

ruptcy, and create credit for socially significant, economically sound, long-term projects, manage them well on the objectives determined, agreements among nations made, and we can recover. We can do what makes sense.

. . . Or, the Nations Are Destroyed

If we don't, what will happen? We had a situation analogous to this, which some of you may have studied, in the 14th Century in Europe. The King, Edward III of England, decided one day, to cancel his debts to the House of Bardi. The House of Bardi was the leading banker among the Lombard bankers of Europe. As a result of this, there was a chain reaction in the banking system of the entire Lombard banking system, and all Europe collapsed. Now under those conditions, the bankers moved in to foreclose. The result of allowing the bankers to foreclose—even though it didn't save those banks—the result of doing that, was a new Dark Age in Europe, which resulted, in a few decades, in a 30% decimation of the population of Europe, the elimination of 50% of the parishes within Europe, and hideous forms of religious dissent, such as those who ran around beating each other, beating themselves and others.

If we go with the IMF, if we go with the World Bank, if we go with globalization, if we go with what has been heretofore the recent policies of the United States, since President Nixon became President; if we go in that direction, at this stage, we will create, globally, a situation like that that existed in the 14th Century in Europe. We see the augury of this in the southern part of Africa, where deliberate genocide is the policy. Genocide against Africa has been the policy of the United States, since Henry Kissinger wrote NSSM 200, back in 1974. "We must not let nations, which have raw materials," said Kissinger, "we must not allow them to *consume* these raw materials, which we may want in the future. Therefore, we must reduce and control their populations, and deny them access to technology, which would enable them to use up these mineral and other resources." Genocide. That's what the basis of population control is, just exactly that.

What they're doing now will greatly destroy Argentina. Argentina is on the verge of becoming extinct as a nation. A slightly favorable adjustment was made in that, and especially by the United States, but not by the IMF or World Bank. They're threatening to do the same thing to Brazil. We are doing something similar—not yet to that point, but close to it—in Mexico. Venezuela, under a President who happens to be a madman, is also in the process of disintegrating. Colombia is being disintegrated by the support of the United States for the drug-traffickers. This is happening all over the place. We are already moving in that direction, and therefore, the time will come, when we have to make certain moral choices. I will present it in some detail in the broadcast which will be made a week from now, that's set to go on for about three hours, and will be available around the world.

But, I think my point is clear, and I would rather have discussion, and amplify what I've already said. Thank you.

Uncertain Leadership, An Unfocussed India

by Ramtanu Maitra

During a stay of almost two weeks (Jan. 10-22) in India, Democratic Party Presidential pre-candidate Lyndon H. LaRouche, Jr. and his wife Helga Zepp-LaRouche met with Indian academics, politicians, economists, religious leaders, young professionals, and senior policymakers. During their meetings, many of which extended for hours, discussions often veered toward what ails India, or more precisely, what India must do at this period of international economic and security crisis.

What became evident from various discussions is that India, although it has attained over the years a GNP growth rate of 5.5-6.5% annually, has been able neither to reduce poverty significantly, nor to modernize its ramshackle infrastructure. India has a pool of extremely competent engineers and scientists. Therefore, the failure to modernize infrastructure is not due to lack of expertise, but lack of determination. In other words, it is a lack of leadership which has kept India moving along at a snail's pace, depriving the country of the benefit of hundreds of millions of people who are too poor, too uneducated, and too helpless to play a substantial role. In most sectors of the economy, the pace of progress is well below what is required to engage the young new job-seekers. As a result of this failure, India's poverty continues to grow—or at least, refuses to shrink.

Poverty to the Fore

One observation that comes across is that the Indians in general have come to accept this as the norm. The usual explanation as to why the leadership does not show greater concern for important infrastructure requirements (such as power; retention and adequate distribution of water to domestic, industrial, agricultural and commercial facilities; modernization of the vast and decrepit railroads; education for all; and public health care), is that India is no longer governed by a single political party, but by a coalition government made up of 24 political groups. Political parties, which are entirely regional and with only a slight national outlook, have gotten together for the sake of convenience to administer the country, some pointed out. The push and pull in different directions, some analysts claim, hinders them from taking necessary and hard decisions,

The apology, as to why India does not show the expected urgency in putting adequate infrastructure into place and eradicating poverty, is good, as far it goes. The reality, however, is entirely different. People admit India is now financially

much less strained than it was during the 1950s and 1960s, when Prime Ministers Jawaharlal Nehru and Indira Gandhi took definite measures to pursue the objective of nation-building. At the time, India was badly strapped for foreign exchange and depended upon food imports. Now, India has almost \$72 billion of foreign exchange reserves, and growing. Now, India is a food-surplus nation, with a cadre of engineers and scientists, the like of which very few nations possess. And yet, large-scale infrastructural projects have been abandoned for lack of “adequate reserves,” and modernization of such vital elements as transportation, are left undone. LaRouche pointed out repeatedly that the issue is that of leadership, and that India, like so many other countries, badly suffers from its lack.

There is one exception, however. The Bharatiya Janata Party (BJP) leadership is now building a four-lane highway which would connect India’s easternmost point to the westernmost point, and the northern and southern extremities. This project is very much in progress. Another project, a much bigger one, has been promised, which entails connecting India’s water-short river basins to the water-surplus river basins for equitable distribution of water use. This 5.6 trillion-rupee project was first conceived in 1972, but was shelved. Now, the BJP administration is willing to take up the project, and has promised its completion in 12 years. It has yet to begin, and so far, no formal capital allocation has been made.

Lackadaisical BJP

In more than one sense, the lack of leadership is perhaps the key that locks India into its never-ending poverty. The most dominant party in the government is the BJP, widely identified across the world as the pro-Hindu political grouping. It is not clear what that means, but certainly its most serious shortcoming is its lack of understanding of economics, and general lack of concern for the poor.

During the Cold War, the BJP, then with a small electoral base, was a party of the free-traders. It opposed, sometimes simply for the sake of opposing, the mixed economy (an acceptable balance of public- and private-sector participation in economic affairs) most heartily and promoted the free-trade distortions in the American economy as the way to salvation. This party never campaigned to lift the poor out of their misery. And now, during its almost three and half years of rule, since August 1999, it has done precious little for them. But if it is short on compassion, it is not on boasting. The BJP does not miss an opportunity to point out how the poverty level has gone down during its rule. Its statistics are obviously doctored—poverty and the unacceptable living conditions are out there for all to see.

Due to their failure to provide the poor a better life, India’s leaders act paralyzed. There is a visible dearth of interest among policymakers in discussing measures to get rid of the poverty. It also escapes Indian leaders altogether that the poverty, over a long period of time, has created a new dimension of national security threat. To begin with, hostile neighbors

surround India. While it would be simplistic to blame only those neighbors for the hostile attitude, it is nonetheless evident that India’s borders are still being threatened, and are often breached illegally.

Following independence in 1947, India spent most of its economic surplus, and cannibalized its agricultural sector, to build new industries, new power stations, new universities and colleges, and to develop such frontline technologies as the entire nuclear fission fuel cycle and space research. As a result of such widespread investment in multiple sectors of the economy, driven by frontline technologies, India’s military remained neglected.

The 1962 conflict along the Himalayan border with China, and the 1965 conflict with Pakistan along the borders at Punjab, Jammu and Kashmir, and Rajasthan, over the disputed territory of Jammu and Kashmir, made it amply evident that India was vulnerable to security breaches. In the years that followed—and even today, when India’s military capability is widely acknowledged as adequate—India’s borders remain unsecured and unstable. Most of India’s border states suffer from insurgency fuelled by outside elements in collusion with militants inside. The 1970s was described by some Western experts as the most “dangerous decade,” with the threat that India would break up.

Poverty, a Security Threat From Within

But beside obvious security threats—most of which are posed by the Pakistan Inter-Services Intelligence (ISI), a military outfit committed to bleeding India; by a few insurgency groups, mostly of tribal origin, in India’s northeast; by murderous Maoists who operate along the Bihar-Nepal border and in Andhra Pradesh; and by the massive drug- and gun-smuggling that flourished in the area from the time of the Afghan war (1979-89) and during the instability in Southeast Asia, originating in the 1960s during the Vietnam War—India’s crippling poverty creates a serious threat from within. India’s poverty is created by low growth in the agricultural sector and the failure of India’s administrators to realize that basic infrastructure development throughout the country provides an opportunity to all for investment in profitable agro-industries and small- and medium-scale industries.

Instead of that approach, what happened is the following. India is a food-grain-surplus nation, but has not developed its agro-industries adequately. The food grain surplus has created an impediment to the productivity growth in the agricultural sector. Higher productivity would entail larger volume of grains, which, in return, might induce a rapid drop in price. Farmers are not convinced that the government would provide them with adequate price protection in those circumstances.

As a result, the farmers are not particularly keen to produce more wheat, rice, or other cereals from an acre of land. The outcome has been surplus agricultural labor. India’s population growth, which has declined over the years, is still providing more manpower than the slow, low-productivity agricultural sector can absorb. Lacking education, these ag-

ricultural laborers leave their homes and gather around cities to generate cash to keep their families alive, back in the rural areas.

The situation would not have been too bad if the cities, and the national economy, were geared up to deal with this influx. But they are not. As a natural consequence, many of these floating migrant workers, who from time to time get some construction work or other menial jobs, have engaged in acts of despair, such as drug consumption, prostitution, and all kinds of illegal activities. In other words, the government has indirectly conspired to make these migrant workers into anti-social criminals. It is also a fact that the Pakistani ISI has recruited from these criminalized groups, posing an immediate security threat to India's major urban areas. The criminalization of the desperate poor has brought in drug addiction and such deadly diseases as AIDS. It is evident from talks with the Indian leaders, that while the subject is altogether not unknown to them, they have not considered this a priority, and are secretly hoping that by taking simple damage-control measures, they can make these massive problems disappear.

During discussions, it became evident that while the politicians, at least the senior ones, would like to push the development of basic infrastructure as a top priority, the Finance Ministry bureaucrats regularly get in their way. These bureaucrats, trained by the World Bank/International Monetary Fund and a part of the "Washington Consensus," have systematically sabotaged every attempt to generate fresh credit to revamp the infrastructure. The standard threat that emanates from the North Block, where the Finance Ministry bureaucrats are installed, is that unless India brings down its "fiscal deficit" and pushes for foreign-exchange-generating export devices, the Indian currency, the rupee, will go down the drain. Moody's and S&P, their argument goes, would downgrade India's rating so much that the foreign exchange reserves would flee in no time, and Western investors would abandon India as their place of choice for investment. The tragedy is that there does not seem to be anyone in New Delhi who has the stature to send these bureaucrats packing.

A Phony Debate

Particularly striking is the fact that while the poor are all around, for everyone to see, most academics and political leaders are engaged deeply in the debate to resolve whether India should become a "Hindu Rashtra" (i.e., a state under Hindu religious law) or remain a secular nation. The Constitution proclaims that India will pursue the formation of a socialistic pattern of society. This itself is a clear pronouncement that India will not be a religious nation, and will remain a country where all faiths can practice their religions with complete freedom. The matter is settled—but then, why this debate?

To begin with, the participation in this debate itself shows how unfocussed the leadership is at present. The BJP triggered the debate in the 1980s, centering around its campaign

to build a temple at the Hindu holy site of Ayodhya, where a mosque had been built in the 19th Century. The BJP claims that *Hindutva* ("Hindu awareness") should be the soul of the nation. The so-called seculars claim that that itself would make the nation a Hindu nation—the very thing the Indian Constitution rejects. In fact, *Hindutva*, as elucidated by Veer Savarkar in the early 1920s, should not be considered egregious by the Hindus, or the Muslims, or the Sikhs, or, for that matter, the seculars. Savarkar said that *Hindutva* is a part of those who consider the geographical territory of India as their *pitribhumi* (fatherland) and *punyabhumi* (sacred land). Of course, the Muslims claim only the *Darul Islam* (the Islamic world) as their *punyabhumi*.

The debate became a standard for India's talking heads and unfocussed politicians, particularly since the state assembly elections in Gujarat last December. In Gujarat, where a massive anti-Muslim riot had flared up, after some Muslims firebombed a rail coach full of Hindus returning from a pilgrimage to Ayodhya earlier last year, the BJP campaigned most stridently against the seculars and promoted an anti-Muslim *Hindutva*. BJP won big, throwing open the option to wage similar campaigns.

What the BJP did, which some consider the reason for its electoral success, is to label the anti-*Hindutva* proponents as pro-Pakistan, and not just pro-Muslim. Most Indians hate Pakistan, for the militant and subversive anti-India role it has played throughout its 56 years of existence as a country. While the seculars were on the run, most Hindus believed that it should not be difficult for the non-Hindus to accept the formulation of *Hindutva* presented by Veer Savarkar. It is evident that if the political leaders in India want to make this the issue in future, India's development will suffer a major setback.

Military-Strategic Issues

Unlike the paralytic state of New Delhi when it comes to dealing with infrastructure shortcomings and massive and pervasive poverty, Indian analysts are much more focussed on military-strategic matters. It is encouraging to find that New Delhi has come to realize the mistake it made in believing that the Bush Administration's declared war against terrorism, following the events of Sept. 11, 2001, would help India to resolve the Kashmir issue. New Delhi's belief at the time, was that the United States, by clamping down on Pakistan hard, would extract a solution to the vexed Jammu and Kashmir issue. The corollary illusion that followed further consolidated New Delhi's other belief. It was provided mostly by the bureaucrats and peripheral adjuncts associated with the Ministry of External Affairs. Their argument was that since Washington requires New Delhi for its eventual confrontation with Beijing, India would be preferred over Pakistan. Subsequent experience is history. India brought in almost 700,000 troops and armaments along the India-Pakistan border and spent some \$250 million over a number of

months. Pakistan did not kowtow, the United States threw its hands in the air, and India lost face completely.

Now, it seems that New Delhi's thinking has changed on the Pakistan issue. It is recognized that whether the United States were capable of helping, things will not improve vis-à-vis Pakistan through external intervention. India will have to deal with Pakistan, and if it cannot, it must accept the way things are.

The second development has to do with understanding China. Most Indian experts and politicians accept that China is a power to reckon with. No matter what India does or does not do, China will continue to consolidate its peripheral security beyond its geographical perimeter. China is highly security-conscious and will remain so, even if India doesn't like it.

But the disillusionment with Washington has allowed the Indians to find their feet once more. They realize that China, which will not drop its military guard against anyone, is not keen to weaken India right now. In fact, New Delhi can discuss security matters with Beijing which may lead to the securing of India's borders. It was widely acknowledged that the terrorists and secessionists who have kept India's borders unsettled, expect help from China, in case India comes down heavily on them. A lot of that is illusion, but in the case of Pakistan-led terrorism, reality and illusion blur.

What caused this change? It came in part when Chinese Prime Minister Zhu Rongji, who visited India last year, made it clear at a banquet speech that India and China, the two major nations of Asia, share the responsibility of providing security (military and economic) to the vast continent. That was the first official recognition by any Chinese leader that India has a large role to play in Asian affairs.

Acceptable China

Things have decidedly changed since then. One senior Indian academic pointed out that in Southeast Asia, where India has launched the Mekong-Ganga Development project as a way to extend its foreign and economic relations eastward, China has another, similar project. Zhu specified that there is no conflict between the two projects, and that China welcomes India's participation in the area.

In recent days, one of the top anti-China hard-liners, Defense Minister George Fernandes, announced that although India will continue to develop its military defense, he does not foresee China as being a threat. Going further, he even endorsed economic and strategic collaboration with China for mutual benefits.

Most senior Indian policymakers are now veering toward developing a closer relationship with both China and Russia, but not for the purpose of forming a bloc. The objective, which they elucidated on a number of occasions, is that in the long term, India, China, and Russia must combine to resolve some of the major technological, economic, and infrastructural problems that haunt these nations, and must develop the vast Eurasian land-mass.

It seems much easier for the Indian analysts to comprehend the threat the impending war against Iraq poses. They readily understood that such a war will wholly destabilize the Asian continent and create a vicious environment, which will affect all the major nations of Asia, and set back developmental plans for years. In analyzing this issue, the Indians showed clearheadedness, although they also made it abundantly plain that India, not being a permanent member of the UN Security Council, as China is, cannot stop the war from breaking out.

What was also acceptable to those who are keen to consolidate bilateral relations with China, is that India and China should put their heads together, to work to construct major international infrastructure projects, such as taming the Brahmaputra River and the augmenting of the Ganga, using water from the Brahmaputra.

In addition, on the infrastructure front, China now possesses the most advanced railroad technology in the world, in the form of the Transrapid maglev system. China is also building the largest water project and is in the process of transferring water from the water-laden Yangtze River basin to the water-starved northern river basins. India's plan includes bringing in water from the rivers with surplus in the north to help the water-short river basins in the south. Both India and China have excellent hydrologists and construction engineers.

A similar collaboration is particularly necessary in the use of nuclear fission power for commercial use. Both India and China need far more electrical power. Both have developed nuclear reactors. India probably has much greater expertise in this area with its heavy-water, natural-uranium-fueled 235 MW nuclear reactors. China is in the process of developing high-temperature reactors which would provide the surplus heat for various chemical processes and water desalination. India is not a signer of the Nuclear Non-Proliferation Treaty (NPT). Hence, it cannot export reactors, but can import reactors only under International Atomic Energy Agency safeguards. China is a signer of the NPT. However, the two can bilaterally develop, and exchange, not only the necessary ingredients required to build reactors, but also the complete reactors. This is an area of great promise and would definitely break the stranglehold the Western-driven NPT has over major non-signatory nations.

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