

International Intelligence

U.S.-Singapore Model Free-Trade Deal Scuttled

A Singapore official confirmed to *EIR* on Jan. 1, that the free-trade deal with the United States, intended to be a model to impose conditions on nations such as Chile, is a now a dead letter. Negotiations went on from Dec. 4-21, led by U.S. Trade Representative Charlene Barshefsky, with the Singapore team basically ready to accept certain labor and environmental conditions, over anticipated objections of the other nine members of the Association of Southeast Asian Nations (ASEAN).

But, Singapore drew the line, when conditions were added having nothing to do with U.S.-Singapore trade. For instance, the U.S. aluminum industry started demanding certain conditions in the agreement. "We don't produce aluminum, and we don't import aluminum, since we have no industries which require it," the official told *EIR*. "So why are they concerned? It's only because they want to use us, or the trade deal, as a lever." As a result, there is no chance that a deal will be signed during the Clinton Administration, as originally planned, and the Bush Administration will probably want to start all over. By then, the trade situation will likely be very different indeed.

Pakistan To Withdraw a Few Troops from Kashmir

Pakistan Chief Executive Gen. Pervez Musharraf announced on Dec. 27 that he was withdrawing some troops from the Line of Control in the disputed region of Kashmir. This is in response to India's unilateral cease-fire, originally announced to span the celebration of the Muslim holy month of Ramadan, and extended for another month to the end of January. India's Prime Minister Atal Behar Vajpayee had hoped the cease-fire would facilitate talks leading to the resolution of the dispute and bring peace to war-torn Kashmir.

By withdrawing troops from the Line of Control, General Musharraf wants to achieve a number of objectives. To begin

with, keeping a large force in the middle of Winter in Kashmir is extremely expensive and demoralizing, particularly at a time when Pakistan is in a serious financial crisis. Second, the religious fanatics in Pakistan have now joined with the Afghansi guerrilla networks to scuttle the Kashmir peace process, and have declared war against the Musharraf government. As a result, the Musharraf government expects that violence in the streets of Pakistan's major cities will increase rapidly in the coming months. Musharraf anticipates using the military to quell the agitators.

Finally, by withdrawing some troops from the Line of Control, Musharraf is exercising some pressure on the Indian fanatics who are highly suspicious of Pakistan. At the international level, this will bring some kudos to Musharraf, and some international press have praised his action.

In related news, on Dec. 24, a suicide bomber killed ten people in a car-bomb attack against an Indian Army barracks in Srinagar, in the state of Jammu and Kashmir. The perpetrator is Mohammed Bilal, a former college student in England, reportedly recruited by the London-based terrorist group al-Muhajiroun, led by Sheikh Omar Bakri Mohammed.

Ghana Elects Kufuor As Next President

Ghana Vice President John Atta Mills conceded the Presidential election to opposition figure John Kufuor on Dec. 29, officially ending the 19-year rule of President Jerry Rawlings. Unofficial results in the run-off election gave Kufuor 57.42% of the votes against 42.58% for the ruling party's candidate, Mills. In the run-off election, Kufuor received the backing from all five opposition party leaders, who had been eliminated during the first round of elections.

Rawlings has sat at the helm for 19 years of rule that largely favored the country's international creditors. There has been a construction boom in the banking and manufacturing sectors of Accra, the country's capital, but in general, manufacturing and farming are down throughout Ghana. The

unofficial jobless rate is estimated at 50%, and half of the population of 19 million is illiterate.

Frequently, Ghanaians are able to stay alive only because they receive money from family members who have gone abroad to find work. In the Northern Virginia suburbs of Washington, D.C., for instance, many Ghanaians work in the hospitals, taking 16-hour shifts, in order to remit money to their families back home.

Mitterrand's Son Under Arrest in Weapons Scandal

Jean-Christophe Mitterrand, the son of the late French President François Mitterrand, was arrested on Dec. 22, in a dirty-money/arms-running scandal that is rocking the networks built up by Socialist President Mitterrand and his Interior Minister Charles Pasqua, of the "neo-Gaullist" UDF party.

Jean-Christophe Mitterrand was arrested in connection with the illegal sale of \$500 million worth of Russian arms to Angola, in 1993. Under the arrangement, brokered by Pasqua, Russia provided the weapons, for which arms dealer Pierre Falcone bought Angola's debt to Russia at a discount, against the mortgage of Angola's oil earnings. Young Mitterrand allegedly received \$1.6 million for his role in facilitating the sales. Pierre Falcone has been in French custody since early December.

In the course of the investigation, the offices of leading figures in the Mitterrand government have been searched, including those of banker Jacques Attali, former head of the European Bank for Reconstruction and Development (EBRD), a close adviser to the late President, and offices of Pasqua. Also searched were the offices of Pasqua's underling at the Interior Ministry, Jean-Charles Marchiani, a shadowy figure who carried out "offline" intelligence operations on Pasqua's behalf, earning Marchiani the nickname of "France's Oliver North." Reportedly, French police are investigating payments transferred from Falcone, to Pasqua and Marchiani, in order to finance Pasqua's 1999 election campaign for the European Parliament.

AUSTRALIA'S former Deputy Prime Minister Tim Fischer, who had repeatedly attacked Lyndon LaRouche in 1996, is expected to become Secretary General of the Commonwealth Parliamentary Association. The CPA, which has 134 member countries, is "charged with promoting and maintaining the Westminster system of parliamentary democracy."

LI PENG, head of the Chinese National People's Congress, is to visit India on Jan. 9-16, at the invitation of India's Parliament.

VIETNAMESE President Tran Duc Luong began a week-long visit to China on Dec. 28. The two sides signed agreements on border demarcation for the Beibu Bay, the large bay between northern Vietnam and southern China and Hainan, and a fishing agreement. Luong, who met with China's top leaders, also signed with them a joint statement for all-around cooperation in the new century.

THIRTEEN PATRIARCHS of the Orthodox Churches met in Istanbul—the old Constantinople—in late December, to celebrate two millennia of Christianity. Patriarch Alexei II of Moscow did not attend, because the Russian Orthodox Church maintains that Moscow is the Third Rome, and thus, it is the Moscow Patriarch's prerogative to call a Patriarchs' "Synaxis"; the other Orthodox Patriarchs of the former Socialist bloc did attend. The Orthodox churches have been very active in Balkans diplomacy recently, and were believed to be using the occasion to coordinate activities.

MALAYSIAN Prime Minister Mahathir bin Mohamad celebrated Eid-ul-Fitre, the end of the Muslim holy month of Ramadan, by publicly breaking fast with opposition leader Datuk Fadzil Noor, the head of the fundamentalist Parti Islam (PAS). Mahathir called for talks on Malay unity between his own party, UMNO, and PAS and Keadilan, the party founded to support Anwar Ibrahim.

This entire network is very much involved in arms trafficking and other dirty operations throughout Africa, working both sides of the bloody conflicts, stage-managed by Anglo-American intelligence networks. As Interior Minister, Pasqua kept the "files" for many former French African colonies, particularly Algeria, where he was linked to the so-called "Eradicators" in the Algerian military, during that country's 1990s' civil war.

Meanwhile, the London *Times* of Dec. 31 speculated that the Mitterrand investigative trail could lead to U.S. Vice President-elect Dick Cheney: French authorities are scrutinizing the activities of several oil companies which provide Angola with most of its foreign revenues, including the Halliburton oil services company, which until recently was headed by Cheney.

Thai Candidate Thaksin Indicted for Corruption

Thailand's leading Presidential candidate, Thaksin Shinawatra, was formally indicted on Dec. 26. The Counter-Corruption Commission upheld the recommendation of the investigative committee to indict him, for hiding a portion of his income from the reports he filed when he served in previous governments in the mid-1990s, by using his maid and chauffeur as unwitting nominees for some of his stock holdings. The trial will be held in the Constitutional Court, and could take several months.

If Thaksin is elected on Jan. 6, and then convicted, he will be forced to resign and remain out of politics for five years. Although he recently pledged that he would accept the verdict, and not appeal a conviction, he insists that he will proceed as the candidate for the Thai Rak Thai Party, which he founded two years ago. At this point, Thaksin is leading in the polls by 40% to 25% for the Democratic Party of current Prime Minister Chuan Leekpai.

Thaksin made a fortune through his Shin Corp. telecommunications conglomerate, with investments across Asia and with bank accounts in the Cayman Islands, among other locations. Thaksin serves on the board

of the Carlyle Group, with his friend, former U.S. President Sir George Bush.

Glazyev: Russia Must Preserve Its Science

The past year was a "year of unrealized opportunities," because the Russian government "did not manage to organize the financing of investment projects in the sectors capable of ensuring the acceleration of economic growth," said Sergei Glazyev, chairman of the Russian State Duma (lower house of Parliament) committee for economic policy. Glazyev was interviewed in issue #18 of *Nezavisimaya Gazeta*.

Asked about the refusal of the Club of Paris creditors to restructure Russia's foreign debt, Glazyev said that it would be a mistake for Russia to repay the debts in full amount this year, because this would eat up 40% of the state budget. "True, we could repay debts," Glazyev explained, "but in that case we could also lose the main thing—scientific-industrial and human potential. Then we shall have no other way out but to make debts again. I am convinced that today's priorities must be investments in economic restructuring based on novel technologies, as well as investments aimed at preserving and developing the national industrial potential."

"Our further progress depends not so much on foreign investments, as on the preservation and activation of the national scientific and technical potential," Glazyev emphasized. "All our efforts and resources should be pooled for this purpose, i.e., for realizing our competitive advantages in the sphere of science-intensive technologies, for starting up 'locomotives' of economic growth, including the aerospace and aircraft-building industries, nuclear power engineering, gas-processing industry, etc. And only then can we repay our debts."

Glazyev concluded by pointing to the Russian Federation's recent agreements with Germany and France, that they will start negotiations on debt repayment through the joint financing of investment projects in Russia, which, he said, raises hopes for the future.