

the Indonesian military opposed to President Sukarno, which unleashed a calculated bloodbath against Sukarno's popular base, targetting especially the mass-based, legally constituted Communist Party, leaving tens of thousands dead.

### **The same methods are being used today**

All these methods and more are at work again today. General Suharto, who replaced Sukarno after 1965, ran an authoritarian regime, but promoted the utilization of the substantial oil wealth to create the beginnings of an industrial infrastructure, while dramatically reducing poverty. Suharto, however, fell prey to the foreign hot-money bubble of the 1990s, making Indonesia an easy target for the 1997 blood-letting by currency speculator George Soros and his ilk.

Virtually overnight, the Indonesian currency, the rupiah, was reduced to one-fifth of its former value, later settling at one-third. All foreign debts and import prices thus increased threefold, leaving the country utterly bankrupt. The IMF then forced the government to assume the entirety of the bad debt of the financial institutions, while also demanding drastic price increases on consumer necessities, and the privatization of state-sector banks and industries. Only Western speculators, of course, have the resources to buy such enterprises.

IMF Managing Director Michel Camdessus later acknowledged that the IMF had made "a mistake" in Indonesia (and elsewhere in Asia), by imposing extreme austerity conditions when new credit was needed. IMF documents show that

Camdessus was lying—that the policy had been intentional, with the purpose of destroying the currency and opening up the economy to foreign takeover.

The world press published a humiliating photo of President Suharto sitting as he signed an agreement with the IMF, with a smirking Camdessus standing behind him, gloating over his prey. The "international community" and the world press then unleashed a barrage of defamation against Suharto, blaming his corruption as the sole cause of the Indonesian collapse, despite the obvious fact that the crisis was Asia-wide, and reflected a global breakdown. Simultaneously, the well-funded non-governmental organization (NGO) network in Indonesia—reported to be the largest concentration of NGOs in the world—went to work demanding Suharto's ouster, diverting attention from the ravages of the speculators and the IMF conditionalities.

Corrupt layers in the military, using methods long approved by their Western advisers and trainers in "suppressing Communism," kidnapped and tortured student dissidents, purposely releasing them so that they could tell their tales, and are widely believed to have provoked the May 1998 riots that destroyed large areas of Jakarta, targetting the Chinese business minority. Within days of the riots, Suharto was forced to step down, although he prevented a military coup by passing the Presidency constitutionally to Vice President B.J. Habibie, the architect of Indonesia's industrialization. A number of suspect generals were purged or transferred to

## **Oil, opium and the attack on Asia**

by Jeffrey Steinberg

The broad area of the Asian heartland, stretching from the Caucasus, through the Caspian Sea, and into Central Asia and the subcontinent, is now the zone of conflict for a new, more virulent British "Great Game," aimed at the destruction of Russia, India, China, and all of the bordering nations of the "Silk Road" region. Since 1979, Afghanistan has been the epicenter of a perpetual war, now spread into Pakistan, India, and the former Soviet republics of Central Asia. This perpetual war has also seen the explosive growth of opium production and distribution out of the area known as "The Golden Crescent."

The estimated 25-35,000 *jih*ad warriors who were brought to Afghanistan by Western intelligence services during 1979-89, to drive out the Soviet Red Army, have now been constituted as the core of a new international

terrorism—targetting the United States, continental western Europe, Russia, and all of the Islamic states of the Persian Gulf and Mediterranean, as well as Israel. More than a dozen governments have filed formal complaints with the British Foreign Office, over the fact that the "afghansi" terrorist organizations are all housed and bankrolled in London and in other British Commonwealth capitals.

The map shows the war-zone of the new "Great Game." British-centered oil cartels, including British Petroleum, Royal Dutch Shell, and their American "cousins," have carved out the Caspian Sea region as their new field of conquest, and are committed to the short-term destabilization and disintegration of Russia, to assure that Moscow is unable to prevent the "Great Oil Heist." The opium fields of Central Asia substantially overlap with the current and future oil and natural gas fields. The heroin routes criss-cross the petroleum and gas pipeline routes.

The common denominator of the terrorists, the opium smugglers, and the oil profiteers, is London. The current heirs of the British Opium Wars and the nineteenth-century "Great Game" are, in many cases, the very same people.

harmless positions.

Although Habibie successfully guided the country to peaceful national elections the following year, the economy was at the mercy of the IMF and the foreign creditors. Poverty rates skyrocketed from 11% to over 50%, while food shortages led to an extent of malnutrition among children that will leave permanent damage.

### The British 'outer islands' strategy

With the economy in shambles, the British "outer islands" strategy was revived. East Timor was the first target. Despite the fact that Indonesia had lifted East Timor out of the backwardness bequeathed by Portuguese colonialism, the population suddenly found itself impoverished by the national economic collapse. The government of President Habibie, under intense international pressure, agreed to a referendum on independence for East Timor. The international community leapt in with offers of millions of dollars of support if East Timor were to vote for independence, and, not surprisingly, the vote went that way. The Indonesian military kept the peace between the longtime warring factions in East Timor in the months leading up to the referendum, but after the overwhelming pro-independence vote, the pro-Indonesia militia, possibly with backing from factions in the Army, went on a rampage. Lying reports of thousands of deaths filled the world press (the actual death count is around 200), serving to justify the British Commonwealth occupation of East Timor, using

primarily Australian troops under cover of the UN. The attempted dismemberment of Indonesia was under way.

A look at **Figure 1** will indicate another reason for the BAC interest in East Timor and other areas where separatist movements are being promoted, such as Aceh, Riau, Papua (formerly Irian Jaya), and Maluku. The vast oil fields lying in the Timor Sea were being developed rather slowly through joint agreements between the Western oil giants and the Indonesian state oil company, Pertamina. Since East Timor's referendum, however, the Western companies have commenced a "frantic drilling season," with at least 20 new wells under way. The UN occupation government currently ruling in East Timor, in consultation with the IMF, has conveniently dictated that the U.S. dollar shall be the official currency of the tiny state, completing the recolonization process.

The largest foreign mining presence in Indonesia is Rio Tinto, which controls much of Australia, but is itself controlled by one of its largest shareholders, the Queen of England. Rio Tinto is directly active in Aceh and Papua, both rife with separatist insurgencies, while in North Maluku, the site of some of the bloodiest ethnic rioting in the past year, the dominant mining company in the region, Newcrest of the United States, is run by the former CEO of Rio Tinto, Sir Roderick Carnegie.

Both Aceh and Riau are major oil producers, run by the leading Anglo-American oil cartels.

With the nation being literally torn apart, the military

Oil, gas, and drugs in the Caucasus and Central Asia

