

An Undesirable Independence

Given the wars and rumors of war from North Korea to the Middle East, the last thing America needs is to reignite the proverbial powder keg in the Balkans, a region that has been fairly stable for the better part of this decade, especially when compared to the bloody 1990's. That precarious stability could be undermined by the stated intention of some U.S. officials to support the independence of the southern Serbian province of Kosovo.

Occupied by NATO and administered by the United Nations since June 1999, Kosovo is by far the worst-governed part of Europe (Albania and Bosnia included). Christians are routinely terrorized by the Albanian Muslim majority in the province. Nearly 90 percent of non-Albanians have been ethnically cleansed, and some 150 churches destroyed, over the past seven years. Much of the nominal and most of the real power is in the grasp of Hashim Thaci, Agim Ceku, and Ramush Haradinaj, a scandalous troika of war criminals, drug traffickers, and jihadists who run Kosovo as a criminal fiefdom. And yet the proponents of Kosovo's independent statehood continue pretending that the province is as ready for independence as Slovakia or Estonia were 15 years ago. They insist that the "international community" merely needs to settle on the exact formula for independence, after which Serbia must sign on the dotted line. During a visit to Belgrade in the last week of July, the U.S. envoy, Frank Wisner, told Serbian prime minister Vojislav Kostunica privately that independence "in some form" is "unavoidable." In the weeks and months preceding his visit, many "Balkan experts" all over the West joined the chorus and claimed that, by the end of 2006, it would be a done deal.

There are signs, however, that this outcome is by no means inevitable. The shift did not seem likely when the United Nations abandoned its own policy of "standards before status" a year ago. The achievement of "standards"—measured in terms of non-Albanians' personal security and the return of non-Albanian refugees, whose numbers exceed a quarter of a million—only required a pretense of ethnic and religious tolerance on the part of the Albanians, but they refused to

offer even that much. The negotiations in Vienna over Kosovo's future status are doomed to fail: The Albanians will settle for nothing less than independence, and that is the only issue on which Belgrade will not budge.

Serbia's refusal to do more than grant the highest level of autonomy possible to Kosovo signals neither intransigence nor a foolhardy lack of realism. It reflects the fact that Russia and China are having second thoughts on toeing the Western line at the U.N. Security Council, which is the only body qualified to proclaim nations legally sovereign. As a Russian-affairs commentator told me, Putin once toyed with the notion of accepting Kosovo's independence in return for the West agreeing to a similar status for Russia's own enclaves:

Abkhazia, Trans-Dniester and South Ossetia have much better cases for independence than "Kosovo." . . . [I]t's not hypocritical for Russia to be against "Kosovo" independence while supporting it for these enclaves.

China, by contrast, is well aware of the danger that Kosovo's precedent could be used to her disadvantage in Taiwan, Tibet, Sinkiang, even Manchuria. Beijing will likely follow Russia on Kosovo's future, albeit for different reasons.

No less significant than the shift in Moscow and Beijing is the fact that Kosovo's appalling reality is finally becoming better known to the Western world. Writing in the *American Spectator* ("Blind Eyes Over Kosovo," July 20) after a recent visit to Kosovo, Doug Bandow provides a comprehensive account of Albanian violence and the duplicity of international Gauleiters. Any Serb who travels outside of a few remaining enclaves does so at his own peril, and, at the quasiborder between Serbia and Kosovo, drivers routinely replace their Serbian license plates to disguise their identities:

Even foreigners are at risk. Some British tourists recently were roughed up and their car was destroyed because the vehicle had



been rented in Belgrade. Had they been Serbian their lives probably would have been forfeited. More than 900 Serbs have been murdered since the allies took control and ethnic killings continue in the territory. But you will look long and hard to find an ethnic Albanian jailed for committing the crimes . . . [T]he behavior of Washington and NATO has been truly disgraceful. . . . [T]he allies have presided over one of the largest episodes of ethnic cleansing in the Balkans.

The explosion of organized crime, including sex trafficking, Bandow adds, goes hand-in-hand with the rise of radical Islam. This is evident in the more than 200 mosques that have been built since 1999, some of which unashamedly fly the Saudi Arabian flag. Bandow concludes, "Kosovo is less ready for independence today, based on its commitment to a multi-ethnic republic with human rights guarantees, than when it was 'liberated' in 1999":

A top U.S. official told me that he figures not a Serb will remain within five or ten years after independence, or even the status quo. That is, granting Kosovo independence means completing the process of ethnic cleansing that started seven years ago. Worse, since the West has been in charge, granting independence means ratifying the very process that the allies went to war to prevent. In order to get around this rather embarrassing dilemma, Western governments are talking about conditional independence, that is, independence only after ethnic Albanians meet certain

standards. Perhaps proponents of this perspective are so naive as to verge on the delusional; more likely, they are cynically maneuvering to get out of Kosovo with a minimum of public embarrassment.

Bandow argues that there is still time to get away from the brink, a view shared by the former Canadian ambassador to Belgrade, James Bissett. Writing in the *Washington Times* (July 11), he warned that granting independence to Kosovo would violate the principle of states' territorial integrity enshrined in the U.N. Charter:

U.S. violation of this principle would have far-reaching implications for the very framework of international peace and security. Independence for Kosovo also would create a criminal and terrorist state in the heart of the Balkans . . . [It] would set a precedent for other aspiring ethnic groups for independent status and would destabilize not only the Balkans, but many other parts of the world. It also would mark a low point in U.S. foreign policy. It is difficult to be held up as the champion of the rule of law, of democracy and the global war on terror, while at the same time giving support to war criminals and terrorists.

Julia Gorin wrote in the same spirit in the *Jewish World Review* (July 26), noting "the fact that the Kosovo Liberation Army whom we fought for had trained with al-Qaeda." And yet,

Kosovo's war criminal Prime Minister Agim Ceku, who is responsible for more than 600 deaths during the terror wars against Serbia, was received [in July] as an honored guest by Condi Rice. Richard Holbrooke gets awards for his work in implementing a racist state run by mob rule, without individual rights, property rights, safety of life and limb, or rule of law—a shining precedent for the rest of the world that any ethnic group can carve off a piece of a country once that group reaches a critical mass in any given city, state or province . . . When Kosovo becomes "Kosova" later this year with our blessing, and we help deliver the Balkan borders of Hitler's vision,

it will spell our own doom. While standing firm in the Middle East, the Bush administration embraces defeat in Europe, and extends the caliphate that the Clinton administration jump-started.

In a *Baltimore Sun* op-ed a few weeks earlier, Christopher Deliso reminded us that averting a humanitarian catastrophe was NATO's justification for bombing Serbia, but then came ethnic cleansing of Serbs and other minorities by Albanian militants. Investigations implicating Albanian politicians or their associates were routinely blocked:

The orders came directly from Washington, London and Brussels. Mr. Ceku and Mr. Haradinaj control Kosovo's militant factions and are considered heroes by Albanians. An anxious United Nations continually has sought to stay on their good side through appeasement.

Alarming, Deliso concludes, the West has no Plan B for ensuring peace: "In early 1999, Kosovo was a brutal but contained local conflict, relegated to villages. Botched Western intervention has made it a potential precedent for multi-regional warfare."

Even if cleansed of the remaining Serbs, Kosovo would not be a grateful friend of the United States. As Adm. James Lyons warned in the *Washington Times*, the drug, sex-slave, and weapons trades would continue flourishing—but none of this should come as any surprise in view of the KLA's well-established record of criminality. If Kosovo becomes independent, Lyons concludes, even the minimal interference in the Kosovo-based gangs' operations will be removed:

A criminal state not seen since the defunct Taliban regime in Afghanistan will be set up with easy proximity to the rest of Europe. Such an outcome would make a mockery of some of the United States' most important global security priorities. While the international community desires some sort of "closure" to the ongoing mess in Kosovo (and this is understandable), it is hard to think of a supposed solution worse than independence. Seven years after the 1999 war, this is one Clinton legacy that demands urgent re-

consideration.

These and other authors have generated a heightened American awareness that an independent Kosovo, forcibly and illegally detached from Serbia, would be harmful to U.S. national interests and to European and global security. Seven years after the 1999 war, the KLA criminal-jihadist structure dominates the province's administration and maintains a reign of terror over Kosovo's still-dwindling Christian Serb population. Churches and monasteries that have not already been desecrated, blown up, or burned by mobs of Muslim Albanians exist under tenuous protection from NATO. And yet, as the newly founded American Council for Kosovo pointed out in its introductory statement,

elements of the international community—including some sectors of the U.S. government and important voices in Congress—have accepted the idea that the only "solution" for Kosovo is to detach it formally from Serbia and to make it an independent state. This would mean officially handing power to the criminal and jihadist terrorist KLA leadership, who would then be empowered as a "sovereign" government.

On the bright side, it is worth remembering that the U.S. policy in the Balkans is not cast in stone. The dominant modalities of the "resolution" in Kosovo have acquired an explicitly Clintonesque flavor only in the second half of 2005, most notably with the return of Nicholas Burns to center stage at the State Department. Never a paragon of principled consistency, Condoleezza Rice, his nominal boss, has internalized the views of Mr. Burns and other Albright protégés like him on what needs to be done in Kosovo and Bosnia. She has come to favor a Balkan strategy that is hardly different from that advocated by candidate John Kerry in 2004, but that strategy has never been subjected to serious scrutiny within an administration that has far bigger fish to fry elsewhere. As recent developments indicate, things are not nearly as bleak for the opponents of independence as that strain of the "international community"—embodied in the Soros-funded International Crisis Group and Mr. Burns—wants them to believe, or as the decisionmakers in Belgrade are often cajoled into believing. <◊

FOREIGN POLICY

Neocons, Naxalites,
and National Demise

by Joseph E. Fallon

The neoconservatives have promoted an aggressive U.S. foreign policy that they term "benevolent global hegemony." In other words, they demand, to paraphrase Pat Buchanan, "an empire, not a republic."

What makes the American Empire an unprecedented historical phenomenon—the one instance in which the creed of American Exceptionalism holds true—is that the U.S. government, unlike previous imperial powers, seeks to acquire and maintain an empire from which it derives no economic benefits. In fact, not only is our pursuit of world empire shredding the Constitution (as well as countless lives), it is bankrupting the country.

By the end of 2005, the national debt had grown to \$8.1 trillion, or 64.7 percent of GDP. That is nearly six times the amount of currency in circulation. Forty-four percent of that debt was held by foreigners. Of that, 64 percent was held by central banks. Since September 30, 2005, the debt has been increasing at the rate of approximately two billion dollars per day. On a *per capita* basis, it has now reached \$28,000. What has been the response of Congress? Reduce spending? Increase taxes? No. In March 2006, it raised the legal debt ceiling to nine trillion dollars to allow for even more government borrowing.

The deficit for 2005 was \$726 billion, or 5.8 percent of GDP. In "Does the Widening U.S. Trade Deficit Pose a Threat to the Economy?" Frank Shostak of the Mises Institute writes that,

As a result of the ballooning deficit, the value of U.S. net external liabilities, expressed at historical cost, jumped to \$5.1 trillion in 2005 from \$4.3 trillion in 2004. As a percentage of GDP, net external liabilities climbed to 41% in 2005 from 37% in the previous year and

4.9% in 1980.

The Office of Management and Budget reports that the U.S. federal budget for fiscal year 2007 is \$2.251 trillion. Of this amount, \$1.102 trillion—49 percent—is allocated to the military. The breakdown is as follows: current military, \$563 billion; past military (veterans' benefits and financing past wars through loans, savings bonds, *etc.*), \$439 billion; and the wars in Iraq and Afghanistan, an estimated \$100 billion. (In *The Economic Costs of the Iraq War: An Appraisal Three Years After the Beginning of the Conflict*, however, Joseph E. Stiglitz of Columbia University and Linda Bilmes of Harvard project that the true cost of the Iraq war alone will exceed one trillion dollars.)

If the debt and deficit are not reduced, which is unlikely, since President Bush has asserted that his "War on Terror" will continue into the foreseeable future, the financial practices of the U.S. government may appear to many investors, particularly foreign investors, as a Ponzi scheme. If that perception takes hold, the currency will weaken as foreigners fearing an economic crisis become less willing to invest in U.S. dollars. To continue to attract foreign investment, the Federal Reserve would then have to raise interest rates, perhaps significantly, which could provoke a major recession.

War is one tactic employed by the neocons in their quest for global empire; trade is another. And their "free-trade" policy is hollowing out the U.S. economy, which is already suffering from 25 years of deindustrialization as companies relocate their plants to Mexico and (then) Asia, outsourcing U.S. jobs overseas. It is the greatest transfer of wealth in history—from America to Asia.

If current trends continue, Forrester Research, an information-technology consulting firm, expects the number of U.S. jobs outsourced to jump from 400,000 in 2004 to 3.3 million per year by 2015. And it is not just manufacturing and service jobs that are being outsourced. Technology-related jobs, such as "software development, customer service, accounting, back-office support, product development and other white collar endeavors," are also being sent overseas. According to a study by the University of California, Berkeley, approximately 14

million Americans working as "financial analysts, medical technicians, paralegals, and computer and math professionals could reasonably be considered 'at risk'" for having their jobs outsourced, while Deloitte Consulting anticipates that three quarters of America's leading financial institutions will eventually outsource their jobs, with India a prime destination.

Over half of the Fortune 500 companies are already outsourcing jobs. These include American Express, Chase, Dell, Delta Airlines, Hewlett-Packard, HSBC, J.P. Morgan, and Oracle. And, according to a CNET News.com and Harris Interactive poll, over 40 percent of U.S. technology executives are willing to pay higher taxes to prevent the U.S. government from prohibiting outsourcing. Outsourcing is too profitable to U.S. companies for them to allow it to be terminated, no matter how damaging it is to U.S. workers. As former U.S. Trade Representative Charlene Barshefsky remarked, "We used to think that displaced workers, given new training, could move up the value chain. There is now a question about whether that upward movement will be possible."

The profitability of outsourcing is principally derived from differences in salaries and regulations. First, companies often pay foreign workers a fraction of the American wage. For instance, in 2002, the U.S. salary for a software programmer was \$66,100; in India, it was \$10,000. A mechanical engineer in the United States earned \$55,600; in India, \$5,900. Here, an IT manager received \$55,000; there, \$8,500. An accountant earned \$41,000 in America, but only \$5,000 in India. And financial operations paid \$37,625 in the United States, but only \$5,500 in India.

Second, companies' foreign operations are not subject to U.S. laws on pollution, employment practices, workplace conditions, minimum wage, maximum work hours per week, sick days, child labor, safety standards, healthcare, unemployment compensation, and pensions.

Thus, many U.S. businesses benefit from the American Empire, even though the government and citizens of the United States do not. But what about India, an aspiring world power, a junior partner in the U.S. War on Terror, and a beneficiary of U.S. outsourcing?