

counts and reserves, allowed under Hong Kong law, will continue. The Deng regime announced that they were understanding of the move.

The drug angle

As is now well publicized, the world is experiencing an unprecedented flood of high-quality China White heroin. One bust in California in June netted 1,080 pounds of pure China White worth about \$3 billion, almost as much as was seized in all of 1990. The production of most of this heroin in China itself has not been a very well hidden secret since 1970 when the Kissinger team, preparing to reestablish relations with Beijing, ordered the redrawing of the maps of the Golden Triangle prepared by the U.S. narcotics authorities in the 1950s, such that China was completely left out. Backward hill tribe leaders of the Burmese jungles are now fantastically credited with being the world's largest drug barons. In fact, the Chinese retain their close collaboration with British banking largely to launder the enormous flow of drug money, the largest single source of revenue in the world economy.

Zhou Enlai, in 1965, told Egyptian President Gamal Abdel Nasser about the U.S. troops in Vietnam: "Some of them are trying opium. And we are helping them. . . . Do you remember the West imposed opium on us? They fought us with opium. And we are going to fight them with their own weapons. . . . The effect this demoralization is going to have on the United States will be far greater than anyone realizes."

Now, with the rapid collapse of the Chinese social structure over the past three years, the drug problem has exploded within China, with the population turning to drug use. Two tons of illicit heroin (about \$12 billion street value) were seized within China this year, and dealers involved in sales to Chinese are being executed by the score. But the old drug routes out of Yennan Province, the real center of the Golden Triangle, into Myanmar (Burma), India, and Hong Kong, are being rebuilt and modernized, and the British banks controlling the flow are now far more conveniently located within the country.

In the midst of this shakeup in Hong Kong, the British seized the Bank of Credit and Commerce International. BCCI has three primary centers: London, Abu Dhabi, and Hong Kong. For reasons not revealed, the Hong Kong branch was left open for several days, then seized for liquidation. Depositors may receive 25¢ on the dollar. While unraveling the strings connected to this CIA- and British intelligence-connected bank will prove most interesting, it is even more interesting to note who is shutting it down, and why. The British press outlets in Hong Kong are reporting that the BCCI is suspected of drug ties through connections to the Myanmar government, and that the drug lord from the Burmese jungles, Khun Sa, laundered his money through the Hong Kong branch of BCCI. While likely true, this further whitewashes both the drug operations of the major Hong Kong banks, and the role of China in the drug trade, conveniently timed for the transformations now under way.

Algeria after the Islamic Salvation Front

by Jacques Cheminade

The author, president of the Schiller Institute in France, has recently traveled to Algeria as well as to some of the newly liberated countries of Eastern Europe. His article was adapted by Dana S. Scanlon from a French version published in the July 11 issue of the newspaper Nouvelle Solidarité.

The government and Army of Algeria have clearly demonstrated that they do not intend to allow the Islamic Salvation Front (FIS) to bring anarchy down upon the country.

In the wake of confrontations throughout the night of June 4 between Algerian security forces and fundamentalists from the FIS, during which six people reportedly died, President Chadli Benjedid had declared a state of siege. The government was dismissed, and multi-party elections which had scheduled for later in June were postponed. The FIS had been conducting increasingly riotous protest actions for almost two weeks, denouncing the ruling FLN party and labeling President Chadli an "assassin."

Now, less than two months later, and with a new government in place, the extremist leadership of the FIS has been broken, the ringleaders Abbassi Madani and his lieutenant Ali Belhadj will be put on trial, and the disappearance of the FIS's "security squads" from the capital, Algiers, indicates the degree to which its structures have been dismantled.

The danger of an uncontrolled disintegration has been avoided. But the most difficult tasks still lie ahead.

First, some accounting of responsibilities for how the situation came to the present state of affairs must be carried out. Second, a program for national economic development, which can unite all Algerians, ensure their democratic participation, and wipe out the unemployment and misery which fed the FIS uprising, must be implemented.

An accounting of responsibilities

In his severe indictment issued before the National Assembly, the new prime minister, Sid Ahmed Ghozali, placed the blame equally on the shoulders of the nomenklatura of the FLN (the National Liberation Front, formerly the sole party in Algeria) and the FIS leaders, who stepped outside the bounds of legality, first with tactics of intimidation, then

of violence, openly defying the state and its laws, calling for desertion from the Army and an armed insurrection.

The majority of Algerians approve of this double condemnation: of those who monopolized power and clung to it, and of those who tried to seize power, at the price of the blood of Algerians and the dismantling of the nation.

Ghozali went one step further in the right direction, by condemning the direct support by foreign powers, of this destabilization effort which threatened national unity. Although he cited no country in particular, the tone set by the Algerian press made his accusations very clear: that the FIS has received funds from Saudi Arabia.

This publication has its own evidence that the Saudi religious movements did indeed finance the FIS, with encouragement from the CIA and British secret services.

Outside the law

The isolation of the provocateurs—Madani and Belhadj—is a job well done. Clearly, by calling on Algerians to stockpile weapons, Belhadj put himself outside the framework of the law. As for Abbassi Madani, his statements were particularly violent, when he threatened that if the Army did not return to the barracks, the FIS would call for a jihad—a holy war—as in November 1954 against the French presence in Algeria.

The hypothesis that Madani (who spent part of his student years in England) and Belhadj were trying to provoke a bloodbath, seems entirely justified. Both of them, having been put in the minority within the FIS leadership, decided to go around the leadership and call for the continuation of the strike until the government's collapse.

This was both unacceptable and dangerous. The Army and the government rightly isolated the provocateurs, neutralized the "*enragés*" of the mosques, and established an absolutely necessary dialogue with the moderate elements of the Majlis al-Shoura. By meeting with Said Guechi, Mohammed Kerrar, Hashemi Sahnouni and Rebihi Achour, Prime Minister Ghozali has established an indispensable bridge for the establishment of democracy in Algeria.

The delegation from the leadership of the FIS, for its part, pledged to act within the framework of the law, and called on Islamic militants to do the same, respecting the law by showing evidence of patience and discipline, exhorting them to not respond to provocateurs and to set up roadblocks against opportunists.

Not out of the woods, yet

It seems then that the government and the Army successfully avoided the trap of ultra-repression. Is this to say that the crisis has been overcome? Hardly.

First of all, the government can no longer escape the economic and social question, as Prime Minister Ghozali himself stressed at the National Assembly on July 4. This means that the government must clearly recognize that the

neo-liberal policies of former Prime Minister Mouloud Hamrouche were a disaster. It was the drop in living standards of Algerians—not by 8% as Ghozali told the Assembly—but more likely by 20%, which fed the ranks of the FIS in a country which has no fundamentalist tradition. The average rate of use of the country's productive capacities has fallen below 50%. Workers are deprived of hope and of responsibility. The challenge the government faces is precisely to give them responsibility, to bring an end to the progressive drain of the country and to maintain the plant and equipment required for productive jobs.

This notion of democratic responsibility is the opposite of the subculture of the nomenklatura of previous regimes, which, all the while proclaiming themselves "by the people and for the people," have more often than not served only the interests of a small group of less and less competent men of privilege.

Algeria's true identity

This means a transition to a culture of democracy, and at the same time, to give back to Algeria its memory, its real Muslim memory: that of its unique contribution to Islam, successor to the Islam of Grenada and Cordoba, that is, Andalusian Islam.

The task is extremely difficult, in an international context defined by neo-liberalism, and by oil prices artificially depressed—by the U.S. and Saudi authorities, the very same ones who financed the FIS provocateurs—to less than \$23 per barrel.

The order of the big state companies run by the nomenklatura is a disaster; the neo-liberal "free market" order, in its present phase, is even worse. A rigorous industrial policy, a rigorous and honest policy of enterprise and of labor, must define the new way. This path would be faithful to the one which Abd-el-Kader (1807-73), the leader of the Algerian resistance against the French invaders, tried to define in the first half of the 19th century. It is the path of the twofold heritage of Andalusian Islam and of the "Polytechnicians" of Mohammed Ali, the ruler of Egypt during the first half of the 1800s, who modernized Egypt with the assistance of French technicians from the Ecole Polytechnique.

Europe will also have to help Algeria, acting in its own interests, and summoning up the courage to oppose Anglo-American liberalism. France, Spain, and Italy, as Algeria's neighbors across the Mediterranean, bear a special responsibility to ensure that the European Community grant Algeria aid, but not aid tied to the implementation of radical "free market" economic shock therapy, or worse, tied to population control measures, as is already being talked about. It has to be the kind of aid that would allow Algeria to develop, through major infrastructural projects. It is the kind of aid that would enable an ally to reconstitute its substance, to ensure justice for its people, and to play a role for development throughout the region.