wrote repeatedly to U.S. leaders, seeking support for

Vietnam’s aspirations to independence. Ho Chi Minh specifically sought “trusteeship” for Vietnam, the formula Franklin Delano Roosevelt proposed in 1933 for the Philippines, shortly after his election, which allowed for an interval to learn how to govern, knowledge not shared by the colonial powers. Roosevelt’s announcement of “trusteeship” for the Philippines was an early warning to the European colonial powers of his intent to *end* colonialism,



FIGURE 4

**Unexploded Ordnance in Lao P.D.R.**



Source: 1998 Annual Report, Lao National UXO Programme.

which he later made explicit to Britain’s wartime Prime Minister Winston Churchill, declaring that the United States did not fight World War II to see the colonial empires reestablished.

Ho Chi Minh’s contact with American officers of the Office of Strategic Services (OSS), initially in Kunming, China and later in Vietnam, was mentioned in one Agence France Presse wire in the anniversary coverage. The full story remains to be told, but OSS officer Archimedes Patti, in his autobiographical book *Why Vietnam?*, recounted his mission’s contact with Ho and Ho’s incorporation into his proclamation of Vietnam’s independence on Sept. 2, 1945 the following: “All men are created equal. They are endowed by

their Creator with certain unalienable rights; among these are life, liberty, and the pursuit of happiness.”

**Neo-Colonialism Takes Over**

Roosevelt died on April 12, 1945, four months before Vietnam’s August Revolution, when Ho Chi Minh and associates wrested control of the north of Vietnam. In the vacuum following Roosevelt’s death, British forces rushed to restore French colonial control of southern Vietnam, while Anglophile elements of the U.S. political and financial establishment, epitomized by Harry Truman and Allen and John Foster Dulles, brought U.S. foreign policy into line in support of, and, eventually, in place of, colonial France in Indochina.

Twenty-five years after the Indochina wars, new material is being declassified that will surely unleash controversy. More attention is being paid to the Eisenhower Administration’s—specifically, John Foster Dulles’s—consideration of giving tactical nuclear weapons to French forces desperately trying to hold on to Dien Bien Phu. The tragedy is, that anyone could have failed to recognize that the French were already self-defeated at Dien Bien Phu, based on decades of colonial abuse, not the least as a consequence of the official French Opium Monopoly’s repeated cheating of local hill tribes on the price of their opium crops. By the time of the battle of Dien Bien Phu in 1954, France’s colonial military presence depended on the military’s control of that

opium trafficking, and U.S. aid. Where the French believed the hill tribes to be their allies, the latter were instead guiding the Viet Minh to destroy the French forces. France paid a heavy price for that war: 90,000 dead, 114,000 wounded, another 21,600 French or indigenous persons missing. There is no estimate of the Viet Minh losses, except that it was several times that of France.

Cambodia, the Lao People’s Democratic Republic (P.D.R.), and Vietnam emerged from their respective wars with economies that not only remained unchanged since colonial days, but what little infrastructure had existed was damaged or destroyed by saturation bombing, the laying of millions of landmines, and the effects, more than a genera-

tion later, of herbicides to clear away the cover of the tropical rainforest.

An estimated 500,000 Cambodians were killed in the U.S. bombings that preceded the Khmer Rouge victory in 1975. The bombings themselves contributed to rapid recruitment to the Khmer Rouge, swelling its ranks from 3,000 to 50-60,000 by 1975. There is still no final tally on the bomb tonnage dropped on Cambodia by U.S. B-52 raids, but author William Shawcross, in *Sideshow*, reported that "in 1971, a single B-52 squadron still dropped in one year half the tonnage dropped by U.S. planes in the entire Pacific Theater in World War Two." Total tonnage dropped of other ordnance, as reported in the April 14-27, 2000 *Phnom Penh Post*, is far too long to include here. When the Khmer Rouge were finally driven out of Phnom Penh (in less than three weeks) in January 1979, an estimated 10 million landmines were left behind, roughly one per person, much of it in the richest rice-growing province of Battambang.

In Laos, during 1965-75, an estimated 2-3 million tons of ordnance were dropped on a population of 3 million, equal to one planeload of bombs dropped every eight minutes for nine years. And, in Vietnam, the combination of bombings and landmines contributed to the deaths of an estimated 1 million soldiers and 2 million civilians, with 300,000 missing in action. Herbicide spraying, estimated at 20 million gallons, killed or injured 400,000 directly, and is believed to have contributed to severe deformities in another half-million children born to North Vietnamese soldiers who fought in the South. To this day, the rate of deformities in children of these soldiers is still far higher (5%) than normal, and is attributed by one leading Vietnamese doctor to contamination of the food chain, in particular, consumption of fish contaminated by dioxin residues in water. Fish makes up about 70% of protein intake in Vietnam.

The United States lost 58,000 personnel, with 250,000 wounded or maimed, and 2,029 missing in action (MIAs). The United States continues to hold full trade relations with Vietnam hostage to progress on recovery of these MIAs, while little, if any, assistance is available for recovery of Vietnam's MIAs.

Data on the bombing of Vietnam are anecdotal; however, **Figure 4**, showing the density of bombings along the Ho Chi Minh trail on the Laotian side of the Lao-Vietnam border, gives some idea. In Quang Tri province, site of some of the worst fighting near the Demilitarized Zone between North and South Vietnam, there are as many as 5 million unexploded cluster bombs and 58,000 landmines. The local government

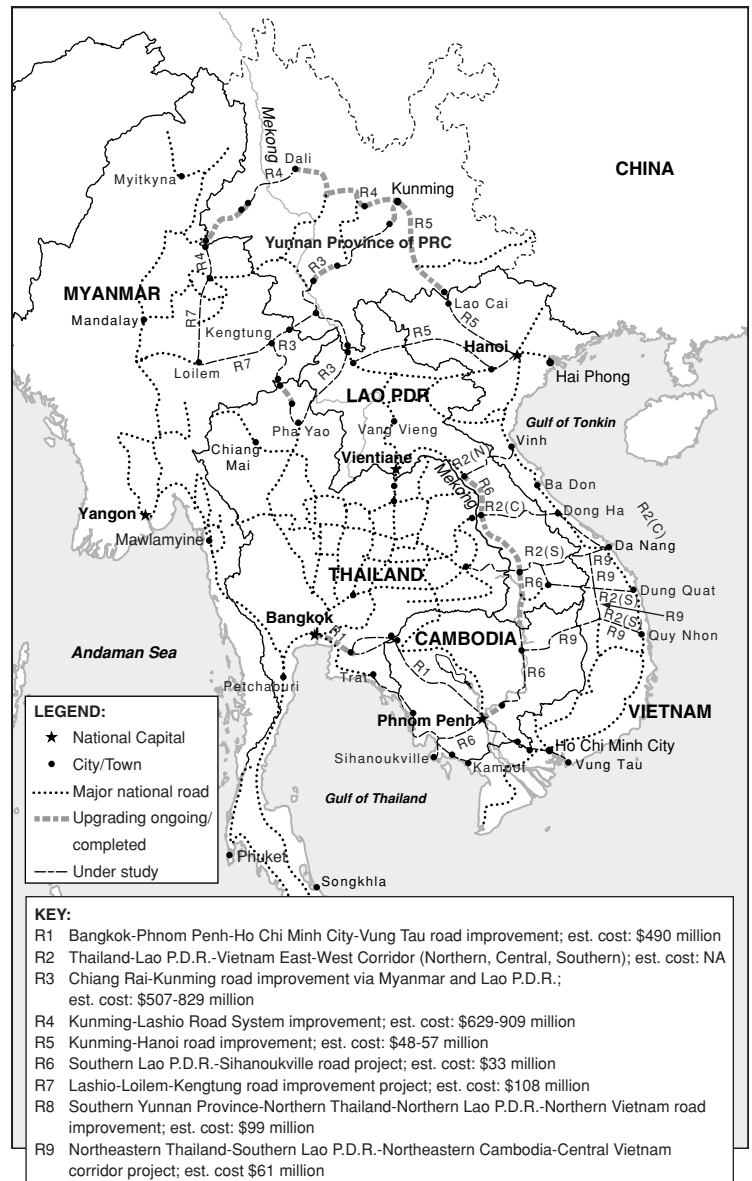
abandoned its mine-clearing operation 15 years ago because of the \$20 million cost of de-mining.

After the wars, all three countries were subjected to political and economic isolation by major Western powers, and nearer neighbors within Asia, into the early 1990s. Today they rank among the poorest countries in the world:

Cambodia: 10.5 million people; annual per-capita in-

FIGURE 5

### Greater Mekong Subregion Road Projects (as of February 1999)



Source: Asian Development Bank



FIGURE 6

**Greater Mekong Subregion Rail Projects (as of February 1999)**



Source: Asian Development Bank.

come, \$300; 40% of the population estimated never to have attended school; 36% live below the national poverty line; 38% of children under 5 are malnourished; life expectancy, 54 years.

Lao P.D.R.: 4.8 million people; annual per-capita income,

\$400; 46% live below national poverty line; 40% of children under 5 are malnourished; life expectancy, 53.

Vietnam: 76.7 million people—soon to be the 13th most populated country in the world; annual per-capita income, \$310; 37% below the national poverty line; 45% of children under 5 malnourished; life expectancy, 68.

All three face a further challenge: The number of people under age 19 is close to 50% of the total population, presenting a heavy burden on development plans.

**A Development Perspective**

In the following package, *EIR* presents an initial reflection on these three countries after the wars, with two questions in mind: Where should these countries be 25 years from now? And, if the United States paid an estimated \$150 billion to wage these wars, and lose, what are we prepared to pay to win the peace?

To begin to answer these questions, we review the Asian Development Bank’s prospectus for the Greater Mekong Subregional development, a project that includes Cambodia, Lao P.D.R., Vietnam, Myanmar, Thailand, and Yunnan Province, China, and which *EIR* considers a subset of the Eurasian Land-Bridge as a whole (Figures 5-8). The next article, with maps adapted from the Asian Development Bank map series, gives locations of transportation and communications projects. Included are outlines of projects of special urgency for this region, in particular large-scale water-management projects, and also nuclear power development. This perspective is conspicuously absent altogether from the Asian Development Bank approach.

The ADB’s \$40 billion Greater Mekong Subregional project was established in 1992, but was stalled by the Asian financial crisis that erupted in 1997. Moreover, the ADB’s projection is that half of the \$40 billion would be funded by private-sector financing, a highly dubious assumption given current global financial and monetary conditions. Moreover, nowhere factored into these figures are the added costs of clean-up after the wars.

We include interviews with His Excellency Vang Rattanavong, Ambassador of the Lao People’s Democratic Republic to Washington, D.C.;

His Excellency Ouch Borith, Permanent Representative of the Royal Cambodian Government to the UN; and Loung Ung, National Spokesperson for the Vietnam Veterans of America Foundation’s Nobel Prize-winning Campaign for a Landmine Free World and author of *First They Killed My*

*Father: A Daughter of Cambodia Remembers.*

We also include excerpts from a 1984 memorandum by Lyndon H. LaRouche, Jr. on the five-year plan of the Communist Party of Vietnam, in which LaRouche analyzed the peculiar problems of developing a previously colonial economy under current global strategic and economic conditions, the historical and cultural roots of the conflict in U.S. foreign policymaking, and the shared interest of the United States and the nations of Asia in fulfilling the mission of truly sovereign nation-states, as defined in the Preamble to the Constitution and the Declaration of Independence.

Thus, the picture that emerges, leads to the inescapable conclusion that, at best, the ADB's plan for the Greater Mekong Subregion is only a first approximation of what is required, and even to accomplish that goal, will require both the determined commitment of a core group of nations to launch a *New Bretton Woods* global financial reorganization, and what LaRouche defines in his memorandum as the emergence of new political forces to ensure its success.

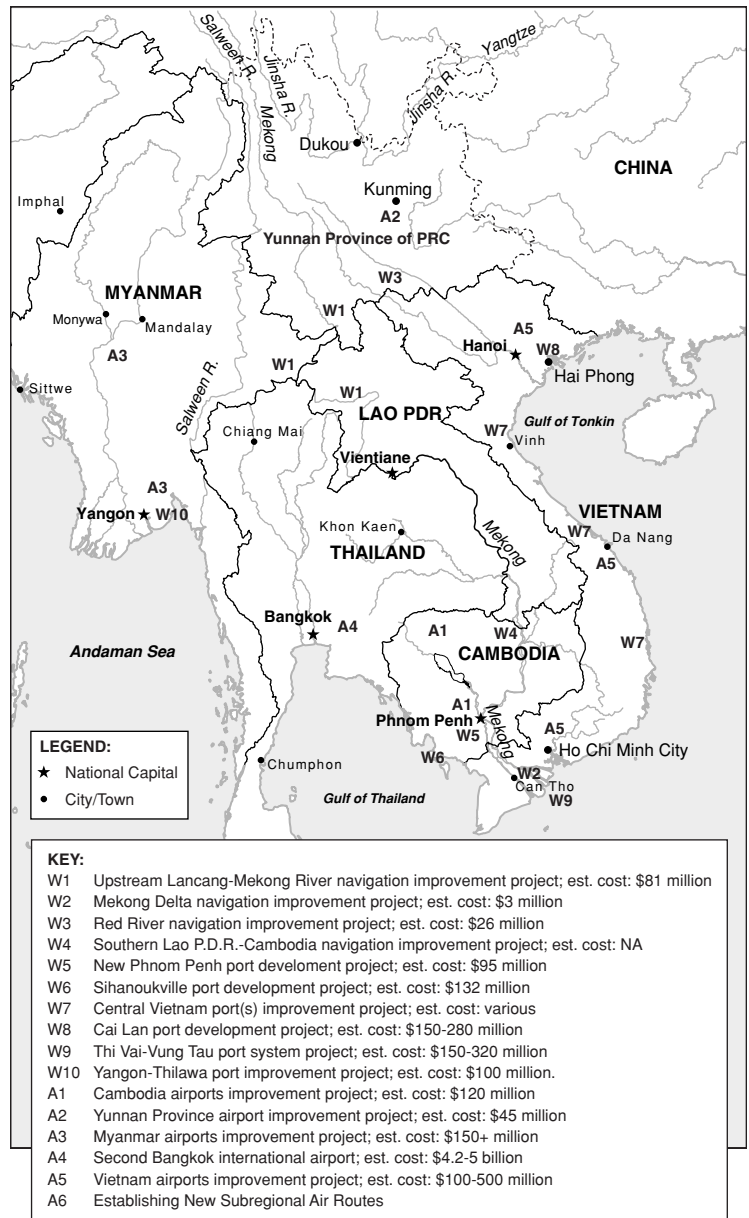
Not by accident, the legacy of Dr. Sun Yat-sen lives on in this conclusion. At the 1944 Bretton Woods conference, Dr. Sun's brother-in-law, then China's Finance Minister T.V. Kung, motivated support for the post-World War II Bretton Woods accord by calling for a crash program to carry out Sun Yat-sen's 1920s war-avoidance program for the industrial development of China, years before the Nationalist government fled to Taiwan.

Twenty-five years after the Indochina wars, the ideological divide of the Cold War is giving way. Cambodia, Lao P.D.R., and Vietnam have joined the Association of Southeast Asian Nations (ASEAN), and are beginning to enjoy unprecedented collaboration also with ASEAN's dialogue partners, China, Japan, and South Korea. (See LaRouche commentary on the new Asian Monetary Fund, p. 6.)

Nowhere is this shift more telling than in recent remarks by Malaysia's Prime Minister Datuk Seri Dr. Mahathir bin Mohamad. In his April 11, speech to the ASEAN Business Summit 2000 in Kuala Lumpur, Dr. Mahathir spoke of the threat of a "new imperialism" emerging under the guise of market globalization and liberalization. He said: "Let us not forget what one of the great leaders of ASEAN, Ho Chi Minh, said a long time ago: nothing is more precious than freedom and independence." In his May 1 column in Japan's *Mainichi Shimbun*, commenting on the Group of 77 meeting in April in Havana, Cuba, Dr. Mahathir said: "Ideologies are no longer important to these countries. They all want their nations to be

FIGURE 7

**Greater Mekong Subregion Water Navigation and Air Transport Projects (as of February 1999)**



Source: Asian Development Bank.

more prosperous.”

In so recognizing our common interest in building for the next 25 years and beyond, may we, at long last, write the last chapter on these Indochina wars, and bring peace to the living and the dead, while fulfilling our aspiration for a brighter future.

# Harnessing the Mighty Mekong River

by Gail G. Billington

The 4,200 kilometer Mekong River in Southeast Asia is the tenth-largest river in the world, providing a natural link to six regional countries, which entered into a program of subregional economic cooperation in 1992 with the assistance of the Asian Development Bank (see Figure 2, p. 24). From its origins high in the Tibet Plateau, the Mekong is shared by Yunnan Province, China; Myanmar; Lao People's Democratic Republic (P.D.R.); Thailand; Cambodia; and empties into the South China Sea through the Mekong delta of southern Vietnam. The Greater Mekong Subregion (GMS), as it is known, is one of the most productive agricultural regions in the world, and includes the world's two most important rice-exporting nations: Thailand and Vietnam. The combined population of the six participants is approximately 240.4 million people in a land area of 2.3 million square kilometers. In 1997, its total Gross Domestic Product was \$211.8 billion, but annual per-capita GDP ranged from \$280 to \$3,100.

The plans for development of the Mekong River Basin have existed since the late 1950s. Many were worked out by the United Nations, and even by the U.S. Bureau of Land Reclamation. But the potential of this region has only begun to see progress in the last few years, due to the political conflicts, which have kept much of the Mekong region embroiled in wars continuously since World War II. Because of that conflict, all of the participants except Thailand, rank among the poorest nations in the world. Projections suggest that the total population could reach 314 million by 2010, and contribute 100 million to the growth of cities and towns. Currently, much of the large labor force is underemployed and undereducated, while its mineral and water resources remain largely untapped.

The GMS initially came together to enhance economic interaction, particularly in infrastructure and energy. It is an informal grouping of neighboring countries, which have held several ministerial conferences that have produced agreements covering criteria for choosing project priorities and building an institutional structure for developing the region. The Asian Development Bank (ADB) has played the role of "facilitator," providing technical assistance, supporting the consultative process, and mobilizing interest among potential donors and investors.

In 1996, the ADB released an overview report of the priority infrastructure projects agreed to by the GMS, in eight areas: transport (road, rail, air, and water), energy, telecom-

munications, environment, human resource development, tourism, trade facilitation, and investment. Sector studies, completed under ADB technical assistance programs, included recommendations regarding nearly 100 subregional projects and initiatives in these priority areas. Figures 5-8 were adapted from the project maps in the ADB report.

It should be readily apparent from these maps that the current plans are actually a giant step down from those conceived in earlier decades. Water control projects, which could prevent massive damage from periodic flooding, are not included at all. Nuclear power has been ruled out, and in general, the vision is limited by the idea that half of the projects have to be financed by private means—a virtually impossible condition if there is to be extensive modernization of major infrastructure.

## Priority Projects

In the transport sector, studies identified 34 priority subregional projects, as follows: 9 relate to roads, 8 to rail lines, 10 to water transport, 6 to air transport, and 1 to institutional development. In the energy sector, 12 priority subregional projects have been identified, of which 8 relate to power generation and transmission, 2 to hydrocarbon development, and 2 to institution building. Telecommunications studies cover 13 transmission projects, while an additional 5 studies cover feasibility, policy development, and related option studies, which have been endorsed for priority implementation by the GMS participating countries.

To keep up the momentum behind these projects, the members have set up ongoing forums to recommend approaches to the "hardware" of infrastructure building and the "software," including resolution of physical borders between nations and harmonizing government rules and procedures governing cross-border transit of goods, vehicles, and people. This process will benefit from the opening of a headquarters of the Mekong River Commission on May 4, 1999. The Commission is a predecessor to the GMS, and includes four GMS members, Cambodia, Laos, Thailand, and Vietnam, in promoting development of water and resources in the lower Mekong basin. The headquarters will alternate between Phnom Penh, Cambodia and Vientiane, Lao P.D.R., every five years.

The ADB estimates the cost of the priority projects so far agreed to by the GMS at \$40 billion over the next 25 years, half to be funded by the ADB, with the balance covered by private sector investment. Within a year of the ADB's release of its overview report on the Greater Mekong Subregion, the nations of Southeast Asia were plunged into the worst financial crisis in postwar history, and no country escaped the painful collapse of currency values, diminishing aid, and rising unemployment. As of February 1999, the ADB had updated the status of the priority projects, most of which updates concern the progress in lining up financing for the previously agreed-to physical projects.

That said, in looking at the maps of the GMS plans pre-

FIGURE 8

**Greater Mekong Subregion Proposed Telecommunications Network (as of February 1999)**



Source: Asian Development Bank.

sented here, keep in mind that what is represented, even if only a first approximation of what is required, is a revolution-in-the-making for these countries, and defines a whole new universe of opportunities for a population that has fought and suffered long and hard to seize such opportunities.

Highlights of key projects follow:

**Transport:** Road transport is the principal mode for freight transport in the region; however, the quality of road infrastructure, including bridges, is generally fair to poor, except in Thailand. Existing roads in the subregion were mostly built in the 1930s to 1960s. Available fleets of vehicles are generally small and rates of motorization are low, i.e., bicycles and motor scooters vastly outnumber cars and trucks.

Road projects, shown in Figure 5, will fill in the Trans-Asia Highway, linking all six GMS members, as follows:

Bangkok, Thailand to Phnom Penh, Cambodia to Ho Chi Minh City and coastal Vung Tau in southern Vietnam; Northeast Thailand through Lao P.D.R. to central Vietnam; Chiang Rai, Thailand to Kunming, China through Myanmar and Lao P.D.R.; and Kunming, China to Hanoi, Vietnam. The total cost of the nine proposed road improvements is \$2.1-2.7 billion.

Figure 6 shows rail transport projects. Rail transport should take on a larger role in freight transport; however, except in Thailand and Yunnan Province, rail conditions are poor to nonexistent. There is *no* rail system in Lao P.D.R. at present, for example. The cost of estimated repair, upgrading, or building from scratch is estimated at \$4.4-5.8 billion.

Air transport projects, shown in Figure 7, are weighted to improving five regional airports and construction of a new Bangkok International Airport, the latter project postponed due to conflicts over site, but even more due to the 1997 financial crisis. The estimated cost of the five selected projects is \$4.5-5.8 billion.

Figure 7 also shows water navigation projects, including inland river transport and coastal seaports. In addition to the Mekong and its multiple tributaries, the region is endowed with several major rivers, including the Chao Phraya in Thailand, the Red River in northern Vietnam and, in Myanmar, the Ayeyarwady, Chindwin, Thanlwin, and Kaladan Rivers. A number of hydrological and navigational obstacles must be solved on the Mekong, while riverports and seaports suffer from inadequate berthing and cargo facilities, aging transport fleets, and poor port management. Estimated cost of selected projects is \$737-810 million.

**Energy:** The GMS has enormous energy-generating potential; however, the geographic distribution of energy resources is uneven. According to the ADB's report, up until recently, the six GMS countries had based energy development on national "self-sufficiency." A shift to an integrated regional approach based on plugging hydropower-generating capacity into an electric power transmission grid, with links to a cross-border gas pipeline network, is planned. ADB estimates potential electricity generation from hydropower at 250,000 megawatts, or ten times current total generating capacity. The greatest potential is located in Yunnan Province, Myanmar, Lao P.D.R., and Vietnam. In contrast, current rates of electrification among the GMS members is an extremely low 4-13% of total population, while annual per-capita electricity consumption averages only 220 kilowatt-hours (kWh), compared to, for example, 10,500 kWh in the United States, 6,400 kWh in Japan, and 5,595 kWh in Germany.

Telecommunications, Figure 8: The state of telecommu-

nications technology, particularly in Cambodia, Lao P.D.R., and Vietnam, underscores the extreme penalty exacted on these countries from the wars and postwar isolation they have endured. The ADB report says that there are *no direct links* between any of the three countries; rather, calls between any two of the three countries must be placed through a third location, such as Australia or Hong Kong, China. Before the collapse of the Soviet Union, which had been the major source of aid to these countries, a call from Phnom Penh to London, for example, would be passed through operators in Moscow. The objective of the GMS telecommunications plan is, simply, to build the first-ever standardized, integrated subregional grid.

# The Mekong River Development Plan

by Marcia Merry Baker

A map of the proposed “Mekong Cascade” system of mainstream dams and reservoirs is shown, as of 1990, (Figure 9 and Table 1). These illustrations are reproduced from an *EIR* feature on the area, “Mekong Development Plan: It Is Time To Awaken the ‘Sleeping Giant,’ ” from March 29, 1991.

The Mekong Cascade is the core part of developing the Mekong River Basin (see Figure 2, p. 24), and details were worked out decades ago. However, the major projects have been held up not only by warfare, but principally by opposition from international financial institutions and powers opposed to development. The latest Asian Development Bank proposals for the region conspicuously *omit any map of dams*, and barely make mention of any of the obvious large-scale projects.

In 1983, at a conference in Bangkok, Thailand, Lyndon LaRouche outlined several “Great Projects” for the Mekong and other regions, for developing the vast resources of the Pacific and Indian Ocean Basins. For the Mekong region, these concentrated on control of the huge river.

**River Basin Development Projects:** The Mekong Cascade is an integrated system of dams and reservoirs that would regulate the lower 2,000 kilometers of mainstream flow of the greater Mekong system, providing power, flood control, irrigation, and many other benefits. As of 1990, total project costs would have been in the range of \$20 billion.

The Mekong is Asia’s third-largest river. In terms of annual flow, it is the eighth-largest river in the world. It begins as a snow-fed river, rising in the

Tanghla Range of northern Tibet, in China, at an elevation of 5,000 meters, where the Yangtze River also originates. But the lower Mekong Basin is in the monsoon belt, and its flow is dominated by huge annual rainfall variation. Almost every year, enormous volumes of excess water cause damage to crops, dwellings, and economic functions. Alternately, there is a serious flow reduction in the dry season. Building infrastructure to coordinate water catchment and storage, and to begin to regulate flow, can provide the basis for fabulous long-term growth in the region.

At Phnom Penh, the Mekong becomes connected to Cambodia’s natural catch-basin, the Tonle Sap, alternately (depending on the season) feeding or being fed by the Great Lake. After the point of conjunction with the Tonle Sap River, the main stream divides into two forks, and as these twin streams continue south and enter Vietnam, they in turn fan out over a vast, fertile delta, emptying into the South China Sea through numerous mouths.

Along with the dams shown in the Mekong Cascade, which can regulate flow out to sea, other projects can help hold back saltwater intrusion into the Mekong Delta. A Delta embankment system for dealing with seawater inflow, was

FIGURE 9  
Proposed 'Mekong Cascade' System of Dams and Reservoirs





TABLE 1

## The 'Mekong Cascade,' 1990 Specifications

Project*	Reservoir elevation	Reservoir area (sq km)	Net storage (mil. m)	Installed capacity (MW)	Annual energy (GWh)	Lowflow increase (m/s)	Cost 1990 (mil. \$)
High Luang Prabang	355/320	780	15,390	3,200	16,210	850	2,560
Pak Lay	275/255	370	5,580	2,500	12,730	430	2,190
Pa Mong	210/192	610	7,310	2,250	10,700	470	2,000
Bung Kan Regulator Dam	NA	NA	NA	NA	NA	NA	NA
Ban Koum	125/123	400	620	2,400	11,230	120	2,260
Stung Treng	80/75	5,000	18,900	5,400	25,840	1,460	4,100
Sambor	40/38	1,160	2,500	3,200	16,200	260	2,850
Subtotals		8,320	50,300	18,950	92,910	3,590	15,960
Tonle Sap	10/3	61,360	54,470	NA	NA	2,500	2,600
<b>Totals</b>		<b>69,680</b>	<b>104,770</b>	<b>18,950</b>	<b>92,910</b>	<b>6,090</b>	<b>18,560</b>

\*Numbers such as 355/320 indicate elevation in meters above MSL (mean sea level) of reservoir full supply level (FSL) and low water level (LWL) respectively.

one of the designated "world" projects of the Japan-based Global Infrastructure Fund over 25 years ago.

**History of Plans:** On three separate occasions since World War II, when peace seemed close at hand—upon the signing of the 1954 Geneva Accords, in 1972-73 as the Vietnam War was winding down, and again in 1990—plans for harnessing the Mekong River have been put forward to foster regional stability and cooperation. But as of the end of the century, the projects still need backing.

In May 1947, the UN Economic Commission for Asia and the Far East (ECAFE), headquartered in Bangkok, began a study, "Preliminary Report on Technical Problems Relating to Flood Control and Water Resources Development of the Mekong—An International River," which was published in May 1952. Many engineering possibilities were posed, and subsequent work identified priority sites and multi-purpose projects, reviewed by experts, including from India, Japan, France, and the United States. ECAFE expert P.T. Tan and an international team produced specific dam proposals in 1956. In 1958, a UN Technical Assistance team issued an evaluative report, overseen by Lt. Gen. Raymond Wheeler (ret.) of the U.S. Army Corps of Engineers. The "Wheeler Report" formed the basis for much of the work done on the Mekong through the 1960s.

An Interim Mekong Committee, originating in 1957, has overseen studies, planning, and implementation. Its Mekong Secretariat is in Bangkok. A comprehensive plan for 1970-2000 was commissioned by this committee, whose 600-page report identified 180 development projects, of varying size and priority. But, the pressure of recent years has been to *scale down* or abandon major projects.

**Vast Benefits:** As of the early 1990s, consumptive use of Mekong Basin waters for irrigation and water supply amounted to less than 1%. At 254 megawatts of installed capacity, the degree of exploitation of hydroelectric power

then was also only in the 1% range. Thus, the benefits of the river development projects for energy and irrigation potentials are immense. The installed capacity of the five power projects shown in Table 1 is 18,950 MW. Controlled water flow can allow fabulous increases in per-hectare output of rice and other crops, double-cropping, and millions of tons of increase in annual agricultural output.

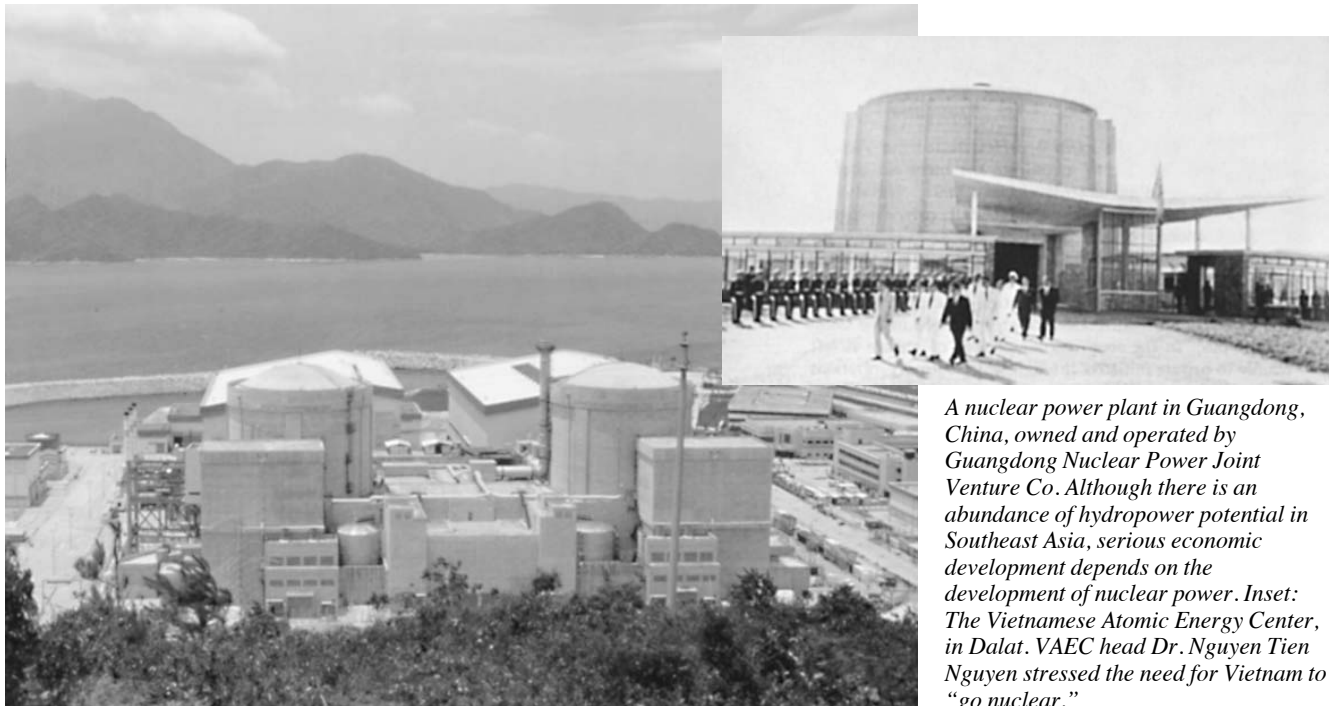
## Southeast Asia Needs Nuclear Energy

by Marcia Merry Baker

Shown on p. 34 is a photograph of the Guangdong Nuclear Power Station, in Guangdong, China, published on the cover of the March-April 1998 *Nuclear Plant Journal*. The plant, a two-unit pressurized water reactor, from the French company Framatome, with each unit rated at 985 megawatts-electric, is owned and operated by Guangdong Nuclear Power Joint Venture Co.

In the U.S. Atoms for Peace plans, developed in the 1960s, nuclear power plants were seen as the "motors" for "nuplexes": nuclear-power-centered new cities, with complexes of agriculture, processing, and various modern economic activities. Although the nuplex idea fell victim to the anti-nuclear, anti-development movement, it is key for nations that intend to develop.

China has launched an ambitious program to expand its nuclear power base, including research into advanced nuclear plant design. In 1997, construction began on three new nuclear power plants in China. In the same year, South Korea brought a nuclear plant on line, and started construction for



*A nuclear power plant in Guangdong, China, owned and operated by Guangdong Nuclear Power Joint Venture Co. Although there is an abundance of hydropower potential in Southeast Asia, serious economic development depends on the development of nuclear power. Inset: The Vietnamese Atomic Energy Center, in Dalat. VAEC head Dr. Nguyen Tien Nguyen stressed the need for Vietnam to “go nuclear.”*

another plant. South Korea is now about 41% nuclear, with 15 nuclear plants in operation and 3 under construction.

Japan and France are world leaders in nuclear-generated electricity; both have a relatively high proportion of nuclear-produced power to total power production: 36% of Japan’s electricity, and 76% in France, was from nuclear, as of April 1999.

Throughout the nations of the Mekong River Basin region, which have huge hydropower potential, nuclear power is, nevertheless, a vital part of future economic development. In Vietnam, in particular, the lower-lying topography, and dependence on fossil fuel imports, underscore how essential nuclear power is.

### **Vietnam: Go Nuclear**

In 1996, the Vietnam Atomic Energy Commission (VAEC) forecast that energy demand would reach 100 billion kilowatt-hours (kWh) by the year 2010, though demand was only in the range of 14 billion kwh at the time. The VAEC calculated then that even with full exploitation of hydro-power—providing for 70% of the need in the mid-1990s—plus thermal power plants using coal and gas imports, Vietnam would nevertheless still fall far short of its projected requirements in the new millennium, unless it went nuclear.

The VAEC expanded its nuclear power center over the 1990s, and conducted a survey on nuclear power development. VAEC head Dr. Nguyen Tien Nguyen stressed the need to “go nuclear.”

Vietnam had at that time only a small research reactor, in Dalat, used for research and production of radioactive mate-

rial (for medical use). In 1995, it was estimated by the semi-official *Vietnam Investment Review*, that a proposed new nuclear plant would cost \$2-3.3 billion, and should be started in 2003 for completion by 2012-15. This was the recommendation of a group of officials and academics, aided by South Korean and Japanese organizations, who made their proposal to the Hanoi government. They called for a 600-1,000 MW plant to be built in south-central Vietnam.

The project leader for the proposal, Le Van Hong, estimated that demand for power would increase 8% per annum by the turn of the century. By 2015, nuclear power would be cheaper than electricity generated by coal, oil, or gas.

However, the financial turmoil that hit the entire East Asian region in 1997 caused massive cutbacks in infrastructure investment. Vietnam was relatively less affected by the regional crisis, in part, because its currency, the dong, is not convertible, but most investment into Vietnam comes from its Asian neighbors, which were struck.

In July 1998, Hanoi shelved 27 state projects (national and local). Basic plans were cancelled or postponed, including the trans-Asia road linking Vietnam, Laos, Cambodia, and Thailand, which was started in 1995 as part of an Association of Southeast Asian Nations-wide plan; the 1,800 kilometer North-South Highway; and the Lower Yazun reservoir and canal network for agricultural irrigation in the Central Highlands.

Investment in the necessary high-technology infrastructure awaits the adoption of a new international credit system, like LaRouche’s New Bretton Woods, that will facilitate low-interest credits for long-term development.



## Laos: From Land-Locked to a Land Link

*Gail Billington interviewed His Excellency Vang Rattanaavong, Ambassador to Washington, D.C. of the Lao People's Democratic Republic, on April 20.*

**EIR:** During the Cold War, when Laos was drawn into the Indochina war, its involvement had everything to do with its geographical location and topographical attributes, situated at the watershed of the mighty Mekong River and as a transit area from China into Southeast Asia. But what once were roads to war, now put Laos at the crossroads for peace and development. The principal route for the Eurasian Land-Bridge goes through Laos, as we see on the map from *EIR's* special report on the subject. [See **Figures 1-3** and **5-9** in the section on Mekong development.]



*Vang Rattanaavong*

**Ambassador Vang:** I think that your plan here is very interesting. It shows the great transportation connection between the landmasses of the world. If this project can be realized one day in the future, I think it is excellent for the benefit of the people of our planet. It would help to strengthen peace, friendship, and cooperation to have a network of superhighways linking the landmasses of the world.

As far as Laos is concerned, as you know, during the Cold War, the Indochina war, before the American intervention, we fought against French colonialism, and after that, during the Cold War, the Americans jumped into Indochina and the war continued until 1975. After the Americans withdrew, Laos, Vietnam, and Cambodia recovered their independence. And now as far as Laos is concerned, we are increasing stability and progress in our development. We can say that we are transforming Laos from being “land-locked” into a “land link.” We have our program to develop roads from Thailand to Vietnam, from Thailand to China. There are many highways that we are developing as an east-west corridor across Laos. There is a bridge across the Mekong between Vientiane and NongKhai, financed by the Australian government. A second bridge inside Lao territory between Pakxé and Phon-

thong, financed by the Japanese government, will be finished in June. It will help to develop the southern part of Laos, intersecting Thailand, Cambodia, and Vietnam. A third bridge has been started between Mukdahan, Thailand and Savannakhet, Laos, financed by a loan from Japan, and road No. 9, linking this bridge across Laos to Danang, Vietnam, financed by Japanese grant aid. And there is a road linking Bokeo, Laos to Yunnan, China.

**EIR:** Vietnam is talking about constructing a highway along the old Ho Chi Minh Trail. I don't know to what extent that would extend the roads.

**Ambassador Vang:** In the other direction, too, you have Route 12 from Thakhek, Laos to Ha Tinh, Vietnam; Route 8 linking Laksao, Laos to Vinh, Vietnam; and Route 9 from Savannakhet to Danang, Vietnam. So, you see, we have turned Laos from being land-locked to being the land link on mainland Southeast Asia, so we become the bridge between China and ASEAN [the Association of Southeast Asian Nations]—Thailand, Vietnam, Cambodia, China. We have not yet, but maybe in the future, we'll build a road from Myanmar to Vietnam.

**EIR:** That's impressive. I didn't realize the number of roads going east and west.

**Ambassador Vang:** Laos will be the crossroads in that Mekong sub-region. Thailand has all the Asian highways from Bangkok to Vientiane, so we continue to develop them from Vientiane to Hanoi, including Bangkok to Hanoi, Bangkok to Vinh. There are many, many points in Laos in terms of land transportation.

Also we are developing air transportation, because the routes from Europe pass through Laos to Hong Kong, Korea, and Japan. We estimate this can add more than \$10 million for us in income through two points of entry, one in the south and one in the north.

We are also developing satellite capability to make Laos an international telecommunications connection. There is already investment from the U.S., Canada, the Nordic countries, Australia, Japan, and Thailand, jointly with the Lao government.

**EIR:** A big part of the Mekong plan is in hydropower development, but these projects were getting under way right at the point at which the Asian financial crisis hit back in 1997, and, I believe, Thailand had to pull back for economic reasons, from buying power. What is the status of these projects?

**Ambassador Vang:** As you know, we can say the crisis is over, and the economy of the region has started to move forward again. In our business development, 75% of investment is concentrated on investment in hydropower. There are now 35 countries investing in Laos to the tune of \$7.5 billion. I received a cable today that an Italian company has signed a memorandum of understanding with the Lao government to

start a hydropower project in southern Laos, Sekong Project No. 5. In terms of investment, Thailand is No. 1 with around \$2.5 billion; the United States, No. 2, with \$1.5 billion.

**EIR:** And then the European Union?

**Ambassador Vang:** Not so much. No. 3 are the Koreans; No. 4 Australia; No. 5 Malaysia, etc. We can say that Laos has a very big potential of water resources, because 42% of the water flow into the Mekong comes from sources in Laos. There are many, many tributaries of the Mekong. The rainfall every year is very high, more than 2,000 millimeters. We can develop nearly 70 projects in Laos just for the tributaries of the Mekong, and if we can develop all, we can have generation capacity of 18,000 megawatts (MW).

In 1975, we had only one dam, which generated 30 MW. Now we have six dams and 600 megawatts. The total potential only for the tributaries of the Mekong River is 18,000 megawatts. If we include the Mekong River—but the Mekong River is international, and you have to have cooperation with neighboring countries—we can increase the capacity of power to more than 40,000 megawatts, according to the estimate of the Mekong Committee.

Now Laos has joined ASEAN. In the year 2020, ASEAN will form an ASEAN power grid, so Laos will be the principal supplier of electricity to ASEAN. We have agreement with Thailand and Vietnam that from the year 2006, they will import power from Laos. Thailand will import about 3,500 MW; Vietnam about 2,000 MW; and also Cambodia will import some for their provinces bordering Laos.

**EIR:** Environmentalists are very keen to shut down these dam projects.

**Ambassador Vang:** Some environmental groups have concern, but I think they don't understand our situation. Maybe they have a wrong understanding, or misunderstanding. Our country is a mountainous country, and the river passes through the mountains, but there is no one living there. There is the river and very steeply sloped mountains. The water stays there; it does not flood villages. The people themselves are very happy to welcome the dams, because they can earn income and get out of poverty. They have lived there for many hundreds of years with no progress in their area. Once the dam projects start, they can profit from fisheries, tourism, etc.

We have to keep a balance with nature, too. The dams help us to prevent flooding, prevent all the rain from damaging villages and crops.

**EIR:** And how is the electricity supply for the Laotian population?

**Ambassador Vang:** In 1975, there was only electricity in Vientiane city, from the Nam Ngum dam there, but now we have extended the electrical power grid to all cities, provinces, and to the countryside, so that about 30% of the country has power. In remote areas, we use small schemes, where people

can buy motors for about \$200, which they place in the streams.

**EIR:** So, they create their own hydropower, then?

**Ambassador Vang:** We have a lot. The Chinese provide the motors for the countryside. So, then we can tell people not to cut trees for fuel, but use the energy from water, because our country has a lot of water.

**EIR:** Laos has, in fact, a very small population.

**Ambassador Vang:** We have only 5 million people.

**EIR:** For all of the former Indochina countries, the number of younger people is quite high as a percentage of the population. In Laos, 45% are 14 or younger. What are the educational prospects?

**Ambassador Vang:** We have about 800,000 students in primary and secondary school, and we have around 2,000 students at the National University. Our university was launched in 1997; before there were separate institutes, which have now been joined into the national university with many different faculties. We also send students abroad every year to neighboring and faraway countries—Vietnam, China, Thailand, Singapore, Malaysia, Japan, Australia, France, Canada, the U.S., India.

**EIR:** In the hundreds of students?

**Ambassador Vang:** Many hundreds.

**EIR:** That's very different from the situation in 1975. What would you say the education, or literacy, level was then?

**Ambassador Vang:** We can say that 65-66% of our population can read and write.

**EIR:** Health care?

**Ambassador Vang:** We have developed hospitals and clinics throughout the country. We can eliminate some diseases such as malaria and dengue. Sometimes there are epidemics, but we can now prevent major damage. We now have about 1,000 doctors in the country, and they are quite qualified, because we have assistance from France and Germany, Thailand, Vietnam, China, and Australia for training specialists. Japan is currently helping to build a new hospital.

**EIR:** The level of aid to Laos is still fairly low?

**Ambassador Vang:** I think it is fairly high. Japan provides us every year with \$100 million; Australia maybe about \$15 million; Sweden about \$20 million; European Union about \$20 million, too; the United States about \$11 million last year in humanitarian assistance.

**EIR:** What is the status of U.S. ties with Laos?

**Ambassador Vang:** We have very good cooperation in the field of MIAs, U.S. soldiers missing in action from the war. Now we have a ten-year project to excavate the sites of U.S.

plane crashes during the Indochina war, and have returned the remains of 143 Americans to the U.S. government.

**EIR:** I know that, with Vietnam, the U.S. is still withholding expanding relations, contingent on cooperation in these areas, which makes things very difficult.

**Ambassador Vang:** We also have very good cooperation with the United States in the field of the fight against narcotic drugs, opium. We are a victim, too, because opium was introduced into Laos during the colonial period, and, in the beginning, the United States did not understand. They just blamed Laos, accusing us of producing opium, but after our explanation, they understood. We are victims, too; the U.S. is a victim, so we cooperate together to struggle against narcotic drugs in Laos. We have a project for alternative crops, and we developed a scheme of rural development, small irrigation scheme, so that now we can reduce the production of opium year by year, and the American government is satisfied. According to the plan, in the year 2006, we can abolish the production, but I think it is not easy, because the region is a transit area for the drug, too. Our border is very long with neighboring countries; it is a porous border.

**EIR:** That's one area, with this administration, where White House drug policy adviser Gen. Barry McCaffrey (ret.) has done a good job in trying to build cooperative relations with other countries.

**Ambassador Vang:** We have an agreement among Vietnam, China, Myanmar, Thailand, and Cambodia—all the neighboring countries—to struggle against narcotic drugs.

**EIR:** As a consequence of the war, to what extent does Laos have a large overseas Laotian population?

**Ambassador Vang:** About 10% of our population lives abroad, because the situation after the war was very complicated. There were no jobs; people became very poor, and there was conflict, so they sought refuge abroad. But now they return home to visit; we estimate more than 10,000 return from the United States every year. From France, about 8,000; Australia, Canada, perhaps more than 1,000 from each country. I can say perhaps 25,000 visit Laos every year, and they bring back money.

**EIR:** I was surprised by a report of about \$2 billion in remittances from overseas family members to relatives in Vietnam. But I am very familiar with the situation in the Philippines, where the dependence on remittances from overseas contract workers is very high, upwards of \$6 billion.

**Ambassador Vang:** I think that every person who comes home brings in at least \$3,000. It doesn't pass through the government, but it helps development indirectly.

Now, we also had last year 700,000 tourists visiting Laos. In 1998, it was 500,000. We anticipate revenues of \$90 million from tourism.

We can say that income from tourism is now number one;

gemstones, number two; electricity, third; wood and forest products, fourth.

As for rice, in 1975, we produced only 500,000 tons for 3 million people. Twenty-five years later, we produce 2.1 million tons, so we now can feed our people and have some surplus. In 1975, we had no irrigation system at all, and we had only one crop in the wet season. Then, we had about 400,000 hectares of rice fields. Now we have 600,000 hectares of rice fields, and we now have irrigation for about 20% of the rice fields, so that we can have a second, dry-season crop.

Now, food security is achieved.

**EIR:** Food self-sufficiency is crucial.

**Ambassador Vang:** When we had problems from the financial crisis in Southeast Asia, if we hadn't had food security, we would have had problems. But with food security, we have rice, we have fish, we have plenty to eat.

**EIR:** Going back to the land corridors through Laos, and the roads—

**Ambassador Vang:** In 1975, we had only 3,000 kilometers of roads. Now, we have 6,500 kilometers. During the colonial period, they didn't develop roads. They developed nothing. The French developed Vietnam and Cambodia because they had access to the sea. But they kept Laos as a reserve colony. After Vietnam and Cambodia developed, only then would they develop Laos. The Second World War came, the Indochina wars came, the American intervention, so there was no time to develop Laos. When the Americans intervened in Indochina, they developed Thailand, because it became a base for the Americans.

Laos became the victim of the Indochina war. After the war, our government had to redevelop everything, and after that we had to clean up the unexploded ordnance (UXO) dropped from American planes.

**EIR:** I've seen the figures on the extent of the bombings. Did Laos also suffer from landmines and deforestation?

**Ambassador Vang:** We suffered from the bombs dropped by the U.S. Air Force. Three million tons of bombs dropped into Laos, and about one-third is unexploded. Every year they kill about 200 people.

**EIR:** Over what extent of the country?

**Ambassador Vang:** Almost the whole country, and to clear the land for farming, this increases the cost for us.

**EIR:** Does the government have an estimate of the cost of clearing out this UXO? I ask, because I've seen an estimate that the cost of the war for the United States was \$150 billion. My idea in working on this project was, if the United States spent \$150 billion on the war, what are we prepared to pay for the peace?

How many were killed by the bombings?

**Ambassador Vang:** Many thousands. Until now, about

10,000 over the last 25 years were killed and wounded by the UXO. We also have landmines, but they are not a big problem, because we don't produce them. They are in some places, for example, where they were used to set a perimeter around soldiers' camps.

Our target, regarding the UXO, is to clear only the land that we can use.

We are also reducing slash-and-burn cultivation. In 1975, we had 265,000 families practicing slash-and-burn cultivation, but we have reduced this to 100,000. Our target is to reduce, year by year, the slash and burn, because it destroys the forest. The big environmental problem for Laos now is this slash and burn.

**EIR:** Is there a problem with illegal logging?

**Ambassador Vang:** We have logging projects, but not big problems. There is some in the villages, where people cut the trees for their own consumption.

**EIR:** Are there problems with landmines along the borders, which would disrupt the corridors that are being built?

**Ambassador Vang:** There are landmines along the borders, but there are no problems for our people or the people of the neighboring countries, because, you see, along the borders with Thailand, Vietnam, or China, each side planted landmines to protect their own border. People in the border areas know that, and they don't pass there. They have to pass only through the established checkpoints. It is dense jungle; there are tigers, snakes, but it is not a place to live. There are landmines, from both sides, to protect their own territory. To clear the landmines is not easy.

Even the United States has not yet signed the landmine treaty. We appreciate the treaty, but we cannot join yet. The United States, China, and Russia have not yet joined.

**EIR:** At the recent meeting in Manila of the ASEAN Eminent Persons committee, where they outlined a plan for the integration of ASEAN, they assigned roles for each of the countries involved. What do you think of this integration idea, which includes creating a single currency zone, and even having a possible head of state of ASEAN?

**Ambassador Vang:** I think it depends on the development of ASEAN in the future, but up until now, each country keeps its own independent sovereignty according to the ASEAN principle.

**EIR:** What are the primary objectives of the Laos government in the context of the ASEAN 2020 program?

**Ambassador Vang:** For us, our policy efforts are aimed at bringing Laos out of underdevelopment, to make it a developing country. Now we are included among the least developed countries, so by 2020, we have to join the ranks of the developing countries.

**EIR:** ASEAN also has the ASEAN Plus Three relations with

China, Japan, and Korea. How are Laos's bilateral relations with China?

**Ambassador Vang:** We have very good relations with China, with Japan, and with Korea. Japan is the number-one aid donor to Laos, but number 15 in terms of investment. Maybe after the infrastructure is well developed, Japanese investors will come to Laos.

**EIR:** You are familiar with the proposal of the Eurasian Land-Bridge, but the question always is, how do you pay for it? The problem is that, within this current monetary system, where the expectation is that private funds will pay for a major portion, that simply is not going to happen. Especially now with the development of the so-called "new economy," those who can't quite make it into cyberspace will be left behind. That is why we are saying that, to build the Land-Bridge, we must have new mechanisms, new institutions to create the funding necessary.

**Ambassador Vang:** I think so. I hope so.

**EIR:** And new institutions that will create that possibility. That is why we are calling for a New Bretton Woods.

**Ambassador Vang:** I think that idea is the best idea, about the new system of international finance. You see, for us, if Laos can develop, we can bridge the whole of Asia, and we can bridge ASEAN with China.

I summarize it like this with our friends: During the war period, Laos suffered, but during the peacetime and development period, Laos will prosper.

**EIR:** That is the irony. For the same reasons that Laos was dragged into the war, are the reasons why Laos can emerge at the center of regional economic development.

**Ambassador Vang:** That is the logic of the matter.

**EIR:** It is a principle of justice, too.

**Ambassador Vang:** You see now, once ASEAN became ASEAN 10, we are at ease. We can say it is the first time Southeast Asia has enjoyed peace and stability after the Second World War. After the Cambodian conflict, we can say that we have peace. Now there is some conflict in Myanmar, but it is domestic, not international. I think that with development, it, too, will disappear.

**EIR:** I think so. I think there are signs of that.

**Ambassador Vang:** In Thailand, too, in the last 20 years, there was big trouble, too, in domestic conflict, but now with development, it has disappeared. In Laos, too, at the beginning of the liberation, there were the remnants of the former regime, which sought refuge in Thailand, and crossed the border to attack, but now they have disappeared. They have grown old, and nobody supports them any more. And inside the country, we developed.

**EIR:** At a certain point, their children do not want war, they

want peace.

**Ambassador Vang:** So, I think with this ASEAN 10 of 500 million people, this is a big market. I wish the United States would increase cooperation, trade, and investment with Laos, by investing in electricity, supplying Thailand, Vietnam, Myanmar, and others in this region. I think that in the future, supposedly in the next 30-40 years, the availability of oil and gas will be reduced, and the use of electricity will increase. In that case, Laos will be booming. Thai Foreign Minister Surin Pitsuwan has said that Laos will become the “Kuwait of Southeast Asia.”

I think so. Suppose one day we have electric batteries for cars; in that case, we will be booming. I saw on TV, big commentaries about the “greenhouse effect,” concerning the use of oil and gas.

**EIR:** Sounds like good a riposte to those environmentalists who oppose the hydropower plants.

**Ambassador Vang:** The hydropower in Laos does not harm the environment, because we develop it only in the mountain areas. In Thailand, they can develop only 17 dams. In Vietnam, they cannot develop, because of the population density along the river. If they develop, it floods the villages. Each case is different.

We developed our project very democratically. We asked the people first. We consulted them first. Everybody gave support in order to overcome the poverty. They have stayed there many, many years with no development. The first dam project was in Vientiane province, Nam Ngum 1. As a result of the development of that dam, the whole region has become developed, has electricity, roads have been built so people can market their products.

And the dam helps to protect the environment, too. I myself lived in the area. Before the construction of the dam, every year there were floods that destroyed all the crops. But in the 30 years since the dam was built, there have been only two floods, because the dam could not hold back the water from the mountains. I am 52 years old; before the dam, every year I saw floods. In our case, as the waters in the rainy season come down the Mekong River from China, the river swells, and if the water from the tributaries of the Mekong in Laos join at that same moment, it floods the entire country. So, if we can keep the water in the mountains, and prevent it from merging with the water from the tributaries, we reduce the flooding. Each region has its own problem.

**EIR:** Any final remarks?

**Ambassador Vang:** I wish to see friendship, cooperation, trade, investment between Laos and the United States increase for the good, for the benefit of our two people. Your success in development is good, and we have many things to learn from you.

**EIR:** I think we have things to learn from Laos and the other countries of Southeast Asia, including a quality of courage

and stamina in the face of tremendous adversity. Also, we must not get stuck in the past.

**Ambassador Vang:** There are some things we *don't* want to learn from you, too, like “gun democracy.” In Laos we confiscate all guns; only the police, soldiers, and militia can have guns. In Laos, we even collect hunting weapons, because they kill the tigers and other wildlife.

Let me also reflect on history. Before 1975, for 280 years, from 1695 to 1975, our country had been at war; infighting between rival factions led to the loss of our independence, and we were colonized. After 1975 was the first time for peace. There are 47 different ethnic groups in the country, the low-landers, up-landers, and high-landers. But there is no history of conflict between the ethnic groups. Some allied with the Americans, others not. But there has only been war for Laos between the people of Laos and foreigners.

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## Interview: Ouch Borith

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# Spare No Effort for Peace and Stability

*Gail Billington interviewed His Excellency Ambassador Ouch Borith, Permanent Representative of the Royal Government of Cambodia to the United Nations, on May 2, 2000, in New York City.*

**EIR:** Mr. Ambassador, where were you on April 17, 1975?

**Ambassador Borith:** In 1975, I was in Phnom Penh with my brother, my sister, and my father. I think it was April 16 when my father asked me to bring my sister to the center of the city to stay with my uncle, because the fighting was very intense, and our house was on the outskirts of Phnom Penh.



*Ouch Borith*

In the early morning of April 17, I went to pick up my sister and we were going back home, but unfortunately, the Khmer Rouge soldiers had blocked all the road access to my home, and they forced us to go into the direction that they had determined. We were then separated from my father and brother. Together with other hundreds of thousands of people, my sister and I were deported from the capital city of Phnom

Penh, and were forced to work extremely hard in the countryside, without having enough food to eat, until Jan. 7, 1979.

**EIR:** Your sister was how old at the time?

**Ambassador Borith:** At that time, she was only 17. I was 24. During the three years, eight months, and 28 days that we lived under the barbaric regime of Khmer Rouge, until Jan. 7, 1979, all Cambodian people endured atrocities and brutalities, which had never been experienced by any other nation before. I lost 12 members of my family, including my cousins and my brother, who were killed by the Khmer Rouge. I have never forgotten what the Khmer Rouge did against my people, my family, and myself. I have never forgotten these atrocities. The Cambodians have been suffering too much.

**EIR:** A tribunal for the Khmer Rouge has entered an entirely new phase in the last few days. Can you outline that?

**Ambassador Borith:** First of all, with regard to the trial of the Khmer Rouge, I can say that there has never been a time that the Cambodian government and people spared any efforts to eradicate Pol Pot's genocidal regime, to prevent its return to power for the second time, and to demand a trial of its specified leaders. In August 1979, the People's Court had been established; Pol Pot and Eang Sary were tried by this Court *in absentia*. The trial was attended and covered by international press and jurists. Then, in June 1997, the two co-Prime Ministers, Prince Norodom Ranariddh and Hun Sen, wrote to the UN Secretary General, Mr. Kofi Annan, asking for assistance in bringing the Khmer Rouge to trial.

As far as the negotiations since then, I am optimistic, because there has been much progress in this matter. So far as I know, we have the good fortune of a favorable decision on the formulation proposed by Sen. John Kerry [D-Mass.]. The proposals put forward by the UN Secretary General Annan, concerning the co-prosecutors and the co-investigating judges, have received the utmost consideration of the Royal Government of Cambodia.

I just want to add that Senator Kerry has played a very important role in this matter. His noble contributions have been highly appreciated by our government and our people.

The proposal is to create a panel of five judges who will rule on indictments to be issued. Senator Kerry's proposal was to have three Cambodian judges and two foreigners. To demonstrate our flexibility and our sense of goodwill, our Prime Minister Hun Sen has agreed to a panel of two Cambodian judges and three foreigners. However, a decision to block a case from proceeding would require the vote of four judges, including one of the Cambodian judges.

**EIR:** And this remains to be approved by the National Assembly?

**Ambassador Borith:** I can say that our National Assembly is still in discussion on this matter, and the rest of the draft law. Hopefully, I think that this very important matter would yield the endorsement of our National Assembly.

**EIR:** The tribunal in 1979 was dismissed by many experts as a "show trial," but that, in fact, was one of the first occasions in which what had been done to Cambodia by the Khmer Rouge was made public. That tribunal found that perhaps as many as 3 million people had died in the course of three years and eight months that the Khmer Rouge had been in power. Now, there are many reports indicating that the 3 million figure may be closer to what actually happened, than the generally accepted 1.7 million killed.

While that Tribunal has been criticized, what would have happened to Cambodia if the invasion led by Cambodians who had escaped into Vietnam, and backed by Vietnam, had not happened?

**Ambassador Borith:** I share your point of view that, in January 1979, though the atrocities of the Khmer Rouge were disclosed to international opinion and every country in the world, the tribunal was criticized by some countries, charging that Cambodia had been "invaded" by Vietnam, and who then ignored the decision taken by that tribunal regarding the atrocities committed by the Khmer Rouge. I can say that the souls of 3 million Cambodian people who perished under the Khmer Rouge regime were valued less by those countries than the presence of the Vietnamese troops, which, in fact, assisted Cambodian nationalists to overthrow the Khmer Rouge regime and to save the Cambodian people from this barbaric regime. At that time, those countries cared neither for the suffering of our people nor justice for them. Furthermore, they isolated our Cambodian people from the world by putting economic and political sanctions against the Cambodian government in the country. It is even worse that they had supported the Khmer Rouge sitting at the United Nations, who continued fighting and killing our people from 1979 until 1991.

I was very surprised when the people of Cambodia were looking for a way to establish peace and stability for the country, and a lot of international opinion and some countries, which used to support the Khmer Rouge, who used to give assistance to Khmer Rouge leaders, tried to speak up about justice for the Cambodian people, tried to bring pressure to dictate to our government to establish a so-called "international tribunal" to try the Khmer Rouge leaders.

In such a situation, what kind of justice is there, for our people to speak out?

Our main goal is to bring justice to our people and at the same time, to maintain peace and stability for our people. Therein lies the point of a trial for the Khmer Rouge since 1979, and the question of a trial for the Khmer Rouge today. And this process has to be conducted smoothly and carefully in respecting the sovereignty of the Kingdom of Cambodia and maintaining peace and stability for our people.

**EIR:** Was there any other country indicating that they were prepared to take any action to stop the killings that were going on at that time?

**Ambassador Borith:** I, myself, as I have said before, since



*The Cambodian capital of Phnom Penh, after the Khmer Rouge had taken power. Within hours, the entire population was driven out.*

April 17, 1975 until Jan. 7, 1979, was under the Khmer Rouge regime, and I never thought I could survive from this barbaric regime. I was getting as thin as the prisoners in Hitler's concentration camp during the Second World War. Every day, I prayed to God, or someone else, some country, to come to save Cambodia, to save us, but nobody, no country came to help us. I was very happy when I heard distant explosions and occasional bursts of gunfire, and I thought that maybe there were resistance groups fighting against the Khmer Rouge, and I prayed that they would defeat the Khmer Rouge as soon as possible.

Unfortunately, from April 1975 to Jan. 7, 1979, no country in the world came to save us from this regime. Even then, the nationalist forces formed a resistance against the Khmer Rouge, but they did not have enough soldiers, ammunition, or matériel to fight against the Khmer Rouge. So, they called upon the neighboring country, Vietnam, to assist them to save the Cambodian people from the Khmer Rouge.

**EIR:** That invasion led to fighting that lasted less than three weeks. Former U.S. Ambassador Kenneth Quinn had written a report early on, warning of the direction of Khmer Rouge policy, but it really wasn't until that tribunal that the scope of what went on became public. Where should Cambodia be 25 years from now, when your children are your age?

**Ambassador Borith:** For me, I think that 25 years from now is enough time for our people and government to build a brighter future for our country, but there are a lot of things that have to be done. I was under the Khmer Rouge, and I was in the first government after January 1979. I never stopped thinking about the needs of our people and their suffering, and how we could rebuild our country from nothing. I used

to say to all my colleagues here at the United Nations, every time I spoke about providing assistance to Cambodia, that to develop our country, we need first of all to develop the economic infrastructure of our country, with agriculture as the top priority, and to build human resources.

At the same time, we have to take the utmost consideration in improving other fields, such as the rule of law, the judiciary system, democracy and respect for human rights, and so on. These things would be done only if peace and stability exist in our country. The existence of peace and stability depends on national unity, solidarity, and national reconciliation, which have to be strengthened.

In this context, opposition parties play a very important role and useful service by giving constructive criticism to the nation, and not simply setting themselves up as "opposition" in name only. The Royal Government and the opposition jointly have to promote the national interest, social stability, and the general welfare of the people, so that Cambodia and her people may enjoy the fruits of long-lasting political strength, national stability, and may find their prosperity and brighter future, not only for 25 years, but forever.

**EIR:** Since the elections in July 1998, there has been a perceptible positive shift in view toward the country, including the recent quarterly review by donors, and even the negotiations on the tribunal.

**Ambassador Borith:** The favorable conditions created by the 1998 July general elections and the dismantling of the political and military organizations of the Khmer Rouge, peace and stability, which is a *sine qua non* condition for development, not only for Cambodia, but for all countries in the world, prevails all across the country for the first time after



many decades. Our government has achieved encouraging results in the implementation of the triangle strategy put forward by our Prime Minister Hun Sen. The third side of the strategy is the development of our country through the implementation and deepening of reforms such as military and police demobilization, fiscal administrative and judicial reforms, and to take strict actions in order to wipe out illegal logging.

I have reports on deforestation, where Prime Minister Hun Sen ordered all of the provincial governors, the military, and the police to strictly enforce the law. He even fired the Governor of Mondulkiri Province, and others, who were involved in illegal logging along the border with Vietnam. I am very optimistic about the prospects for the meeting in Paris this month of Cambodia's Consultative Group of Donors, because the donors know very well that our government has tried very hard to rebuild the country and to improve conditions in the country and the performance of the government. As to the trial of the Khmer Rouge leaders, a lot of the progress has been made with the noble contribution of Senator Kerry, some other friendly countries, and the goodwill of our government.

**EIR:** What percentage of the population lives in rural areas?

**Ambassador Borith:** I could say 90% live in rural areas as farmers.

**EIR:** And the literacy rate?

**Ambassador Borith:** I was in the government from 1979 until 1991, when it was the State of Cambodia, and our government tried at that time to push the people to attend classes. I myself was working in the provinces, and I recall that even in the rice fields, we set up classes with a blackboard and chalk. At night, we would have classes by torchlight.

After 1993, according to the statistics, adult literacy rates are significantly higher for men (79%) than for women (55%). The gender difference in adult literacy is smaller in the urban areas than in rural areas. About 33% are illiterate, and less than 1% have had any training beyond high school.

**EIR:** And access to clean water and electricity?

**Ambassador Borith:** I think that the majority of the rural areas still do not have electricity, but as for clean water, it is part of the health care policy of our government which, in spite of financial difficulties, has realized notable results. And I never forget what the NGOs [non-governmental organizations] and Cambodians overseas have contributed in this matter, when I was in charge of one such organization during 1979-83.

**EIR:** NGOs have complained about "impunity," lack of "the rule of law," etc. A couple of problems, which carry over from the Lon Nol regime and the Khmer Rouge, include so-called "ghost soldiers" and the elimination of property titles after 1975. The first goes back at least to the Lon Nol government, when the ranks of the military became bloated with

phantom soldiers for which the United States did not hesitate to pay, but now costs a disordinate percentage of the budget. The Khmer Rouge abolition of property titles has compounded the difficulty of making land available for agriculture. Why do NGOs and the UN have such a hard time looking at issues like these in historical context?

**Ambassador Borith:** I think the NGOs and the UN have the right to criticize us on these matters, but I hope at the same time, that those who criticize us, will provide also assistance to our government. Why? Because those problems, as apart of the poverty of our people, as part of the social problem in Cambodia, are part of the legacy left behind by the Khmer Rouge, who destroyed the social fabric of the country. But, how can we take care of everything at the same time? We do not have enough judges, enough officers trained to handle the various problems. Only step by step can these problems begin to be solved. And this is not only for Cambodia, but also for any country emerging from war.

If we count 1993, Cambodia, the first coalition government, is only seven years old. We are like children, who start to learn to walk and to run. I think we have a lot to do for our younger people in Cambodia. I used to express my point of view in the Sessions of the General Assembly of the United Nations, that we need more time and more assistance to improve democracy, the respect for human rights, the rule of law, and the judicial system in my country. Therefore, as mentioned in the most important agenda of our government, the rapid alleviation of poverty and acceleration of economic progress are the top priority. And for me, we have to add in this priority, the development of human resources. In this context, we need assistance to improve our education system and scholarships for Cambodian students, to build a new generation. It is obvious that we cannot do that in our country—not only democracy and human rights, but in all fields. I do believe that once our people have enough to eat and become educated, once our people have knowledge of science and technology, Cambodia will certainly enter a more prosperous era.

**EIR:** Let's look at the government's plans for development. As part of this anniversary coverage, we will review the status of Greater Mekong Subregional (GMS) development, particularly as it relates to the three former Indochina countries.

**Ambassador Borith:** I can say that the GMS is a kind of regional initiative aimed at gathering all countries in the Mekong basin sub-region to undertake cooperation in trade, infrastructure, tourism, economy, etc. The Asian Development Bank [ADB] plays a privileged role in promoting this cooperation. Under the framework of the GMS initiative, the ADB has provided very kind assistance to Cambodia in many projects, in particular, construction of the highway from Phnom Penh to Ho Chi Minh City. I would like to point out also that the main purpose and function of the Mekong River Commission under the Mekong agreement in 1995, is to deal with cooperation, coordination, and management of the Mekong River, and in related resources among the four riparian coun-

tries, namely, Cambodia, Laos, Vietnam, and Thailand. For Cambodia, the Mekong River is vital in term of economic growth and development.

As I mentioned, 90% of our population live in rural areas, mostly engaged in farming, and our top priority is focussed on development of agriculture, environment, and to expand education and health care. We need to expand irrigation, rebuild and restore access to electricity, hydropower, and improve crops with fertilizer for our population.

We need to ensure that our people have enough food.

**EIR:** Is Cambodia food self-sufficient?

**Ambassador Borith:** Right now, we have a surplus of rice, but the price has fallen. I am optimistic because we have very good land, and our people work very hard, but we need to export.

**EIR:** In terms of industrial development, the garment sector dominates Cambodia's exports.

**Ambassador Borith:** Yes, it is true that in terms of industrial development, the garment sector dominates Cambodia's exports. In 1999, manufacturing is expected to increase only 3.7%, following the U.S. imposition of import quotas for garments from Cambodia. And I am grateful that the government of the United States decided to increase the import quota for Cambodia by 5%. This noble decision tremendously contributes to the development of our poor country.

**EIR:** I believe that you have seen our report on the Eurasian Land-Bridge. The Asian Development Bank's \$40 billion proposal for the Greater Mekong Subregional development is a subset of the Land-Bridge, which especially would benefit Cambodia, Laos, and Vietnam. I have seen estimates that the United States spent \$150 billion on the wars in the former Indochina. How does Cambodia see this project?

**Ambassador Borith:** As I said before, the ADB has contributed to develop this project tremendously. We are now at the beginning of the new millennium, a new opportunity to strengthen friendship among nations and people, with respect for sovereignty, integrity, and for mutual benefit, and that is why it would be very good if the American administration can help with ideas and assistance to those who were the victims of the Indochina wars, to rebuild their countries.

For Cambodia, you do not need to spend a lot; maybe \$1-2 billion or even half a billion, is a lot to expand agriculture and build up industry. It is a very good idea, and I do hope that the United States will resume its aid to Cambodia, instead of continuing its freeze on all but humanitarian assistance. Please do not continue to hold our people as hostages to the Cold War or partisan political interest. It is over. The Cambodian people have suffered a lot. Enough is enough.

**EIR:** The ADB makes the point that they expect half of the \$40 billion will come from private investment. When the Asian crisis hit in 1997, the projects ground to a halt. Do you

think that it is realistic to think that such private funds will become available within the time frame that these countries need for their development? In other words, so that your grandchildren are not still waiting for these projects to be completed?

**Ambassador Borith:** It is true that in 1997 all countries in Asia were affected by the financial crisis, but at different levels. I think the question is, How do we prevent a recurrence of this kind of crisis? Take the issue of globalization in the world: Some countries can profit from globalization, but others not. That is why we have to cooperate, to exchange views, how we can prevent such crises. I think that the problem for this and the next generation is how to prevent this crisis for all countries in the world. And this goes to the issue of the good will of the big countries to act equitably, to share the wealth. If those big countries do not have the good will to share technology, information, and wealth, then the problem remains.

Another point is that poor countries must work very hard to deal with this matter. We cannot just wait for the big countries to do something.

**EIR:** The former Indochina countries face the additional cost of cleaning up after the wars, including landmines, unexploded ordnance. Is there any estimate that your government has of *that* cost, because it is not included in this Greater Mekong Subregion plan?

**Ambassador Borith:** Estimates of the number of mines scattered throughout Cambodia vary from 6 to 10 million. It was estimated in 1996 that landmines still maim or kill around 200 to 300 people a month. The Cambodian Mine Action Center, established in 1993 with the kind assistance from Australia, Belgium, Canada, the Netherlands, New Zealand, Japan, U.S.A., and other international organizations, is working diligently to reduce this immense problem. I would like to inform you that during the period from August 1998 to March 1999, teams marked 154,869 meters of minefield perimeters and cleared 229,789 square meters of pathways. The team also found and destroyed 1,018 anti-personnel mines, 23 anti-tank mines, and 246 pieces of unexploded ordnance. Up to now, since 1993, an area of 69,906,043 square meters have been cleared. I cannot estimate exactly the cost of this huge and difficult problem, but we need to clear all landmines in my country. I can say that it costs a lot and takes many years.

**EIR:** I asked because we have said that the rate at which "Great Projects" such as the GMS are being built, especially under the current financial architecture, is inadequate. That's why we have called for a "New Bretton Woods" conference to reorganize the international monetary system, and that projects like this should be the driver of that reform. You just attended the Non-Aligned Meeting in Cartagena, to what extent was reform of the current system discussed?

**Ambassador Borith:** Every year, and almost every conference, we discuss the question of financial problems and devel-

opment. When we speak of development, the financial problem always comes up. For the members of the Non-Aligned Movement, and also at the South-South summit in Havana in April, this question of finance and development was raised, along with North-South and South-South cooperation. For small countries, there is the sense of injustice, for example, in the distribution of technology, information, where we need assistance, but the rich countries try to limit access to us. There is also the problem of debt of many small countries, and while we are grateful to the G-7 for discussing debt forgiveness, this is not just a matter of Cambodia or small countries, but it is a global problem, which requires small and large countries to cooperate if there is to be a bright future.

**EIR:** When we began this interview, I said that *EIR* wanted to look at where the countries of Indochina should be 25 years from now. How much time do you think these countries have, how much patience do the people of these countries have, to reach that objective?

**Ambassador Borith:** I think that we cannot fix a limit, or set the time that it takes each country to attain this goal. It depends on the particular situation of each country. Take Cambodia: Because, of its experience from the Sihanouk regime, Lon Nol, the Khmer Rouge, the State of Cambodia, after that, the Royal Coalition government, we have gone through five generations. We learn from the difficulty of the past. The coalition government is only seven years old. Our government has realized a lot in rebuilding the country from scratch. But, the main point is peace and stability in Cambodia. This is the *point vital*, the absolutely crucial point for Cambodia: peace and stability. Not only Cambodia, but also every country. Otherwise, we cannot do anything to develop. That's why our government has tried very hard to gain peace and security, to eliminate politically and militarily the Khmer Rouge movement. I can recall that UNTAC could not do anything against the Khmer Rouge regime. Fighting against the government has continued since 1993, since the election that created the coalition government. It was our Prime Minister, Hun Sen, who used the "win-win solution" to eliminate the Khmer Rouge, politically and militarily.

It is the first time, after more than two decades of civil war, that we have peace and stability in our country. Once the peace has been reinforced, so that the people are safe and can start to rebuild—this is the most important point. This is also very important for investment. If Cambodia does not have peace and security, no one will come to invest.

How long will we have to wait? If the situation is established, that peace prevails in all countries forever, no more fighting—I accept that there might be demonstrations, okay, that's democracy but not too far. I do not think we have to wait too long; maybe after 10 or 20 years, Cambodia can reach development similar to other countries. We have very great potential.

**EIR:** I was struck by some recent reports on a subject that I

have thought about a lot. It seems that the history of the Khmer Rouge era is not taught in the schools in Cambodia. I have repeatedly asked myself: Who will teach the children about this, and what will they be told?

**Ambassador Borith:** In the period from 1979 to 1991, all of the schools had a program to learn about the Khmer Rouge, their atrocities, but after that, because of the policy of our government to "forgive and forget," we have to build our solidarity, our unity, but history is history. The Khmer Rouge is Khmer Rouge. That is why our government has kept Tuol Sleng, the former high school turned prison under the Khmer Rouge, and other mass grave sites all over the country, remain. It is a symbol of the atrocities of the Khmer Rouge. But these places, like the mass graves, the prison, which we keep like a museum, are to show and teach our people of what happened. Every year we try to remind our people of the atrocities of the Khmer Rouge and the misery that the government has to overcome. Even if there is no program for teaching our children, those ceremonies and those symbols serve to remind us. But I share your idea that this needs to be taught in the schools.

**EIR:** We find in the United States that most American kids do not know U.S. history. To know your history is essential not to repeat past mistakes.

**Ambassador Borith:** Yes, I have had the opportunity to learn from Americans about your history. I saw the picture of black people who were hanged, surrounded by the people dressed in white robes, the Ku Klux Klan. I was very surprised. That's why I used to say to our friends, please, I do not want to say that you have to stop criticizing us, but, please, before you criticize us, you have to find some way to help us, too.

For example, how many years did it take to build this country? More than 200 years. And you had the problem of violation of human rights, with the separation of black people. The Khmer Rouge killed their own people. The story is very different, but we have the same situation, on a different level. That's why in Cambodia, the problem of respect for human rights, democracy—Who loves Cambodia more than us? We, the Cambodians, we love our people very, very much. Please, *ne soyez pas plus royaliste que le roi*. That means, "Don't be more royalist than the King himself."

**EIR:** That's good. Also the example of the lynchings. And here you are in New York City, with examples of "free fire" on citizens; 41 shots at Amadou Diallo, which bullet killed him?

**Ambassador Borith:** Some countries speak out about "international standards" for the Khmer Rouge tribunal. What kind of "international standards" would you like Cambodia to agree to?

**EIR:** That's why I asked about the tribunal in 1979. What was the international standard at that point? And in the following years, Cambodia and Vietnam had gone through horrific

wars, and yet, up until 1991, they were under total sanction and embargo.

**Ambassador Borith:** We were isolated! Cambodia, Laos, and Vietnam were isolated after the war, from 1979-91, and into 1993. We had to re-win the right to be here [at the UN], but it is unfair for people to speak out about injustice in Cambodia when you see human rights violations still exist in some developed countries.

**EIR:** When people think of Cambodia, rather than just reading newspapers, how should they think about it?

**Ambassador Borith:** From my point of view, all people who think of Cambodia, should try to find a way to help this poor country. We accept criticism when we are wrong, but, please, at the same time, consider our request for assistance. We are not perfect, but we work very hard. Our government tries its best to improve the situation. Another example, prison conditions. We are told that the prison conditions are worse and worse. But how can we correct this? You know, our government employees receive only \$20 per month. How can we take care of our prisoners? Where does the money come from to take care of the prisoners? This problem is related to the complex problem of the society.

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## Interview: Loung Ung

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# Cleaning Up After the Wars

*Loung Ung is the National Spokesperson for the Campaign for a Landmine Free World, a program of the Vietnam Veterans of America Foundation. EIR reviewed her book First They Killed My Father: A Daughter of Cambodia Remembers, in our Feb. 18, 2000 issue. She gave the following interview to Gail Billington on May 3, in Washington, D.C.*

**EIR:** Would you give us an idea of the scope of the Campaign's work?

**Loung:** We are still trying to eradicate landmines, and to help those hurt by them. In the whole world, the estimate is that 26,000 people every year are maimed, killed, or injured by landmines. The estimate is that there are between 60-80 million, perhaps upwards of 100 million



Loung Ung

landmines in some 70 countries, or one-third of all nations. The numbers vary, depending on which reports you read, but whatever the numbers may be, you can trust that there are a lot of them in the ground, and that people are finding them whether we do anything or not.

As far as Cambodia, the landmine problem is, I believe, the biggest factor in development of the country after the war. It's estimated that the land in Cambodia is anywhere between 40-50% contaminated with mines. And for a country where 85% of the people are agricultural farmers, you can just imagine what that does to the economy. They can't farm. When they are cold, they can't go into the woods to collect wood. Cows need to be grazed. That's another issue. Not only is it hurting people, but in a country like Cambodia, where the per-capita GDP is anywhere between \$250-300 a year, your livelihood may depend on that cow, that one pig, those three chickens, those two dogs; and if your one cow steps on that landmine, it makes the difference between your ability to farm or being reduced to begging to survive.

The scope of the problem is very large, and, unfortunately, a lot of people don't know about landmines. A lot of people don't know about this aftermath of the wars. I survived the war, as you know from reading my book. I still have a sister and brother in Cambodia, and they have to survive the peace. After the war, people talked about the lack of medicine, the lack of education, child prostitution, the brothels that have cropped up, AIDS and HIV, but they rarely talk about landmines in the ground, and I don't understand why. It's all around you, but, I think society as a whole wishes it weren't there, and so, therefore, they try as much as they can to make those injured or maimed invisible, ship them off to places where they are hidden.

**EIR:** I understood that one of the most infested areas was in Battambang, which was the rice basket of the country prior to the war. Do you know the situation there now?

**Loung:** There are still a lot of landmines there. The Cambodian Mine Action Center (CMAC) has gone to Battambang and has cleared some of the area, a few acres at a time. I think in the last two years, actually, in the last year, the clearance de-mining units have been able to move a lot faster. Battambang used to grow the best rice in the world, and was well known around the world for the quality of rice produced. Then, because of that, the Khmer Rouge controlled Battambang, and were hiding in the jungle and forests. Our killers, you know, looked like us, spoke our language, worshipped our religion, had the same skin color, so you don't know who's who.

Right now, I think we have been able to move a lot faster in clearing Battambang, but it is a slow, tedious process, because when you de-mine the land, you have to go inch by inch.

**EIR:** What is the technology that's mostly used?

**Loung:** First of all, for military purposes, they don't de-mine the land, they "bleach" it; they shoot rockets, ammunition or

flares into it, which gets rid of maybe 60-80% of the mines. That is a rate that military units may be able to tolerate, but in human de-mining, you have to get it as close to 100% as possible. When a minefield is located, it's because someone has stepped on one. Half a million animals step on mines each year worldwide.

The de-mining unit works in teams of two, and they are still using the same basic equipment used since World War II, consisting of a bayonet, a knife of some sort, and a metal detector. The unit sweeps the ground in front of them, inch by inch. Every time the metal detector beeps, the de-miner has to get on the ground, and probe with the knife into the ground at a 45 degree angle, and hope that it doesn't detonate. Once they find the mine, they clear the area and blow it up with TNT. Of course, there are also 340 different types of landmines out there. A lot of the mines are very sophisticated, so that they can be planted horizontally, so that when you try to probe it with a knife at a 45 degree angle, sometimes it detonates.

The other reason it is so tedious, is that you can imagine, in a country like Cambodia, after all the years of civil war, every time the metal detector beeps, what is the chance that it's an actual mine? It could be anything that has any little piece of metal. In Cambodia, the ground is very high in iron content, and sometimes that sets off the detector. But the de-miner has to treat every single beep as if it were a live mine, or they could be dead.

The estimate is that only about 1 in 50 times is it an actual mine, and it is sad because, I think, we just haven't had the political will to put money into research and development to find different ways and technologies to remove mines.

**EIR:** You were saying there is a bit more of that going on. What are the new technologies?

**Loung:** There are technologies being developed, being tested, but they are not in the field yet, and until it's in the field and working, it doesn't matter to the indigenous people. The one technology (and to call it technology is not fair), but the one thing that seems to work very well, is dogs—dogs trained to sniff explosives. They have been very successful; if the dog smells explosives, it sits down next to the mine.

**EIR:** Even if the mine is 25 years old?

**Loung:** I haven't seen any research for that. But the problem with dogs, is that they can only smell it if it is close to the surface, but for mines 3-4 feet in the ground, no, they can't. Another problem with dogs is, they are in a different terrain, culture, climate. They are having a lot of problems with dogs trained in Western countries. Westerners don't do the actual de-mining, but they train indigenous people to be de-miners, and for that person to be able to communicate to the dog, they have to learn how to issue the commands in the language the dog will recognize and respond to, such as Norwegian or English.

Other technologies include a kind of tractor with spikes



*A worker probes for landmines in Laos. Unexploded ordnance poses a lethal threat to people, as well as farm animals, on which the livelihoods of many depend.*

that goes through the field. These are called mine survey technologies, which are used to tell you where the mines are *not*; they can run over the land, and if there are no explosions, then there appear to be no mines, but if there are mines, then you still have to clear them.

These technologies also assume you have level terrain, but in Cambodia, Mozambique, Rwanda, you have rice paddy, hills, shrubs, trees, rocks. There are other technologies being developed, but, for now, we're still using the bayonet and metal detector.

**EIR:** What are the top ten countries in terms of the density of landmine contamination?

**Loung:** They include Afghanistan, Angola, Bosnia, Cambodia, Croatia, Iraq, Mozambique, Nicaragua, Sierra Leone, Somalia. We are working now with a program called the De-Mining Initiative, where we go in and we survey the top 20 countries.

**EIR:** Any information about contamination in Laos and Vietnam?

**Loung:** There is information about Laos, but they have a lot more problems with cluster bombs. There is less information available on landmines in these countries, but we know there are mines. I've been to Cambodia and Vietnam, and we have a clinic in Vietnam that manufactures prostheses for children who are affected by landmines and also by Agent Orange.

**EIR:** The April 14-27 *Phnom Penh Post* had a report on the U.S. bombings of Cambodia, and what they are now saying is that final data on the B-52 bombings are still not fully available, but the density of other types of ordnance that was dropped is astounding.

**Loung:** In Cambodia, four to six times more tonnage of bombs was dropped than on Japan in World War II. Unfortunately, in Third World countries, where religion, culture, sociology, economy, psychology come into play, when people are hurt by mines, they are hidden away. They are lost to the world; they are not to be seen. They are considered a shame, bad *karma*. When we were in Vietnam, and when we started our project in Cambodia, we had to create a mobile team, equipped with prostheses and technologies to be able to show people that they could have a second chance at life. It's sad. I know specifically in Cambodia, it is about *karma*. You don't want others to know that you have a child who has been hurt, unless you are so desperate that you put the child in the street to beg. Otherwise, they are hidden. If there are other children, whom you want to see married, there is fear the other family won't accept marrying into a family with bad *karma*.

**EIR:** When was the program set up?

**Loung:** The program in Cambodia was set up in 1991.

**EIR:** As part of the UN's administration?

**Loung:** No, it was prior to that. My boss, Bobby Muller, is a Vietnam veteran, who was paralyzed from the waist down, and we have colleagues who were hurt by landmines. There were 64,000 U.S. soldiers maimed, injured, or killed by landmines during the Vietnam War. My boss would tell me how soldiers feared landmines more than being shot. When he went into Cambodia, he was devastated by the "forgotten war."

When he was there in 1990, it was still all there. There was no place for the civilians and soldiers hurt by landmines to go. Many were disowned by their families; they would come to the city, and were sent to a place, Kien Khleang, which is where our project is and, for lack of a better term, it was known around Phnom Penh as the "leper colony," to which there was no access except by ferry. Now it has been turned into a place where people come to find a chance to live, not to die; now, we even have a waiting list to get in.

In 1991, five hundred people in Cambodia were hurt by landmines every month; that has gone down to 50-100, depending on the rainy season. Yes, the rainy season: As you saw with Mozambique, and with Hurricane Mitch, mines are made up of so little plastic and metal, that they get flooded to the surface. In Cambodia, there is a natural disaster every year as a result. Every year the Tonle Sap triples in size during the rainy season, and floods Phnom Penh and villages, and brings in the fish and the landmines.

Again, Cambodia is not alone; 26,000 people worldwide are hurt annually. Some have called landmines a weapon of mass destruction in slow motion. Landmines have killed more than chemical, biological, and nuclear weapons combined, and yet, the problem is not well known. Every time I go to a university to speak, I'm always flabbergasted by students who are involved in all sorts of causes, but know nothing about landmines.

We have another project in Cambodia, a silk-weaving project. In 1994, our mobile team went into a village called Preah Vihear, which has more than the average number of amputees, because it is on the Thai border, where there is heavy landmine contamination. The village is completely land-locked; the only way in or out is by chartered plane. Our project started with five injured women, who had been disowned, and were begging in the streets. We taught them how to weave, and now they make these gorgeous products, and the project has grown to 80 people. The original five women are now married; their able-bodied husbands are staying home taking care of the kids. Because of their success, these women, who had been abandoned, were courted by men from neighboring villages. They are now running the project themselves, but we put them on a 9-5 schedule, with breaks, and after work, they have started their own school, where they are teaching themselves English and Khmer. We have five projects now in Cambodia.

The plight of women in these circumstances, not only in Cambodia, is very, very difficult. We see it also in Kosovo now. We see that if two siblings are injured by mines, and there is not enough to help both, the boy will be treated over the girl. I know, because I survived the minefields; but I don't know what would have happened if I had been injured.

**EIR:** Do you take people to teach them about landmines?

**Loung:** We have a program where we take our donors' representatives, as well as musicians and artists, to Cambodia, to see the problems directly.

The Campaign was created in 1991, and, I think the mistake that the Campaign made was that they didn't have a human face with which to identify. When Princess Diana came along, she humanized the campaign. She was associated with the international campaign to ban landmines. We realized we needed to reach the public, which is why I'm on the road all the time, to let them know the war continues. We teach people that for \$150, we can give someone a new life, but you can't just give them a prosthesis. They have to be fitted, they have to learn how to use the leg, so you need clinics, where they stay for two weeks to two months. We have a clinic in Phnom Penh, and smaller ones in Kratie, Prey Veng, and Prey Vihear.

We also have projects in Angola, El Salvador, Sierra Leone, and Vietnam.

**EIR:** Do you have estimates on the rate of injuries to children?

**Loung:** It's hard, because hospitals have begun to keep statistics just within the last ten years, but they are incomplete. Some statistics show that up to 50% of children who step on mines do not live. Children suffer most from head and heart injuries. Also they are closer to the ground, so if they survive the blast, the blood loss, if they get to the hospital —

**EIR:** Assuming there is one.

**Loung:** Right. For children, it's a lifetime of scarring. One of my colleagues, who is an amputee, talks about "phantom pain," which he still feels. For children, it is not phantom pain, it is real pain. Because their bodies continue to grow, so depending how old they are, they have to have the injured limb cut and re-cut every six to eight months, every two years, and the higher you have to cut into the leg, the harder it is to learn to walk.

**EIR:** And, of course, as the child grows, the prosthesis must be changed.

**Loung:** That is the human factor. The cost of these little weapons, the size of a child's hockey puck — this one is called a butterfly mine; it's dropped from a plane. It looks like something that is as close to a toy as many kids will ever see. Kids are being killed for their natural curiosity.

**EIR:** There are no maps for the landmines.

**Loung:** No, there aren't, and even if there were, many years later, erosion, flooding [would change them]. In Mozambique, where there are millions of landmines, many floated to the surface in the recent flooding. Before that, de-miners and NGOs [non-governmental organizations] had marked off where some of the mines are with some fencing and signs — all washed away, and even if you remember where they were, it's likely the mines themselves have been flooded into other places. They found one mine 20 miles from the nearest battlefield. Same thing with Hurricane Mitch in Guatemala and Honduras.

**EIR:** The last time we met, was at a press conference of Cambodian opposition figure Sam Rainsy in Washington, where the subject of a tribunal for the Khmer Rouge came up, and you spoke of the feedback you had from family members in Cambodia about that.

**Loung:** I've been to Cambodia maybe seven times, and even though a lot of Westerners seem to think that Cambodians don't know what's going on, even if they can't read, they have a sense of justice. When I ask what they want, they say an international tribunal.

**EIR:** What do they mean by that?

**Loung:** When I explain to them that we are going to have a "mixed" tribunal with foreign judges and Cambodian judges together, they accept that. They are willing to compromise. And, I think when we are talking about a mixed tribunal that meets international standards, there are a lot of issues revolving around that. What type of international standards?

**EIR:** It's sort of hard to find international standards in how the UN dealt with Cambodia up to this point.

**Loung:** It's true, and I think for the people, they want a trial. I've also talked to a lot of Westerners, who are always wanting the government to stick to an international standard or one where everything is approved by the UN. It's nice to talk

about principles, to stick to principles, when you don't have to worry where your next meal is going to come from, or you don't have to worry that if you disagree, you will be killed.

I was talking to a Westerner, who said: If it's not going to be an international trial, then I want no part of it. And I said: Then maybe you shouldn't have any part in it, because you don't understand. Do you think all of us who survived don't have guilt? Don't have problems? All of us who survived the war, compromised our principles.

**EIR:** I've followed the discussion of who should be indicted, and, from your book, one of the things that struck me was your description of those Cambodians who were driven out of Phnom Penh, who were considered "class enemies," the "new people"; then, because the Khmer Rouge had decimated their own ranks, they had to draft "new people" into their army: So, these people who were fighting to survive day by day, your brothers, for example, then find that *they* were now the Khmer Rouge. They faced a "kill or be killed" situation.

**Loung:** When you talk about principles, they assume that you *had* a choice. Our war didn't last two days. In the U.S., you may see it on the front page the first day; by day 30, maybe it's a little paragraph; on day 60, a sentence in the world news. Our war lasted 3 years, 8 months, and 21 days, and that is enough time for a lot of guilt, a lot of shame for a lot of things that you wouldn't otherwise do, because you wouldn't otherwise be in that situation.

So it's easy for others to talk about sticking to your ideals. But among Cambodians I've talked to, yes, we have learned to compromise. My brothers in Cambodia, my sister, my aunt, the taxi driver, and the people in the markets I talked to, we're all willing to compromise. And excuse us, excuse us, if we don't have the Western ideal of: We have to have it all or nothing. It took America 200 years to have a working democracy, the semblance of a working democracy. Cambodia has only had a few years. And excuse us, if we are willing to say, "Yes, we are willing to compromise." If we can't indict 500 Khmer Rouge, we'll settle for those we can.

This man, telling me if you can't have ideal justice, then don't have anything, that's like my father or mother saying, "Well, if we can't live together, we might as well die, all of us." But we wanted to live, so, therefore, my mother sent us out, so that some of us would live.

I see, and a lot of Cambodians see, that we are willing to deal with a less than perfect tribunal system. We are willing to put only some of the people on trial, and we're also looking at the fact that this trial is not only about who killed whom, and who is accountable, but about our place in the world. It's about saying to the world, "Gosh darn it, this happened, you didn't know about it. You can't forget, because you never remembered. You can't forget, because you never knew." I can't forget, because it is always there, and I want my place in history. I want my place to be visible, to have an identity, to be a Cambodian, and for people to know.

And I'm also hoping that all that attention will also turn



into foreign investment, to greater credibility, to people looking at Cambodia as no longer messed up.

**EIR:** One of the most crucial things at this point, is that Cambodians learn how to live with each other. No one else can do that for them.

**Loung:** Yes! Foreigners don't have to kid themselves. Cambodians know the Khmer Rouge are living in their towns, are in the streets. They know who they are.

I was so upset with Sam Rainsy — yet I think that he is a great man. I admire him for his passion. I admire him for his heart. I admire him for his courage and for putting himself out there, for wanting to do all he can. But Sam Rainsy also *didn't* go through the Khmer Rouge. I am so sorry, he was outside of Cambodia. He grew up in France. He came from a wealthy family. He was not there. *He was not there.* And a lot of his family is out of Cambodia. He doesn't have a brother, a sister, a grandmother, an aunt, and a hundred relatives in Cambodia. They are safe. He doesn't have to be afraid that it's not only his life that he has to worry about.

**EIR:** What do you think is the actual risk of the Khmer Rouge taking up arms again?

**Loung:** I don't know how you evaluate that, but from what we see, and the reports from the people we talk to, I think the one big factor you look at, is Pailin and Anlong Veng. It's not a jungle any more: It's a casino town. There are brothels, bars, music.

**EIR:** I saw an article about the Khmer Rouge camp Anlong Veng recently, where it was reported that this was the first year that the kids did not have military training. That they didn't make sharpened pungee sticks after class.

**Loung:** You know, I did that at that age. But there is so much coming in now. The soldiers themselves say, "We don't want to fight anymore. We don't know what we are fighting for. We have nothing to fight for now. And we just want to live the last years of our lives with our families in peace and quiet."

**EIR:** Another *Phnom Penh Post* article talked about how this history is not taught in the schools. I've asked myself and some of my Cambodian friends: Who will teach the children, and what will they be taught?

**Loung:** I think we saw the same article, where they spoke to the principal, who said: If the kids want to know, they can go ask their parents, or they can go to the genocide museum.

**EIR:** And the kids said: But our parents can't talk to us about it.

**Loung:** And what do you know about museums, which are set up for foreigners, or as showcases? I've been to over 50 colleges and universities in the last two years, and in all of them, there have always been Cambodian students coming to listen to me. And they come, because they have nowhere else to go. They told me they couldn't talk about it, and I never



*A Vietnamese People's Army convoy under way through the bombed and defoliated wilderness along the Ho Chi Minh Trail.*

talked about it with my family, nor with my brother or sister-in-law. My nieces couldn't talk about it with their parents, but they could talk about it with me, both my nieces in America and in Cambodia. My nieces in America are 19 and 15. They study Russian history, Chinese history, American history, but they don't study Cambodian history in school. I have always been the one to talk to them, and a lot of the young people said they couldn't talk about it. But that 800-pound gorilla is always in the room with you. You know it's there, but you stay away from it—except sometimes you explode.

My book I wrote for my nieces, and if I have done anything, I am very proud that the kids can take it home, and have a reason to ask questions; instead of talking about their parents right away, they can ask questions. I want the kids to start learning *their* story.

**EIR:** What about the Cambodian diaspora? What have you picked up about their inclination, or not, to go back?

**Loung:** Cambodians and tourists from the United States, especially Cambodians, represent the largest increase in tourism. The young people all want to go back. My generation are going back, and are doing something. Whether they go back to visit, or to work, or they're trying to increase visibility, like I'm doing. The older generation are starting to take their money back, and are starting to feel safe to visit. And I think, until two years ago, when the Khmer Rouge completely disbanded, a lot of them weren't going back, they were still afraid.

You have Cambodian friends. The first time I went back,

I was petrified, terrified. When we left the country, it was at war, and that's the image you had. The more I go back, the more I am no longer afraid to go back. I go back every year now. For a lot of Cambodians, their first trip home is terrifying. But my brother is going back; a lot are taking their money back, starting to look into investing, starting to look at putting their money in the banks in Cambodia. A lot are looking forward to retiring in Cambodia. But they're not sure they can survive the hot season! Unless they can have air conditioning, and that means having electricity. So I think a lot of Cambodians want to go back, but it needed to have the Khmer Rouge disbanded in 1998, and they're feeling safe again.

I talked to my boss about it. I fear for my safety when I'm in Cambodia, so I am a lot more quiet and more in the background. I fear for my family's safety, but everyone's always saying, "but you're safe now." It doesn't mean that another million people have to be killed. One more person killed brings back the fear. It stays with you, and until the Khmer Rouge were gone, we were afraid.

**EIR:** As for higher education, there's just the national university, right? No technical, or vocational schools?

**Loung:** There is just the national university, and of the 11 million people in the country, roughly 7,500 Cambodians are enrolled in higher education—not enough. And in higher education, they don't have a lot of qualified teachers. Teachers don't make nearly enough money to support themselves, their families. The school system also works on a two-sessions-per-day schedule. So you have kids who go to school in the morning, and those who go to school in the afternoon. Too many kids, not enough schools.

I went to the school in my sister's village. When I first

came to America, I was told, you go to school and it's your way out. In that village, I met a kid who has two brothers and a sister, and the brothers and sister stayed at home to help. The siblings basically looked alike, and the classroom was overcrowded, so this boy, 9-10 years old, would go to school in the morning, come back, and then go back to school in the afternoon and tell the teacher he was his brother, so that he could go to school for the whole day. Here, kids complain about going to school from 8 a.m to 3 p.m. This kid is lying to be able to stay in school all day. How can we not help kids with that ambition?

I sat with my nieces in their English classes, and it's sad, very sad. If someone like me went back to teach English, I'd have kids, adults, all ages in the class. Here, if you're a celebrity, you're somebody. In Cambodia, you're somebody, if you are a good student.

**EIR:** When I got involved in what I do now, I had decided I wanted to change the world. I've been thinking a lot about what more I could do.

**Loung:** I think about changing the world, too, and I think about the people who helped me: some of the people in Vermont, people in the refugee camp who gave me vaccinations, who taught me about life in America, who taught me about spoons, forks, and knives—many people I don't know, but they changed my world. If you had asked me where I would be 20 years ago, when I was eating out of garbage cans, running around a war zone, I wouldn't have said I would be here. When I was in the foster home, I told them the only way I was going to become anybody was if I became a prostitute, and as a young person, I was deathly afraid of that. People gave me opportunities, and I seized them.

# LaRouche's Memorandum on Vietnam's 1984 Five-Year Plan

*On Oct. 4, 1984, Lyndon H. LaRouche, Jr. issued a 53-page memorandum of "Technical Observations on the Economic Policy of the Sixth Plenum of the Communist Party of Vietnam," in which he reviewed three general areas: "1) Economic development as such, 2) The interdependency between economic and cultural development; and 3) Special problems, bearing upon economic development, to be taken into account in light of the presently worsening economic-monetary-strategic conjuncture in both eastern Asia and the world generally." We excerpt sections of the memorandum here on the subjects of 1) problems of formerly colonized nations; 2) the philosophy of colonialism; 3) the role of basic economic infrastructure; and 4) the principles of culture.*

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## 1. Problems of Formerly Colonized Nations

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Excepting the case of China, which requires special classification and treatment, all of the newly independent nations of portions of Asia bordering the Indian and Pacific Oceans, excepting Thailand and Japan, were long victims of European flag-colonialism, and during that period of colonial subjugation suffered cruel deformations of both rural development and development of urban life. These heritages of prolonged colonial subjugation are chief among the internal problems to be mastered in essaying sound economic development today.

A few of the most elementary facts about the pre-history and history of European colonial occupations in these regions of Asia should be identified and discussed before turning attention to the objective problems which persist as a result of that colonial occupation today. In this case, it is most useful to examine the evils of colonialism from the standpoint of European culture, rather than, for example, the culture of the victimized Asian peoples. Colonialism was not merely subjugation and looting of conquered peoples; it was also a process of denying to those peoples the right to assimilate the technological advancement of agricultural and industrial technology which had been developed in Western Europe and North America. Hence, colonialism was not the export of the best of European culture, but the imposition upon subjugated peoples of policies contrary to the best contributions of European culture. In that sense, colonialism was a violation of European culture, and thus an evil from the standpoint of European culture itself. It is most useful to examine the evils introduced by colonialism from that standpoint, especially in the case we are studying these evils in terms of reference of economic science. . . .

### The Philosophy of Colonialism

Since the beginnings of Christianity, especially the mission of St. Paul, Christianity had been anti-racist by adopted definition. According to Apostolic Christianity, all persons are equal by virtue of the divine spark of reason which distinguished the human being from the beasts. The strength of Western European Judeo-Christian republican culture, from St. Augustine onward, was its emphasis on the development of the powers of reason of the individual human mind, powers equally possessed by all peoples. . . .

Most important, in connection with the subject being reviewed summarily here, is the conception of the modern form of European sovereign nation-state republic. Contrary to British and other myths, the sovereign nation-state republic is not an outgrowth of racist egoisms: Dante prescribed that the self-government of a people required deliberation in a shared form of literate language. Cusa elaborated the principle of international law, that although each people must be sovereign, each and all must submit to a common body of higher, natural law. Under such law, sovereign states are not in conflict merely because they are separate and sovereign; their undiminished sovereignty is in fact a servant of a higher purpose, the development of mankind as a whole.

This principle was violently rejected by the feudalistic rentier-financier faction of Europe, which deployed such forces as the Calvinists and the Jesuits, and the Habsburgs, in the effort to destroy the influence of the Golden Renaissance. The feudalistic reaction and ruinous wars of Europe, from the Peasant War in Germany, until Mazarin's defeat of the Spanish Habsburgs in 1653, was the result of that effort, just as the American Revolution was the outgrowth of the effort to establish a new form of republic consistent with Golden Renaissance principles. The Holy Alliance of 1815 was a

global setback, if not an absolute defeat, for republican principles. . . .

The fascist Gnosticism which arose in Europe during the Nineteenth and Twentieth Centuries was also constituted in a powerful association called "The White Brotherhood," an association dedicated to the power of the "Aryan race" gained at expense of the subjugation, looting, and population-management of the "non-white races." "The Brotherhood" is the key to understanding the practices of European colonialism, and for understanding the causes and nature of the principal objective problems which developing nations today suffer as continued heritages of an earlier colonial subjugation.

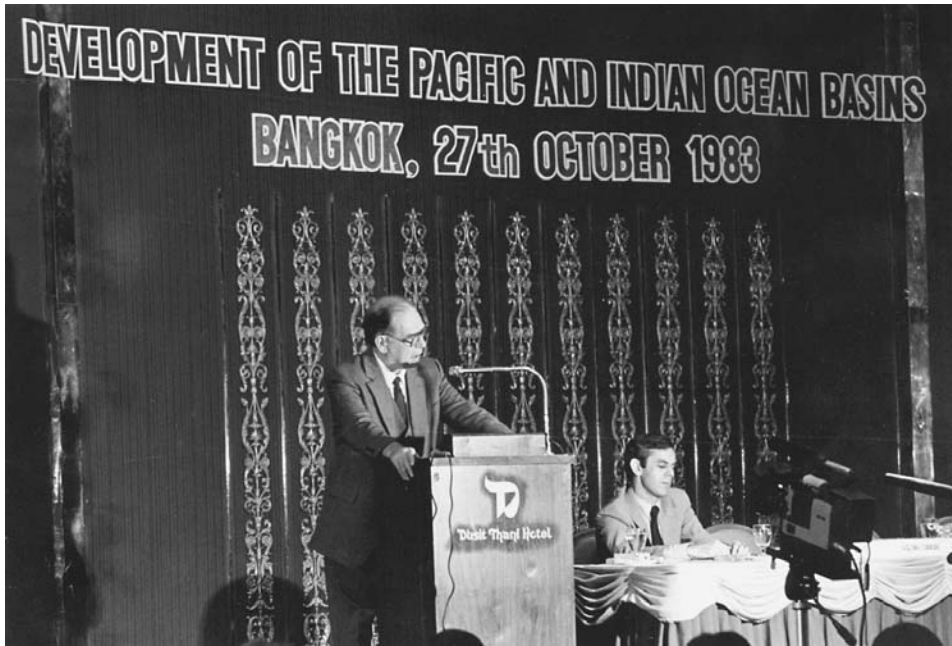
The problems which can not be comprehended adequately without examining the matter from this standpoint include the following, most notably.

1. The economic organization of rural life of "non-white" subjugated peoples under colonial rule.
2. The character of social and economic organization of urban life in these colonies.
3. The destructive degree of imbalance in the relations between the rural and urban sectors of social and economic life.
4. The development of "ethnology" (continental Europe) and "anthropology" (Britain and U.S.A.) as a weapon of subjugation of "non-white" populations of colonies, promoting exacerbation of existing and potential "particularist," religious, ethnic, and dialectal conflicts among the subjugated population. In a related way, "ethnology" and related forms of Benedictine and Jesuitical practices were used to manipulate religious beliefs of peoples to the effect of fostering hostility to technological progress among those people. . . .

There are three interconnected points of crucial historical importance to be added to this.

. . . This first point bears directly on the matter we have just summarized, the causes for the worst of those vestiges of colonial subjugation which remain to be overcome by developing economies today.

The development of the European form of sovereign industrial-capitalist state is a creation of the Fifteenth Century's Golden Renaissance. The first such new form of modern state was founded by France's King Louis XI, who used the development of the market-economy of France as the "secret weapon" by means of which he defeated both Burgundy and Britain. The development of the industrial form of such state owes much of its beginnings to the work of Leonardo da Vinci and followers of da Vinci among the cameralists of Europe over the period from the late Sixteenth into the early Nineteenth Centuries. On this basis, Leibniz founded economic science during his included work on this subject between his first writing on economy, *Society and Economy* (1671), and his death in 1716. By the 1820s and 1830s, the economic science founded by Leibniz became known internationally as



*Lyndon LaRouche at a conference on the "50-Year Development of the Pacific and Indian Oceans Basin," in Bangkok, Thailand, in 1983. There he laid out "Great Projects" for the development of the region, including the Mekong River Basin.*

the "American System of Political Economy."

The contrary policies in political-economy were established by the Jesuits, notably the French Physiocrats, including the Anglo-Jesuits of Britain, such as William Petty. This was formalized in Britain during the last half of the Eighteenth Century by Adam Smith, Jeremy Bentham, and the British East India Company's Haileybury College, at which latter center were located Thomas Malthus, David Ricardo, James Mill, John Stuart Mill, et al. It was this current in political-economy which shaped the economic policies and policies of practice of European colonialism. During the 1940-45 period, the conflict between the American System and "British Eighteenth-Century methods" in political-economy was at the center of the bitter debates on post-war policy between U.S. President Franklin Roosevelt and Prime Minister Winston Churchill; Roosevelt insisted that the post-war world must be dedicated to eradicating the institutions of colonialism and its effects; Churchill was in apoplectic opposition to Roosevelt's policies. Immediately upon the death of Roosevelt, in 1945, Churchill's policy became U.S. post-war foreign policy; although the U.S. insisted upon a gradual elimination of flag-colonialism, the Liberal Establishments of the U.S.A. and Britain, together with financier interests centered in Switzerland, efficiently maintained the colonialist forms of economic policies toward the colonial regions gaining nominal political independence. The IMF and World Bank, the quasi-governmental, supranational representatives of these financier circles, continue those "neo-colonialist" policies today.

This is the economic-policy reflection of the conflict between republican and oligarchical forces in Europe and North America today.

Secondly, for reasons implicit in the first point, the charac-

terization of the economies of Europe, Japan, and North America as "industrial-capitalist," or simply "capitalist," is often misleading in several ways. When one refers to the "capitalist interests" of such nations, individually or collectively, one must distinguish between the republican and oligarchical form of interest. The interests of the United States as a republican form of capitalist state are usually directly the opposite to the assumed interests of the United States from the standpoint of the rentier-financier interests associated with McGeorge Bundy's relatives among the Liberal Establishment families. Even where this conflict between republican and oligarchical seems politically nonexistent at the highest levels of the U.S.A., French, or West German governments, for example, the conflict exists objectively.

The objective conflict in interest is expressed in U.S. foreign-policy chiefly in this way. It is in the vital interests of the people of the industrial-capitalist United States that U.S. economic relations with Ibero-American and other semi-colonial regions of the world be based on promoting a flow of high-technology capital-goods imports into those developing economies. The Liberal Establishment prefers to shut down investment in categories of production within the United States, and to increase U.S. dependence upon cheap goods imported at looting-prices from the developing economies. The tendency resulting from such policies of the Liberal Establishment is to import the social relations of the subordinated nations into the internal life of the U.S.A. itself.

Therefore, although it might be argued among leading circles of developing nations, that there appears to be no visible political conflict between republican and oligarchical foreign policies in leading circles of the governments of Europe and North America today, the absence of a visible such politi-

cal conflict merely disguises, without actually eliminating, the objective conflict.

Thirdly, the distinctions between republican and oligarchical currents of practice in the history of Europe and North America to date are of great practical importance to thinking within the governments and leading political movements of developing nations generally, including developing nations with socialist constitutions.

The developing nation requires assimilation of the levels of agricultural and industrial technology associated with modern capitalist development. The developing nation looks, therefore, to the scientific culture and the practices of management of production and distribution existing in Japan, Europe, and North America as models of reference. The question posed has the form, therefore: "How to distinguish between that which must be more or less copied, and that which is not to be copied?" In other words, which aspects of the scientific culture and management practices of the industrialized nations correspond to requirements of technology, and which other aspects are practices flowing from the oligarchist mentality producing colonialist practices? . . .

From the standpoint of Anglo-American Liberalism and Swiss rentier-financier outlook, most popular movements within developing economies are denounced as either outrightly socialist or semi-socialist. Scientifically, that is a stupid opinion, but a stupidity flowing from an ideology will tend to persist as long as the ideology which fosters it. . . .

### **The Role of Basic Economic Infrastructure**

In my method of programmatic economic analysis, we divide the total land-area of a nation as follows:

1. Total surface-area.
2. Less water-surface area.
3. Less desert and other wasteland.
4. Forest land.
5. Agricultural land.
  - (a) Arable land.
  - (b) pasture land.
6. Urban land.
  - (a) Industrial.
  - (b) Residential.
  - (c) Commercial.
7. Area assigned for transportation.

On this basis, we measure the population-density and labor-force density for each category of rural and urban land-area; both for actual and for potential population and labor-force.

We measure the relationship between population and inhabited areas in terms of two "market-baskets": the required "consumer-goods market-basket" and the required "producer-goods market-basket." Thus, by comparing per-capita outputs of goods with per-capita market-basket requirements for both consumption and production, we are measuring more or less accurately the ability of the population to reproduce

itself. How many persons can be self-sustained, on the average, on an average square kilometer of land-area of defined relative fertility?

Obviously, the quantity and quality of goods in the per-capita market-basket requirements varies with the level of technology of production practiced by the population. In general, we require that the increase of quality and quantity of producer-goods per capita should prompt both an increase in the level of consumer-goods sustainable and also an increase in the potential relative population-density of the population as a whole.

Given any level of available technology, the possibility of efficiently employing that technology depends principally upon the level of development of basic economic infrastructure. This basic economic infrastructure includes, principally, the following major categories of elements:

1. Fresh-water management.
2. Production and distribution of energy.
3. Transportation.
4. Urban infrastructure.

Urban infrastructure is composed chiefly of essential utilities and social services. The first includes the water, sewage, energy, and transportation requirements of urban residential and industrial life. Social services includes medical care, educational facilities, libraries, parks, museums, and so forth; social services of basic economic infrastructure have the economic function of increasing and sustaining the potential productive powers of labor of the members of households.

Of these, the most important on which to focus attention in the setting of Secretary Le Duan's report are water-management, energy production and distribution, and transportation. These determine, most forcefully, the relative fertility of rural and urban land-areas.

This brings our attention to one among the problems inherited from colonial subjugation: the development of large urban centers designed to meet the standards of colonial life, which are of excessive weight relative to the strength of rural production. The colonial powers developed cities as outposts of the colonial administration, rather than (principally) as sources of supply of industrial goods for development of the economy of the countryside.

Since the colonial powers saw rural production chiefly as the labor-intensive production of raw materials for export-needs of the foreign occupier, to maintain the lowest cost of production of these raw materials, the levels of supply of consumer and producer goods to the countryside were kept at a minimum. In healthy development, the city supplies the countryside with producer-goods, through aid of which the productivity of rural labor per capita and per hectare is increased. This increase in rural purchasing power provides a market for newly increased supply of goods produced in urban centers. It is desirable that the farmer be encouraged to devote a sizable portion of his increased purchasing-power to producer-goods purchases, with the effect of maintaining a

steady advancement in productivity of rural labor per capita and per hectare. If this is accomplished, the average size of the farmer's plot increases, and there is a shift to urban employment in industries supplying the countryside with larger masses of goods. If a trend of rising capital-intensity can be sustained for expanded employment in urban production of goods, a healthy balance of development between countryside and city emerges.

In the colonial model, the metropolitan centers have a parasitical relationship to the countryside, and absorb displaced rural poor chiefly for employment in small retail shops and unskilled labor-intensive services. This pattern has continued in nominally independent former colonies, especially since the middle of the 1960s, as those economies have typically shifted from "pre-industrial" to "post-industrial" composition of employment of labor-force, without passing through an "industrial" phase. This neo-colonialist pattern has been accentuated by the adoption of a "post-industrial policy" in the presently industrialized nations of Europe and North America, beginning about 1966 with the U.S. Johnson Administration, and by the effects of the 1973-1974 energy-price crisis and usurious refinancing practices of international lending institutions accelerating since 1971. . . .

The classical outline of the relationship between town and countryside in the balanced development of economy, is one of the principal subjects of U.S. Treasury Secretary Alexander Hamilton's December 1791 *Report to the U.S. Congress on the Subject of Manufactures*. Briefly, through development of transportation (roads, canals, bridges, etc.), and through exchange of manufactured goods sold to farms for agricultural products, the reorientation of agriculture to production for urban markets is accomplished, while, at the same time, the supply of manufactured goods to farmers, especially farmers' producer-goods, fosters increase of the productivity of labor in agriculture. The "surplus labor" generated in rural life by advances in the productivity of agriculture, must be employed predominantly in construction, mining, and manufactures: in work-places which emphasize advances in technology and rising capital-intensity. In this way, not only are the increasing needs and purchasing-power of agriculture for manufactured goods met; the growth of urban manufactures to produce a margin of goods increasingly in excess of agricultural needs, represents a general industrial growth of the economy as a whole.

Were I assigned to plan the development of the economy of Vietnam, the center of my long-range planning would be a design of the development of the future basic economic infrastructure of the nation as a whole, with special emphasis on integration of the functioning of the economic sectors of the northern, middle, and southern portions, through combined effects of development of transportation, water-management, and energy production and distribution. I would project the development of new urban centers of the future as part of this planning of the network of transportation, water-

management, and energy projects: I would define these as Secretary Le Duan's report implicitly defines them, as agro-industrial centers of development, to the effect that the emerging new urban centers radiate transportation, water-management, and energy to the surrounding countryside. I would base the planning of these centers on installation of multiple nuclear-energy generating stations, projecting four as the future minimum to service each region, and would orient this energy-production to service each region, and would orient this energy-production to supply process-heat to industries as well as expanding supplies of electrical energy to the countryside. . . .

Given the projected shift of populations from rural to urban employment in production over the decades ahead, and given the optimal pathways for establishment of networks of transportation, water-management, and energy-distribution, where should the future towns and cities of Vietnam be located? Although this may be the work of decades, by developing and following such a long-range plan for what we do today, we assure ourselves that all our work of today and tomorrow is actually progress toward the goals we must reach, that we waste as little as possible of scarce resources in developments later conditions will oblige us to abandon.

Since such a plan must master the problems of generations-long process of transformation, we must build the rudiments of new urban centers today at such locations they afford the best aid to orderly transition. We ought to desire to assimilate the population more efficiently into a national cultural basis for national consciousness, but we must desire to accomplish this in the way which is made most readily acceptable to existing rural households.

This defines two sets of constraints. The first constraint is the building of the new Vietnam of the future; the second is the integration of the present Vietnam into that process of transformation with as little hardship and as little avoidable resistance from sections of the population as possible. Given both present and foreseeable forms of worldwide technology, knowledge of that technology and its requirements enables us to interpret the two sets of constraints with relative precision.

Since Vietnam has committed its next five-year plan to the tasks of establishing the foundations of a scientifically modern form of agro-industrial state, I suspect there would be little objection to my point of view in approaching the main problems of development.

Let us look ahead to the period 2000-2010 A.D., that we may better estimate the characteristic features of the kind of society toward which we might desire to build. As I have emphasized in various published locations, the technology of the coming 50 years will be dominated by results now emerging on three specific frontiers of fundamental progress in science. These three are: 1) Controlled thermonuclear fusion, 2) Direction of coherent electrohydrodynamic beams of energy, and 3) Outgrowths of present researches in nonlinear spectroscopy in biology, including mastery of the principles of

DNA and chlorophyll by aid of such methods of inquiry. It is my persisting recommendation, that developing nations ought to focus their fundamental scientific research and education processes upon these frontiers of science and technology, to the effect that the pupils entering primary schools today will be qualified for the dominant new technologies of the world 20 to 25 years ahead. Meanwhile, mastering of these aspects of scientific research will afford the labor-force the ability to master other technologies from a more advanced standpoint than would be possible if education were oriented only to presently established levels of science and technology.

This is key to design of the new cities of the future today. . . .

In designing cities, we should take note of what has not changed essentially over thousands of years. Most notably, the function of the family household in reproducing and developing new individuals. The family household requires sleeping rooms, dining areas, cooking areas, and areas for private study and general cultural activities of the household. The advancement of the material standards of household and per-capita consumption over thousands of years has increased the physical requirements of the household-unit, but an upper limit to such requirements is clearly in sight. More subtle, but also provable objectively, the proper proportions of architectural design, for reasons of function and of aesthetics, will always be the harmonic proportions derived from the principle of the Golden Section: the prevailing, very bad architecture in the United States today (for example) illustrates the ugliness and impairment of functional usefulness of space we produce if we ignore the anciently proven principles of the Golden Section. Also, with respect to movements of persons and goods within a densely populated area, there are principles of topology which determine rigorously what is and what is not sound urban design.

Without going into the details of the matter, cities should be projected for a chosen maximum expansion of population, and assigned a defined area for future development of the city's internal area. Outside this area should be located the heavy industries and the energy-production areas. The city's growth, over decades, to that extent of development, should be the definition of the agro-industrial complex.

Now, as to fission-energy. Within 30 to 50 years, the per-capita energy-requirement of Vietnam must reach approximately the levels of requirements of the United States' agriculture and industries today: over 700,000 kilowatt-hours per capita per year for agriculture, and over 200,000 kilowatt-hours per capita for industry. This requirement could not be met by combinations of hydroelectric and fossil-fuel methods of production of electricity. Whether the requirement is significantly greater or less than that, is irrelevant for our purposes of planning-policy today; the energy-requirements will be within less than one order of magnitude of that range, plus or minus. Only accelerating progress in production of energy by fission, and, later, fusion, methods can satisfy this re-

quirement.

Vietnam must enter the age of nuclear technology, and will probably have to accomplish this, in some degree, as India and Argentina have, for example. In general, it were desirable that this occur in collaboration with other nations of the Indian and Pacific Oceans' region of Asia, using the Mekong region's great potential as a food-producer as the principal source of internally generated wealth employed to purchase import-needs in this category. Japan's need for secure supplies of food-imports, needs most conveniently met from development of agriculture in Southeast Asia, is of special relevance in projecting future trade-balances, especially since Japan is now emerging as a future leader in fission, fusion, and directed-beam technologies of production. By the end of the present decade [1980s], Japan should, for example, have achieved the design of a pioneering commercial, Tokamak-type fusion reactor, so that by the year 2000, we should expect "commercial" fusion technology to be generally available. The United States should complete its development phases for "first-generation commercial" fusion reactors by about the same time, as should also the Soviet Union. In the meantime, until approximately 2000 A.D., fission energy is the only supplement to hydroelectric and fossil-fuel modes available, and fission installations will probably be first choice for numerous instances until about 2010 A.D. It is the "second generation" of fusion reactors which will begin to displace absolutely all fission reactors as choices for construction from approximately 2010 A.D. onward, especially as MHD [magnetohydrodynamics] and significantly more advanced methods of transformation of process-heat into electrical and other forms of industrially applied energy come into use.

Assuming the world does not destroy itself in man-made catastrophe during the meantime, this is approximately the state of energy development of the coming 50 years, a period, shall we say, of ten of Vietnam's five-year plans, the period at which Vietnamese pupils now first entering school will be entering the last decade of their employment in production.

To maintain the pace of economic growth such broad information suggests, Vietnam must increase its energy consumption per capita by approximately 50-100% per decade, at the least, a rate admittedly in excess of the rate of increase of per-capita energy-consumption in the United States and Western Europe during the recent two decades of accelerating slowdown of economic growth. This can be calculated more precisely by analysis of the components of consumption of energy. This means fertilizers and so forth for agriculture, and would take into account the differential rates of per-capita energy-consumption by class of industry. Clearly, increased production of energy is a leading requirement of Vietnam's development; broadly speaking, the possible level of productivity of labor is limited by the level of per-capita energy-consumption available for production.

The proposal to assign to the army much of the work of building infrastructure, in the reports by Secretary Le Duan,



coincides with my own recommendation to the U.S. government for use of the Corps of Engineers and to developing nations generally. Such assignments are consistent with principles of modern military science, especially since Lazare Carnot's revolution in warfare; such assignments are not only economical, but are consistent with quality and responsibilities of military forces, and military units are well-suited for such work.

This brings our attention to a sensitive matter, the Mekong Development Project, or some modified version of this project. If this project is properly conceived, it includes general water-management in the delta-region, and serves as a key to the development of the southern portion of Vietnam. Like all major water projects, it involves several nations—principally Thailand, Laos, and Cambodia, as well as Vietnam. As you may know, I have included this among the list of larger-scale infrastructure-building projects for the Asian side of the combined Pacific and Indian Oceans' basin. Also, in my discussions with representatives of leading circles of nations in the region, I have gained corroboration for my estimate that this project could be a pivotal feature of relations between Vietnam and the ASEAN group as a whole, and could be made a key part of the agenda of negotiation between the two key nations of mainland Southeast Asia, Vietnam and Thailand, if Vietnam showed positive interest in this subject-matter. Politics being what it is, I can not predict exactly how each among the governments of the region would react to this project's proposed activation; undoubtedly, certain political factors would require attention. I base my judgment on the objective benefits for all affected nations. . . .

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## 2. The Principles of Culture

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The case of the Paris-educated Pol Pot's regime in Cambodia typifies the nature of my worst fears for the people of Asia in general, and Southeast Asia, in particular. The crushing of post-war hopes for technological progress among nations and peoples of the developing sector has unleashed successive waves of cultural pessimism, a cultural pessimism which provides fertile ground for proliferation of "particularist" insurgencies, and for bloody conflicts between the poor of the countryside, and the urban centers.

Worse, these forms of insurgency are being steered to a major degree from Europe, in activities by religious missionaries and others, and with steering by powerful financier families' circles. In Southeast Asia, naturally enough, French ethnologists play a leading role: Pol Pot reflects that precisely.

The situation is such, that no nation can wisely tolerate the spread of such sicknesses even among neighboring nations with which it may have presently an active or potential adversary relationship. Like a pandemic disease, this sort of particularism spreads across borders, a particularism with a deep hatred against rationality and civilization themselves,

in whichever nation rationality and civilization exists to be destroyed, as Cambodia was destroyed from within.

The problem has varying degrees of manifestation, from the milder forms of recurring egoism and localism alluded to in the reports of Secretary Le Duan, to the more extreme forms seen in the Pol Pot case. It is presently rampant in Western Europe and the Americas, as well as in parts of Asia and Africa. There has been a world-wide upsurge of this phenomenon since the early to middle 1960s, ranging from separatist-terrorist forms of particularist insurgency through the spread of the rock-drug-sex counterculture among a large minority of the younger generation in the United States today.

Whether we shall succumb to this entirely in Europe and North America, I do not know. If present trends persist, this insurgency will destroy almost every vestige of more than 2,000 years of European culture before the end of the present century. I oppose it with all my means, but I know that without the emergence of objective developments restoring cultural optimism, European culture is doomed to early extinction.

On condition that the objective measures needed do occur soon enough, I know how to eradicate this disease among populations characterized by the culture of Western Europe. There are built into the *republican* features of Western European Judeo-Christian culture certain special features which have been responsible for every renaissance of the past, and which could be made efficient to that purpose again, on condition that objective developments and emerging movements of the proper type were to appear in time.

I suggest that the leaders of Vietnam view the problems of cultural development within Vietnam through my eyes, at least briefly so. I would hope that their doing this would supply them a fresh view of the problems, a new insight which they would find useful.

The aspect of Western European culture which ought to be viewed positively by the economic planners of Vietnam, is that aspect which has contributed directly to the progress of Europe in science and technology. . . .

The specific element within Western European culture directly responsible for the high rates of scientific progress indicated is the assimilation of the method of Plato's dialogues, first by St. Augustine, and more rigorously and thoroughly by such leading influences of the Fifteenth-Century Golden Renaissance as Nicolaus of Cusa. This is the method which Plato describes as "my dialectical method." The terminology, "my dialectical method," could also be translated as "the method of my dialogues." There are three leading features of this dialectical method which are central in the launching of modern European scientific progress through the work on scientific method by Nicolaus of Cusa.

1. A conception of language consistent with the doctrine of the great Sanskrit philologist, Panini: that the transitive verb, not the noun, is the irreducible element of speech.

Human knowledge of experience is not knowledge of things as such, but is perception of *change* (or *no-change*) in a finite displacement of physical space-time. In other words, that matter, space, and time do not exist independently of one another, but exist interdependently in the form of physical transformations in finite space-time. The element of speech which identifies a transformation (change or no-change) in physical space-time is a transitive verb. . . .

2. Any dialectical conception stated in words must be rigorously restated in the language of geometry.

Plato repeatedly insists upon this. However, it must be understood that Plato's geometry is not the kind of geometry we associate with Euclid's *Elements*. Plato's geometry is what is called in modern usages as "synthetic geometry." This was rediscovered by Cusa, a rediscovery which is the central point from which the elaboration of modern European science erupted. . . .

3. The method of hypothesis, as I summarize this in Chapter 5 of the economics textbook. . . .<sup>1</sup>

As Plato himself emphasizes, he did not produce his dialectical method from nothing. He references his specific debts to work of the Cyrenaic temple of Ammon and the more general debt of Greek Classical culture to assistance from a certain faction in Egypt. Where can we locate the earliest known beginnings of Plato's contributions?

This search takes us to Central Asia, perhaps as early as about 40,000 B.C. A scholar in Japan, for example, who has worked on the languages of Asia, points to an earlier form of language in China (with kinship to precursors of Sanskrit) which is closer in structure to key features of Thai than to modern Chinese. There is powerful evidence pointing to the same kind of hypothesis, evidence which is of practical importance for serious study of the languages and cultures of Asia today. . . .

. . . There appears to have occurred a more or less global cultural catastrophe toward the close of the second millennium B.C., but undoubtedly not the first major cultural catastrophe, to the combined effect that what the ethnologists choose to classify as "primitive cultures" are, in most instances, not "primitive cultures," but were relics of decayed higher forms of culture. . . .

This is by no means mere speculation. The practical importance of this outlook today is indicated in the reports of Secretary Le Duan referenced here. The efforts for development of the people of Southeast Asia have been inhibited not only by colonial subjugation, but by "feudalistic" and other forms of culture persisting in the region. Perhaps ancient pro-

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1. *So, You Wish to Learn All About Economics?* 2nd ed. (Washington, D.C.: Executive Intelligence Review, 1996).

totypes of Pol Pot set back weakened cultures of the past, obliging peoples to begin to build afresh with mere relics of earlier cultural heritages. The problem, as I see it, is to adduce from existing language and other leading features of carried-forward culture those cornerstones upon which to construct a new, progressive form of culture. We must, so to speak, resurrect those elements of culture which best reflect the most dynamic forces of progress in past periods, and free them from the burden of past stagnant and repressive cultures. The examination of the best features of Western European scientific culture, which I have merely indicated here, has the function of aiding us in locating kindred elements within the existing cultures of Asia. . . .

We lose something essential in ourselves if we neglect the unsung heroes among our ancestors. Here, there, generations ago, some worthy ancestor was crushed into obscurity, his name obliterated from memory, his works forgotten. We can not bring him back to life, but we can honor in practice the good he gave his life in order to produce. As each of us will die in our time, we deserve the assurance that the good to which we devote our lives will be of durable benefit to our people and all mankind. If we do good, we have the right to be honored, even if our name itself is forgotten, for having lived a life which served a necessary and good purpose for our contemporaries and posterity. As we honor our worthy ancestors according to the same principle, we assure the living that those who do good will be similarly honored as a matter of principle. We can not cast aside the entirety of their labors; from amid the wreckage which is the culture as a whole, we must rescue and honor that which is of continued merit and usefulness today. In so doing, it is right to look back in time to the nameless faces of our ancestors, and to say to them: "Nothing which should have been your highest desire has been forgotten or lost. Everything which has survived of your good works, we use. The evil which crushed you has been defeated. We have made good use of the best you worked to provide to us across the generations."

The "ethnologists" proceed from an opposite standpoint. They desire to keep the "non-white races" in subjugation, to check their numbers, and to keep them in submission to labor-intensive toil. So, the Jesuitical "ethnologists" search out each relic of culture which might be exploited variously, to divide the people of a nation against themselves, and to make them advocates of the backward, "traditional" toil of their servitude.

From the best of European culture, Vietnam may adduce the lessons useful for shaping of the progressive development of the new culture of Vietnam. Ours is a common cause, and a common struggle, together with such ancestors as Dante and Cusa. We must learn things useful to that cause from one another, and each rejoice in the accomplishments of the other to that noble objective. From that standpoint, I recommend the most valuable lessons of my own cultural heritage to you. . . .

## The Globe Is on Fire

by Nancy Spannaus

To those who are hysterically committed to ignoring the ongoing disintegration of the world financial system, there is an equally strong compunction to ignore the growing dangers in the world strategic situation. Yet an overview of hotspots, taken on a global scale, and with a view to the frequency of the eruption of such crises over the past ten years, shows clearly that the world is descending into chaos which is leading toward a new kind of world war.

In February, *EIR* featured a review of the global war situation, under the title of “Nation-States Disintegrate Under Assault from London.” There we documented the actors and the scripts which the international financial oligarchy, largely run from Britain, have set into motion in order to make the world “free” for their looting needs. From Africa, to Ibero-America, to eastern Europe and Asia, we identified 40 nations that were already in a state of collapse, due either to financial assault, narco-terrorism, wars, or the spread of diseases and “natural” disasters.

As we said at the time, it would be absurd to think that the collapse of the nation-state system, with its sovereign commitment to protecting the general welfare of populations, was an accident. Rather, it was clear that the geopolitical and financial devotees of “globalization” were committed to the destruction of that system, and that British-sponsored mercenary gangs and others were actually being deployed to push this destructive process along. Every major nation in the world, the United States included, was being targeted for splintering into little pieces.

Today, about three months later, the deterioration of the global situation is shocking. *None* of the hotspots we identified in February has been cooled out; they have in most cases—like Chechnya, the Balkans, and Colombia—only gotten much worse. But at least ten major new conflicts, or national collapses, have erupted, creating the basis for the

further spread of chaos and suffering, to the point of the collapse of civilization itself.

### The African Case-Study

There is no question but that the continent of Africa represents the most “advanced” case of this process, with most of the nations of Sub-Saharan Africa already pulverized through economic hardship and ongoing wars. One international peacekeeping force after another has been sent in, to no avail, because the conditions for a real peace—including support for the very existence of sovereign nation-states—are not being put forth by any major power, and whenever a nation seeks to defend its sovereignty, it is generally attacked as “authoritarian” or “corrupt.”

The former colonial powers in Africa, particularly the British, are quite blatant about their intentions. They have set their sights on effectively *recolonizing* the continent, through taking control of the raw materials, often by means of mercenary bands comprised of “retired” counterinsurgency officers. A look at the situation in Sierra Leone, where the diamond and gold mines are the prize being fought over by conflicting groups, gives one a hideous, but accurate sense of what is at stake. Many of these gangs are, in effect, copying the actions of mercenary gangs, like Britain’s Executive Outcomes, which had previously been deployed into the area on behalf of the major mineral cartels. The fact that U.S. Secretary of State Madeleine Albright and the British demanded that the Sierra Leone government form a coalition government with the murderous Revolutionary United Front—after Foday Sankoh, the criminal leader of the RUF, had been arrested and convicted of high treason—as an alleged “peacekeeping” measure, shows how extremely counterproductive outside inputs have been. The outcome—the new round of chaos that began early May—was predictable.

We identified the Sierra Leone crisis, as one of many which have been going on for more than a decade, in the February report. All are continuing to boil, or simmer, and now at least *four* others have broken out. First, there was Mozambique, an International Monetary Fund (IMF) “model” state, which had been destroyed to the point where floods devastated the country and its infrastructure, killing thousands. Then there is the targeting of South Africa, both through attempts to impose economic conditions, and with the international propaganda blitz against President Thabo Mbeki (see article in this section). And most recently, we have the resurgence of war between Eritrea and Ethiopia, both nations suffering from extreme IMF-supervised poverty, which cannot protect their people, and are driven into periodic wars.

None of these wars and evaporations of nation-states in Africa are immediately going to spill over into other continents, some will console themselves. But that belief is not only immoral, but wrong. Africa represents the direction that all continents are headed, including those inhabited by countries with those famous “weapons of mass destruction.” The victory of the “empire” model there, will ensure disaster everywhere.

### **Shooting Wars in Asia**

The other area of the world where a significant number of new conflicts has erupted since February is Asia, where we previously identified Indonesia, North Korea, and Afghanistan as the leading victims of the globalization process. In recent months, armed conflict has emerged once again in Sri Lanka, in the Kashmir border region between India and Pakistan, and in the Philippines—with the potential for conflict across the Taiwan Strait looming as a possible detonator for superpower conflict in the not-so-distant future.

The conflicts in Sri Lanka, the Philippines, and the Kashmir region can all be traced directly to meddling by British-backed terrorist gangs, some also connected to the so-called Afghansis, which were deployed by the Bush networks against the Soviets during the 1980s. As we detailed in our last issue, the Liberation Tigers of Tamil Eelam (LTTE) are part of the London terrorist nexus, with the group’s master planner centered in London. They seek to split up Sri Lanka. As for the Philippine groups, the Abu Sayyaf and the Moro Islamic Liberation Front, who are now challenging the government by holding foreign hostages, they were directly spawned by veterans of the Afghansi networks. These groups are demanding a breakup of the Philippines, with the formation of a separate Islamic state.

The major terrorist organizations inside Pakistan and in the northwestern areas of India, particularly in Jammu and Kashmir, are direct offspring of the Afghansi operation, or have been built in reaction to it; they receive funding and political protection through London. Thus, the British maintain a string which they can pull at any point that the Indian and Pakistani governments take action toward a lasting peace—

which development would challenge the geopolitical objectives of the British. Given the nuclear weapons capability of the two nations, and their international alliances, playing with fire in this region could easily yield a major explosion.

As for the Chinese situation, the provocations coming from the side of the Taiwanese independence faction can be traced to Anglo-American circles, and their allies in the extreme nationalist circles in Japan, all of whom are willing to risk war in order to “contain” China. The aggressive stance of the independence faction, has not yet succeeded in provoking Beijing, but the moves have definitely increased the tendency for closer ties between the mainland Chinese and the Russians. Could the Chinese be provoked into war? Should anyone be willing to say that they could not be provoked into war to defend their sovereignty? This, again, is an area where the chance for miscalculation is very great.

### **Not ‘One Big War’**

It would be foolish for anyone to say that the lack of an obvious U.S.-Russian strategic confrontation flashpoint means that there is strategic stability. Look, for example, at the ring of fuses that have been lit around that precariously positioned nuclear superpower. The Balkans, for example, where Russian troops are still stationed, remains a tinderbox. Central Asia, all the way down to Afghanistan, is still a theater of war of direct concern to the Russians. And then, there are the Baltic states, which certain NATO circles are agitating to become the next members of the Western military alliance, an action which would be intolerable to the Russians.

Already, the Russian Foreign Ministry and other spokesmen are charging that there is a “rise of fascism” in Latvia, while the Latvians are denouncing the evolution of “hysterical nationalism” in Russia. A vicious circle is developing, in which the more the Russians attack Latvia, the more the Latvians, as well as the Lithuanians and Estonians, want to join NATO, and, then, Russian attacks can only intensify.

Within this environment, institutions like the New Atlantic Initiative, founded in the early 1990s by Margaret Thatcher, rush in to promote economic disintegration (through privatization), and polarization by their NATO policy. At its April 28-30 conference in Bratislava, Slovakia, the NAI, according to a participant closely linked to the U.S. State Department and to the British Foreign and Commonwealth Office, a former very senior FCO figure, Dame Pauline Neville-Jones, told attendees that “NATO should be enlarged by a ‘big bang’ approach. That is, instead of stretching out the matter of NATO entry, country by country, and over considerable periods of time, all the relevant countries in Europe should all be brought in, at once, and all together—including the Baltic states.” All the sweet talk in the world by Russian President Vladimir Putin is not going to mask the fact that such a strategic threat will lead toward East-West confrontation.

If we wait until these wars and conflicts have reached the “hot phase,” it may be too late to stop them.

# S. Africa's Mbeki Challenges Economic Apartheid in AIDS Policy Fight

by Lydia and David Cherry

In a series of bold moves taken to tackle the AIDS pandemic in Africa, South Africa's President Thabo Mbeki has challenged the "economic apartheid" of the presently doomed global financial and monetary system, and raised the critical point, that to stop AIDS, Africa must have *development* of infrastructure, medical care, and science. On May 22, the question is expected to be on the table at the meeting between Mbeki and President Bill Clinton in Washington.

The "economics" of AIDS was clearly stated on May 4 in Geneva, when South African Foreign Minister Nkosazana Dlamini-Zum said, "President Mbeki is simply asking whether conditions of abject poverty, malnutrition, and lack of adequate health facilities, which have a negative impact on the immune system of individuals, did not create a climate in which HIV can rapidly progress toward a full-blown AIDS status." The minister was responding to a barrage of criticism against Mbeki for his work against HIV-AIDS.

After he raised this obvious but crucial question, of the connection between poverty and HIV-AIDS, Mbeki was hit with an intense campaign of media slanders from London and Wall Street, as well as from the Oppenheimer mining cartel interests in Africa. For the international financier establishment, especially the London center of the "Empire" to which South Africa is still tied, a call for economic development is a *casus belli*.

And, not to be overlooked in understanding how the AIDS policy fight is seen as a threat to the British imperial interests, was the strike on May 10 that brought out *more than 4 million people*, or over half of South Africa's labor force. The strike was led and supported by the two other components of the African National Congress (ANC) government alliance, the Congress of South African Trade Unions (Cosatu) and the South African Communist Party (SACP). Cosatu's strike call reads: "Our campaign against HIV-AIDS, TB [tuberculosis], and other diseases cannot be successful until we defeat enemy number one, which is high unemployment and poverty for the majority of our people."

The backlash against Mbeki should not be a surprise. As *EIR* reported on May 12, Democratic Party Presidential pre-candidate Lyndon LaRouche, beginning in 1985 through to the present, identified the economic policy roots of the AIDS

crisis, and called for a crash program of medical research, public health measures, and upgrading medical and health-care facilities. For this, *EIR* said, LaRouche "was damned and vilified by his enemies and by other ignorant or frightened people." And, with the spread of the AIDS epidemic out of control, it is now clear that LaRouche was right.

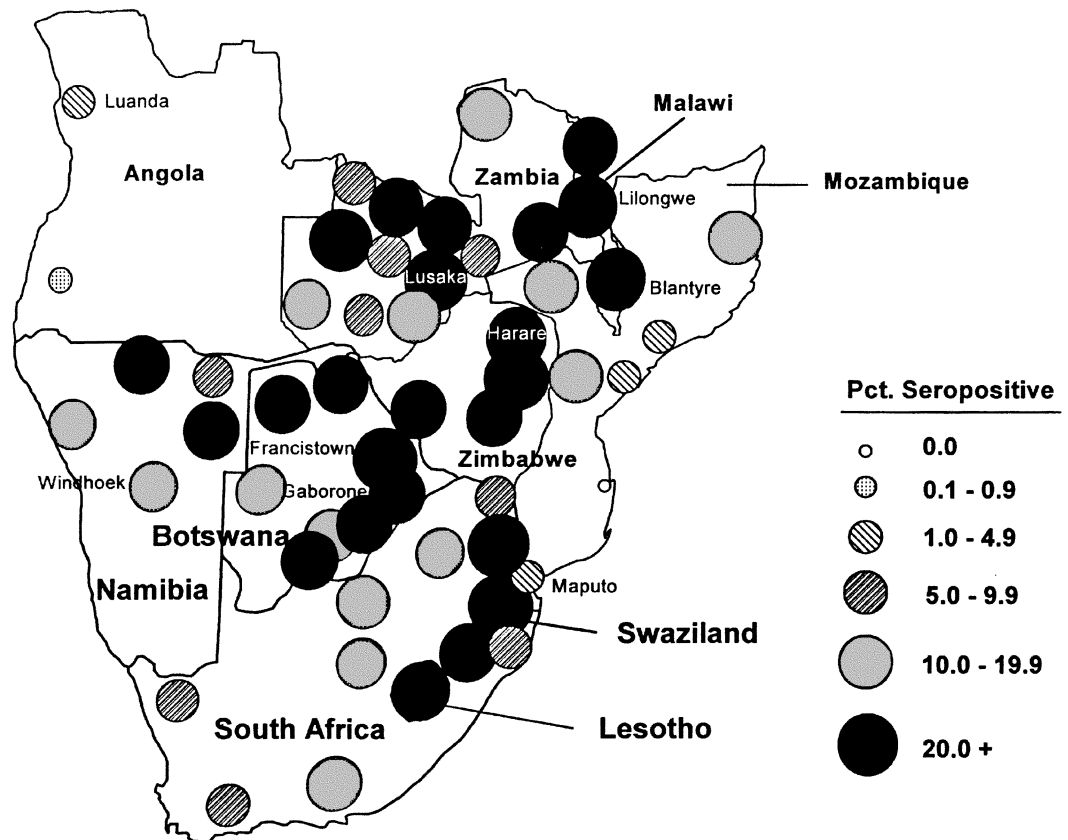
President Mbeki has been the most prominent person recently to let the genie out of the bottle, and reopen the question of development and disease. And, beginning in early March, when South Africa announced the formation of an international panel of experts to reexamine the scientific evidence about HIV and AIDS, Mbeki and his government began to be branded as uncaring about AIDS victims. The campaign of slanders intensified on April 3, when Mbeki sent out a letter to President Clinton and other world leaders on his fight against AIDS, in which he said, "*as an essential part of our campaign against HIV-AIDS, we are working to ensure that we focus properly and urgently on the elimination of poverty among the millions of our people*" (emphasis added) (see letter, below).

Mbeki's statements have been denounced in major media as scientific kookery, and even "apartheid." On April 19, the British news service Reuters wrote: "Skeptic Mbeki 'Fiddles While Rome Burns,'" and the South African *Mail and Guardian* headlined its article, "Mbeki's AIDS Letter Defies Belief."

These slanders could not be further from the truth. The real issue is that Mbeki's investigation of the spread of AIDS has led him toward the conclusion that there is no middle ground, and no room for gradualism in the war for development: Extreme poverty makes AIDS unstoppable, and without a medical infrastructure, which no African country has, existing treatments for AIDS cannot be effective.

It is this outlook which is expected to be high on the agenda of the Mbeki-Clinton meeting on May 22. In fact, it appears that Mbeki's moves have intersected, if not catalyzed, a series of developments in Washington concerning AIDS. First, on April 30, it came to light that the Clinton Administration has been treating infectious diseases, and particularly HIV-AIDS, as a "national security threat." Then, on May 10, by Executive Order, Clinton reversed the U.S.

FIGURE 1  
**Seroprevalence  
of HIV-1 for low-  
risk populations  
in Southern  
Africa, 1998**



Source: U.S. Bureau of the Census.

policy that threatened and imposed sanctions against African countries that produced or used generic drugs instead of the high-priced U.S.- and European-produced “big name” pharmaceuticals (see *National*).

But with AIDS spreading at frightening rates in other parts of the world, from India, to Brazil, to Russia, it is clear that taking action for Sub-Saharan Africa alone is totally inadequate. Already, on May 17, at a meeting of the World Health Organization (WHO) in Paris, the government of Brazil took steps to assert the right of all the poor countries, not just Sub-Saharan Africa, to access generic AIDS drugs.

### Poverty Underlies AIDS

In his April 3 letter, Mbeki notes that in 1998, the Mandela government decided to rapidly step up its own efforts to combat AIDS, following UN reports that Sub-Saharan Africa accounts for two-thirds of the world incidence of HIV-AIDS, and that South Africa was one of the worst affected.

Among other things, the ANC government set up a Ministerial Task Force against HIV-AIDS chaired by the Deputy President, Thabo Mbeki. It is no accident that the section

of Mbeki’s letter that says the *elimination of poverty* is an “essential part of our campaign against HIV and AIDS” has been virtually unreported in the international press.

According to South African government figures, some 4.3 million people, or 10% of the South African population, are HIV-positive. In southern Africa as a whole, over 50% of hospital patients are now estimated to be HIV-positive, according to regional health experts at a meeting in Mozambique’s capital, Maputo, on May 11.

Now, to the chagrin of the AIDS orthodoxy worldwide, Mbeki won’t let the poverty component of AIDS causation go unnoticed. On May 11, he responded to the announcement by five major drug companies that they would reduce the cost of AIDS drugs to Africa, by noting that even with the cheaper medicine, South Africa cannot embark on a wide-scale drug program, because the country simply does not have the vast resources necessary to give patients the supervision they would need while taking the drugs, all of which can have serious side-effects. He suggested that the drug companies could do a lot more: “You have these large, large volumes of capital, which is what you need to impact on development and therefore on the poverty issue,” he said,

adding that the United States needs to take the lead in helping direct that money to the poor countries that need it.

### **AIDS Panel Meets**

On May 7-8, the first meeting of Mbeki's international panel of experts took place. Mbeki opened the conference by thanking the participating scientists: "We look for an answer because all the information that has been communicated [means] in reality that we are faced with a catastrophe. We can't respond to a catastrophe, only by saying: 'I will do what is routine.'"

Immediately, the hyenas of the international media put a negative spin on the event. Associated Press said that Mbeki is "taking a controversial stance on the worst catastrophe to hit Africa," and that "critics say . . . [he] is diverting precious time, energy, and resources while the epidemic rages unchecked."

Mbeki said he had been surprised by the uproar about his quest to have the causes of AIDS revisited, adding that criticism by eminent scientists had at times made it difficult for him to think he was not a fool. "But I'm no longer so sure about that, given that so many eminent people responded to the invitation of 'a fool' to come to this important meeting." Among the 34 scientists who came from around the world, including Africa experts from international agencies such as the World Health Organization and the Atlanta, Georgia, Centers for Disease Control, were French researcher Luc Montagnier, who discovered the virus. The panel also included California biologist Peter Duesberg, who is condemned by the press on the grounds that he denies that HIV causes AIDS.

As the initial meeting of the international panel took place, Dr. Zweli Mkhize, M.D., Health Minister of South Africa's KwaZulu-Natal province, which has the highest incidence of AIDS in the country, asked the panel: "For us in Africa there are a number of factors or issues that are not clear." He noted that in Kenya, a group of longtime prostitutes were found to be HIV-negative despite exposure. The question, whether they had developed immunity against HIV, had not been conclusively resolved.

Dr. Mkhize noted: "The province of KwaZulu-Natal in South Africa is reported to be the worst affected, with over a million people living with HIV. Many varied factors have been blamed for this situation, such as poverty, migrancy, the port of entry of foreigners through the sea; that KwaZulu-Natal is the most populous province, etc. However, there is no explanation why the second-highest rate of HIV does not occur in Gauteng, which shares most of the factors which exist in KwaZulu-Natal. . . . This then raises the question of whether the factors responsible for KwaZulu-Natal having the highest rate are well understood or not."

The meeting was just the beginning of the work of the Advisory Panel. According to a government press release, in the next phase, "these and other scientists will, over a period

of about six weeks, exchange views over a 'closed Internet,' and meet again in South Africa to finalize and present their findings and recommendations." The Presidential AIDS Advisory Panel will be followed in July by the international AIDS 2000 Conference in Durban.

### **HIV Requires Co-Factor**

For years, *EIR* has made the case that poverty, especially the process of economic collapse, creates the preconditions for the spread of AIDS and other pandemics. As early as 1974, LaRouche commissioned a study showing how economic collapse must lead to "biological holocaust." However, an exchange of letters between *EIR* and AIDS authorities at the Centers for Disease Control in 1988, reinforced the conclusion that the medical effects of economic collapse were outside the limits of officially permissible discourse concerning AIDS.

As both *EIR* and Dr. Mark Whiteside of the Miami Institute of Tropical Medicines have noted, HIV requires a co-factor for activation that depletes the immune system, such as malaria, protein deficiency, sleeping sickness, parasites, and arboviruses carried by mosquitoes or other insects. These are symptoms in Africa which are the effects of poverty and out-of-control malaria. Therefore, anyone contracting HIV dies quickly of AIDS in Africa—within six months to a year—as opposed to many years, at worst, in the United States. In East Africa, AIDS is also associated with the appearance of herpes zoster, which is caused by reactivation of the virus that causes chicken pox.

Some of the dissidents whom Mbeki is not supposed to speak to, according to the orthodox school, include Peter Duesberg of the University of California, biochemist David Rasnick, and historian of Africa Charles Geshekter. They assert, contrary to the evidence, that HIV does not cause AIDS, but is a mild, opportunistic infection found in most members of some populations of AIDS victims. An exposé of this dangerous fallacy was published in spring 1998 in *21st Century Science & Technology* magazine.

But these dissidents have usefully exposed some of the hoaxes perpetrated by the AIDS establishment in pursuit of its own agenda for world depopulation.

One hoax exposed by Geshekter (California State University, Chico) in a May 1999 paper, "Critical Reappraisal of African AIDS Research and Western Sexual Stereotypes," is the "Bangui Definition" of AIDS in Africa, adopted by consensus at the WHO's AIDS conference in Bangui, Central African Republic, in 1985. Because medical infrastructure to diagnose HIV did not exist in most of Africa, and was not going to be put in place, conference convenors decided to promote—in their words—"a simple, clinical" definition. The "major components" of the definition are "prolonged fevers (for a month or more), weight loss of 10% or greater, and prolonged diarrhea." No test for HIV is needed.



Thus, AIDS is made the diagnosis for symptoms of malaria (fever, wasting) and cholera (diarrhea, fever, wasting). Individuals with TB are also often assumed to have AIDS. These are the diseases of poverty. In fact, true AIDS victims will be concentrated *within* the numbers of those who suffer from these diseases.

When HIV tests *are* used in Africa, Gesheker points out, they are “notoriously unreliable among African populations where antibodies against endemic conventional microbes cross-react to produce ludicrously high false results.

“The data strongly suggest,” he concludes, “that socio-economic development, not sexual restraint, is the key to improving the health of Africans.

His conclusion requires a major correction: He does not know—and no one knows—the extent of HIV in Africa, much less its rate of propagation. To avoid depopulation and collapse, it is vital to have rapid construction of the infrastructure needed for a healthy standard of living, but also to have a crash program of optical biophysics aimed at crushing HIV worldwide, lest AIDS outrun development.

## President Mbeki: Fight AIDS, Eliminate Poverty

*The following letter was sent by South African President Thabo Mbeki, to President William Jefferson Clinton, heads of state, and other world leaders, including UN Secretary General Kofi Annan. There has been a great amount of press and media commentary about this letter, but the full text has not been widely printed and disseminated to the public.*

*Most of the commentary has been misleading, and slanderous of President Mbeki, completely leaving out his urgent call to combat HIV-AIDS in a broader economic context, including the elimination of poverty. EIR welcomes President Mbeki's call for urgent action against AIDS.*

April 3, 2000

I am honoured to convey to you the compliments of our government as well as my own, and to inform you about some work we are doing to respond to the HIV-AIDS epidemic.

As you are aware, international organizations such as UN-AIDS have been reporting that Sub-Saharan Africa accounts for two-thirds of the world incidence of HIV-AIDS. These reports indicate that our own country is among the worst affected.

Responding to these reports, in 1998, our government decided radically to step up its own efforts to combat AIDS, this fight having, up to this point, been left largely to our Ministry and Department of Health.

Among other things, we set up a Ministerial Task Force against HIV-AIDS chaired by the Deputy President of the Republic, which position I was privileged to occupy at the time.

Our current Deputy President, the Hon. Jacob Zuma, now leads this Task Force.

We established Partnerships against AIDS, with many major sectors of our society including the youth, women, business, labour unions and the religious communities.

We have now also established a National AIDS Council, again chaired by the Deputy President and bringing together the government and civil society.

An important part of the campaign that we are conducting seeks to encourage safe sex and the use of condoms.

At the same time, as an essential part of our campaign against HIV-AIDS, we are working to ensure that we focus properly and urgently on the elimination of poverty among the millions of our people.

Similarly, we are doing everything we can, within our very limited possibilities, to provide the necessary medications and care to deal with what are described as “opportunistic diseases” that attach to acquired immune deficiency.

As a government and a people, we are trying to organize ourselves to ensure that we take care of the children affected and orphaned to AIDS.

We work also to ensure that no section of our society, whether public or private, discriminates against people suffering from HIV-AIDS.

In our current budget, we have included a dedicated fund to finance our activities against HIV-AIDS. This is in addition to funds that the central government departments as well as the provincial and local administrations will spend on this campaign.

We have also contributed to our Medical Research Council such funds as we can, for the development of an AIDS vaccine.

Demands are being made within the country for the public health system to provide anti-retroviral drugs for various indications, including mother-to-child transmission.

We are discussing this matter, among others, with our statutory licensing authority for medicines and drugs, the Medicines Control Council (MCC).

Toward the end of last year, speaking in our national parliament, I said that I had asked our Minister of Health to look into various controversies taking place among scientists on HIV-AIDS and the toxicity of a particular anti-retroviral drug.

In response to this, among other things, the Minister is working to put together an international panel of scientists to discuss all these issues in as transparent a setting as possible.

As you know, AIDS in the United States and other developed Western countries has remained largely confined to a section of the male homosexual population.

For example, the cumulative heterosexual contact, U.S.

percentage for AIDS cases among adults/adolescents, through June 1999, is given as 10%. (*HIV-AIDS Surveillance Report*: midyear edition. Vol 11, No 1, 1999. U.S. Department of Health and Human Services).

The cumulative absolute total for this age group is reported as being 702,748.

U.S. AIDS deaths for the period January 1996 to June 1997 were stated by the U.S. CDC [Centers for Disease Control, in Atlanta, Georgia] as amounting to 32,750. (*Trends in the HIV and AIDS Epidemic*, CDC: 1998.)

On May 13, 1999, a SAFA-AFP report datelined Paris stated that 1998 UNAIDS and WHO reports had said that AIDS was responsible for one death in five in Africa, or about two million people.

It quoted a Dr. Awa Coll Seck of UNAIDS as saying that there are 23 million carriers in Africa of HIV.

This SAFA-AFP report quotes Dr. Coll Seck as saying: "In Southern Africa, the prevalence of the (HIV) infection has increased so much in five years that this region could, if the epidemic continues to spread at this rate, see its life expectancy decline to 47 by 2005."

(Interestingly, the five years to which Dr. Coll Seck refers coincide closely with the period since our liberation from apartheid, white minority rule in 1994.)

The report went on to say that almost 1,500 people are infected in South Africa every day and that, at that point, the equivalent of 3.8 million people in our country carried the virus.

Again as you are aware, whereas in the West HIV-AIDS is said to be largely homosexually transmitted, it is reported that in Africa, including our country, it is transmitted heterosexually.

Accordingly, as Africans, we have to deal with this uniquely African catastrophe that:

- contrary to the West, HIV-AIDS in Africa is heterosexually transmitted;
- contrary to the West, where relatively few people have died from AIDS, itself a matter of serious concern, millions are said to have died in Africa, and,
- contrary to the West, where AIDS deaths are declining, even greater numbers of Africans are destined to die.

It is obvious that whatever lessons we have to, and may draw from the West about the grave issue of HIV-AIDS, a simple superimposition of Western experience on African reality would be absurd and illogical.

Such proceeding would constitute a criminal betrayal of our responsibility to our own people. It was for this reason that I spoke as I did in our parliament, in the manner in which I have indicated.

I am convinced that our urgent task is to respond to the specific threat that faces us as Africans. We will not eschew this obligation in favour of the comfort of the recitation of a catechism that may very well be a correct response to the specific manifestation of AIDS in the West.

We will not, ourselves, condemn our own people to death by giving up the search for specific and targeted responses to the specifically African incidence of HIV-AIDS.

I make these comments because our search for these specific and targeted responses is being stridently condemned by some in our country and the rest of the world as constituting a criminal abandonment of the fight against HIV-AIDS.

Some elements of this orchestrated campaign on condemnation worry me very deeply.

It is suggested, for instance, that there are some scientists who are "dangerous and discredited" with whom nobody, including ourselves, should communicate or interact.

In an earlier period in human history, these would be heretics that would be burnt at the stake!

Not long ago, in our own country, people were killed, tortured, imprisoned and prohibited from being quoted in private and in public because the established authority believed that their views were dangerous and discredited.

We are now being asked to do precisely the same thing that the racist apartheid tyranny we opposed did, because, it is said, there exists a scientific view that is supported by the majority, against which dissent is prohibited.

The scientists we are supposed to put into scientific quarantine include Nobel Prize Winners, Members of Academies of Science and Emeritus Professors of various disciplines of medicine!

Scientists, in the name of science, are demanding that we should cooperate with them to freeze scientific discourse on HIV-AIDS at the specific point this discourse had reached in the West in 1984.

People who otherwise would fight very hard to defend the critically important rights of freedom of thought and speech occupy, with regard to the HIV-AIDS issue, the frontline in the campaign of intellectual intimidation and terrorism which argues that the only freedom we have is to agree with what they decree to be established scientific truths.

Some agitate for these extraordinary propositions with a religious fervour born by a degree of fanaticism, which is truly frightening.

The day may not be far off when we will, once again, see books burnt and their authors immolated by fire by those who believe that they have a duty to conduct a holy crusade against the infidels.

It is most strange that all of us seem ready to serve the cause of the fanatics by deciding to stand and wait.

It may be that these comments are extravagant. If they are, it is because in the very recent past, we had to fix our own eyes on the very face of tyranny.

I am greatly encouraged that all of us, as Africans, can count on your unwavering support in the common fight to save our continent and its peoples from death from AIDS.

Please accept, Your Excellency, the assurance of my response.

Thabo Mbeki

# Peru Braces for Second Round Election Assault

by Gretchen Small

During a visit to Lima, Peru on May 16-19, *EIR* Ibero-American editor Dennis Small released a dossier outlining explosive new documentation confirming *EIR*'s charge that it is the financial interests behind the drug trade which are running the international "democracy" campaign which seeks to drive President Alberto Fujimori out of office, whether the Peruvian electorate so wishes or not.

Under Fujimori's ten years as President, Peru mobilized to successfully crush narco-terrorists who are as bestial and as well-situated as the narco-terrorists which today threaten the existence of Sri Lanka and Sierra Leone, and did so, despite nasty international opposition led by President George Bush's administration. The same interests which opposed the Fujimori-led mobilization then, are determined to use the year 2000 Presidential elections, as the means to drive him out now.

As outlined in the article "Ten Uncomfortable Questions for Toledo" which follows, Alejandro Toledo, Fujimori's opponent in the second round of Presidential elections, is run by the same George Soros-Jeffrey Sachs team which bled nations to death, from Bolivia, to Russia and Eastern Europe, to the drug trade's benefit. By examining who shaped Toledo's outlook, the real face of the Peru which his international controllers wish to bring into existence, takes shape: a Peru shattered, divided into many squabbling narco-regimes, such as those emerging today in its neighbor, Colombia. What Toledo calls his "Third Way," proves to be the product of a most unholy combination of fanatic free market economics with the hate-driven politics of liberation theology's educational guru, Paulo Freire.

*EIR* released this new dossier, its second on what is behind the Project Democracy assault on Peru (see also, "Hands Off Fujimori's Peru! . . . Unless You Are for Legalized Dope," *EIR*, April 7), in the highly charged environment which grips Peru today, as the run-off election between Fujimori and Toledo, and thus the showdown over Peru's immediate future, nears.

Peru was slammed during the first round of the Presidential elections on April 9. The governments of the United States, Great Britain, and France, backed by the Organization of American States (over the angry opposition of many key OAS member-states) threatened to cut off credits, trade, food, and international relations, should the vote results conclude

that Fujimori had won the first round outright, with more than 50% of the vote.

With that international combination threatening to implement those steps should the conditions for the second-round elections be deemed "unsatisfactory," discussion of the existential crisis which the Toledo operation presents to Peru, has been driven out of the public media. Toledo and his backers charge that any hard questions raised by local media about Toledo's intentions for restructuring the country's institutions, are part of an unfair "dirty war" waged by Fujimori's secret services, and insinuate that any such discussion could be considered grounds for declaring the election process invalid, thus activating the international sanctions.

*EIR*'s "Ten Questions" are now circulating among the national elite. People are buzzing over our revelations on Toledo—and also over the utter hypocrisy of the State Department's imperious imposition of seven conditions upon Peru's government to be judged democratic (equal media access for opposition candidates, ensuring no harassment of opposition candidates, etc.), while those same seven conditions are being grossly violated inside the United States itself, in the case of Lyndon LaRouche's Presidential candidacy.

## Will There Be a Second Round?

As of now, the second round is scheduled for May 28, and most observers estimate that Fujimori will win. Toledo's pathetic demonstration that he still shines Wall Street's shoes, during his April 25-28 visit to New York and Washington, lost him several percentage points worth of votes, especially when the word hit Peru that he had promised Wall Street that he would allow the convictions of the jailed terrorists to be reviewed.

What comes next, is a great unknown. Toledo has not decided if he will participate in the elections, as he has threatened repeatedly that he may pull out, if "conditions" are not right. He first promised to announce a "final decision" on whether he will participate by May 1; that date then moved to May 11. His latest statement, made upon return from his 16-hour visit to Argentina on May 16, was that "if I kick over the chessboard" (i.e., quit the race), I will do so before May 28! The pro-Toledo newspaper *Liberacion*, and campaign adviser Diego García Sayan, are on record recommending that Toledo charge fraud and pull out, in order to activate the

OAS's Resolution 1080 (which permits "collective action" against "undemocratic" countries), and/or the "Sense of the U.S. Congress" Resolution 43, recommending sanctions against Peru, passed by the Senate and signed on April 25 by President Bill Clinton, even though such resolutions are not laws, and are not binding.

The OAS, the Carter Center, the National Democratic Institute, and the U.S. State Department combo which ran the international war in the first round, are playing similar games. While admitting that there is no proof that fraud was committed in the first round, the head of the OAS electoral mission, Eduardo Stein, suggested on May 12 that the run-off be postponed until June 11, to allow time to make changes which assure "credibility," a plan which the State Department immediately endorsed as a possibility. That would violate Peruvian law, which requires that the run-off be held within a certain date from the first vote, but the same crowd which labels President Fujimori as authoritarian for having changed laws to fight terrorism, now argues that "the law has to adapt itself to the concrete situation," when it comes to elections.

The determination of the financial crowd to drive Fujimori out, whether that can be done immediately in this election process or requires a protracted war over the course of the year, was most crudely expressed by that adamant proponent of drug legalization, London's *The Economist*, immediately after the April 9 vote. This election marks "the beginning of the end for Fujimori," it said. "Whatever the outcome of the second round, Mr. Fujimori's decline has begun, and looks irreversible."

Whether they succeed, is another story. Peru, and President Fujimori, have disappointed them before.

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## Documentation

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# Ten Uncomfortable Questions for Toledo

by Dennis Small

Given that your campaign has demanded access to the media, to better present your viewpoints to the Peruvian electorate, I hope that you will have no objection to the media—both national and international—having, at the same time, access to your views on matters which have awakened great concern both inside Peru, and beyond. Hopefully, your concept of "democracy" is not limited merely to permitting flattering questions from journalists who share your point of view, and

that you accept the responsibility of a candidate to respond also to questions which are perhaps uncomfortable and critical.

My questions are centered on your international political and intellectual connections—a matter little known to the Peruvian electorate—and on how these will affect Peru's stance on the war against narco-terrorism. Let us hear how candidate Toledo thinks, to enable us to form an idea of how he would act upon reaching the Presidency.

1. *Do you share the thesis of your adviser Diego García Sayán, and of international mega-speculator George Soros, that the war against drugs should be suspended, since "the global war on drugs is now causing more harm than drug abuse itself"?*

The above statement was made in an Open Letter to United Nations Secretary General Kofi Annan, dated June 1, 1998, and published as a full-page paid advertisement in the *New York Times* of June 8. More than 600 international "personalities" signed the narco-legalization letter, including Diego García Sayán, Javier Pérez de Cuéllar (whom you have indicated as a possible Foreign Minister in your government), Mario Vargas Llosa (another of your supporters), Soros, Laurance Rockefeller (of the famous banker family), Paul Volcker (former chairman of the U.S. Federal Reserve Board), Milton Friedman (ultra-liberal economist who advocates the legalization of all drugs, including heroin), and Lord Benjamin Mancroft (British lord, admitted former heroin addict, and one of the main promoters of drug legalization in that country). Ethan Nadelmann, president of the New York Lindesmith Center, which is part of Soros's Open Society Institute, led the organizing for the Open Letter.

Soros is no newcomer to drug legalization campaigns. In his article in the Feb. 2, 1997 *Washington Post*, Soros states: "I was delighted the past November when voters in California and Arizona approved" the ballot initiatives for which "I personally contributed approximately \$1 million." He explains: "The California initiative legalized the cultivation and use of marijuana for medicinal purposes. The Arizona initiative went further, allowing doctors to prescribe any drug for legitimate medical purposes." Later in the same article, the well-known international speculator confesses: "I tried marijuana and enjoyed it."

2. *Do you agree with the well-documented narco-legalization position of your adviser Diego García Sayán? If not, why do you tolerate him as your adviser? Further, why did you bring him to the United States recently, when you met with representatives of Wall Street and others, including Soros? Is there some special interest of certain Wall Street circles in the legalization of the drug trade, as can be inferred from the infamous Grasso Abrazo—New York Stock Exchange president Richard Grasso's embrace of Manuel Marulanda ("Sure-*

shot”) of the Colombian FARC?

It must be emphasized that García Sayán has been closely tied to the drug-legalizing activities of Soros, for years.

- The Andean Commission of Jurists (CAJ), which García Sayán heads, edits the Spanish-language editions of reports issued by Human Rights Watch/Americas (HRW), a non-governmental organization financed by Soros, who is also a member of its board of directors. HRW specializes in “documenting and challenging human rights violations caused or exacerbated by efforts to curtail drug trafficking internationally;” as its own publications proudly report.

- In July 1993, the CAJ organized an international forum in Lima on drug legalization, where one of its main speakers was Ethan Nadelmann, president of Soros’s Lindesmith Center, and promoter of the Open Letter to UN Secretary General Annan opposing the war on drugs.

- In February 1996, García Sayán travelled to New York to meet with Nadelmann and to discuss, according to Nadelmann’s report, how to launch an international campaign to remove the coca leaf from the United Nations Schedule I list of prohibited substances.

- The CAJ is inseparably intertwined with the Andean Council of Coca Leaf Producers (CAPHC), sharing personnel and projects. For example, the head of the CAJ’s drug project, Ricardo Soberón Garrido, is also an official adviser to the CAPHC. The CAPHC coordinates with the Colombian FARC in defense of the coca growers—as was seen, for example, in the August 1996 trip of Evo Morales, Bolivian head of the CAPHC, to Colombia.

3. *Does your affinity with the ideas of George Soros extend to what his brother and partner Paul Soros said, in a full-page paid advertisement in the New York Times of Sept. 28, 1993? There, Paul Soros states: “When you can be sure that military influence in the government is really firmly finished, the value of any investment goes up 30, 40, even 50%.” In this same line, do you take as your own, the statements attributed to your companion Eliane Karp, that Peru should reduce its Armed Forces to the minimum, as occurred in Costa Rica? Is this why you told the Argentine newspaper Página 12, that you “don’t reject the possibility” of establishing a “Truth Commission”—which would have as its clear intent the indictment of the Armed Forces for their successful war against Shining Path?*

The existence of a plot to annihilate the Armed Forces and nations of Ibero-America, is fully documented. The intent of this policy is to weaken, and eventually eliminate, the sovereign nation-state, so that there can be no obstacle to the economic and political globalization promoted by the major international financial centers. This globalization includes the policy of legalizing the drug trade, among other reasons, to be able to use the financial flows from that trade to shore up the insolvent international financial system.

4. *In view of your constant denunciations of corruption, doesn’t it bother you that one of the Peruvian institutions that gave you a scholarship to study at Harvard in the early 1990s, the Latin American Center for Business Consulting (CLAE), was taken over by the Peruvian government in May 1993 for financial fraud, and that it was discovered to be offering 250% interest rates based on “investments” in the so-called “informal sector”—that is, in the drug trade—according to numerous commentators?*

The CLAE went bankrupt after it had attracted some 160,000 depositors with its offers of super-high interest rates. CLAE director Carlos Manrique went on television to promise that the company’s activities were highly profitable, “although not exactly formal,” given that half of its “capital” had been invested in the “informal economy.” Some Lima journalists commented at the time that the CLAE’s high profits were the result of the fact that the dollar could be bought in the drug-trafficking center of Alto Huallaga at 1.30 soles, and sold in Lima at 1.90—in other words, drug money-laundering. It also turned out that among Manrique’s partners were individuals linked to Reynaldo Rodríguez López, the infamous drug trafficker of “Villacoca” fame.

5. *Doesn’t it bother you that your host at Harvard, the Harvard Institute for International Development (HIID), is also under investigation for corruption and fraud, in this case by the U.S. Department of Justice, such that the HIID will be officially closed down by the end of this year?*

The HIID, whose director in the mid-1990s was neo-liberal economist Jeffrey Sachs, carried out a Russia Project which involved advising the Russian government on privatizations. It turned out that these same advisers also happened to hold leading positions in various speculative funds, and that they personally benefitted from the dismantling of the Russian economy imposed by the International Monetary Fund and Sachs’s “Harvard Boys.” In 1997, the U.S. Agency for International Development cancelled its financing of HIID activities. And, in 1999, the U.S. Department of Justice opened up a formal investigation, which has not yet been concluded.

6. *Will you name Jeffrey Sachs as an economic adviser to your government, as your representative Luis Solari has stated? Do you share the anti-industrial and anti-national economic orientation of Sachs, including his explicit defense of the fact that his measures caused an increase in the drug trade in certain countries?*

Sachs became famous for the supposed success of his measures, when he advised the Bolivian government in the mid-1980s. But as he himself admitted: “To preserve fiscal balance, the government had to launch a brutal battle to reduce payrolls. . . . Many of these workers are still unem-

ployed . . . or have gone to the coca-growing region to find work.”

7. *Your professional training abroad was under one of the leading international advocates of the evil “deschooling” educational theories of Brazilian pedagogue Paulo Freire, who played a decisive role in the creation of Jacobin and narco-terrorist movements in Africa (e.g., Frelimo in Mozambique) and in Central America (e.g., the Sandinistas in Nicaragua). Will you apply these policies in Peru? Is not this orientation similar to the “indigenist anthropology” of Paris’s Sorbonne University, and its followers at Peru’s University of Huamanga, Peru, who laid the ideological and organizational basis for the creation and direction of the narco-terrorist Shining Path? Is this a subject into which you have delved with your companion, the indigenist anthropologist Eliane Karp? Is this what you have in mind when you and she suggest that you are the “New Inca,” thereby appealing to an Incan millenarianism which would rip Peru apart?*

You did your doctoral thesis at Stanford University in California, under the direction of Prof. Martin Carnoy, who in an interview with *EIR* said that he knows you “very, very well,” and that he could speak about the philosophy of a possible Toledo government. Carnoy views “Education as Cultural Imperialism” (the title of one of his books, cited by you in your thesis); believes that globalization requires the disappearance of the sovereign nation-state, and that a Toledo government would have to adapt itself to this reality: “You have to be attractive to foreign capital,” he explains.

In his preface to Paulo Freire’s book *Pedagogy of the Heart* (1997), Carnoy praises Freire as “the most important educator of the second half of this century.” The central tenet of Freire’s theory is “deschooling,” or how to impose a “minimal linguistic universe” on students. Freire himself explains how he put his mentiocidal theory into practice: “The literacy campaigns were under way at the same time as the war for liberation. An important highlight of this training was the emphasis on not dichotomizing the struggles for freedom and literacy.”

8. *Can you categorically state that you have never consumed marijuana, cocaine, heroin, or any other illegal drug?*

In a recent interview with the *Washington Post*, you reminisced about your days as a student at San Francisco State University in California in the late 1960s, and in the most infamous den of U.S. hippy drug addicts, Haight-Ashbury. The *Washington Post* reports: “‘Yea, man, I remember the Sixties in the Haight real well,’ he said in a fluent English, leaning back with a grin. ‘Those were great times, fun times.’”

9. *Since you have fully supported the seven conditions that the U.S. State Department has demanded of Peru as a condition for endorsing the coming Presidential elections, are you*

*ready to ask of the United States that it provide the same electoral guarantees at home, in particular with respect to the constant violations committed against Democratic Presidential pre-candidate Lyndon H. LaRouche?*

The LaRouche case has been widely documented, and formal complaints have been presented to the Organization for Security and Cooperation in Europe and to the Organization of American States. LaRouche has been illegally eliminated from the ballot in numerous states; he has been systematically denied access to the media; his supporters, as well as international observers who have travelled to the United States to document the violations, have been physically assaulted; etc. All of this documentation is at the disposal of your campaign, so that you may have the details you need to lodge your protest for this violation of democracy in the United States.

10. *Why do you think international organizations such as the Carter Center and the National Democratic Institute seek to overthrow President Fujimori and put you in the Peruvian Presidency, through such blatant intervention that it has triggered much opposition within the governments of the region?*

See the April 21, 2000 issue of *EIR* for documentation of this effort.

For previews and  
information on  
LaRouche publications:

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## SPD-Green policies turn away voters

*As the N.R.W. elections showed, voters want jobs, not "Third Way" austerity or radical environmentalist ideology.*

**F**or those Social Democrats who are still in touch with reality, the May 14 elections for state parliament in North Rhine-Westphalia (N.R.W.) were a wake-up call: the Social Democratic Party (SPD) and its coalition partner, the Green party, lost 3% of the vote each, or about 800,000 votes altogether. Four SPD cabinet ministers were voted out of the parliament, as was the chairman of the SPD parliamentary group.

N.R.W. is Germany's largest state, with 18 million inhabitants and 13 million voters, roughly 25% of the national electorate, which means that whatever happens in that state, will affect national politics.

As public interest in the party-funding scandals besetting the opposition Christian Democrats (CDU) has rapidly declined since the end of March, the SPD can no longer benefit from news headlines on the CDU's scandals. The SPD has not been able to regain those constituencies which it lost last year, because they were alienated by the Social Democrats' adoption of British Prime Minister Tony Blair's "Third Way" ideology. Voter turnout in N.R.W. was at 56.7% on May 14—the lowest in 50 years—and that means that traditional, labor-based voters stayed home. This is the writing on the wall for a party that seems committed to go for the hoax of the "new economy," which the party leaders believe will create the jobs of the future, and for which they are willing to sacrifice millions of jobs in the "old economy." About 1 million industrial jobs have already been sacrificed by SPD-led governments in N.R.W. over the last ten years, and

only 270,000 new jobs—many of them only part-time—have been created in the media and telecommunications sector. With 800,000 jobless, N.R.W. accounted for just under 25% of unemployment nationally, in April.

The more than 7% drop in voter turnout on May 14, as compared to the last elections in 1995, indicates that the SPD is going to share the fate of Tony Blair's "New Labour" and Al Gore's "New Democrats." In the past, voter turnout in state elections had always been 70-80% or more, and in national elections, 80% or more. Today, more than 40% of voters no longer feel attracted to any of the established political parties. The 42.8% which the SPD received in N.R.W. on May 14, means that if, as seems likely, the party also heads the new state government, it will have the backing of only 25% of the electorate.

As for the Greens, the SPD's coalition partner in N.R.W. since 1995, and in the national government since late 1998, they have lost votes in every election since September 1997, and have lost one-third or more in all elections since February 1999. In N.R.W., the Greens dropped from 10% to 7.1%. The Greens are being deserted by young voters, who had supported them in the past, and first-time voters are passing them up. A similar pattern is visible with the SPD. Among the yuppies who believe in the benefits of the "new economy," most vote for the CDU and the liberal Free Democratic Party. But many of these young Germans were forced to think twice, when they lost heavily in the stock market crashes of March and April. It is certain that they will not vote for the CDU

or FDP next time, and whether they will vote for the SPD or Greens, is uncertain.

Among the established political parties, unemployed youth have no party to vote for, because none of the parties is offering them a perspective for creating new jobs. The 15,000 jobs that the SPD-led government of N.R.W. created in the media and telecom sector last year, could not compensate for the loss of jobs in the traditional sectors of that state, which was once the industrial heartland of Germany. Companies that cut their workforces, are shrinking the scope of apprenticeships for young workers as well. In terms of the ratio of lost old jobs to new jobs created, N.R.W. ranks 10th among the 16 German states.

N.R.W. is not the "dynamic state" which the SPD advertises it to be. Outside of the "new economy," there is not one high-technology project in N.R.W.: The high-temperature nuclear reactor that was in use there, in a first experimental version at Hamm, was abandoned by the SPD-led government, as was the fast breeder reactor project, which was left uncompleted at Kalkar; the SPD in N.R.W. rejected any of the maglev train projects proposed for that state, which has the highest density of daily commuters in Germany, during the late 1980s and early 1990s; there is no aerospace-related site worth mentioning. And coal, steel, chemicals, and power generation, the traditional pillars on which the state's reputation as the "industrial powerhouse of Germany" once rested, are going to be abolished. In the coal-mining sector alone, 40,000 jobs will be eliminated in the next few years, with the full consent of the SPD. It seems that with almost every other industrial job that is eliminated, the Social Democrats lose another traditional voter.



# International Intelligence

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## ***Prince Charles Makes Rabid Attack on Science***

Following a five-day retreat to the Greek Orthodox monastery on Mount Athos, Greece, Britain's Prince Charles composed a violent attack on science, for his May 17 "Reith Lecture" aired on BBC. The excuse of his neo-pagan "return to nature" rant, during which he quoted from the Malthusian pantheon, including Bertrand Russell, Fritz "Small Is Beautiful" Schumacher, Rachel Carson, and Club of Rome/World Bank genocidalist Herman Daly, was to denounce genetic engineering of crops, calling it "unnatural."

In a two-page preview of the speech on May 17, the London *Guardian* characterized Charles's views as, essentially, a repudiation of Catholicism and Protestantism, and said they "seem closer to a blend of Buddhism, Islam and Orthodoxy, with a strong streak of neo-paganism." The paper quotes Lord Peter Melchett, director of Greenpeace, and Lord Jonathan Porritt, "a close friend of the Prince's," praising his "eloquent" argument. Charles's speech is filled with appeals to the sacredness of nature, and attacks on "the rationalist insights of scientific analysis." But the speech was even denounced by Richard Dawkins, who argues that man is just another of the Great Apes, which should be accorded the same "rights" as humans.

Genetic engineering aside, Charles's lecture proves, that "breeding shows."

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## ***Palestinians, Israelis in Worst Clashes in Years***

Riots across the West Bank on May 15, left four Palestinians dead and at least 400 wounded. The clashes were the worst since 1996, and included firefights between Palestinian police and Israeli soldiers. The violence occurred after a well-organized demonstration protesting the continued holding of Palestinian prisoners and the anniversary of the 1948 Arab-Israeli War, led to clashes with Israeli soldiers, which turned into clashes between Israeli soldiers and Palestinian police. Two Palestinian police were among those killed. The most serious vio-

lence took place in the cities of Nablus and Ramallah.

Turmoil continues, as well, within Israeli ranks. On May 15, the Israeli Knesset (Parliament) voted 56-48, in favor of transferring two West Bank villages to the Palestinian Authority, including Abu Dis, on the outskirts of Jerusalem. However, both the right-wing Shas and the National Religious Party, members of Prime Minister Ehud Barak's coalition government, voted against the move. The NRP announced that it was leaving the government, while the vote by Shas is expected to lead to yet another coalition crisis.

Meanwhile, chief Palestinian negotiator Yasser Abed Rabbo handed in his resignation to Palestinian President Yasser Arafat, after both the PA and Israel confirmed that they had been holding secret, parallel negotiations in Sweden. According to the May 16 issue of the Israeli daily *Ha'aretz*, Rabbo disagreed with the decision for the parallel talks, considering them an attempt by the Israelis to create cracks in the Palestinian position. He said, he feels his resignation will help prevent such maneuvers.

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## ***Qatar Calls for Lifting Sanctions against Iraq***

At a conference of Persian Gulf nations on the future of Iraq-Kuwait relations in Kuwait on May 13, Qatar's foreign minister called upon Gulf states to lead an initiative to have all sanctions against Iraq lifted. "We must shoulder this responsibility . . . to formulate a regional initiative that would restore a normal situation in the region, including lifting of sanctions on Iraq," Sheikh Hamad bin Jasssem al-Thani said. As part of the proposal, he called on Iraq to recognize the territorial sovereignty of Kuwait and release all remaining prisoners of war. But, he underscored that 22 million Iraqis are now suffering as the result of the sanctions, and that is intolerable.

One day earlier, the Supreme Council for the Islamic Revolution in Iraq, which is based in London and Tehran, claimed responsibility for rocket attacks against a Presidential palace in Baghdad. Nine rockets hit the palace in the Al-Karkh district. Speaking

from Kuwait, one of the SCIRI leaders, Abdul Aziz Al-Hakim, announced, "The Islamic resistance fired nine rockets at the Presidential palace in Baghdad overnight at 00:04 Baghdad time. . . . Eyewitnesses told us that some members of the regime were killed." Hakim said the attack was in response to restrictions imposed by the government in April against Shiite Muslims during a religious ceremony.

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## ***IISS: Russia Needs 'Authoritarian Reform'***

Devotees of the Mont Pelerin Society's economic liberalism have been very active lately in campaigning for a "Chilean model" in Russia—for President Vladimir Putin to be a tough ruler, who imposes more privatization and deregulation of the Russian economy, the better for it to be looted from abroad. At the same time, politically moribund British Prime Minister Tony Blair presents himself as uniquely able to talk and deal with such a Russia.

As *EIR* has reported, London is trying to revive its special status as handler of the Russian leadership, as it did during Soviet times as well as earlier, including in periods of the upswing of Russian nationalism and tightening of state control. The section on Russia in this year's *Strategic Survey*, issued by London's International Institute for Strategic Studies (IISS) on May 4, attempts to back up this posture, by predicting a new "authoritarian reform" in Russia.

*Strategic Survey* opines that "Russia has too strong a state tradition to slide remorselessly down to Third World status, as was occurring under Boris Yeltsin," and the coming "authoritarian" measures will have the result that (in the IISS's contemptuous "Project Democracy" language) "in an international democratic league, Russia may come to lie somewhere on a spectrum between Turkey (at best) and Egypt (at worst)." *Strategic Survey* anticipates that Putin will use the extensive powers of the Russian Presidency to upgrade the role of the security services.

The IISS report also promotes complacency about potential conflicts, in which an angered Russian leadership could be in-

volved. It says, "An army that had such enormous difficulty capturing Grozny is unlikely to be used to threaten Warsaw or Kiev." The report points to Moscow's hostility to the planned U.S. National Missile Defense scheme and to possible NATO expansion into the Baltic area, as current flashpoints, but again advises not to worry too much: "Although direct Russian retaliation against the Balts would be unlikely given their stability and Russia's military weakness, a NATO move to the Baltic would probably increase Russian attempts to damage U.S. interests elsewhere." The report also includes a scenario for the fighting in Chechnya to spread into "U.S.-backed Georgia."

## 'Landless Movement' Aims To Tear Apart Brazil

On April 29, the Brazilian daily *O Estado de São Paulo* summed up the actions of the terrorist "Landless Movement" (MST), which in just under a year, has invaded 49 government offices and taken 575 hostages. In April alone, it invaded 100 farms — failing to reach its goal of 500 — which was to cap its "celebration" of the 500th anniversary of the European discovery of Brazil.

*Estado* bitterly attacked Agricultural Development Minister Raul Jungman, for inviting MST representatives to participate in government meetings on agrarian reform, and going so far as to let them vote on the committee that allocates resources for the program. "Such ingenuousness! For five years, the Fernando Henrique Cardoso government has been turning the other cheek to the MST," and apparently will continue to do so, wrote *Estado*.

The daily stressed that, when President Cardoso and the President of Portugal attended the official ceremonies for the 500th anniversary, which the MST deployed to violently sabotage, Security Secretary Gen. Alberto Cardoso was right to order tight security, and allow police to use tear gas and riot control to "prevent the escalation of violence." It is crucial to understand, the daily added, that "the demonstrators' target was the President of the Republic." The MST has made clear that "conflict is inevitable. Only the date remains to be set. Only those who

don't want to see, won't," *Estado* warned. The government insists "on not wanting to see. It will therefore be surprised when the date is set. By the MST."

## Project Democracy's Haiti: A Study in Horror

The Organization of American States is considering slapping multilateral sanctions on Haiti, to force it to hold elections, according to the Washington, D.C. Center for Strategic and International Studies (CSIS). According to the Center for Strategic and International Studies (CSIS). Any such move would be as criminal as it is insane: It was precisely the "democracy" movement which destroyed what little Haiti had a decade ago. *EIR* warned that Project Democracy would destroy Haiti, which it has done, while everyone remains silent.

There has been no functioning national government for 16 months, since Prime Minister René Preval dissolved the Parliament. Instead, mobs run by the Lavalas movement of Jean Bertrand Aristide — the defrocked priest whom U.S. troops installed as President, on behalf of Project Democracy, in 1994 — plunder and murder at will. People are fleeing the country. On April 8, Lavalas mobs disrupted the funeral for Jean L. Dominique, an opponent of Aristide's who was assassinated.

The economy has been destroyed. Even the low-paying assembly jobs for export, once the best jobs to be had, went from 60,000 jobs in 1991 to 25,000 today. In 1986, the International Monetary Fund forced Haiti to adopt some of the lowest tariffs in the Caribbean. Imported U.S. rice became so cheap, that, by 1988, local rice producers had stopped producing. Now, Haiti, with only 7 million people, is the fourth-largest market for U.S. rice, after Japan, Mexico, and Canada. According to the IMF's estimates, 50% of Haitian children under five are malnourished.

The drug trade rules the roost, much of it run by the Lavalas movement. Washington estimates that 14% of all cocaine shipped from South America to the United States in 1999, passed through Haiti, up from the 10% in 1998.

**ISRAELI** President Ezer Weizman announced on May 10 that he will not complete his term, which expires in 2003. According to Uri Dan, who writes for both the *New York Post* and *Jerusalem Post*, former Prime Minister and peace architect Shimon Peres is favored to replace him, although Foreign Minister David Levy is also vying for the post. The Knesset (Parliament) elects the President.

**TAJIKISTAN** asked the Islamic Movement of Uzbekistan (IMU), one of the most feared, armed extremist groups in Central Asia, to leave the country. The IMU is devoted to overthrowing the Uzbekistan government. Last year, the Tajiks tried to move the IMU back to Uzbekistan, but the IMU, instead, moved into Kyrgyzstan, where they seized several villages and took hostages.

**PAKISTAN'S** Supreme Court unanimously found that the Oct. 12, 1999 coup by Chief Executive Gen. Pervez Musharraf was justified, due to the level of political corruption surrounding the government of Prime Minister Nawaz Sharif. However, the court imposed a three-year limit on the Musharraf regime, before elections should be called.

**BOSKO PEROSEVIC**, a close ally of Yugoslav President Slobodan Milosevic, was assassinated at an agricultural fair in Novi Sad, the capital of Vojvodina, on May 13. Perosevic headed both the Socialist Party and the regional government in Vojvodina, in Yugoslavia's north. He is the third of Milosevic's associates to be killed this year. Police arrested the Milivoj Gutovic, whom Tanjug news agency reports to be a member of the opposition Otpor (Resistance) movement and the Serbian Renewal Movement (SPO).

**INDIA** celebrated the birth of its 1 billionth citizen, who arrived at Safderjung Hospital's maternity ward in New Delhi at 12:56 p.m. on May 11.

## Clinton Issues Order Allowing Africa to Produce AIDS Drugs

by Scott Thompson

On May 10, President Bill Clinton issued an Executive Order on HIV/AIDS, entitled “Access to HIV/AIDS Pharmaceuticals and Medical Technologies,” which says that the United States will take no steps against Sub-Saharan African nations, and the Republic of South Africa in particular, if they produce generic drugs to combat HIV/AIDS. Thus, President Clinton has turned the tables on those who have sought to impose sanctions against such efforts.

Clinton’s Executive Order (EO) is a welcome and timely move. On May 22, South African President Thabo Mbeki, who on April 3 sent a letter to Clinton and world leaders on the AIDS crisis (see p. 63), will meet with Clinton in Washington to address the deadly pandemic in Africa. The Clinton EO stands in stark contrast to Vice President Al Gore’s actions toward Mbeki. During 1994-99, for example, in a scandalous fashion, as head of a Commission on South Africa, Gore threatened then-Vice President Mbeki with *sanctions* if South Africa did not cease and desist from using less costly generic versions of medications used to treat AIDS.

While the EO, an unclassified document, is not without problems—e.g., it does not give sufficient weight to the need for an Apollo-style crash program to find a cure for HIV/AIDS, and for the building of health infrastructure—it is a singular sign of sanity from the United States, for treating a disease that, in many parts of the world, is already as bad as the 14th-century Black Death that killed approximately one-third the population of Europe.

The EO states: “The United States shall not seek, through negotiation or otherwise, the revocation or revision of any intellectual property law or policy of a beneficiary Sub-Sa-

haran African country, as determined by the President, that regulates HIV/AIDS pharmaceuticals or medical technologies if the law or policy of the country . . . promotes access to HIV/AIDS pharmaceuticals or medical technologies for affected populations in that country.”

The EO also addresses the need “to stimulate development of the infrastructure necessary to deliver health services, and by encouraging policies that provide an incentive for public and private research on and development of, vaccines and other medical innovations that will combat the HIV/AIDS epidemic in Africa.”

The EO motivates these steps with the following “findings”: 1) “Since the onset of the worldwide HIV/AIDS epidemic, approximately 34 million people living in Sub-Saharan Africa have been infected by the disease”; 2) “Of those infected, approximately 11.5 million have died”; and, 3) “The deaths represent 83% of the total HIV/AIDS-related deaths worldwide.”

Hence, the EO states, “There is critical need for effective incentives to develop new pharmaceuticals, vaccines, and therapies to combat the HIV/AIDS crisis, . . . and to promote their health care infrastructure to promote improved access to quality health care for the citizens in general, and particularly with respect to the HIV/AIDS epidemic” in Africa.

### Poverty Is a Major Cause

On May 11, a spokesman for President Clinton’s National Security Council told *EIR* that the NSC views HIV/AIDS and other “global infectious diseases” as a “national security threat,” as per the CIA’s January 2000 unclassified version of

its National Intelligence Estimate entitled “The Global Infectious Disease Threat and Its Implications for the United States” (see *EIR*, May 12, for extensive excerpts).

Perhaps more importantly, the NSC spokesman agreed with *EIR*’s long-standing assessment that austerity policies that cause the impoverishment of people are a major cause of the spread of HIV/AIDS. The spokesman immediately recognized the significance of Belle Glade, Florida, a case-study reported by *EIR* in the 1980s, in which lack of adequate health infrastructure led to an epidemic breakout of HIV/AIDS. The spokesman readily offering, “Yes, poverty, combined with the collapse of reasonable water and sewage supplies, along with a lack of other health-care infrastructure, can be a major cause for the spread for both HIV/AIDS and other infectious diseases.”

According to the NSC spokesman, an International Health Desk has been created within the National Security Council, under National Security Adviser Samuel “Sandy” Berger, who has overall responsibility for tracking the spread of global infectious diseases such as HIV/AIDS, and assessing the global threat that they represent. This desk functions on the same level of priority now assigned to international drug trafficking and terrorism. The spokesman said that this is in consonance with the CIA’s National Intelligence Estimate on “Global Infectious Diseases,” and that the origins of the desk may have been with President Clinton’s June 1996 Presidential Decision Directive on the subject.

While the International Health Desk covers all “global infectious diseases,” it has given special priority to HIV/AIDS, assigning two desk officers to cover HIV/AIDS in Africa, and two more to cover it elsewhere in the world. The spokesman said that the National Security Council rejects the assertion that HIV/AIDS is simply a sexually transmitted disease, and, under questioning, he reiterated that the NSC knows that HIV/AIDS is “exacerbated by poverty.”

## **LaRouche Was Right**

As the May 12 *EIR* documented in a timeline entitled “LaRouche Was Right: The Record on AIDS,” Democratic Presidential pre-candidate Lyndon H. LaRouche, Jr. had forecast the emergence of new epidemic and pandemic diseases as early as September 1974. At the time, LaRouche stated that the austerity policies of the International Monetary Fund and the World Bank — slashing food and energy consumption, and health-care services in “Third World” countries — would lead to a biological holocaust, as “energy throughput in the biosphere” plummeted. LaRouche stated that not only would previously conquered diseases reemerge as a result, but also that new deadly diseases would emerge, creating conditions like the 14th-century Black Death.

After HIV/AIDS emerged as the diagnosis for a new disease in 1984, LaRouche wrote in *EIR* on July 9, 1985: “Unless there is, immediately, a sudden and rapid reversal in accelerat-

ing, 1967-1985 trends in nutrition, medical services, and sanitation, there will be an unstoppable eruption in both old and new varieties of bacterial and viral pandemics, from which no population in any part of the world will escape.”

On Oct. 11, 1985, when LaRouche announced his candidacy for the 1988 Democratic Party Presidential nomination, he was the world’s first political leader to recognize that Africa would die if the problem of HIV/AIDS were not addressed: “In central black Africa, teams of experts estimate that between 10 million and 32 million are already infected, with infection distributed without regard to age or sex.”

## **The President Uses His Authority**

In a rare display of the proper exercise of Presidential power since his impeachment, President Clinton’s May 10 Executive Order overrode Southern racist, Senate Majority Leader Trent Lott (R-Miss.), and the pharmaceutical cartels, by drafting an order that was almost verbatim the content of an amendment to the African Trade bill, co-sponsored by Sens. Dianne Feinstein (D-Calif.) and Russell D. Feingold (D-Wisc.). According to the May 11 *New York Times*, Lott had killed this amendment.

The *New York Times* reported that the main opposition in Congress to the amendment came from Senators who feared alienating the pharmaceutical cartel’s lucrative lobbying arm, the Pharmaceutical Research and Manufacturers of America (PHARMA). Alan F. Holmer, the president of PHARMA, said that the President’s Executive Order was most troubling. Lott said that he disapproved of putting the blocked Feinstein-Feingold amendment into effect by use of an Executive Order.

## **Pharmaceutical Cartels Maneuver**

Two days after President Clinton issued his Executive Order, the pharmaceutical cartels tried to block the production of generic HIV/AIDS drugs in Sub-Saharan Africa, by offering what would appear to be a major price cut for drugs that are used to treat HIV/AIDS, according to Reuters of May 12.

The British drug firm Glaxo-Wellcome PLC offered to cut the price of its AIDS drugs by 85%. Other pharmaceutical companies, including Switzerland’s Roche Holding SA, the United States’ Merck and Co., Inc. and Bristol-Myers Squibb, and Germany’s Böhringer Ingelheim, all agreed that they, too, would reduce the price of AIDS drugs (but they did not indicate by how much).

These pharmaceutical cartels had previously refused to lower prices, despite three years of negotiations on the subject with UNAIDS. However, Senior Technical Adviser to UNAIDS Julia Cleves stated that, although she was surprised at the suddenness of their decision, “most of the work is very much to come.”

Cleves said that UNAIDS planned to have more operational detail on the price cut, in time for the 13th International

AIDS Conference in Durban, South Africa, on July 9-14. Regarding the pharmaceutical companies' price cuts, Cleves acknowledged, "Even if they are not instantly affordable to everybody, this initiative will nonetheless make access to drugs much more likely for a much larger number of people."

But, tragically, and foolishly, UNAIDS apparently expects that the World Health Organization and the World Bank will play a major role in financing and building health infrastructure—although they concede that no such agreements have been reached. "Clearly, resources need to be found within countries to pay for some of it. The question of what external finance is going to be required and where it is going to come from, and who is prepared to pay are all discussions we are still having," Cleves said.

However, on the same day, according to Agence France Presse, South Africa's Health Minister Manto Tshabalala-Misimang exposed the price-cut ruse. She said that even with a hypothetical 75% price cut, the current cost for multi-drug anti-AIDS therapy would drop from \$10,000 to \$2,500, which only a fraction of South Africa's 4.2 million citizens who are HIV-positive, could still afford. Even if South Africa were to spend its entire drug budget of \$286 million acquiring the drug-therapy "cocktail" at the reduced price, only 120,000 South Africans could receive treatment.

"This unfortunately means that the Department of Health still cannot afford to buy anti-retrovirals [medications] for treatment of those infected with the HIV virus," said the South African Health Minister, adding that, although the extent of the price rollback had yet to be determined, "even with a 90% price reduction, the government would still not be able to provide equitable access to anti-retroviral therapy for all South Africans."

## Why Is Al Gore Silent?

As this author documented in several articles in *EIR* and the weekly *New Federalist*, the newspaper of the LaRouche political movement, in 1999, ever since Vice President Al Gore, Jr. was placed in charge of U.S. policy toward South Africa in 1994, through the now defunct Gore-Mbeki Bi-National Commission (BNC), the Vice President, in league with other Malthusian genocidalists in Congress, the pharmaceutical cartels, and international financial institutions, had been following a policy precisely the opposite of that embodied in President Clinton's May 10 Executive Order. (At the time, Mbeki was Deputy President under President Nelson Mandela.) Under Gore's handling of the Gore-Mbeki BNC, there were repeated threats issued at the instigation of Gore and PHARMA, for trade and aid sanctions against South Africa, if it dared to try to produce generic drugs to combat the effects of HIV/AIDS, sanctions that included the denial of preferential tariffs.

In "Break the Silence on Gore's AIDS Genocide in Africa" in the Aug. 23, 1999 issue of *New Federalist*, this author reported that Gore took the opportunity of a meeting with

then-Deputy President Mbeki, in August 1998, to rake him over the coals for a new Section 15(c) to the South African Medicines Act of 1965, that would have allowed South Africa to proclaim its right to produce affordable, generic anti-AIDS drugs in a health emergency. And, on Oct. 21, 1998, H.R. 4326 passed the U.S. House of Representatives (becoming Public Law 105-277), which threatened to cut off all aid to the government of South Africa, pending a Department of State report outlining its efforts to "negotiate the repeal, suspension, or termination" of Section 15(c) of the South African Medicines Act.

All the evidence demonstrates that Gore did everything within his power to force South Africa to repeal Section 15(c), through at least February 1999, when he encouraged U.S. Trade Representative Charlene Barshefsky to place South Africa on her "Watch List" of countries deemed likely to engage in trade violations.

Further, as this author has also documented, Gore is a fanatical advocate of population reduction. Gore wrote the introduction to Paul and Anne Ehrlich's book, the *Population Explosion*, which propagates the lie that HIV/AIDS is the result of "overpopulation." Moreover, in the foreword to his latest, 2000 edition of his "deep ecology" book, *Earth in the Balance: Ecology and the Human Spirit* (the first edition appeared in 1992), Gore still maintains that the world as a whole must have its population reduced through various means by at least 2 billion people.

However, there appears to be a simpler corruption motivating Gore, as well. Peter Knight, who had been a Gore Senate aide, had been a chief lobbyist for PHARMA, at least until he took the job of chief fundraiser for the Gore 2000 Campaign. Gore has made his bed with the pharmaceutical cartels, to attract large political action committee contributions from them.

## The New Bretton Woods Alternative

Kevin Osborne, from the National AIDS Convention of South Africa, told Agence France Presse on May 12 that, even if the drugs were given to South Africa for free, the state still lacks the health-care infrastructure to distribute them in most areas. At present, even President Clinton's step in the right direction—toward the production of more affordable, generic AIDS drugs—is insufficient, if South Africa and its neighbors do not have the means to build the health infrastructure, e.g., to provide clean water, sewage, an electrical grid, and medical clinics and research and development centers, to distribute the drugs and stop new HIV/AIDS infections.

As the global financial breakdown accelerates, the only way to generate the funds to respond to the HIV/AIDS crisis, is to adopt LaRouche's proposal for a New Bretton Woods conference, to restore world trade and production. In that context, his call for the world to spend at least \$3 billion per year toward a vaccine and a cure for HIV/AIDS, through an Apollo-style crash project, would be easily affordable.

# Alabama House Acts Against Managed Care, for New Bretton Woods

by Marianna Wertz and Stu Rosenblatt

Alabama State Rep. Thomas E. Jackson (D-Thomasville) introduced two companion resolutions in the Alabama state legislature in May. The first opposes managed care and expresses “legislative support that every person in Alabama should receive the highest quality health care available.” The other calls for a “New Bretton Woods” conference for “international monetary system stability.” Both resolutions passed the Alabama House of Representatives, then died in the Senate in the closing days of this year’s legislative session, which ended May 15. Representative Jackson plans to re-introduce both resolutions in next year’s session. The texts of the resolutions are variants of draft legislation being promoted by the LaRouche political movement across the nation, where similar resolutions are now pending in several state legislatures.

Resolution 466, opposing managed care, begins, “Whereas, due to the financial practices of health maintenance organizations and managed-care organizations, there is a current crisis in health care conditions in this country and state.” It then notes that the lack of adequate health care, because of managed care, conflicts with both Article 25 of the Universal Declaration of Human Rights of the United Nations, as well as Article 12 of the International Covenant on Economic, Social, and Cultural Rights, “both of which establish a universal right to adequate health care for all persons.” After referencing the “guiding principles” of the 1947 Hill-Burton Act, which was undermined by the concept of managed care, the resolution expresses support for “the highest quality health care available” for all Alabamans, “regardless of financial consideration.”

This was apparently too much for some House Republicans. After passing out of committee unanimously, the resolution sparked an acrimonious 45-minute debate on the floor of the House. Four GOP Republican representatives, including the Minority Leader of the House, lined up to attack the resolution. Representative Jackson debated each speaker for 5-10 minutes, defending his legislation from the standpoint of the General Welfare clause of the U.S. Constitution.

The resolution passed the House with only the four GOP opponents voting against it, indicating the significant opposition to the concept of managed care, when serious leadership is provided to lead the fight.

Resolution 422, calling for a “New Bretton Woods” con-

ference, is identical to the resolution introduced in the European Parliament in March (see *EIR*, April 7), and is a proposal originally put forth by Democratic Presidential pre-candidate Lyndon LaRouche. It calls for the creation of a “new international monetary system to gradually eliminate the mechanisms which have led to the ‘speculative bubble’ ”; for “evaluating the possibility of anchoring currency values to an element of real reference, and to better and more completely control the movements of currency rates”; and for the creation of “new credit lines” oriented to the “real economy” and “infrastructure projects of continental dimensions.” It passed the Alabama House on May 2.

## Working Poor with No Insurance

*EIR* spoke with Representative Jackson about both resolutions on May 17. On the New Bretton Woods resolution, Jackson said that he was asked to review for the Rules Committee the history of the original, post-World War II Bretton Woods conference, convened by President Franklin Roosevelt. Once he had done that, the committee unanimously sent the resolution to the full House, where it passed without debate.

Asked about the debate over the managed-care resolution, Representative Jackson said that he asked his GOP opponents whether they had “ever been to a hospital during an emergency and seen people turned away because they didn’t have health insurance. I live with that just about every day here in my district. There are poor people and they’re working people who don’t have insurance. An accident happens and, at the hospital, before they ask you anything else, they ask, ‘Do you have insurance?’ They won’t start working on you until they find out if you have insurance. That was the debate. They didn’t think everybody deserved quality care” because, they said, “we can’t afford it,” and “socialized medicine is no good.”

Representative Jackson said that in his district alone, in Jackson County, Alabama, over the last two years, more than 3,000 jobs have been lost to Mexico, under the North American Free Trade Agreement, with the shutdown of Vanity Fair Mills. “These are people who were buying homes, sending their children to college, and all of a sudden, their jobs leave,” and along with the jobs goes the health insurance, he said.

The Alabama legislature has already passed legislation mandating that managed-care companies allow mothers with newborns to remain in the hospital up to 48 hours. “Babies have lost their lives or gotten sick, and had to go back in the hospital, and the mother also. HMOs say 24 hours: You drop it and you’re gone,” he said.

Representative Jackson concluded, “I think it’s time for the United States to come up with LaRouche’s policy, and make sure that we all can have health insurance. As far as managed care, I think we have to do away with all the HMOs and let the doctors decide who’s sick and treat those who are, and not managed-care organizations.”

## **Kosovo Troop Withdrawal on the Agenda in Senate**

John Warner (R-Va.) and Robert Byrd (D-W.V.) have added language to the fiscal year 2001 Military Construction Appropriations bill that would prohibit the further expenditure of funds for U.S. troops in Kosovo after July 1, 2001, unless the President requests continued deployment and the Congress votes for it. The only exception allowed is if U.S. troops become involved, or are about to become involved in hostilities. It also would require the President to draw up a plan to turn over the U.S. portion of the military deployment to the appropriate NATO and non-NATO countries by the same date. The resolution also contains a provision that would mandate withholding 25% of the \$2 billion to be appropriated for U.S. military activities in Kosovo until the President certifies that NATO, the European Union, and the European Community have met a specified portion of their commitments for funding civil operations and reconstruction and for providing police personnel for Kosovo.

The Warner-Byrd language has drawn a strong protest from the White House.

In a Dear Colleague letter, Byrd explained that the "larger issue" addressed is not so much the specifics of Kosovo policy, but rather "the responsibility of Congress to exercise its Constitutional duty." He complained that while the Founding Fathers vested the "power of the purse" in the Congress, what is now happening is a "bastardization" of the process, where the Administration spends the money first, and then asks Congress to pay the bills "after the fact."

Carl Levin (D-Mich.) read a letter from former NATO commander Gen. Wesley Clark, in which Clark warns that "these [Warner-Byrd] measures,

were they to become law, would be seen as a de facto pullout decision by the United States," and would be "unlikely to encourage European allies to do more." He said that setting a deadline for a U.S. pullout would likely increase instability and lead to the "inevitable" re-entry of Serbian forces into the province.

## **Clinton, Dems Back Prescription Drug Plan**

On May 10, House and Senate Democratic leaders joined President Clinton in the White House Rose Garden to announce a Medicare prescription drug plan that all Democrats could unite behind. The plan would cover half of all drug costs up to \$5,000, for a premium in the range of \$24-26 a month. It would fully cover costs and premiums for those with incomes less than 135% of the poverty level, and provide premium assistance for those with incomes 135-150% of poverty.

President Clinton said, "At this time of historic prosperity and strength, there is absolutely no reason that we should force seniors to make a choice between their health and their food or their daily existence." He took a swipe at the GOP plan, which does not provide coverage for those with incomes of more than \$15,000 a year. "Half the people who need the help fall within the income limits of \$15,000 and \$50,000," he said. "I don't think we should write a plan that basically is designed to please the people who are selling the drugs instead of those who are buying the drugs."

Republicans, who inserted the outlines of their own plan into this year's budget resolution, responded with caution. "We want to work with you in a bipartisan way to make a prescription

drug benefit under Medicare a reality, not a political bumper sticker to be carried into the fall elections," House Ways and Means Committee Chairman Bill Archer (R-Tex.) wrote in a letter to the President. House Speaker Dennis Hastert (R-Ill.) agreed that developing a prescription drug plan should be a bipartisan effort, but complained that the Democratic plan "may give government too heavy a hand in controlling the drug benefit, denying some seniors the right to choose the coverage that best fits their needs."

## **Patients' Bill of Rights Gets Boost from Clinton**

On May 11, President Clinton summoned House and Senate members working on a compromise version of the Patients' Bill of Rights to the White House, in an attempt to speed up negotiations. Clinton said that the purpose of the meeting was to "determine what the issues are, what the prospects are for resolving them," and to offer whatever assistance the White House can "to try to help resolve this and hopefully to get a bill out." The White House had earlier warned that any delay in getting an acceptable bill "results in harm to thousands of patients daily and millions of patients annually."

Two major sticking points remain. Democrats want the bill to apply to all 161 million Americans covered by private health plans, and they want to include the right to sue health plans for negligence. The House version includes both, but the GOP version, embodied in the Senate bill, only covers the 55 million Americans in health plans not regulated by the states, and it does not allow lawsuits.

After the meeting, Sen. Don Nic-



kles (R-Okla.), chairman of the conference committee, told reporters, "We have spent hundreds of hours to put together a bill. We have made good progress despite what some may think." He claimed that the conferees had come to an agreement on a process that would allow patients to appeal decisions by health plans, but Democrats said that 40 million people would be left uncovered. Republicans have hinted that a compromise bill would have to include the usual array of GOP tax proposals, including medical savings accounts, tax deductions, and so forth.

Sen. Edward Kennedy (D-Mass.) expressed hope that Clinton's intervention might speed up the process. "Progress has been painfully slow," he said. He called on GOPers to finish by Memorial Day, a deadline which Clinton supports.

## **I**nternet Tax Moratorium Extension Voted by House

The "new economy" was favored over the "brick and mortar" economy in the House on May 10, when the House voted to extend the 1998 Internet Tax Freedom Act five more years, to 2006. It continues a moratorium on the collection of sales taxes for sales over the Internet. While the "new economy" won the vote handily, by 352-75, both sides raised issues that are unlikely to go away.

John Conyers (D-Mich.), the ranking member on the Judiciary Committee, said that by extending the moratorium until 2006, "there is far less of an incentive" to deal with tax simplification issues, and "there is real risk that by 2006, many interests will become so dependent on the current system that it will become impossible to ever

revisit the issue of state tax simplification." He complained that the bill was rushed to the floor so quickly, that the Judiciary Committee hadn't even had any hearings on it. "The majority appears to be using this legislation," he said, "in a desperate effort to create the appearance of a serious high-tech agenda, even while they postpone and defer considerations of the larger issues." Jerrold Nadler (D-N.Y.) said, "We are voting on a press release instead of legislation that would take some responsibility for the future of the Internet."

Mark Foley (R-Fla.), who supports the moratorium, nonetheless said that the moratorium has an adverse effect on state sales tax collections. "If a person can evade sales taxes by making a purchase on line, the small business on the street corner that sells the same product will, in fact, suffer." With the Internet now thriving, he said, "it is unfair to continue an unlevel playing field which gives Internet companies an advantage over the 'brick and mortar' corner stores all across America."

Foley made clear that keeping the Internet stock bubble from bursting was the prime consideration behind the bill. He claimed that the Justice Department's treatment of Microsoft is what is causing the tremors on Wall Street and threatening the retirement savings of millions of Americans.

## **E**ducation Bill Delayed by Majority Leader Lott

On May 9, after more than a week of debate, Majority Leader Trent Lott (R-Miss.) temporarily pulled from the Senate floor the Elementary and Secondary Education re-authorization bill. Lott said that it was necessary to

stop work on the bill in order to take up the first few appropriations bills that are ready for consideration, and to take up the Africa-Caribbean trade bill, which the House had cleared the previous week. He said that he intended to go back to the education bill within a week or two and take up those amendments already agreed on.

Another consideration may be Lott's desire to avoid any amendments he considers non-germane. While all amendments considered so far have related to education, press reports indicate that both sides are ready to introduce a host of unrelated amendments, including on gun control. When Lott was asked what he would do if unrelated amendments came up, he said, "We'll just have to consider that when we get there."

Lott's action came after an alternative education plan was rejected by a vote of 84-13 by the Senate. The amendment, sponsored by Joe Lieberman (D-Conn.), would have boosted funding for Title I programs for disadvantaged children by 50%, and targeted the funds to areas with higher concentrations of poverty. The amendment would have also consolidated nearly 50 existing programs into grant programs with more accountability.

Lieberman's proposal found little support even among Democrats, but the debate turned into an argument over the wisdom of state governors. Judd Gregg (R-N.H.), a former governor, complained that Democrats were belittling the efforts of governors, who are more focussed on education issues than are members of the Senate. Edward M. Kennedy (D-Mass.) replied that, because the states control 96¢ of every dollar spent on education, "the governors have had their chance, and they have come up short on this issue."

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## HMOs Push Psychoactive Drugs for Children

The runaway prescribing of anti-depressant drugs for children—with almost 3 million prescriptions written in 1999—is due in large part to pressure from managed-care companies that will not pay for therapy or other treatments for children, says an article in *Family Therapy Networker* magazine. This prescribing of drugs as a substitute for therapy, means that children “are being given unproven treatments more haphazardly, and with fewer practical and legal protections, than adults who volunteer to be paid subjects in the clinical trials of new drugs,” the article says. In fact, many of the drugs have not been approved for use in children, and often have severe physical and psychological side effects.

“Some doctors say they are uneasy about prescribing psychoactive drugs to kids,” the article notes, “but they do so because they doubt that the child’s family can get around managed care’s barrier to therapy,” in which a health plan may refuse to pay, or create months of delays. The situation is even worse for children in poor families.

Child psychiatrist Joseph Woolston, the medical director of the children’s psychiatric unit at Yale-New Haven Hospital, says the practice of giving psychoactive medication to children has skyrocketed under managed care. “The pressure to medicate children has increased enormously,” Woolston says. “Every single day we have at least one case where the managed-care reviewer says to us, ‘If you don’t start the child on medications within 24 hours after admission, we will not fund another day of hospital.’”

Woolston says that even more alarming, is the practice of putting “probably tens of thousands of kids” on random combinations of psychoactive medications. “We’re using them as guinea pigs, and not even keeping track of them,” he says.

Therapists in private practice say that managed-care reviewers almost always suggest referring children for medication after

four to six sessions, even when a child’s distress is clearly related to a parental divorce or some other identifiable interpersonal problem. “Managed care sees this as a cheap way to get rid of the problem,” says one child psychologist. “They think of anti-depressants as equivalent to antibiotics.”

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## Pentagon Scraps ‘Live’ Tests of BMD System

Under the pressure of a summer deadline to evaluate the technological readiness of its ground-based interceptor ballistic missile defense system for President Clinton’s consideration in his decision on whether to deploy, now put off to October from July, the Pentagon is planning to “bend its own rules,” during the scheduled June 26 test of the system, according to the *Washington Post* on May 10.

Speaking on May 9 to a meeting of the Defense Writers Group, Lt. Gen. Ronald Kadish, commander of the Ballistic Missile Defense Organization, reported that engineers have primarily used computer simulations rather than live tests to assess designs for the complex system. The computer simulations are not designed from actual data, but from hypothetical data—going at least one step beyond the notorious practice of benchmarking. General Kadish admitted that moving the program forward with so little information from operational tests is “anomalous,” and bends the usual rules. The Pentagon seems hell-bent on pursuing a program plan that the Defense Department advisory committee last year described as a “rush to failure.”

The testing program has most recently been attacked by the American Physical Society. While no friend to missile defense for the last 25 years, the APS says that the National Missile Defense system must be able to “be effective against the types of offensive countermeasures that an attacker could reasonably be expected to deploy with its long-range missiles.” On the whole, the APS states, “The tests that have been conducted or are planned for the period fall far short of

those required to provide confidence in the technical feasibility called for in last year’s NMD deployment legislation.”

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## LaRouche Polls 11.2% in Oregon Primary

In Oregon’s unique Presidential primary, conducted entirely by mail over a two-and-a-half-week period, from April 26 to May 16, with only Al Gore and Lyndon LaRouche on the mail-in Democratic Party ballot, LaRouche polled 37,626 votes, for 11.32% of the total, and Gore polled 88.5%, with 294,596 votes, according to Associated Press. There were a considerable number of write-in votes, some 5-10% statewide, but these figures are not yet available. Official results from the Secretary of State will not be available for 30 days.

However, unofficial results provided by Oregon County Election offices, indicate that LaRouche polled over 14% in two Congressional Districts, with 14.2% in the 4th CD and 14.8% in the 2nd CD. Fifteen percent of the vote in a CD is required to qualify for a delegate to the National Convention.

LaRouche’s vote reflected the support of the “forgotten man”—the lower 80% of family-income brackets. In some counties of the 2nd and 4th CDs, LaRouche polled over 20%, and as high as 27-28% in two counties, whereas Gore’s vote in some of these counties was as low as 43-61%. Between LaRouche’s vote and the write-in vote, one-half to two-thirds of the voters in some of these rural counties rejected Gore. The 4th CD includes the Eugene-Springfield area, where there is some new high-tech industry and a college campus, but otherwise the CD is primarily low-income, based on timber and agricultural industry. The 2nd CD has the lowest per-capita income in the state. In this mostly rural district, LaRouche polled 27.6% in Grant County, 24% in Baker County, 20.4% in Harney County, 28.2% in Wheeler County, 23.8% in Union County, and 20.1% in Wallowa County. In the 4th CD, LaRouche polled over 20% in one county, and 10-16% in several others.

Voter turnout was very high, by the standard of other state primaries: 55%. The voters pamphlet, which was sent to every voter in the state, included a picture of LaRouche and a statement from his campaign.

## Pennsylvanians Protest Destruction of Schools

Protest is growing against the education policies of Pennsylvania Gov. Tom Ridge (R), the *Philadelphia Inquirer* reported on May 9-10. Ridge has been mooted as a possible vice presidential running mate for George W. Bush. He proposed a bill, which passed the legislature early in May, supposedly aimed at improving the state's lowest performing school districts, but in fact directing a takeover of one school district outright (Chester, which will be placed under a state-appointed board), and significantly broadening the power of the state over the other ten districts, including Philadelphia.

More than 150 protesters from the Chester Upland School District travelled to the state capitol in Harrisburg for a rally to denounce the move.

The powers granted to the state include the ability to privatize some operations; hire uncertified teachers (sure to improve the schools!); dismiss staff without regard to seniority; and create district-operated charter schools. As in other cities where such actions have been taken, the move will weaken the unions, and privatize and even further destroy the public schools.

Many Chester teachers who had planned to attend the rally could not, after their superintendent told them that only 10% could take the day off, and that anyone attending without permission would be fired or face a lengthy suspension. (The district's union contract allows employees to take personal leave with 72 hours notice.)

The law gives nine other districts (including Philadelphia) three years to "solve their problems," or they will also be taken over by the state.

At one of the schools in the Chester Uplands district, slated to be shut down alto-

gether to save \$250,000, there was a protest of parents and teachers, and only 45 of the 384 students attended class.

## Democratic Platform 'Hearings' on Internet

The Democratic Party has not yet scheduled any public hearings on what the policy platform for its August Presidential nominating convention should be. A call to the headquarters of the Democratic National Committee elicited the response that no hearings were currently scheduled, nor did anyone know if, or when, they would be held. However, an e-mail from the party indicates that platform hearings would be conducted on the Internet, within the realm of virtual reality—touted as a great opportunity for constituents to submit their ideas for the platform. Constituents would thus be able to have "virtual" input, but no face-to-face debate on the issues.

The Democratic National Committee has teamed up with [www.SpeakOut.com](http://www.SpeakOut.com) to create the first ever Interactive Democratic Platform. This website "makes the Democratic Platform more accessible to the American people," the press release claims. "For the first time ever for a major political party, citizens will be able to submit electronically their own ideas and suggestions for the 2000 Democratic National Platform, which will be adopted at the Democratic National Convention in August 2000."

Internet users will review planks in the 1996 Democratic Platform, and submit their own suggestions for the 2000 Platform. The platform is at [www.dncplatform.com](http://www.dncplatform.com).

Just like the first Internet primary in Arizona this year, this Internet platform discussion will reflect the concerns of the upper 20% of income-brackets of Democratic voters, who are more worried about their stock options and the fate of the dot-coms, than the life-and-death concerns of the "forgotten man" in the 80% of the population who still represent the traditional constituencies of the Democratic Party.

**NATO'S** air war against Kosovo was less successful than claimed, according to a suppressed Air Force report, *Newsweek* revealed. "There were 14 tanks destroyed," said the report, "not 120; 18 APCs destroyed, not 220; and 20 artillery pieces, not 450. And instead of the 744 'confirmed' strikes by NATO pilots, there were only 58 strikes confirmed by U.S. Air Force investigators looking at evidence on the ground."

**HEROIN ADDICTION** among America's youth is rising dramatically, *USA Today* reported on May 9. Whereas, in 1988, the average age of a first-time heroin user was 27.4 years, today it is 17.6 years. Heroin is now being sold on the streets at such high purity that it is not necessary to use needles; it can be snorted like cocaine.

**SOUTH CAROLINA'S** House of Representatives voted on May 9 to remove the Confederate flag from the State House dome, and move it to a nearby Confederate war memorial. The 63-56 vote followed months of controversy and an economic boycott by the NAACP. The 26-member Black Caucus had demanded that the flag be "removed—not moved."

**TWO HUNDRED** Washington, D.C. firefighters on May 8 demonstrated in protest against the decision by the Financial Control Board, which oversees the city's finances, to veto a \$4 million city budget request that would have added a fifth firefighter to ladder trucks, which firefighters believe would have prevented the death of three firefighters in the past two years.

**THE ANTI-DEFAMATION** League of B'nai B'rith was ordered to pay \$10.5 million in damages in a Colorado lawsuit. This first-ever defamation ruling against the ADL stemmed from a neighborhood spat, in which the ADL instructed Mitchell and Candace Aronson to illegally monitor the telephone conversations of their neighbors, William and Dorothy Quigley.

# *Hyperinflation Rears Its Head, as LaRouche Warned*

As early as November 1997, Lyndon LaRouche wrote that the insane response to the so-called Asia financial crisis by IMF boss Michel Camdessus and Larry Summers, then number two at the U.S. Treasury—that is, creating a wall of money to postpone the inevitable day of reckoning—was putting the entire world economy on course for a hyperinflationary blowout, like that experienced by Weimar Germany in the Fall of 1923.

Rather than listen and mend their ways, Summers, joined by Federal Reserve Board Chairman Alan Greenspan, vastly increased the rate of money-creation after the Russian state default of August 1998, and the subsequent near-meltdown of the system at the time of the Federal Reserve's bailout of Long Term Capital Management in October 1998.

Now, as the “new economy” dot-com bubble and the Nasdaq average have begun to collapse since the Spring of 2000, Summers's and Greenspan's trick of postponing the inevitable for even a few days, by throwing up ever greater mountains of worthless money to prop up markets, has become an almost-daily routine.

As LaRouche had explained back in the Fall of 1998, the expanding floods of new money do not immediately show up in prices of physical goods; at first, they are absorbed by ever-growing intangible asset prices, which are promises to pay at some future time. But eventually, they find various channels to break out into areas of the real economy; this begins to slide toward a hyperinflationary explosion, in which the money-printing presses cannot keep up with the rate of inflation, and suddenly, all money becomes worthless. That slide has now visibly begun.

Even so, such a hyperinflationary explosion, à la Germany, Fall of 1923, is still, today, not the only possible path toward total systemic failure. The other path is precisely the deflationary collapse, which all the money-printing is intended to prevent. Rather than preventing it, it makes it simultaneously more *dangerous* and more *likely*. More dangerous, because it increases the mass of the speculative bubble which is hovering over the real economy, ready to burst and crush it. More

likely, because the increased mass of the bubble of derivatives and other speculative property titles, grows ever greater in proportion to the shrinking real economy (industry, agriculture, and necessary services), from which all claims must ultimately be paid—or, not be paid, because they are unpayable.

In April, the Clinton Administration arm-twisted the Organization of Petroleum Exporting Countries (OPEC) to increase production quotas, in order to reduce oil prices, which were then climbing above \$30 per barrel. Wrong theory! In reality, the spiralling prices had nothing to do with OPEC or so-called “markets”; rather, the hyperinflation of pure financial assets, was breaking out into the real economy—in this case, because the oil giants had no way to pay the debts incurred by their repeated mergers, other than to gouge oil prices. The proof is that now, in May, oil prices are again shooting through and above their Spring 2000 peaks, even after the OPEC production increases.

Look at real estate. On May 18, *USA Today* showed that median home prices in five of the highest-priced areas in the United States, had increased 12% on average, from the first quarter of 1999, to the first quarter of 2000: from an average of \$269,600, to one of \$302,200. Prices in seven California counties in the San Francisco Bay area, and in Santa Cruz County, had increased by from 16 to 36%, over the period from March 1999 to March 2000.

Speeded along by Gore-supporter Summers's tricks, the present, doomed, IMF floating-rate world monetary system is accelerating along a vanishing razor's edge between hyperinflationary explosion and deflationary collapse. Nothing can save it, even over the near term. The only choices are either systemic failure, causing a worldwide relapse into barbarism for decades, or else debt-reorganization and write-off, and a return to an updated version of the successful Bretton Woods system of 1945-58, based on perfect national sovereignty, relatively fixed exchange rates, and long-term, low-interest credit for high-technology capital exports, combined with great projects of development to restart the world economy.

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All programs are *The LaRouche Connection* unless otherwise noted. (\*) Call station for times.

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- BIRMINGHAM—Ch. 4 Thursdays—11 pm
- MONTGOMERY—Ch. 3 Mondays—10:30 pm
- UNIONTOWN—Ch. 2 Mon.-Fri.: Every 4 hrs. Sundays—Afternoons

## ALASKA

- ANCHORAGE—Ch. 44 Thursdays—10:30 pm
- JUNEAU—GCI Ch. 2 Wednesdays—10 pm

## ARIZONA

- PHOENIX—Ch. 98 Fridays—9 pm
- TUCSON—Access Cox Ch. 62 CableReady Ch. 54 Thu.—12 Midnight

## ARKANSAS

- CABOT—Ch. 15 Daily—8 pm

## CALIFORNIA

- BEVERLY HILLS Adelphia Ch. 37 Thursdays—4:30 pm
- BREA—Ch. 17\*
- CHATSWORTH T/W Ch. 27/34 Wed.—5:30 pm
- CONCORD—Ch. 25 Thursdays—9:30 pm
- COSTA MESA—Ch.61 Mon—6 pm; Wed—3 pm Thursdays—2 pm
- CULVER CITY MediaOne Ch. 43 Wednesdays—7 pm
- E. LOS ANGELES BuenaVision Ch. 6 Fridays—12 Noon
- HOLLYWOOD MediaOne Ch. 43 Wednesdays—7 pm
- LANC./PALM. Jones Ch. 16 Sundays—9 pm
- LAVERNE—Ch. 3 Mondays—8 pm
- LONG BEACH Charter Ch. 65 Thursdays—1:30 pm
- MARINA DEL REY Adelphia Ch. 3 Thursdays—4:30 pm MediaOne Ch. 43 Wednesdays—7 pm

- MID-WILSHIRE MediaOne Ch. 43 Wednesdays—7 pm
- MODESTO—Ch. 8 Mondays—2:30 pm
- PALOS VERDES Cox Ch. 33 Saturdays—3 pm
- SAN DIEGO—Ch.16 Saturdays—10 pm
- STA. ANA—Ch.53 Tuesdays—6:30 pm
- SANTA CLARITA MediaOne/T-W Ch. 20 Fridays—3 pm
- SANTA MONICA Adelphia Ch. 77 Thursdays—4:30 pm
- TUJUNGA—Ch. 19 Fridays—5 pm
- VENICE—Ch. 43 Wednesdays—7 pm
- W. HOLLYWOOD Adelphia Ch. 3 Thursdays—4:30 pm

## COLORADO

- DENVER—Ch.57 Sat-1 pm; Tue-7 pm

## CONNECTICUT

- CHESHIRE—Ch.15 Wednesdays—10:30 pm
- GROTON—Ch. 12 Mondays—10 pm
- MANCHESTER—Ch.15 Mondays—10 pm
- MIDDLETOWN—Ch.3 Thursdays—5 pm
- NEW HAVEN—Ch.28 Sundays—10 pm
- NEWTOWN/NEW MIL. Charter Ch. 21 Thursdays—9:30 pm

## DIST. OF COLUMBIA

- WASHINGTON—Ch.25 Sundays—3:30 pm

## GEORGIA

- ATLANTA MediaOne Ch. 12/25 Mondays—2:30 pm

## IDAHO

- MOSCOW—Ch. 11 Mondays—7 pm

## ILLINOIS

- CHICAGO—Ch. 21 (no shows in May)
- QUAD CITIES—AT&T In Illinois: Ch. 4/6 In Iowa: Ch. 4 Mondays—11 pm

## INDIANA

- PEORIA COUNTY AT&T Ch. 22 (starting June 1) Thursdays—5:30 pm Sundays—7:30 pm
- SPRINGFIELD—Ch. 4 Wednesdays—5:30 pm

## IRVING

- DELAWARE COUNTY Adelphia Ch. 42 Mondays—11 pm
- MICH. CITY—Ch.99 Mondays—10 pm

## KANSAS

- SALINA—CATV Ch.6 Love, Unity, Saves\*

## KENTUCKY

- LATONIA—Ch. 21 Mon.-8 pm; Sat.-6 pm
- LOUISVILLE—Ch.70 Fridays—2 pm

## LOUISIANA

- ORLEANS PARISH Cox Ch. 6 Tue., Thu., Sat. 2:30 am & 2:30 pm

## MARYLAND

- A. ARUNDEL—Ch.20 Fri. & Sat.—11 pm
- BALTIMORE—Ch. 5 Wed.: 4 pm, 8 pm
- MONTGOMERY—Ch.19/49 Fridays—7 pm
- P.G. COUNTY—Ch.15 Mondays—10:30 pm
- W. HOWARD COUNTY MidAtlantic Ch. 6 Monday thru Sunday—1:30 am, 11:30 am, 4 pm, 8:30 pm

## MASSACHUSETTS

- AMHERST—Ch. 10\*
- GREAT FALLS MediaOne Ch. 6 Mondays—10 pm
- WORCESTER—Ch.13 Wednesdays—6 pm

## MICHIGAN

- CANTON TOWNSHIP MediaOne Ch. 18 Thursdays—6 pm
- DEARBORN HEIGHTS MediaOne Ch. 18 Thursdays—6 pm
- GRAND RAPIDS GRTV Ch. 25 Fridays—1:30 pm
- LAKE ORION AT&T Ch. 65

## MINNESOTA

- ANOKA—Ch. 15 Thu.—11 am, 5 pm, 12 Midnight
- COLUMBIA HTS. MediaOne Ch. 15 Wednesdays—8 pm
- DULUTH—Ch. 24 Thursdays—10 pm
- SATURDAYS—12 Noon
- MINNEAP.—Ch.32 Wednesdays—8:30 pm
- NEW ULM—Ch. 12 Fridays—5 pm
- PROCTOR/ HERMANTOWN—Ch.12 Tue. btw. 5 pm - 1 am
- ST. LOUIS PARK—Ch.33 Friday through Monday 3 pm, 11 pm, 7 am
- ST. PAUL—Ch. 33 Sundays—10 pm
- ST. PAUL (NE burbs)\* Suburban Community Ch.15

## MISSISSIPPI

- JACKSON T/W Ch. 11/18 Mondays—3:30 am

## MISSOURI

- ST. LOUIS—Ch. 22 Wed.-5 pm; Thu.-Noon

## MONTANA

- MISSOULA—Ch. 13/8 Sun.-9 pm; Tue.-4:30 pm

## NEBRASKA

- LINCOLN Time Warner Ch. 80 Citizen Watchdog Tue.—7 pm; Wed.—8 pm

## NEVADA

- CANTON CITY—Ch. 10 Sun.-2:30 pm; Wed.-7 pm Saturdays—3 pm

## NEW JERSEY

- MONTVALE/MAHWAH Time Warner Ch. 27 Wednesdays—5:30 pm

## NEW MEXICO

- ALBUQUER.—Ch. 27 Thursdays—4 pm

- Alt. Weeks: 5 pm Mon., Wed., Fri.
- LANSING AT&T Ch. 16 Tuesdays—4:30 pm
- PLYMOUTH—Ch.18 Thursdays—6 pm

## NEW YORK

- AMSTERDAM—Ch. 16 Mondays—7 pm
- BROOKHAVEN (E. Suffolk) Cablevision Ch. 1/99 Wednesdays—9:30 pm
- BROOKLYN—BCAT Sun.: 7 am, 1 pm, 8 pm
- Time Warner Ch. 35 Cablevision Ch. 68 Sundays—9 am
- CORTLANDT/PEEKES. MediaOne Ch. 32/6 Wednesdays—3 pm
- HORSEHEADS—Ch.1 Mon., Fri.—4:30 pm
- HUDSON VLY.—Ch.6 2nd, 3rd Sun.-1:30 pm
- ILION—T/W Ch. 10 Saturdays—12:30 pm
- IRONDEQUOIT—Ch.15 Mon., Thu.—7 pm
- ITHACA—T/W Ch. 78: Mon.—8 pm Ch. 78: Thu.—9:30 pm Ch. 13: Sat.—4 pm
- JOHNSTOWN—Ch. 7 Tuesdays—4 pm
- MANHATTAN—MNN T/W Ch. 34; RCN Ch. 109 Alt. Sundays—9 am
- NASSAU—Ch. 80 Thursdays—5 pm
- NIAGARA FALLS Adelphia Ch. 24 Tuesdays—4 pm
- N. CHAUTAUQUA Gateway Access Ch. 12 Fridays—7:30 pm
- ONEIDA—T/W Ch. 10 Thursdays—10 pm
- OSSINING—Ch.19/16 Wednesdays—3 pm
- PENFIELD—Ch. 12 Penfield Community TV\*
- Poughkeepsie—Ch.28 1st, 2nd Fridays—4 pm
- QUEENS—OPTV\* QUEENSBURY—Ch.71 Thursdays—7 pm
- RIVERHEAD—Ch.27 Thursdays—12 Midnight
- ROCHESTER—Ch. 15 Fri.-11 pm; Sun.-11 am
- ROCKLAND—Ch. 27 Wednesdays—5:30 pm
- SCHENECTADY—Ch.16 Tuesdays—10 pm
- STATEN ISL.—Ch. 57 Thu.-11 pm; Sat.-8 am

## NEW YORK (cont.)

- SUFFOLK—Ch. 25 2nd, 4th Mon.—10 pm
- SYRACUSE—T/W City: Ch. 3 Suburbs: Ch. 13 Fridays—8 pm
- TRI-LAKES Adelphia Ch. 1 Thursdays—6 pm
- UTICA—Ch. 3 Thursdays—9 am
- WATERTOWN—Ch. 2 Tue: betwn. Noon-5 pm
- WEBSTER—Ch. 12 Wednesdays—8:30 pm
- WESTFIELD—Ch. 21 Mondays—12 Noon Wed., Sat.—10 am Sundays—11 am
- W. SENECA—Ch. 68 Thu.—10:30 pm
- YONKERS—Ch.71 Saturdays—3:30 pm
- YORKTOWN—Ch.71 Thursdays—3 pm

## NORTH CAROLINA

- MECKLENBURG Time Warner Ch. 18 Saturdays—7 pm

## NORTH DAKOTA

- BISMARCK—Ch. 12 Thursdays—6 pm

## OHIO

- FRANKLIN COUNTY Ch. 21: Sun.—6 pm
- OBERLIN—Ch. 9 Tuesdays—7 pm
- REYNOLDSBURG Ch. 6: Sun.—6 pm

## OREGON

- CORVALLIS/ALB. AT&T Ch. 99 Tuesdays—1 pm
- PORTLAND—AT&T Ch. 27: Tue.—6 pm Ch. 33: Thu.—3 pm
- SALEM—ATT Ch.28 (starting May 30) Tuesdays—12 Noon Thu.-8 pm; Sat.-10 am
- WASHINGTON—ATT Ch. 9: Tualatin Valley Ch. 23: Regional Area Ch. 23: Unincorp. Towns Mon.—5 pm; Wed.—10 am; Sundays—10 am

## RHODE ISLAND

- E. PROVIDENCE—Ch.18 Tuesdays—6:30 pm

## TEXAS

- EL PASO—Ch. 15 Wednesdays—5 pm

## UTAH

- GLENWOOD, Etc. SCAT-TV Ch. 26,29,37,38,98 Sundays—about 9 pm

## VIRGINIA

- ARLINGTON ACT Ch. 33 Mondays—4:30 pm Tuesdays—9 am
- CHESTERFIELD Comcast Ch. 6 Tuesdays—5 pm
- FAIRFAX—Ch. 10 Tuesdays—12 Noon Thu.-7 pm; Sat.-10 am
- LOUDOUN—Ch. 59 Thu.-7:30 pm, 10 pm
- PRINCE WILLIAM Jones Ch. 3 Mondays—6 pm
- ROANOKE—Ch. 9 Thursdays—2 pm
- SALEM—Ch. 13 Thursdays—2 pm
- STUARTS DRAFT WPMT-TV Ch. 17 Adelphia Ch. 13 Saturdays—2 pm

## WASHINGTON

- KING COUNTY AT&T Ch. 29/77 Thursdays—3 pm
- SPOKANE—Ch. 25 Wednesdays—6 pm
- TRI-CITIES Falcon Ch. 13 Mon-Noon; Wed-6 pm Thursdays—8:30 pm
- WHATCOM COUNTY AT&T Ch. 10 Wednesdays—11 pm
- YAKIMA—Ch. 9 Sundays—4 pm

## WISCONSIN

- KENOSHA—Ch. 21 Mondays—1:30 pm
- MADISON—Ch. 4 Tue.-2 pm; Wed.-8 am
- MARATHON COUNTY Charter Ch. 10 Thursdays—9:30 pm; Fridays—12 Noon
- OSHKOSH—Ch. 10 Fridays—11:00 pm

## WYOMING

- GILLETTE—Ch.36 Thursdays—5 pm

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## The Eurasian Land-Bridge

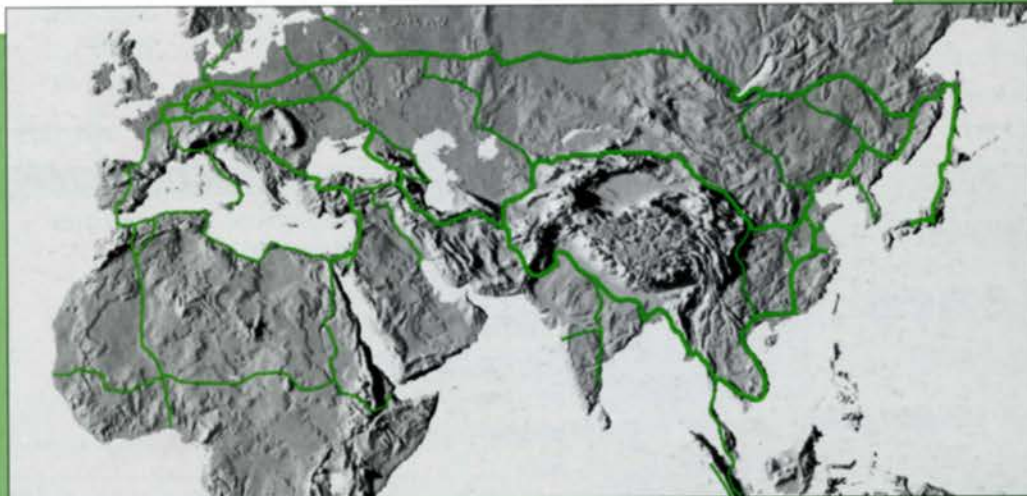
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Helga Zepp-LaRouche (right), known as "the Silk Road Lady," has played a major role in organizing worldwide support for the Eurasian Land-Bridge. She is shown here with Schiller Institute associates at Lianyungang Port in China, October 1998.



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