

Connected to this issue is the whole process of privatization. Now, what complicates the privatization process is not only fairness and justice, and how is this done the right way? How are companies valued? It's also, particularly in a country like Bosnia, a strong sense of social responsibility. When you have a large number of people who have been left without homes, when you have a large number of people who have been left without parents, without sons and daughters, who have been left handicapped, when you have a large number of war veterans, there is a great political demand for social accountability — which does complicate the privatization process. At the same time, there is this effort to move ahead with lowering bureaucratic barriers and also decreasing taxes. So, these two goals do sometimes find themselves at odds. But at the same time, I do believe that they can provide significant opportunities.

Opportunities for the future

Now, let me talk rather briefly about the opportunities I see in the region. The first and most important one, I think, is the one that I have alluded to: We don't hear at this time, as we did three and a half years ago, "what is the exit strategy out of the Balkans, or out of Kosovo?" No one is talking about a one-year stay for American forces, or NATO forces. They're in there for the long run. . . .

To be very blunt here, I don't think NATO has yet assured itself of success; the only way it will assure itself of success in this mission is by seeing the rebuilding of not only Kosovo, but also the entire region, being completed. And the rebuilding here is not only in the sense of integration into the Western alliance, but also, of course, economic. . . .

So far, we've had \$2.7 billion spent in Bosnia. But it has been envisioned, and in fact there is a commitment, to spend \$8 billion, just in Bosnia. So we have another \$5-plus billion coming, and this certainly represents a tremendous growth opportunity. This money has been slow in being spent in the past. In part because of institutional constraints within Bosnia, but also outside. I believe many of those in fact will be remedied.

There's also another issue, which I think lurks behind many people's mind here and that is: Okay, we have a new Marshall Plan; but how similar is southeastern Europe to western Europe of 50 years ago? I think the cultural differences, the differences in the quality of the workforce and the willingness to work hard, are very minimal. If we look at the immigrant community that comes to this country, whether it be from Romania, Kosovo, or Bosnia, we find that these people are the backbone of American society. They are everything from the auto mechanics, to the teachers, to the lawyers and doctors. The difference is that we, in the old communist system, suffered from 50 years of malaise, and I think this can be very much overcome with, not only the assistance of government, but also the assistance of the business community. . . .

Interview: Miomir Zuzul

The Balkans needs a new Marshall Plan

His Excellency Miomir Zuzul is the Ambassador of Croatia to the United States. He spoke to Umberto Pascali on June 15, during the conference on Balkan Assistance and Reconstruction, in Washington.

EIR: Mr. Ambassador, we have just heard basically every single ambassador of the Balkan countries talking about the need for real reconstruction and development of the Balkans, which many called a new Marshall Plan. You just presented a very strong case for such a Marshall Plan. Is this plan now a real, concrete possibility, or could it remain on paper and be stopped, as happened after end of the war against Bosnia? Will the same factors that prevented reconstruction then, be able to do it again now?



Zuzul: I think that all signs are showing that this will be real. Of course, that doesn't depend on us. But, it is true that, now, we do see a final solution for the entire region. That is one difference compared to Dayton. Dayton was, maybe, a final solution for Bosnia, but still there is a lot of instability in the local region. Now, I think that we are coming to the final solution. That is one difference. The second difference, maybe even more important, is that, this time, the most important countries that are grouped in the G-8 are very serious, when they think that the world should take the step to do investment and some kind of (as we are calling it now very often), a new Marshall Plan.

EIR: Yes, a new Marshall Plan. *EIR* has been calling for this for a long time. I am sure you remember vividly, three months after the Dayton Agreement, in April 1996, the mission of U.S. Commerce Secretary Ron Brown to Croatia and Bosnia. He had with him with about 30 of the top businessmen of the United States. Brown had in mind a plan for large-scale investment in the real economy. He had in mind direct relations between U.S. productive industry, and postwar Bosnia and Croatia. His plane crashed while landing

at the Dubrovnik airport in Croatia, on April 3, 1996. There were no survivors.

First of all, a new Marshall Plan would commemorate what they were trying to do. Can you tell us, from the standpoint of someone directly involved in that effort, what was prepared at that time? And how do you compare what Mr. Brown's death prevented, in relation to what must be done now?

Zuzul: Thank you very much for asking me that question, because that is something that I have very deep in my heart. Because I was the one who was preparing that Ron Brown mission, so I knew the late Secretary Brown very well, and I knew almost all of the people who were involved in that mission. I was the one who was waiting for them at the Zagreb Airport [when they arrived from the United States, and then later] in Dubrovnik Airport, and finally, one of the first witnesses to what happened.

But, what I wanted to say, to really reiterate what you said: It is indeed true that the formula by which we tried to organize that mission was "trade, not debt." At that moment—and I am proud to say that it was during one dinner that I had with Secretary Brown—we came to the joint conclusion that we should start to think in terms of trade, more than in terms of debt. That dinner took place in February 1996 here in the United States, during my visit. And, based on that idea, Secretary Brown organized the Commerce Department, they organized a group of businessmen and investors who were already prepared to invest primarily in Croatia, but also in Bosnia-Herzegovina. That was immediately after Dayton. And, if that had really happened at that time, if at that moment we had had what I was mentioning before, a billion dollars-plus of American investment in that region, maybe a lot of things could have gone in a better direction. Probably Bosnia would have been stabilized much quicker, and maybe Kosovo wouldn't have happened.

It is, of course, now very difficult to answer what could have happened, but certainly, I believe that what we can say, with a very high degree of certainty, that the economy in all of those countries could be much better now if there was not that tragic event in the beginning of 1996.

EIR: Ambassador Zuzul, why, after the accident in which Secretary Brown was killed, did these plans stop? Is there a similar danger now, concerning the talks on the new Marshall Plan for the Balkans?

Zuzul: Yes, certainly, there is always that danger. But, as you know, in many historical events, it was the fact that there was somebody who had the idea which somehow created the whole atmosphere. In that moment, it was indeed Ron Brown who knew what to do, combining economy and politics also. It was inside the political framework, inside the framework of the Dayton Peace Accord. And, he had a clear idea, and then, as you said, there were also American companies with

the idea of how to do that. And, with the people who had those ideas.

Now, after that accident, maybe we lost the momentum that we had at the time of the first mission—and that kind of enthusiasm with which people went on that trip, with which people entered that airplane. And, unfortunately, I think it's not so difficult to imagine that that level of enthusiasm didn't exist any more.

But, to stay on the positive side, I can say that from that second Commerce Department mission, we finalized three big agreements with three very big American companies: Parsons and Bechtel, and we are about to sign the contract with Enron, altogether more than \$2 billion. It is true, however, that we needed almost three years to finalize that, and if there was not the unhappy event with Ron Brown's mission, we probably could have finished it in three months. So, I agree

Brzezinski yearns for World War III

Zbigniew Brzezinski is a Central European aristocrat who became the National Security adviser for President Jimmy Carter. He is currently reported to be *magna pars* in U.S. Secretary of State Madeleine Albright's circles, excelling as a political extremist with a penchant for British colonial methods. During the period immediately preceding the NATO bombing of Kosovo, Serbia, and Montenegro, Brzezinski suddenly discovered the Kosovo question, and realized that Yugoslavian President Slobodan Milosevic was a war criminal. On the basis of this flash of insight, he proceeded to reactivate the Balkan Action Council (BAC), and went on a mobilization for all-out war, not only on Serbia, but basically on anything that would help damage the real target of his hatred, Russia. In this respect, he became the spitting image of pan-slavic Russian extremists such as Vladimir Zhirinovski, and of Voicislav Seselj, leader of the Serbian Radical Party.

In several interviews, conference speeches, statements, proclamations, and books, Brzezinski has explained to the doubting, that Russia—communist or post-communist, no matter—*delenda est*, i.e., must be destroyed. China must be stopped, too. He makes no secret of his conviction that the war in Kosovo is a means to an end of far greater mystical importance: This war is merely a springboard for the beginning of a new era, a "new millennium," in which outmoded ideas such as national sover-

with you, that it unfortunately stopped us. Maybe it stopped the whole region.

But, I also believe that we moved in a good direction, and that now is the moment when what Ron Brown was trying to do at that time can be done, but with, as I said at the beginning, two significant differences: Ron Brown's mission was primarily concentrated on Croatia and on Bosnia-Herzegovina; now we have concentration on the whole region. And by region, I am thinking not only of former Yugoslavia, but really of the local region. The second very important factor is that now we have a political framework which can produce results, and that is the Pact of Stability, which is kind of the model which can allow the region to have proper development. And the third, that, at this time—contrary to the first time, when it was primarily the initiative of Secretary Brown and the American administration—this time we have, indeed, the

most important players of the world behind it: the G-8.

EIR: Our news service has been pushing very much for the idea that the reason why the Balkans has been the victim of this terrible situation, but also the reason to have hope for the future, is that, it is a bridge from Europe to the Middle East and to Asia, to what was once called the Silk Road. And, in fact, this is being discussed in many countries. This brings me to the question: The development of the Balkan area probably cannot be achieved, if not in the context of something even more ambitious, like the whole Eurasian area overcoming political problems. The danger now is that the world is sliding into a new global confrontation, for example, a confrontation between the West, and Russia and China. This must be prevented if we want to have the chance to go for economic development.

eignty and independence will not be overrated, as they are today. To give up sovereignty, independence, and a certain amount of freedom, is the price Brzezinski says we'll just have to pay in order to have "peace" and "stability."

Sergey Lavrov, Russia's ambassador to the United Nations, put a fine point on the matter recently, when he characterized Brzezinski's theories as the "politics of hate."

Brzezinski has dedicated a growing amount of his propagandistic efforts recently, to sabotaging any potential for economic collaboration between the United States, China, Russia, and India in the Eurasian Land-Bridge and "New Silk Road" as proposed by Lyndon LaRouche and other circles. The "new NATO" seems to be his instrument of choice in that quest. His record certainly shows no love or respect for the rights of the Kosovars themselves. Indeed, for years Brzezinski and friends didn't lift a finger to stop, or even limit the terrible suffering of the Kosovars. But now, suddenly, he claims that the Kosovo issue is crucial, since it can be used to realize his feudalistic dreams of globalism and the end of national sovereignty. And, if war can keep the bankrupt speculative structures, based in Wall Street and the City of London, alive for a few more days or weeks, so much the better.

These issues erupted at the Washington Press Club on May 27, during a sharp exchange between Brzezinski and an *EIR* correspondent. Following Brzezinski's remarks, the correspondent said: "I think there is an important point that has been left out. . . . I have seen a few interviews by Dr. Brzezinski since the beginning of the bombing. He was stressing one point: What this war establishes, is a certain precedent: We have to go into the new millennium in a global situation in which national sovereignty will not be

as important and inviolable as it has been considered until now. I think the real point goes behind the attitude of those people now crying about the refugees, but who didn't give a damn about the Kosovars for so many years; Karadzic and Mladic have been stopped, for example, by NATO forces several times, but never arrested. There have been more than just negotiations with Milosevic, at least since the beginning of his career when he was not a politician; but he was a businessman with a strong relationship with sectors of the financial community in the United States. Now, if this war establishes a precedent. . . ."

"Excuse me," Brzezinski interrupted, "what is the question? You must ask a question, a question."

EIR: "Yes, my question is, if this kind of situation creates a precedent in which the concept of national sovereignty is undermined, do you go for a clash with Russia, China, India and so on . . ."

Brzezinski: "Is there a question mark?"

EIR: "Here is the question mark: Do you think this is a way to provoke World War III, or just to make a horrible mistake?"

Brzezinski: "I'll answer. I think it is neither. Next question."

If he had been honest, he would have said "both." It is worth noting here, that the director of Brzezinski's Balkan Action Council is none other than James Hooper, author of a commentary in the April 29 *Washington Post*, entitled "Calling for President Blair," in which he 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 with Britain to avail ourselves of Tony Blair's firm and principled leadership." — *Umberto Pascali*

EIR is pushing for Balkans reconstruction based on a call initiated by the founder of the Schiller Institute, Helga Zepp-LaRouche, and by Faris Nanic, the former Chief of Cabinet of President Alija Izetbegovic. They called for the implementation of a Balkan Marshall Plan and New Silk Road project, in terms of real investments in real economy, not just for reconstruction, but for the development of the huge potentialities of the whole area. How do you see this strategy and this method?

Zuzul: Well, first of all, I agree very much with the picture that you presented about that part of the world, and, looking from that perspective, it is even more important to build that bridge, as you call it, to be solid and stable. Not to be the place where the connections are cut, but to be the connecting point between different worlds. And I truly believe that southeastern Europe, and that part of Asia, certainly Turkey, can be that. And I believe that it is really the moment to build that bridge. Because, what do we have? We have western Europe, which benefitted from the great ideas that some people had 50 years ago, . . . and they are now certainly much better developed than any other country in the world, maybe with the exception of Japan. So, now, to prevent that discrepancy, that gap, from becoming bigger and bigger, it is necessary to build a bridge between the two different worlds, as you put it, I think that that can open possibilities for the rest of the world to participate in that way of development.

But, I also want to add something to your question. You know, there are misconceptions in the Western world about the southeastern part of Europe, the Balkans, that that was a region where people were always fighting each other. And that misconception came about primarily because, when they think in terms of American history, they think about 200 years of history. Even when they think about western Europe, they think in a shorter period than when we address the history of southeastern Europe. So, we have a tendency to put aside everything that has happened in 2,000, 3, 4, even 5,000 years, and to think that that was one short, and one unique history. Looking from that perspective, what I want to say is that there is no difference between southeastern Europe, western, northern, or any other parts of Europe. There were periods in every part of Europe where people lived for hundreds of years, literally centuries and centuries, without being involved in any war. And there were periods where people, in northern Europe, or western Europe, were involved in several wars which lasted 10 or 20 years. So, it is simply not true that the Balkans has always been an area of instability.

That is an area which can be prosperous and develop as well as any other area of Europe, or any other area of the world. And, finally, that was the case during many periods of history, and it is also true that at this moment, western Europe, and primarily the United States, can significantly contribute to create in that area, what it has to be again—and that is an area of stability and prosperity.

A dialogue on financing Balkans reconstruction

by Edward Spannaus

The issue of how to finance the reconstruction of southeastern Europe became a significant focus of discussion during a June 15 “Balkan Assistance and Reconstruction Conference,” sponsored by Equity International. Through questions posed by representatives of *EIR*, the issues of financing, and especially the disastrous role played by the International Monetary Fund (IMF) and the World Bank, were highlighted. Every participant in the afternoon session of the conference also received a copy of the June 18 issue of *EIR*, featuring an article by Lyndon LaRouche, “Balkan Peace and World Economy: The Case for a ‘New Marshall Plan.’ ”

It was clear from the presentations and discussions at this conference, that there is significant recognition of the necessity of creating a new financing mechanism to provide capital and credit for reconstruction. It is evident that this discussion is only just beginning, but also that it is understood as an urgent and crucial question on which the success or failure of reconstruction hangs.

In the interests of fostering this discussion, we present here some of the most important aspects of the discussion and dialogue which took place at the June 15 conference.

Leveraging institutional funds

During his presentation as part of a panel consisting of ambassadors of four countries neighboring Yugoslavia, Amb. Mircea Geoana of Romania emphasized the importance of attracting private investment, both foreign direct investment and portfolio investment.

“We have a couple of proposals, and we are about to submit this to the administration,” the Ambassador said. “I think we should use some of the OPIC [Overseas Private Insurance Corp.] money, some of the TDA [U.S. Trade and Development Agency] money, some of the Ex-Im [Export-Import] Bank things, some of the MIGA [Multilateral Investment Guarantee Agency] of the World Bank—insurance mechanisms—just to leverage the creation of some investment funds for the region.”

“People are saying now: ‘The Americans have paid for the war; let Europeans pay for the peace.’ I think this is a very dangerous way of thinking. We should try to leverage some institutional and public money from the U.S. in order to attract real private money from Wall Street, from your companies, and so on and so forth,” the Ambassador told the business representatives present at the conference. “I think it is not that