

Alternatives to war and depression: The LaRouche Doctrine

by Helga Zepp-LaRouche

Mrs. LaRouche is the founder of the Schiller Institute and its president in Germany; she is the wife of Lyndon LaRouche, Jr. The following speech was delivered to an EIR seminar entitled "After the NATO Summit, What Next? The Post-Balkan War Perspective," in Washington, D.C. on May 5. Titled "Alternatives to Worldwide Depression and War: The LaRouche Doctrine," the speech has been edited and subheads have been added.

I'm very honored to speak to you today, because, when we had the last *EIR* event in Washington about four weeks ago, it was a very dramatic moment: As our speakers were assembling, we learned that Russian Prime Minister Yevgeni Primakov had just made a U-turn, back to Russia, and hours later, the bombing in Yugoslavia started. Today—and I must say, in all modesty, that we are not unrelated to these developments—we are at an equally dramatic moment, however, with a much more hopeful aspect to it: namely, that we may come soon to an end of this war, with a positive solution.

I will qualify this remark, and give you as much background as is possible. You have probably heard that President Clinton gave a press conference after he met with Japanese Prime Minister Keizo Obuchi, where he announced that a "pause" in the bombing would be possible, provided that Serbian President Slobodan Milosevic would pull back his troops and start to clear out of Kosovo. He also indicated—and this is a very dramatic change in the language which has been used by NATO up to this point—that a possible peacekeeping force in the postwar period could be, not under the direction of NATO, but under the United Nations.

Now, this is a very promising sign, because this would mean that we are on the way, potentially, to go back to the rule of international law, and to avoid catastrophe.

However, as I said, I want to qualify this. Because, while I am extremely optimistic that we can change the situation for the better, we should also know that the very forces who were the reason that this horrible war started, are still in full



Helga Zepp-LaRouche addresses EIR's seminar on May 5 in Washington. "We are still potentially going into a quagmire," she said, "with the threat of this war in Yugoslavia, Kosovo, expanding into an all-Balkan war, and beyond, and eventually degenerating into a Thirty Years' War with a nuclear component."

force, pursuing their own interest. But, I think, clearly, the new situation has developed after President Clinton, in his remarkable speech in San Francisco,¹ started to talk about the need—that if you look at a war, it is not only the question of what the war is leading to, but you have to look at the *end* of the war, what is the peace plan.

And as President Clinton said, we should not only think about a Marshall Plan for the Balkans, but something much broader. We should think about what the Balkans and the region, including Russia, are going to look like 20 years from now. And, once you have established a positive idea of what the world should look in 20 years, that from there, backwards, you work toward the solution for peace.

So, if you want to find a solution, you start from the standpoint of finding a peace plan for after the war.

A terrible mistake

It should be pretty obvious, and everybody who is following the situation knows it, that every country in NATO is completely desperate. Even the leadership in NATO recognizes that this war was probably the biggest blunder, the most ill-conceived war, a war which could not function. The experience of Vietnam, of Iraq, and of similar situations should have demonstrated that.

Anybody who has any military competence should have

known that air wars do not function. And also, obviously, the idea of bringing in ground troops should be equally ruled out, because, on the one side, it leads to a horrible quagmire, and on the other side, it brings you to the brink of World War III. So, it is recognized that this was an ill-conceived idea.

It is also understood that it was a terrible mistake to allow the Russians to be squeezed out in the Rambouillet negotiations, and to give military assurances to the puppet KLA [Kosovo Liberation Army] organization, which is actually a drug-running, terrorist organization (this does not mean that all the people who are in it are bad people, but on the leadership level, they clearly are), and to use that as a pretext for the unilateral bombing of Yugoslavia.

It is generally understood (I would say for about 10 days now), that we were heading straight for World War III on that course, and that shock has hit not only in Germany, France, and Italy, but also in every other European country. Just think about Hungary, a country which just joined NATO six weeks ago—which was supposed to be a defensive system; here they find themselves in a war where they know that they may be one of the next victims. . . .

So, that shock basically led to a complete policy reversal. For example, German Chancellor Gerhard Schröder, who had treated Prime Minister Primakov after his peace mission to Belgrade with complete indifference and contempt, quickly recognized that this was a mistake. And, now, there is an overwhelming effort by the Europeans to bring the Russians back in. And you have seen in the last week that all the interna-

1. See *EIR*, April 30, 1999, pp. 58-61.

tional diplomacy has shifted, that everybody is now going to Moscow, and there were very important, extremely important, missions by U.S. Undersecretary of State Strobe Talbott, and by UN Secretary General Kofi Annan. And even at the G-8 preconference, concluded two days ago, they were discussing the postwar reconstruction of the Balkans.

Schröder, Italian Prime Minister Massimo d'Alema, French President Jacques Chirac, the governments of Macedonia, Bulgaria, Romania, and Greece: They all are pushing very, very strongly in the direction of a Marshall Plan.

This is the only way. But it requires extremely determined action. Because, as I said, there are forces who are the reason for the war, and they have not given up. Primarily, the British government, and certain other forces in NATO, are right now determined that the war should escalate.

As you know, NATO is still escalating. There are 600 sorties per day. According to NATO publications, NATO has destroyed half of the initial 500 targets, but they are now drawing up hundreds more, so that the war can go on for several more months.

So, President Clinton and these other leaders want to end the war, but certain other forces have not yet been brought into line. Because of President Clinton's steps, the situation is hopeful, but you should not for one minute have a false sense of security: We are still potentially going into a quagmire with the threat of this war in Yugoslavia, Kosovo, expanding into an all-Balkan war, and beyond, and eventually degenerating into a Thirty Years' War with a nuclear component.

One should never forget this. This is actually much better understood in Europe than in the United States, where people are in a fantasy world about ever-booming stock markets: "The Dow Jones just went to 11,000, tomorrow it will be at 12,000, and then in three months it will be at 100,000, and then a million, and we will all be rich forever." This is a real Disneyland, which has blocked off the cognitive ability of the majority of the American population to a very far-reaching degree.

In Europe, people somehow have learned the lesson of history, that there is a horrible connection between economic crisis and war—1929, the beginning of the 1930s, and World War II. People have gone through that. They know that stock market bubbles are sometimes just a sign of a very bad economy—especially when unemployment is going up, when entire continents are disintegrating. So, people in Europe are much more aware that there is a connection between a financial crisis and the danger of war.

International financial institutions go for war

And we should not forget—and we documented this in our Bonn conference, among other places, which you can read about in *EIR*²—that the reason we have this situation, with

2. *EIR*, May 7, 1999, pp. 4-57.

Iraq (which is unresolved), with the Balkans, is because the international financial institutions decided last summer, after the Russian de facto state default, and the inability by Vice President Al Gore to maneuver his friend (and partner-in-crime, one could say, concerning certain dirty deals in Russia), former Prime Minister Viktor Chernomyrdin—when he was unable to re-install Chernomyrdin as Prime Minister, this led to the potential meltdown of the financial system, in the form of the famous collapse of the Long Term Credit Management fund, LTCM, on Sept. 23, 1998.

At that point, the international financial institutions said: "Okay, we will not allow a new monetary system. We will go for hyperinflation. We will just pump liquidity into the system. We will lower the interest rates in Japan, not only to 0.25%, but, as the joke goes, we pay people to take loans in Japan, just to pump in liquidity."

In the fall, the U.S. Federal Reserve lowered the interest rate three times; the European Central Bank lowered the interest rate. They decided to go for a hyperinflationary pumping in of liquidity, *and* to resort to the old trick of the British Empire—because, it is really a British policy—that if you confront any trouble, financial troubles, you resort to war, to bring the situation back under control.

And this is what is going on, really, behind these developments.

As I said, people in the United States may not see this, because the stock market is growing. But, you should remember, with a Dow Jones of 11,000, that in December 1996, Federal Reserve Chairman Alan Greenspan looked at the Dow Jones, which at that point was 6,000, and said that this was "irrational exuberance." Well, if you have nearly doubled that, and nothing has really changed, except the bubble has grown, maybe one should call this "insane exuberance," just to find an appropriate word.

Therefore, having made this connection, that the war danger in the Balkans and elsewhere is the result of the financial crisis, and the decisions made by these forces, it should be clear that there is no possibility of solving the Balkan crisis without, at the same time, solving the international financial crisis. And that means we have to get a new partnership, bringing together a group of nations—basically, the United States, China, Russia, key continental European countries, and so forth.

A solution without the British

These countries must address the roots of the present crisis, and decide on a new global policy. Only this will function. And I think this must be established very, very clearly: If somebody tried to get out of this Balkans war or the financial crisis, with the illusion that it can be done with the cooperation of the British government, this person will fail. Because there can be no doubt, that the present British government is not only determined to sabotage every such step, but it is the biggest warmonger. This became very clear when Prime Min-

ister Tony Blair was at the NATO summit, lying to the American population, implying that the President of the United States was in favor of ground troops. And, the British government is also the biggest defender of the bubble economy.

Therefore, we have to have a solution without the Brits.

We should recognize one other thing, without which a solution cannot be approached. And that is the fact that the unilateral Anglo-American bombing, which started in Iraq in December, and was continued with the attack on Serbia in March, de facto eliminated international law, in the form in which it has emerged since the Peace of Westphalia after the Thirty Years' War, the United Nations Charter, and the Helsinki Accords.

We are not exactly a friend of the United Nations, because it has many flaws, and many problems. But, one has to recognize that the United Nations, and the UN Security Council, has been a long-standing base for stable diplomatic relations up to this point. And awaiting a better solution, we have to at least go back to that level. And we absolutely cannot overthrow the order of the United Nations in favor of some new global system—such as the “new NATO,” which was supposed to be ushered in at the NATO anniversary summit, and a new global strategy for NATO, a kind of new global order, as Blair presented it in his infamous speech in Chicago.

What is needed, instead, is a New Bretton Woods system. This New Bretton Woods system must have two outstanding features. It must apply the lessons of the successful postwar reconstruction of Germany, which would not have been possible without certain monetary and economic agreements characteristic of the old Bretton Woods system, as it existed until 1958. This means we have to go back to fixed parities, limited convertibility of currencies, and a kind of banking, which you can either call national banking, or you can use the model of the Kreditanstalt für Wiederaufbau, which was the state-controlled bank used in postwar Germany to give state-guaranteed loans for infrastructure and other reconstruction in the common good.

Now, either we return to these 1958 standards, or there will be no solution, including for the Balkans. And, I think this is something which people really have to think about. This means we have to go back to the intention of Franklin D. Roosevelt at the end of World War II, when he was determined to end the rule of the British and French and vestiges of Portuguese colonialism, and to allow the former colonies to become modern nation-states, with access to all technologies, including the most modern technologies.

Lyndon LaRouche's central role

This is the program on the table now. And I can assure you, that at the *EIR* event we had two weeks ago in Bonn/Bad Godesberg, we fortunately had a very good selection of leading representatives of the countries which must play a part. First of all, there was Mr. LaRouche, in his role as a pre-candidate of the Democratic Party, and there were leading

diplomats, from Russia, from China, from India. There was the former chief economist of the Kreditanstalt für Wiederaufbau, from the German side, and many other influentials. And we had extremely productive discussions.

I want to give you some of the drama of the situation, because to bring together at a conference people from Russia, after the bombing had started—and remember, Mr. Primakov returned [to Russia] because he did not want to come to the United States while Serbia was being bombed—people from Bosnia, from Croatia, from Kosovo, in the audience. And the fact that there is an ongoing war, was reflected in the tremendous tension in the audience, and also in the quite heated debates.

But, I think that the beautiful thing which occurred at this conference, is that Mr. LaRouche, who is very known and appreciated in Russia for his long work, for this kind of Eurasian collaboration, who is extremely well appreciated by the Chinese, who has been well known as a friend of India since the times of Indira Gandhi—what was so beautiful at this conference is that, while the tension of war from the different sides was in the room, and expressed in the discussion, it became also clear that Mr. LaRouche has emerged as the kind of statesman who is able to unify even the most adversarial groups on the highest level of reason.

And this is what Mr. LaRouche's campaign, his Presidential campaign, is all about.

We have a very short window of opportunity to end the war, but it means we have to have a full development plan for the region, not only the Balkans, but Central Europe, Russia—the entire Eurasian Land-Bridge.

We cannot talk about that without taking into account the lessons of Dayton and the Oslo agreement, which both failed. This means we cannot allow the International Monetary Fund (IMF) and the World Bank to sabotage success. Because Dayton, if you look at the Bosnia region today: It's a rubblefield, because of the sabotage by the IMF and the World Bank. The reason that we have an immediate war danger in the Middle East, is because the World Bank and the IMF sabotaged any effort toward this beautiful idea expressed in the Oslo Accords.

The danger is, if we do not immediately create concrete facts, the so-called logic of war will escalate.

We have a situation where people realize that this is a quagmire. There are many, many imponderables. For example, you think that Chernomyrdin had a positive role; in my view, Mr. Chernomyrdin is the incarnation of the IMF reforms for Russia, and therefore is perceived by every patriot in Russia as responsible for the problems Russia is experiencing right now. So, he is definitely not the right channel.

We are in a time bind. Things have to be done very quickly, because if the escalation of the air war is not stopped, there will be more civilian deaths among the Serbs. And public opinion in Europe and in the United States will clearly explode. Right now, the internal German situation is just abso-

lutely out of control, because the Green party, the so-called peaceniks, are now the war party. It's just ripping this party apart. The SPD, traditionally a not-so-war-mongering party, is backing the war. So, the whole country is exploding.

And you have still the hard-line faction in NATO, which says: "Okay, it was a mistake. So what? We have to escalate and win somehow."

Or, Macedonia will blow up. Then you will have a greater Balkan war, and beyond. And it will involve not only Macedonia, but also Bulgaria, Greece, Turkey, and Hungary.

Some people in NATO are still saying we need a protracted war, at least till the summer. "We have to win it. We have to have the use of special forces. We should arm the KLA" — which, as I said, is a drug-running and terrorist organization.

Nuclear weapons and treason

Just to give you a flavor of how crazy these people are, the famous, or soon-infamous historian Andrew Roberts, two days ago wrote in the London *Sunday Telegraph* that NATO should use, or threaten to use, nuclear weapons against Yugoslavia; that they should use the precedent of what was done to Japan in 1945, after which Japan surrendered within days. This would be a humane act, Roberts says, because it would prevent further slaughter of the Albanians in Kosovo. And he ends by saying, "The time has come for NATO to go nuclear."

Unfortunately, there has been quite a lot of discussion about the use of tactical nuclear weapons in the recent period. But, to make things completely transparent, the London *Sunday Times* quotes James Hooper, the executive director of the Balkans Action Council of the United States, a strong supporter of ground troops, who recently wrote, "How can we get the leadership it will take to turn the air campaign into a winning ground war? The simplest way is to revoke the Declaration of Independence and reunite the United States with Britain, to avail ourselves of Tony Blair's firm and principled leadership."

Now, there you go. If you ever had any doubt that you have Anglophile treason in the United States, which wants to undo the American Revolution, here they reveal themselves. And I think it gives you a sense of the desperation, because this is the last thing they can say. After that, they have no more argument.

So, there is obviously increasing hysteria and desperation in all of these countries.

Dramatic financial developments

Now, because of the relationship which I think I established, and which we established before, between the financial crisis and the war, one has to expect extra-dramatic developments in the world financial system in the next one to two months, or even earlier.

There are many possible trigger points for a new wave of crisis. But the most likely, or one of the most likely, is Brazil,

because both its external and internal situation is unsustainable. With a currency collapse of 30% since the beginning of the year, the payment of its foreign debt has become unmanageable, especially when it is no longer able to service the private sector foreign debt, which is \$130 billion.

Now, this Brazil situation could become worse than the Russian crisis, which triggered all of these decisions in October. Therefore, what we are looking at in the short-term — and I think people should not have a sense of false security, because mankind is hanging by a thread. We could have a situation where there will be a combination of a new escalation of the Balkan crisis, and a new financial crisis: Brazil, Japan, maybe a U.S. bond market collapse, triggering other things, and so forth.

And then the question is, given the somewhat doubtful performance of the G-7 leaders with the last crises, we are looking at a moment of incredible danger, but also of incredible opportunity, provided we have a plan ready ahead of time.

You see, crisis does not bring solutions. *Crisis creates the opportunity for solutions, which have been worked out ahead of time, to be implemented.*

The history of the Balkans

First, I want to quickly tell you a little bit about the history of the Balkans. Before World War I, there was no Yugoslavia and no Albania; you had the Ottoman Empire, and so forth.³

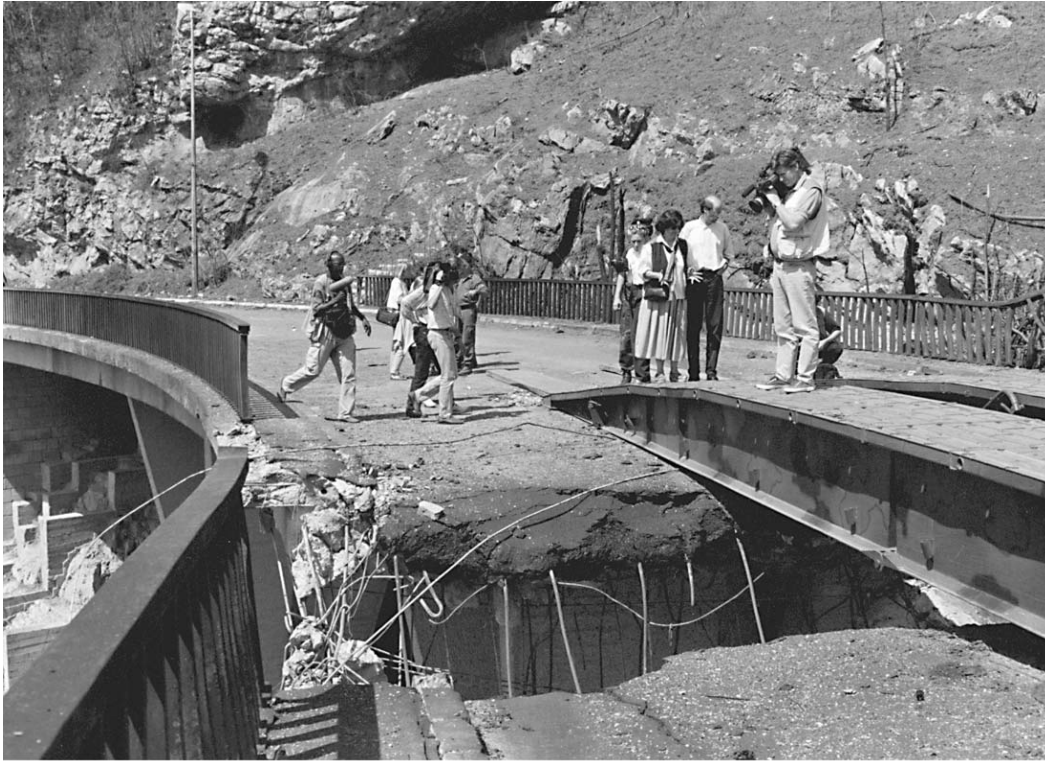
After World War II, the borders reflected all the similar British geopolitical manipulations, as you find in the Persian Gulf and in the Middle East, which was the reason that the British were able to lure Saddam Hussein into the trap 10 years ago.

What became Yugoslavia was defined for the first time in 1913, at the London Conference, based on the borders of the Second Balkan War. And this division is relevant for the conflict up to the present time. Kosovo, which had been part of the Ottoman Empire, was taken over by Serbia in the First Balkan War, and then the borders were fixed on the basis of the outcome of the Second Balkan War.

At the London Conference, Macedonia was made part of Serbia. And after World War II, at the infamous Trianon Conference (which was basically directed against Hungary), Vojvodina, which belonged to Hungary, was made part of Yugoslavia. Siebenburgen went from Hungary to Romania. The rationale for all of these border changes was the same as that for the Versailles Treaty. Just as World War I was really conducted against the idea of Eurasian integration, because it supposedly threatened the control of the Atlantic Rim countries, especially the British and the United States after the assassination of President William McKinley.

It was also the idea of keeping Germany economically

3. Several historical maps used by Mrs. LaRouche in her speech were not of a graphic quality that could be reproduced in *EIR*. The text has therefore been edited to provide descriptions of the maps, where needed.



This bridge over the Korana River in Croatia was destroyed in August 1995. One-third of Croatia's industry and living standards is still devastated, since the war there.

down forever. The Anglo-French interest, in the Trianon Treaty, was to create a small entente of East European and Southeast European states to contain Germany. They therefore supported a Serbia-dominated Yugoslavia and Romania, and they created also Czechoslovakia as an artificial state in the same way. The basic idea was to cut German influence in Central Europe, and they manipulated the different parties.

For example, they got Croatia and Slovenia to agree voluntarily to the Trianon arrangement, because they promised a unified Croatia. Dalmatia, which was Austrian before; Zagreb and Slavonia belonged to the heartland of Croatia, before it was Hungarian; Slovenia was Austrian. So, the trick which the Serbs used at the time, was this: They said, "We will give you a unified Croatia and a unified Slovenia, and you can have a union based on equality, and soon we will have a happy Yugoslavia." But after they agreed, the Croatians and the Slovenes realized that they had been swindled.

Now, Croatia and Slovenia were never part of Serbia. With Kosovo, the situation is a little bit more complicated. And I think it's important that we agree with President Clinton, who says that no further fragmentation into microstates should occur at this point, first of all because Kosovo is just too small to be economically viable as an independent country. And, once it was made totally independent, it would become part of Greater Serbia. And that would be the trigger point for an explosion in Macedonia. And this would then go into an all-Balkan War.

Now, the fact that half of the Serbian population left Ko-

sovo during 1981-89, and riots broke out in Kosovo in 1989, was used by Milosevic as the pretext to lift the autonomy of Kosovo in 1989. But, one should remember that, despite the crimes of Serbia in Kosovo, the massacres and so forth, Milosevic was never able to shift the ratio of Serbians (10%) to Kosovars (90%) in Kosovo. This occurred only after the NATO bombing commenced, which is really an extremely important point.

A devastated region

Now, if you look at the devastation of this region, just to look at what we have to reconstruct: The official war damage in Serbia so far is \$100 billion. Remember, NATO has only spent \$15-20 billion for the war. But in Serbia alone, there is \$100 billion damage.

Trade union head Thomas Laffbonovic declared—already a week ago—that through the bombing, 100,000 industrial jobs were destroyed. Before the war, there was 50% unemployment already in Yugoslavia. The Serb government said that the GDP before the war had already gone down to the level of 1968. Now, the GDP in Serbia is exactly on the same level as in 1945 or 1900—as it was 100 years ago. These are figures of a week ago, so can you imagine how it looks now, with the increased bombing.

They have destroyed 31 large industrial complexes, including the Yugo car production, and all the Danube bridges, which cut off, among other things, Vojvodina, the breadbasket, from the rest of Serbia.

The Vienna Institute for Comparative Economic Studies said that if there is no quick reconstruction of Yugoslavia, there will be an inevitable wave of refugees far larger than from Kosovo, and that the first signs of this are already there, because they have arrived in Vienna and in Budapest.

Some of the Institute's experts said that there had already been an economic shrinkage by 25%, but they had not even counted the destruction by the bombing of infrastructure and industry.

If you look at the other countries after 1991, after eight years of this situation: Bosnia is 80% destroyed, not reconstructed. Croatia is one-third destroyed, in terms of industry and living standards. There is a dramatic collapse. Bankruptcies are taking place every day. Kosovo de facto no longer exists. And, Croatia has some additional problems, namely, that it's being flooded by drugs right now.

Macedonia: The Foreign Minister of Macedonia, Aleksandr Dimitrov, declared on April 1 that the economic losses—and his country is not yet part of the war, it is just because of the refugees who are there—are \$100 million per month, or \$1.2 billion per year. That may not sound like much, but if you take into account that the entire GDP of Macedonia is only \$3.5 billion, it is already one-third destroyed.

There is a complete deindustrialization of Macedonia right now. The large metallurgical and chemical combines, these large state-owned industries, are completely at a standstill, because they got all their raw materials from Yugoslavia, and that is now finished. So, they are just flat.

Take into account the fact that the average annual income in Macedonia is only \$1,700 per year—that's \$5 income per day. And now, the second branch of the Macedonian economy, which is textiles and shoes, has also come to a standstill, because contracts are being cancelled because it's a general war area.

Look at Bulgaria. The GDP of Bulgaria is only \$2,000 per capita per year. Yugoslavia was the point of transmittal for all Balkan countries to Europe. Macedonia, for example: 90% of its exports and imports to the European Union went through Yugoslavia. All of this now has to be bypassed under very difficult conditions. Also, trade with Bulgaria, Romania, and Hungary has practically collapsed, because the border between Romania and Bulgaria is the Danube. The bridges in Serbia have been in large part destroyed; the others, therefore, have become complete bottlenecks. Trucks have a waiting time of two weeks, which means that, for example, all agricultural products which are perishables—this no longer functions.

The poverty in Bulgaria has become so extreme that people are now taking canisters, getting a little bit of fuel, and taking it across the border to sell to the Serbs, and so forth.

Romanian Prime Minister Radu Vasile, on April 23, said that one month after the bombing began, there is \$730 million worth of damage in Romania. The Croatian Minister of Tourism announced that they expect a collapse of tourism revenue

of 50%. And so on.

You have to understand these places: Albania is the poorest country in Europe. They live mainly on the money which was sent back by the guest workers abroad. It's a Third World country.

Bulgaria has suffered four shock waves. The first was the Gulf War, which cut off the barter agreements between Bulgaria and Iraq, oil for other products. The second was the IMF conditionalities imposed on the Balkans. The third was the war against Croatia and Bosnia. And now, the war against Serbia.

So, the Balkans is really flat.

Now, in Kosovo, you have 600,000 displaced people, and you have 40,000 Serb troops roaming around fighting against KLA partisan fighters, all of whom are living off the land. Because the roads have been bombed, nothing can come in—no food, no fuel. So, what do these soldiers do? They plunder. And obviously, there's not enough for the population, so the population leaves.

Albania is flooded with refugees. They have nothing. There is a tremendous crisis. Epidemics in Macedonia and Albania are threatening, and the problem is that, because it's already May, even if all the Kosovars were to go back to Kosovo, it's already late in the planting season. So, every person who would go back this year, has to be sustained.

Montenegro is in a similar situation, which got worse with the bombing, because it escalated the crisis.

I should note the fact that the KLA, according to both the U.S. Drug Enforcement Administration and the Russian General Staff, is heavily involved in drug-running, in terrorism, and that is an additional factor.

I wanted to give you some of these predicates, because this is a situation in which we have to have peace. And, it's not an easy situation—I mean, 80% destruction in Bosnia—I want you to get the image that the Balkans is completely destroyed, and the situation is completely out of whack.

What a peace plan requires

If you don't get a sensuous idea of this, then you will not approach the solution in the right way. Now, what does a peace plan require?

Milosevic's negotiating position right now is to say that he would accept a United Nations force if it was armed only with defensive weapons, and if the participants in the peace force were not from nations that participated in the aggression—which is a reasonable position, given the circumstances.

The British position is: Don't negotiate with Milosevic.

Now, I don't like Milosevic. I think he's a butcher; I think he's a fascist. But, there is no alternative to Milosevic right there.

Now, what do you do in a situation like this? As I said, there is a dimension of international law when we talk about a peace plan. The painful fact is that, since the unilateral

bombing of Iraq in December 1998, and since the campaign against Serbia, international law does not exist any more, as of now.

Any little dictator anywhere in the world, or anyone who goes bananas, can now say, "Oh, I'll do my war. I don't care about the United Nations. They have just been declared out of business."

The UN has been replaced by Anglo-American unilateralism, and what is generally perceived as global hegemonism, and this has caused a tectonic shift in the strategic situation. The perception of the Russians, the Chinese, the Indians, and many other countries around the world, have been—I can only tell you, they have been utterly shocked. Because this is not what they expected from the United States, in particular.

For example, there was an article in the People's Liberation Army paper in China, in March, after the bombing of Serbia started, in which they said that they understand very well that this is part of the NATO globalization, that NATO expansion toward the East was the first step, that the attack on Serbia is now the second step, and that the third step is the elimination of Russia from the face of the earth, and also China.

I am not saying that this is the last word, but we have a real problem in international politics, which is not a little one. Therefore, one has to see very clearly that after six weeks of this war, we have to rethink the whole thing.

Moral reasons for a war are not a justification for war. You all have been seeing these articles in the media, on TV, saying, "Oh, we have to intervene because it's genocide, concentration camps, the poor refugees."

That is not good enough. Because you can't use the fact that you are against a crime, to justify something which is not right. The notions of purpose and interest must have rational comprehension, in terms of the future consequences of your acts. It's not good enough to react to things which are bad. Morality has to take into account the consequences of your acts. If you are not doing that, you are not acting morally. And you can cry your heart out about the refugees and whatever; if you do not consider what the effect of what you are doing is, you are lying, or you are not thinking clearly.

If you don't have a clear idea of how the peace after the war is supposed to remedy the situation, you should not start a war. *War has to be the only choice left, and it has to be existentially necessary. This is the concept of justified war as it has been defined since the times of Augustinus.*

It should be clear what peaceful order should come out of the war beforehand. And it cannot be punishment, or it cannot be the idea of a wish of behavior modification, even of somebody like Milosevic.

Remember also, how the war started. We cannot have hypocrisy in this situation, because this war started because Milosevic in 1991 got the green light from then-President George Bush, British Prime Minister Margaret Thatcher, French President François Mitterrand, and Russian President

**Former Mexican President
José López Portillo:**

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for the world to listen to
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Mikhail Gorbachov. Without that green light, Milosevic would never have dared to start the war of aggression against, first, Slovenia, then Croatia, then Bosnia. Because, who were the Serbs to do that? Germany cannot breathe if these [occupying] powers don't allow it, so give me a break. It was very clear that this was a geopolitical decision, to start a bloody ulcer in the underbelly of Europe to weaken it for a long time to come. And we can show you some of the economic newsletters published in 1991, which said exactly that: "We will weaken Europe for a very long time to come." And it's the same kind of geopolitical nonsense which started World War I.

I put out a leaflet when the Vukovar massacre occurred, and another one when the Srebrenica massacre occurred, when the West did nothing. And I said that the failure of the West to remedy the genocide then, meant that the West, in totality, had lost the mandate of Heaven.

Because, if you condone genocide when you could stop it—and that was a completely different situation than now—then you lose the legitimacy of power. The legitimacy of power is something quite different from the legality of power. You can still run the Army, the police; you can still be in control. But, from the standpoint of natural law, you have lost the legitimacy of power.

The way to understand that, is to look at the great historical tragedies of Aeschylus, Sophocles, Shakespeare, and Schiller, who, in their great tragedies, always put these kinds of subjects on the stage. When the rulers have lost the legitimacy of power, sooner or later, they go under. Look at the famous play *Antigone*, by Sophocles. Look at the fragment *Demetrius*, by Schiller. Because there is such a principle as *Nemesis*, there is an efficient natural law, even if the rulers do not accept it.

You cannot violate the order of Creation for a long period of time without having the rules of that order reassert themselves. Remember that Mr. LaRouche, a couple of years ago, commented on the international financial crisis, that we are witnessing not just some cyclical crisis, or some little problem, but we are looking at the end of an epoch of 600 years—a period which started with the emergence of the modern nation-state in the fifteenth century, and where, for the last 500 years, we have seen the coexistence of two completely different models of society: the oligarchical state, which is determined only to maintain the privileges of a few, which is presently the world order, versus the nation-state, which is fighting for the well-being, the common good, and the people.

This is now coming to a point of decision, where we have, de facto, a new feudal system. And you should not be fooled by labels: Whether we are talking about pre-fifteenth-century feudalism, where only 5% of the population was educated, or we are talking about the Information Age, with children being hooked to the Internet and video games, also not having developed their cognitive powers, the label may have changed, but the form of society is the same.

We are now at the point where globalization of NATO,

out-of-area deployment of NATO, Anglo-American unilateralism: They just do not function. As a matter of fact, you will see, in case you don't know it already, that the collapse of the free-market system is going to lead to worse results than the collapse of the Soviet Union in 1989.

Therefore, the outcome of the NATO air war at the present conjuncture, the present historical moment, these days, these precious days in which we are living right now, are probably the last chance to turn the existential crisis of NATO and all of the institutions of the postwar period into a new, more just world order.

The question is: If you want to create new institutions, new international law, a new order for peace and development that allows the survival of all nations of this planet, how could we get this peace together, given this condition of the Balkans—that they hate each other? The Kosovars hate the Serbs, the Serbs hate the Croats, the Bosnians hate the Serbs. And you have a war-torn area.

Let's be realistic. What do you do?

The Peace of Westphalia

There is a precedent for that. Obviously, the solution has to be the Eurasian Land-Bridge (**Figure 1**).

But, the precedent is what was done after the Thirty Years' War and the Peace of Westphalia. The end of the Thirty Years' War was in 1648; it was a war which rampaged in waves, like tornadoes, for 30 years, involving many European countries, including Germany, the Hapsburg Empire, France, Sweden, Bohemia, and Denmark.

After 30 years, there was enormous destruction—on average, 40% of the population and wealth, taken together, in Germany, were destroyed. Some areas were more than 66% wiped out; many others, more than 40%. So, it was like Oklahoma after the tornadoes. This destruction had ravaged Europe for a long time. This was a so-called religious war, Reformation against Counter-Reformation. The hatred on both sides was enormous.

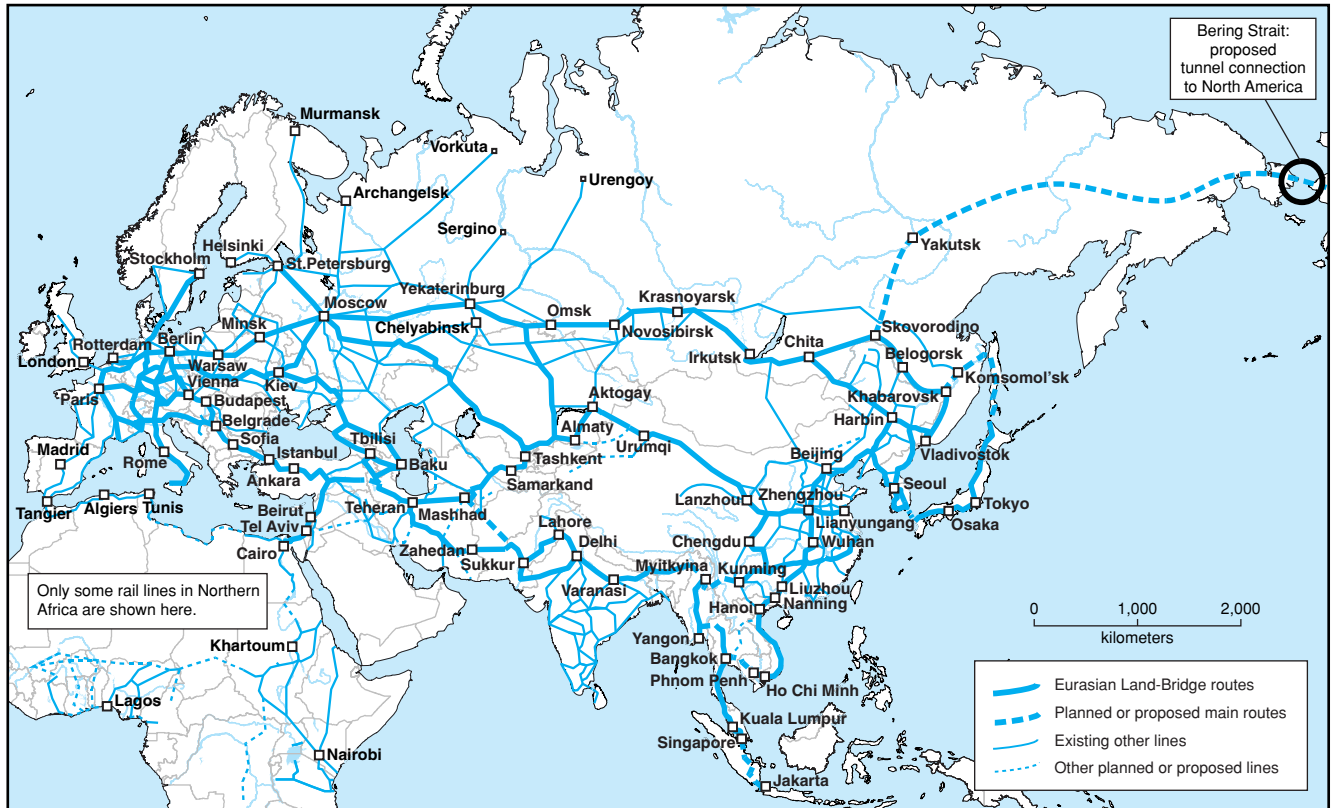
The Peace of Westphalia, when all the war parties came together, was the first time that a European community of sovereign states was established. And it was only possible because all of its members recognized each other as having equal legal standing, and guaranteed each other their independence. They had to recognize their international legal treaties as binding, if they wanted to be an international community of law.

It was clear that this not only required good will, but a minimum of efficient guarantees. Most important, was the idea that the *raison d'être*—the reason for its existence, the identity of this new alliance—of this community of states, could never be only its self-preservation. It would be morally justified only if it realized ideas and principles which had a higher unifying purpose than just the states themselves.

There is a precedent for this kind of thinking in American history; namely, the idea of John Quincy Adams, that the United States must work toward fostering a community of

FIGURE 1

Eurasia: main routes and selected secondary routes of the Eurasian Land-Bridge



principle among nations of the world. I would say that the Peace of Westphalia was probably the most important predecessor of this idea.

Such principles exist in the treaties of 1648. Some were expressed for the first time in history. These negotiations lasted for four years, during 1644-48, and in the end, Protestants, Catholics, monarchies, and republican forms of government, were treated as having equal status in negotiations and in the treaty.

The peace treaty defined the principles of sovereignty and equality in numerous sub-contracts, and in this way became the constitution of the new system of states. It included mutual defense and support agreements.

I want to read you — and please forgive me for the somewhat awkward language, because I tried to translate it straight from German without going through an official editorial board, and it is ancient language, so it sounds awkward. But try to be patient and follow me.

Article I of the peace treaty starts like this: “A Christian general and permanent peace, and true and honest friendship, must rule between the Holy Imperial Majesty and the Holy All-Christian Majesty, as well as between all and every ally and follower of the mentioned Imperial Majesty, the House of Austria . . . and successors, but especially the Electors,

Princes, and Corporate System of the Reich, on the one side, and all and each Heir and Successor of the mentioned All-Christian Majesty and their Heirs and Successor, first of all, Her Highness the Queen, and the Kingdom of Sweden and the Electors and Princes in Cooperative System. And this Peace must be so honest and seriously guarded and nourished that each part furthers the advantage, honor, and benefit of the other, and that both form, from the side of the entire Roman Reich with the Kingdom of France, as well as the other way around, form the Kingdom of France with the Roman Reich. A faithful neighborhood should be renewed and flourish for peace and friendship, and flourish again.”

This is a very precious idea. It is essential to have peace. It is the idea of Nicolaus of Cusa, which he had in the fifteenth century, that peace in the microcosm is only possible when you have the development of all microcosms. You can only have peace among different nations if each nation develops itself fully, and regards as its self-interest to develop the others fully, and vice-versa.

It is like the idea of a family, where each member of the family wants the other members of the family to have the best possible life.

You need to realize that the whole world wants President Clinton to be such a passionate lover of the international com-



The ratification of the Spanish-Dutch Peace Treaty on May 15, 1648, in the Munster town hall. "The Peace of Westphalia, when all the war parties came together, was the first time that a European community of sovereign states was established."

munity of peoples. President Clinton could emerge to seize this historical moment, and do what all the poor, beaten-down countries in Africa and Ibero-America, and many parts of Asia, wish him to—to love the idea of an international community of peoples. And it needs passion. It needs passion for this, without which it will not be realized.

The damage is so great. We will not go back to peace in the world by bureaucrats, by who pays what, by nitty-gritty accountants who ruin the whole thing. We need extraordinary people who have a passion for mankind, as parents do for their children.

Article II of this treaty says: "On both sides, all should be forever forgotten and forgiven. What has from the beginning of the unrest, no matter how or where, from one side or the other, happened in terms of hostility, so that neither because of that, nor because of any other reason or pretext, should commit, or allow to happen, any hostility, unfriendliness, difficulty, or obstacle in respect to persons, the status, goods, or security himself, or through others, secretly or openly, directly or indirectly, under the pretense of the authority of the law, or by the way of violence within the Reich, or anywhere outside of it, and any earlier contradictory treaties should not stand against this.

"Instead, all and every, from here as well as from there, both before as well as during the war, committed insults, violent acts, hostilities, damages, and costs, without regard of the person or the issue, should be completely put aside, so that everything, whatever the one could demand from the

other under his name, will be forgotten in eternity."

This is really a bombshell, if you think about it, because the treaty talks about eternal peace, true friendship, and the permanent forgetting of the past. This notion of *Amnestia* of the second article, is not the modern idea of amnesty, meaning the abandonment of criminal prosecution. It is the noble idea of forgetting for the sake of peace.

Compare this idea, *In Amnestia Consista Substantia Pacis*, "In Forgiving Lies the Substance of Peace," with the paragraph about war debt of the Versailles Treaty of 1919. The difference in conception is why Versailles and Trianon did not produce a peace order, but led to World War II, and is breeding further wars, as we see in the Balkans right now.

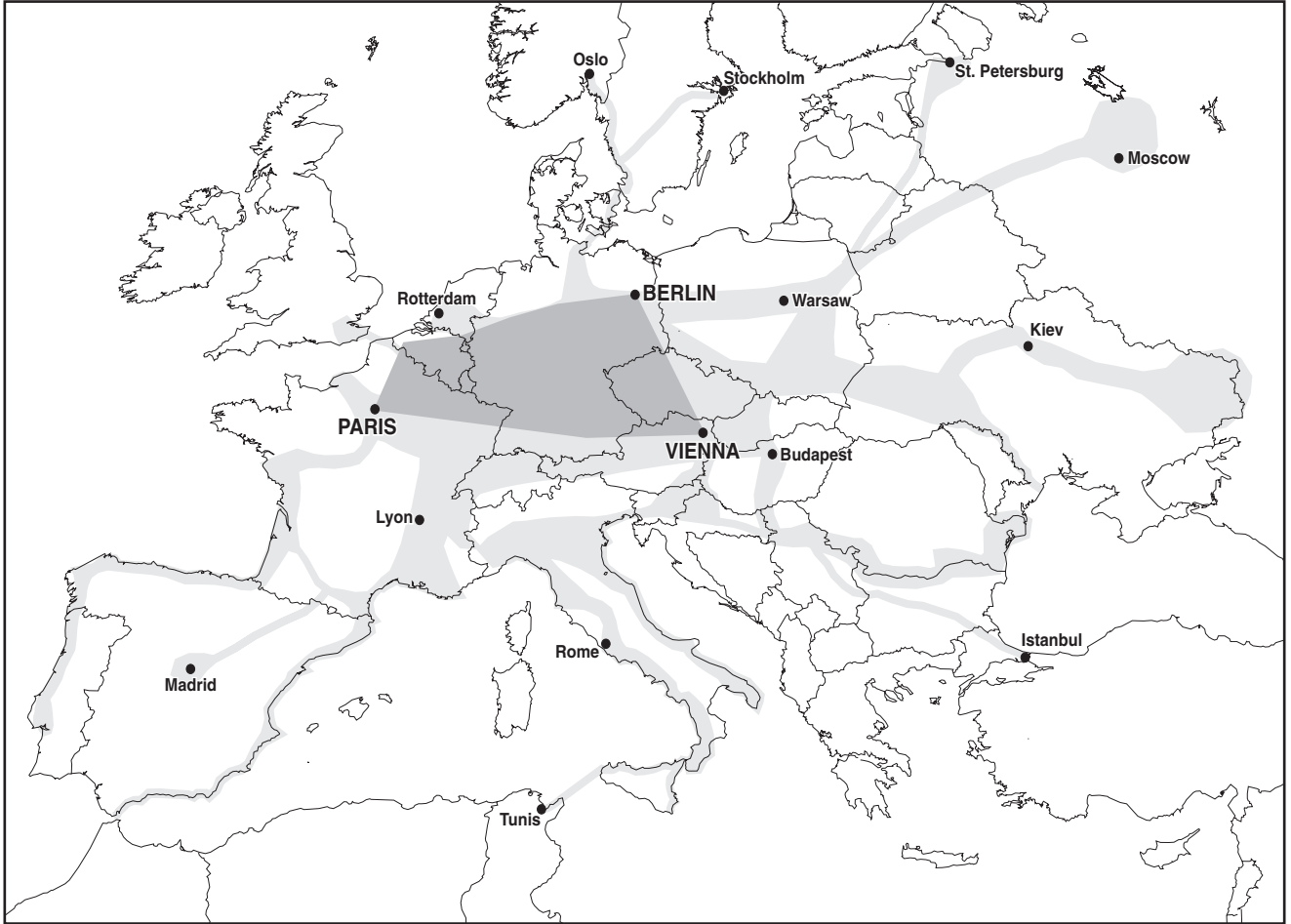
The role of the state

The Treaty of the Peace of Westphalia states that peace is the highest goal of the community of states. It was the first time that the framework was created where a different principle from that of the limitless right of the victorious party was implemented.

The Peace of Westphalia was not perfect. It had some problems, because at that point, there still was a big influence of the Venetian Party, so to speak, or Venice directly, as a negotiator. So it led, among other things, to the cementing of the sovereignty of the princes in Germany, which definitely was a not-so-good development. Also, Germany, 40% of which was destroyed, was burdened from there on with a much larger influence of foreign powers which could ally

FIGURE 2

The Paris-Berlin-Vienna Productive Triangle, and its spiral arms of development, from a 1990 EIR study



with these sovereign princes, and so forth. So I am not saying that this peace treaty was perfect.

But, I think that the conclusion of the Thirty Years' War, and the peace Treaty of Westphalia, were a gigantic step forward in international law, and also for another reason: that the amount of the destruction made necessary the role of the state in economic reconstruction. The state had to take control of this.

This had an enormous significance for the evolution of the theory of the state in Germany. And all of these ideas, like cameralism, or the ideas of Friedrich List, were the direct outcome of the experience of the requirements of reconstruction in this period.

Peace based on reconstruction

All of this is of the highest importance for the peace plan in the Balkans, because it must be based on economic reconstruction, which must be beneficial to all concerned. And I

think that, without the idea of *forgetting, for the sake of peace*, it will not function. I do not think that there will be peace in the Great Lakes region of Africa, where there have been massacres among Hutus, Tutsi, and others for years—it's quite comparable—without putting aside the problems of the past. And I think this is an extremely important lesson.

We have had a concrete plan on the table since November 1989 for what to do. In 1989, Mr. LaRouche proposed the Productive Triangle, Paris-Berlin-Vienna (**Figure 2**), and the extension of that Triangle through development corridors, into, among other places, the Balkans.

We need a swift program like that. We need a crash program. We need the complete exclusion of the IMF and the World Bank. We need a credit mechanism like the Kreditanstalt für Wiederaufbau in Germany in the postwar period.

But also, we cannot talk about the reconstruction of the Balkans by assuming that it is an island in a disintegrating world economy, with Asia collapsing, Russia, Ibero-

FIGURE 3

The Rhine-Main-Danube Canal as a crucial axis of the European Productive Triangle



America, Europe, collapsing, and so forth. This Eurasian Land-Bridge has to be the larger idea. But not only that, as I will elaborate. If we want to avoid World War III, we have to do exactly that [the Land-Bridge].

Let me first say a couple of things about this conception. In 1989, when the borders of Europe came down, Mr. LaRouche proposed to take this Triangle—Paris-Berlin-Vienna—which still is the area of the largest concentration of industry in the world, and beef it up through investment in high technology, maglev trains, aerospace, modern techniques in production, such as laser and plasma processing, and so forth: Increase the productivity. Then, through so-called infrastructure corridors into the East, into the South, the idea was to take this Productive Triangle as an economic motor for the development of eastern Europe, and also for southern Africa.

This was not done at the time. Instead, the IMF conditionalities smashed Russia, bringing it down to the level of a Third World, raw-materials-provider country. Now, this development idea is back on the table as the only solution.

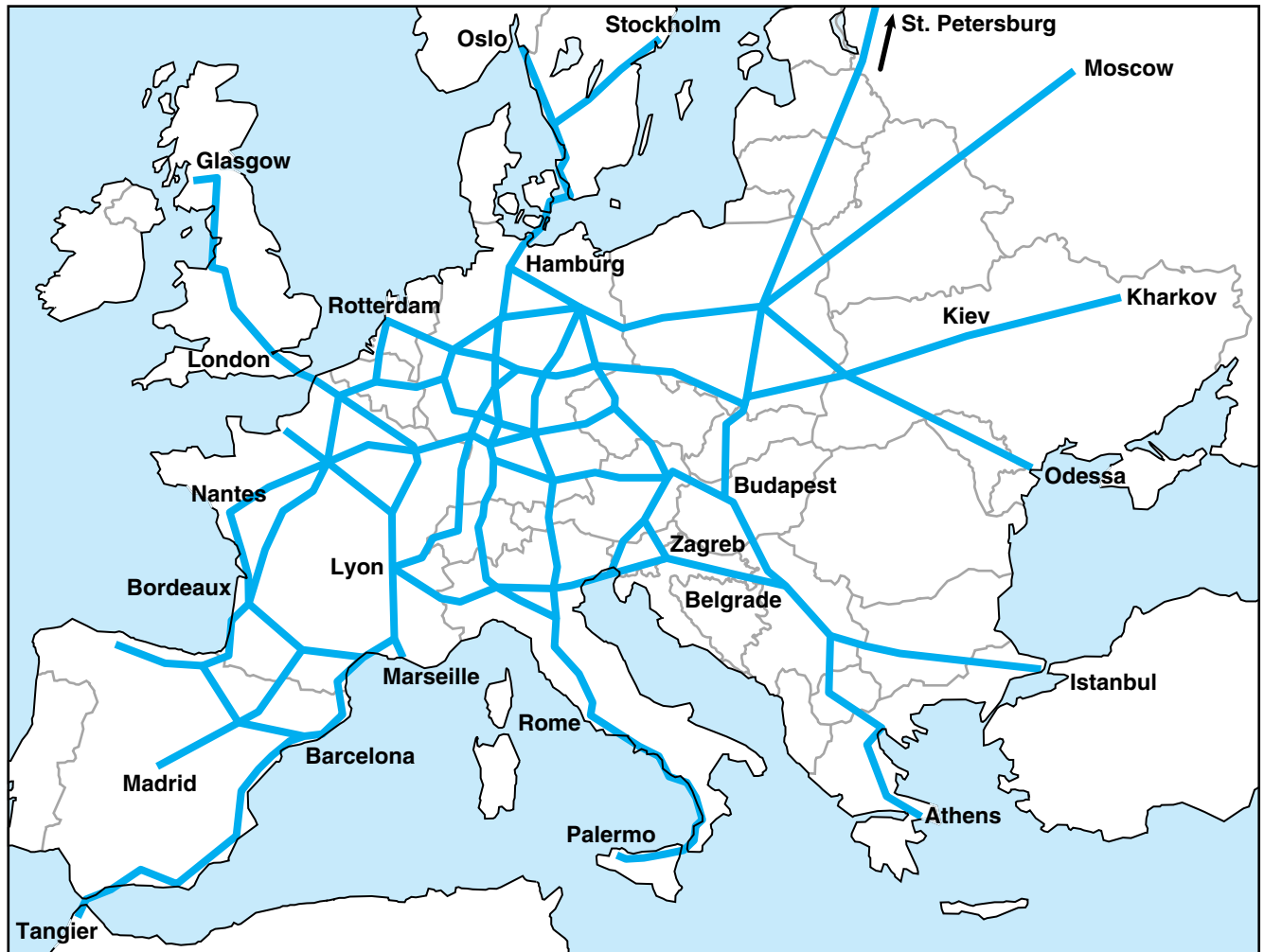
If you look at the Danube River: It connects through the Rhine-Main-Danube Canal, to the Black Sea, all the way to the Rhine, to Holland (Figure 3). So it is a trans-European waterway, which runs near Vienna, Austria; Budapest, Hungary; Yugoslavia; Romania, into the Black Sea. The Danube could become the center of such an economic development.

Another spiral arm stretches from the southeast side of the Munich-Vienna core area through Croatia, Slovenia, Ljubljana, Zagreb, toward Sofia and Istanbul (Figure 4). This is a main transport line between Europe and the Middle East.

Had the Productive Triangle been realized in 1990, the

FIGURE 4

Continuation of the connections of the Productive Triangle into 'spiral arms'



Balkan war, in all likelihood, would never have happened. Even before the first aggression of the Serbs in 1991, the Yugoslav economy was already completely destroyed, because, in the 18 months before the dissolution of the whole area, the IMF austerity conditions on the Markovic government had reduced the living standard of the Yugoslav population by 40%. And that just increased the desire on the part of the Slovenians and Croatians to have independence. In a certain sense, the whole thing just collapsed and fell apart.

If Yugoslavia, at the early stage, in 1989-90, had been included in the Productive Triangle, there would have been a completely different dynamic.

If you take the proposed rail and road networks of the Land-Bridge, together with the waterways (Figures 5, 6, and 7), then you can see that along the Drava and the Sava rivers, inland shipping lanes should be built according to European standards. There should be a canal going to Italy, which had already been planned in the last century, to connect the Dan-

ube through Hungary, Croatia, Slovenia, to the Adriatic Sea and to the Po River in Italy.

There should also be a canal-river connection of the Danube, with the Morava and the Vardar (Axios) rivers, through Serbia, Macedonia, Greece, and the Aegean Sea. These water lanes serve as infrastructure corridors themselves, above all, for the development of heavy industry.

The rail trunk line from the Munich-Vienna-Budapest area to Belgrade-Sofia-Plovdiv-Istanbul, is part of the southern axis of the new Eurasian Land-Bridge.

From this main trunk line, four important corridors branch into the territory of ex-Yugoslavia, among them the corridor from Salzburg, Villach, Ljubljana, Zagreb, Nis, Skopje, Thessaloniki. The corridor from Linz, Graz, Maribor, Zagreb, Split, Ploce, Dubrovnik, Durres, and Athens is another one.

There is also the corridor from Budapest, Pécs, Osijek, Tuzla, Sarajevo, Mostar, and Ploce, and another corridor from

FIGURE 5

Proposed rail network in Bosnia-Herzegovina



FIGURE 6

Proposed road network in Bosnia-Herzegovina



Vienna, to Gyor in Hungary, to Maribor, Ljubljana, all the way to Milan.

These routes are in most part identical with the water corridors mentioned. Further, the secondary branches of the rail and highway lines, specifically in Bosnia-Herzegovina, serve as a skeleton for the reconstruction of the area destroyed by the war.

Back to the Eurasian Land-Bridge: The same approach has to be taken for the entire Balkans, Southeastern Europe, Central Europe, and also Russia, Ukraine, Central Asia, South Asia, Southeast Asia, and China.

The American tradition

In one sense, it is very easy, because all the pieces are there. The United States has a beautiful tradition: the American Revolution, Lincoln, and Franklin D. Roosevelt, who wanted to build a world which would end colonialism. Martin Luther King also; he wanted exactly to go this road.

So, all America has to do, really, is to go back to its best tradition: Don't be an enemy of the world, be a friend of the world. I know from many, many years of travelling, that many countries would like to be a friend of the United States. They

have been hit over the head so many times, that they have been confused. But it would be so, so easy for America to be a friend of the world.

It is easy for another reason, which is that the movement associated with Mr. LaRouche has been working on this for 30 years, and, therefore, we are not without allies in the world who want this.

In Ibero-America, it would be so easy. In Ibero-America, ever since Mr. LaRouche proposed in 1982, together with Mexican President José López Portillo, the integration of Ibero-America, many forces there, despite all the political changes which have taken place in the meantime, basically want to have the economic integration of Ibero-America. And you can see that we are not only talking about a Eurasian Land-Bridge, but about the connection of the Eurasian Land-Bridge through the Bering Strait, to bring this kind of economic development all the way down through Canada, the United States, Central America, and South America: to end colonialism and its vestiges.

We have to bring the same kind of development into Africa. What should prevent us from reconstructing the African continent, with the same means, to have a blossoming conti-

FIGURE 7

Balkan countries: existing and proposed waterways



nent in 10, 15 years from now, where hunger and disease are basically conquered?

I think this is possible. I think that is because Mr. LaRouche is associated with these ideas in all parts of the world:

In China, he is respected as the only economist in the West who understood, prognosticated, and forecast the world financial crisis, who proposed a solution which is in the interests of all participating countries.

In Russia right now, every patriot who is willing to go for a pro-Western solution openly associates with Mr. LaRouche.

Therefore, if we can mobilize the American population to give President Clinton the necessary support, I think we are at

the most fascinating moment in history in all of our lifetimes.

I think that sometimes, a horrible tragedy, like this war, which has brought the world to the brink of the abyss—and which is threatening the world with a Thirty Years' War that is much worse than that of the seventeenth century, because it would have nuclear weapons, which would surely be used—that sometimes, the recognition of such a horror, can be turned into a big opportunity.

Therefore, let us use the reconstruction of the Balkans, as part of the Eurasian Land-Bridge, and the New Bretton Woods System, to become the fulfillment of all the best hopes America ever stood for, the fulfillment especially of the intention of Franklin D. Roosevelt at the end of World War II.