

Electronic Intelligence Weekly

Online Almanac

Volume 1, number 30

[return to home page](#)

September 30, 2002

THIS WEEK YOU NEED TO KNOW

A Boldly Modest U.S. Global Mission

by Lyndon H. LaRouche, Jr.

A Preliminary Message — To the Concerned Citizen:

Contrary to that hysterical state of denial which now grips the White House, the present policies of the Presidency are impelling our already bankrupt nation into an Armageddon of avowed perpetual warfare, from which our Constitutional form of republic might never return. In such a circumstance, there are certain well-defined limits, at which point the critic's willingness to employ appropriately rude choices of language to describe such policies, become an obligatory test of that critic's usefulness, candor, and sound judgment.

As ignorance and brutishness are often intertwined, both the uttered present policies of the Bush "43" Administration, and their near-term inevitable consequences, are so awful, that it would be inexcusable not to emphasize the strategic significance of that pathetically banal, brutish prose style in sentimentalities, which permeates that President's current utterance under the title of national security. Serious statesmen around the world must recognize that the pathetic state of mind reflected in that document's literary style, is itself a source of insight into the gruesome folly of its intention.

To speak of both that document's clinically, and strategically significant literary qualities, President George W. "43" Bush's "The National Security Strategy of the United States," would have brought a lingering, deep-red blush of shame to the cheeks of both of two among Sinclair Lewis' epoch-marking characters, "Babbit" and "Elmer Gantry." "Babbit," reading Bush's prose, might have growled, "I think he is mocking me!" Similarly, to recognize the thuggish, "Elmer Gantry"-like literary qualities, and expressed mental state, of the proposed national security document's style and content, should require no more demonstration than a relaxed reading of the piece itself.

The physical significance of that literary fact, is that "43" permitted such a preposterous piece of rubbish to be uttered as a program for "The National Security of the United States." Such negligence by him attests to what most governments around today's world have come to perceive to be, with horror, the ominous moral and intellectual shortfalls in what is, apparently, the President's present state of mind. Hopefully, if the President were to review more self-consciously those words which had been stuffed into his ears and coaxed from his mouth by bad advisors, and also reassess them with a suitable psychological detachment, he might sense the accuracy of my present assessment of the current year's spew of White House propaganda. Perhaps, then, he would have already cried out to me, for my help in extricating him from the looming, combined economic and strategic catastrophe he is digging for himself.

Since, our Constitution, wisely, does not allow that sudden dumping of a head of government which parliamentary constitutions promote, how do we keep the U.S. republic on course toward survival and economic recovery, during the slightly longer than two more years, under a President now perceived as defective by most among the world's leading

circles? We are therefore obliged to focus on the question: How many of the President's apparent, Faustian shortfalls, have been foisted upon him by the Brueghelesque rag-tag of Chickenhawks and kindred Mephistophelean advisors gathered around Vice President Cheney? How do we, as the citizen-caretakers of our nation's future, steer such a President, to adopt that new, successful role of national leadership appropriate for the avalanche of disasters now descending upon not only our nation, but the planet as a whole?

Therefore, before turning your attention to what I define as the actually appropriate, new National Security strategy of our republic for this place in world history, I preface my present document with a condensed account of the informed, Constitutional approach to steering this President through the coming two years with a relative minimum risk of damage to, and suffering by, both our nation and the world at large.

Therefore, lest our citizens be plunged into despair by the deepening impact of "43's" continued shortcomings, we should take comfort from the fact, that the office of President of the United States has been previously occupied, from time to time, by a wide range of talents: scoundrels— including thieves or worse, saddening failures of once-promising figures, honest statesmen, heroes such as James Monroe and Franklin Roosevelt, and at least a pair among them such memorably authentic and noble geniuses as John Quincy Adams and Abraham Lincoln. Our nation's history thus shows, that, too often, our voters have been awesomely careless in the way in which they choose Presidents, even before the major parties' altogether disgusting, Summer 2000 nominating conventions. As long as it appears the job is getting done, the negligent citizen sometimes breathes an irresponsible sigh of relief when a President has quit office, shrugging his shoulders, "We got by; but, I am sort of relieved that he is gone. Let us hope that the next one is no worse." Usually, then, he votes for the next, as foolishly as he did for the last. Nonetheless, all considered, our republic has survived, until now.

Unfortunately, despite that history, it is more than merely possible that, unless we act now, there might never be another President inaugurated under our Constitution, after this one. Given the ominous shortcomings of the incumbent's performance since January 2001, what does the history of our Constitution teach us about the possibility for getting safely through even such an exceptionally terrible time as ours, even under a fellow with "43's" conspicuous flaws?

How We Survived Until Now

Today, if the relevant facts are considered, our republic is gripped by the worst crisis since those of 1776-1789 and 1860-1865. The economic depression which now has the Americas, Europe, Japan, and others in its spin, is not merely worse than the 1929-1933 Crash that Coolidge and Andrew Mellon built; the available margin of idled productive potential for an economic recovery in the U.S. today, is, speaking relatively, vastly less than the potential which Franklin Roosevelt mobilized to bring us to that matchless gain in world power and prosperity which we achieved through the reconstruction which he led during the 1933-1945 interval. In the course of these prefaced observations, I shall make passing reference to the factual basis for that comparison of the present situation with the crisis of 1929-1933, after I have first summarized the importance of taking up the implications of the atrocious defects in the referenced Presidential document.

The strength of the U.S.A. political system, on which we must now draw once again, could not be adequately understood without examining the role of leadership exerted by the true father of our republic, Benjamin Franklin, the Franklin who was the guiding hand behind the crafting of such Constitutional instruments as the 1776 U.S. Declaration of Independence and the 1789 draft of the U.S. Federal Constitution. This importance of Franklin's leadership was shown quickly by his absence, after his death. It was shown by the individual follies and general disarray among many of Franklin's former followers, such as the later Presidents Thomas Jefferson, James Madison, and John Adams. Each of these latter Presidents, in particular, had become disoriented, even sometimes foolish, under the acutely unfavorable strategic conditions which prevailed from the time of the July 14, 1789 siege of the Bastille, through to that, literally, massed sexual Congress of Vienna, which celebrated the close of the Napoleonic era.

So, from the retirement of Washington on, both the Adams Federalists and Jefferson's party degenerated into political quagmires. Happily, some first-rate, new leaders emerged from about 1812 on, typified by the American Whigs emerging around Franklin's publishing heir Mathew Carey, the great Speaker of the House Henry Clay, President John Quincy Adams, economist Henry C. Carey, President Abraham Lincoln, and others. Such heroes are typified, more recently, by President Franklin Roosevelt. In this manner, through all our crises, those brought from without, and those spawned from within, our republic has survived, during two centuries in which no constitution of any nation of continental Europe has lasted more than a few generations.

This exemplary resilience of the U.S. Constitutional system, even in face of external enemies and even spates of treasonous corruption from within, has been expressed until now, by a resurgence of the controlling authority of three principles expressed in the Constitution's Preamble: the principle of perfect sovereignty, the overriding authority of the principle of the general welfare, and the obligation to define the general welfare as a continuing commitment to posterity. Under our Constitution, no interpretation of our Constitution, nor any enacted law, should be permitted to stand, if it is inconsistent with those three great principles inherited as wisdom from such precedents as that 1648 Treaty of Westphalia, crafted largely by Pope Urban VIII's and France's Jules Cardinal Mazarin, which has subsequently defined the dividing line between decency and bestiality within and among nations.

This uniqueness of our republic's creation, its role as an historical exception in modern times, is a continuing reflection of the fact, that from the beginning of the Eighteenth Century to its close, the only place around the planet, in which there existed the actually immediate possibility of launching a true republic, was among the English colonies in North America. The greatest minds of Europe, as typified by the friends of our Benjamin Franklin, entrusted to our founders that most precious heritage of Europe's Greece-rooted Classical science, Classical art, and those historical reflections on the art of statecraft, which became embedded in the formation of our national culture through great intellectual leaders of ours, such as the Winthrops, the Mathers, Logan, and Franklin, of the Seventeenth and Eighteenth Centuries. Under the strong-mindedness of Franklin, the secondary leaders of the American Revolution crafted a form of self-government based not on a catch-basin-full of so-called "basic laws," but on the overreaching authority of a systemically coherent set of interdependent principles, principles expressed, so concisely, as the essence of our Federal Constitution, in its Preamble.

Despite that excellent intention of our Constitution, our republic has suffered from the corrupting affliction of a continuing internal conflict which has persisted, to the present time, since the beginning of the British monarchy's open, 1763 break with the vital interests of the colonies. Since then, our nation has been always divided within, chiefly by a clash between two leading, absolutely irreconcilable political currents.

The first current, from Franklin to Franklin Roosevelt, and beyond, is what former Secretary of State, and Franklin Roosevelt detractor Henry Kissinger denounced, in 1982, as "the American intellectual tradition," which is also my tradition, as expressed by this, my present report.

Franklin Roosevelt's and my own opponents, have been what was known, since 1763-1789, to the present day, as "The American Tories." Those Tories are a faction rooted, historically, in chiefly foreign, chiefly Anglo-Dutch, Venetian-style financier interests. These Tories have been expressed as a faction often allied with the traditions of slaveholder interest, and, to the present day, with heritage of the British East India Company's drug-trafficking interest.

Until now, in every national crisis of an existential severity, such as 1929-1933, the American intellectual tradition, as from Benjamin Franklin to Franklin Roosevelt, has intervened, repeatedly, in a timely way, to save our nation from the brink of self-inflicted ruin. Contrast the cumulative ruin piled up as the legacies of American Tories Theodore Roosevelt, Woodrow Wilson, and Calvin Coolidge, to Franklin Roosevelt's invoking of the American intellectual tradition to rescue our republic from that accumulated Tory folly of those predecessors. By contrasting Franklin Roosevelt then, to the recklessly disordered state of mind exhibited by most among the principal advisors of the Bush Presidency today, we may recognize the deeply underlying, systemic, American Tory origin, of the present threat to the continued existence of our republic. It is

an awful threat, which the promulgation of "43's" "National Security" document typifies in the extreme.

For today's crisis, we must recognize that Franklin Roosevelt's extraordinarily successful Presidency had two leading features. First, that President provided to his recruited associates, an indispensable individual's quality of personal leadership, a quality akin to that which was otherwise expressed by General of the Armies Douglas MacArthur's leadership in the Pacific War. Second, the President was able to draw upon a depth of such mission-oriented, supporting leadership for such enterprises as those great projects of the 1930s, which enabled the U.S. to build up the depth of logistical capability which led to a secured victory during the period of the 1939-1945 war.

All relevant known history, including President Franklin Roosevelt's role, shows, that installing an able leader for a time of crisis, depends upon bringing out the best in personalities he or she selects and assembles as a leadership team. The qualities those personalities bring to their assigned missions, are derived not merely from something which they had previously accomplished, but from the ability of a leader to evoke from his or her team, as Jeanne d'Arc did for France, powers of innovative accomplishment which those followers often appear, later, to have lost, as if they had been "playing way over their heads" during more glorious days.

In later times, we should be grateful to hear those memories of their accomplishment which still lingered on their tongues; but, most among them spoke to us, later, as one who retained only a fading memory of that prompting touch of genius which Roosevelt had exerted to inspire them; like Jefferson, Madison, and President John Adams, after the death of Benjamin Franklin, many veterans of the Roosevelt Presidency had lost track of that spark of leadership which had been supplied to them. This Roosevelt had been a true leader, with the fire of the anti-Tory, American System in his belly. The fire was not only passion; it was a deeply ingrained historical knowledge of and belief in Hamilton's anti-Adam Smith, American System of political-economy. This is the economic policy otherwise named our National System of Political-Economy, in contrast to both British East India Company "capitalism" and European socialism.

That is key for understanding that unifying, special spark of genius which Roosevelt's leading makers and shakers exhibited in their glorious times. It was a spark evoked from within them by a truly exceptional quality of national leader, the like of which we have not seen in high elected U.S. office since. The mission-orientation characteristic of the members of the FDR team, represents for us today, the image of an urgently needed rallying of human resources to play again the role of Roosevelt's team, resources rallied from the remaining vestiges of our American intellectual tradition, today as for the crucial, history-making mission of that time. Where shall we find the indispensable spark to make such recruitable talent perform, once again, such miracles of genius?

That view of the matter provides the key to a possible offsetting of the danger to civilization implied by the personal flaws of today's incumbent President. He must have, first of all, a freshened team, rid of any among the misleading persons now encumbering his judgment, a fresh team on which he must rely to bring his Administration to a truly successful outcome for our republic. Just as FDR relied on a team of both Democrats and Republicans for the post-1936 preparation for and conduct of U.S. action in the 1939-1945 war-time interval, the incumbent President must have an able team rooted in that American intellectual tradition hated by Henry Kissinger. The President must be induced to accept that quality of rearrangement, and must be provided adequate bipartisan support from the Congress for that specific mission.

To provide the leadership needed, to cause such a team to be rallied, some kindly guardian angel, or a reasonable approximation of such a personality, must be brought in to succor the imperilled Presidency. At this instant of writing, I am playing the part of that lurking guardian angel. I come, as did Dickens' Old Marley to Scrooge: the unwanted but familiar apparition, to tell the President what he needs to be told, the tough truth, for his own good, and for the good of the nation, too. With an appropriate team, he might succeed, if someone else supplies the spark which sets the team into creative motion.

Guardian angels are not like tooth-fairies, nor genies popped out of bottles. They do not tell a President what he wishes to hear, nor do they do his bidding by means of magic spells. They tell him what he needs to be told, counsel usually contrary to his strongly held prejudices. Now, therefore, hear me speak, as Old Marley did to Scrooge, of those terrible crises which should scare the President into entertaining a bit of precious wisdom, the wisdom to free himself from the grip of the awful lies being foisted upon him by Vice President Cheney's and George Shultz's nasty flock of Chickenhawks.

The Strategic Threats Before Us

Scrap that rambling, "Red Queen"-style gobbledegook, which some swindling pranksters, like the tailors from Anderson's tale of "The Emperor's New Suit of Clothes," stitched together as that disgusting recent draft, The National Security Strategy of the United States. This is no time to tolerate such charlatans as those (mostly) draft-dodging hucksters of war have been. We need a policy designed, not for the fools who follow the popular opinion and tastes measured out by today's mass media, but a policy crafted for the guidance of the "forgotten man" of our time, that unusual citizen living on his block, who sees to where he is walking or driving, or investing, and who, similarly, actually thinks before voting. It is upon the "grass-roots" leadership role contributed by such citizens located in the pores of our nation's social and economic life, such as true, anti-Wall Street entrepreneurs, that the needed mobilization of the nation can be made possible.

We are presently confronted by, chiefly, three crises which, taken together, now threaten the continued existence of the republic.

The first, and most pervasive, near-term threat is internal. This threat to both the sovereignty and the bare existence of our republic, is the interconnection between the ongoing collapse of the present, infinitely crooked, world monetary-financial system, the system of the present IMF and World Bank, and the present, devastating, thirty-odd-year-long, continuing, self-induced, and economically suicidal collapse of the internal physical economy of the U.S.A. itself.

The second general near-term threat to our republic is worldwide. This presents us with the looming prospect of chaos, not only within our nation, but throughout the planet. We are thus confronted by an emerging chaos which, unless stopped, would become the inevitable, early effect of a continued effort to sustain the, presently bankrupt, increasingly globalized, and intrinsically predatory, "free trade" form of world monetary-financial system.

The third general strategic threat to the U.S.A. and planet alike, is the influence of the present, utopians' trend toward Roman imperial styles in perpetual warfare. This is the trend expressed by that utopian babbling of the present-day followers of the nuclear-terrorist madmen H.G. Wells and Bertrand Russell. This is the same Mephistophelean evil expressed by such followers of the satanic Russell as Vice President Cheney, and Cheney's unwholesome flock of Chickenhawks.

Our strategy must pinpoint the origin of all three of those trends, which have culminated, now, in the presently existential crises of our republic's, and the world's situation. The approximate point of origin of these present trends is found during the Summer 1944 Democratic nominating convention, when a predominantly pro-Churchill, Anglo-American faction succeeded in replacing Vice President Wallace as the Vice-Presidential candidate for President Franklin Roosevelt's fourth term, by the nomination of Senator Harry Truman. The outgrowth of that shift of the nomination of Vice President to Truman, cleared the way for introducing what became a radical, post-Roosevelt change in post-World War II military policy, away from our military tradition, as Truman's Korean War entrapment of General MacArthur attests, a change to what became known, variously, during the first post-war decades as a utopian strategic doctrine, or "military-industrial complex."

The first step in this shift toward a utopian U.S. strategic policy, away from the traditional strategic policy of France's Lazare Carnot and Germany's Gerhard Scharnhorst, came immediately after President Roosevelt's death, by Truman's

scrapping of crucial chunks of the President's anti-colonialist, post-war foreign policy, and Truman's support for the British, Dutch, French, and Portuguese empires' retaining, or even regaining many among their colonies by force of arms, as in Indonesia and Indo-China, for example.

That turn to a pro-imperial policy, under Truman, was complemented by the dropping of two nuclear bombs, needlessly, on the civilian populations of the cities of Nagasaki and Hiroshima. This matched pair of signal actions by the Truman Administration, adopting both pro-colonialist and nuclear-utopian strategies in foreign policy, represented the initial steps of reversal of the post-war policies of President Franklin Roosevelt, and laid the basis for the subsequent virtual takeover of our nation by the utopians' policy, most notably in the aftermath of the assassination of President John F. Kennedy.

The nuclear bombing of Japan was crucial in making that shift to a kind of utopian imperialism which echoed, variously, the common features of the fascism of ancient imperial Rome, of the fascist Emperor Napoleon Bonaparte, and of the imperial, universal-fascism doctrine of the circles of Vice President Cheney and his brood of Chickenhawks today. Despite the popularized outright lie, that the nuclear bombing of Japan "saved a million American lives," that bombing occurred in defiance of General MacArthur's certainty that Japan was already a hopelessly defeated nation, and was done over the explicit objections of General Eisenhower. As one of the notable founders of modern military science, Machiavelli, had warned, in his commentaries on the Ten Books of Livy, no sane commander engages fresh war-fighting with an already defeated, successfully blockaded adversary, such as the Japan of Summer 1945.

There was no World War II motive for that nuclear bombing. The motive was supplied by Bertrand Russell's influence in pushing the use of nuclear weapons as a utopian mode of "preventive nuclear warfare," nuclear warfare intended, as Russell and his accomplice H.G. Wells had insisted explicitly, and repeatedly, to terrorize nations into accepting the treasonous act of handing over their sovereignty to the form of world government set forth in H.G. Wells' 1928 *The Open Conspiracy*. That Wells-Russell imperial policy, is the guiding doctrine behind the utopians George Shultz and Vice President Cheney on Bush Administration strategic policy today.

The mechanics of "Cold War," and the interrelated role of what became the RAND Corporation in defining the nuclear triad of utopian warfare, through addition of nuclear-armed air-power, set into motion the weeding-out of the U.S. military tradition of exemplars such as MacArthur and Eisenhower. However, it was not until the close of the Eisenhower Presidency, that the utopians were able to fully unleash their lunatic's wet dreams. Thus, the "Bay of Pigs" and 1962 missiles crisis were followed by kindred other developments, as by the 1964-1972 strategic insanity unleashed by the fraudulent Gulf of Tonkin resolution's plunge of the U.S. into the Roman imperial-style, no-win, perpetual war in Indo-China. That war never ended; after approximately eight years of fruitless brutality, the U.S. simply walked away from an uncompleted, ill-conceived project, as from a bad job better left undone.

The origins of all of those institutions which developed this utopian military dogma, are traced from such institutional configurations as: the role of Russell's Unification of the Sciences project; the exemplary part played by such inhuman creatures as Russell devotees Professor Norbert Wiener and John von Neumann; and, such locations as MIT's RLE and RAND Corporation. Wells and Russell personally are not merely the literary ideologues who fathered the military utopian doctrine expressed by Cheney's chickens. The relevant evidence on the public record, is overwhelming. It was the fanatical utopian Russell who actually coordinated, personally, the apparatus which ran the operations, including Henry A. Kissinger's sometime patron John J. McCloy, the operations behind the creation of what President Eisenhower denounced as "the military-industrial complex."

As a complement to the Wells-Russell-inspired utopians' program of world government through nuclear-weapons terror, his utopian followers moved to uproot and destroy that principled commitment to scientific and technological economic progress whose destruction had been the crucial issue of the British monarchy's 1763-1789 campaign to crush technological progress within both the English colonies and our young republic.

So, from the middle of the 1960s, until the present date, the U.S. has been destroying itself internally by its continuing drift into becoming a "post-industrial society," as Rome of the civil wars and the Caesars rotted out the culture of Italy, in a process of transition, step by step, from a producers' society, to a consumers' society, during the period following the Second Punic War.

This trend toward domestic economic collapse of the U.S. role as a producers' society, first became conspicuous in the gutting of the space-oriented science program in the Federal budget of 1966-67. Although some manned Moon landings nonetheless did occur, beginning the close of the 1960s, later, by the end of the 1970s, the U.S. had not only terminated the effort, but had lost much of the technological base on which the success of the first Moon-shot had depended. The gutting of the nation's basic economic infrastructure, a gutting begun under President Nixon, and Nixon's lunatic monetary actions of August 15, 1971, consolidated a trend of decay in the U.S. physical economy, which has continued, at a generally accelerating rate, from that time to the present day.

Meanwhile, parallel utopian efforts had prompted the economic self-cannibalism which was launched within the United Kingdom under the first Harold Wilson government, the true predecessor of the ruinous London governments of Margaret Thatcher and Tony Blair. The floating-exchange-rate monetary system, set into motion by Nixon's August 15, 1971 acceptance of the advice of the utopian trio of Henry A. Kissinger, George Shultz, and Paul Volcker. That is the change in international institutions which, during the past thirty years, has ruined the nations of Central and South America, produced what became genocidal side-effects on sub-Saharan Africa, and dragged Europe and Japan into the same global swamp, where Federal Reserve Chairman Alan Greenspan's bubble-headed monetary-financial insanities as the "New Economy" hoax was spawned, and into more than three decades of generalized physical-economic ruin overall.

Then, just slightly less than two decades after American Tory utopian Henry A. Kissinger's installation as National Security Adviser, came a subsequent, crucial turn, with the collapse of the Warsaw Pact, at the close of the 1980s.

During 1988-1990, two directly opposite U.S. strategic policies were put on the table, my own, and the directly opposite policy which the first Bush Administration adopted in concert with both the silly but nasty British Prime Minister Margaret Thatcher, and with France's President Francois Mitterrand. On account of this deep difference between me and such as those leading adversaries of mine, beginning 1986, I, personally, became targetted, repeatedly, for relatively immediate, attempted political, and also biological destruction, and was placed so, as both a declared target for official assassination or imprisonment, on the one side, and a leading, internationally influential policy-crafter, on the other side. So, I stood, then as now, on the stage of all post-1986 world history.

Now, my unique success, in forecasting the presently tragic outcome of the adoption of my opponents' economic and strategic policies, has put me, once again, near center-stage amid leading U.S. and global breaking developments, now in a larger role than ever before.

LaRouche & Bush, 1988-1990

The most crucial recent turn of events in recent world history began on October 12, 1988, when I delivered a crucial, subsequently historic, Presidential candidate's address, from what was then West Berlin. This address was recorded for a subsequent national U.S. TV broadcast which occurred later that same month. With today's turn in world economy and politics, my purpose in delivering this forecast, first, in Berlin, then, should become readily obvious.

I announced that the crucial issue of U.S. policy under the next U.S. Administration would be the impending collapse of the Warsaw Pact system. I stated then and there, that this would be a development leading toward the reunification of Germany and designation of Berlin as its future capital. In that address, I emphasized the appropriate U.S. policy-orientation for this impending seismic shift in world politics. My proposal, delivered then in my capacity as a Presidential candidate, was that

the next President of the U.S.A. must foresee the impending of such an impending crisis of the Warsaw Pact, as the occasion to offer cooperation in a Eurasia reconstruction program which would be led by a U.S. initiative for a cooperative general revitalization of the obsolescence-wracked civilian economies of Eastern Europe and the Soviet Union.

This program, as I defined it thus in October 1988, should have been quickly successful under the forecast circumstances which erupted slightly more than a year after my Berlin press conference. In retrospect today, this program would have ensured a rapid and enduring long-range economic recovery and growth of the world as a whole. Today's U.S. and European depression-crisis would never have come to be the immediate, devastating threat it is today, had my policies been adopted. Instead of my policies, my opponents succeeded, to a significant degree, in pushing those lunatic utopian schemes demanded by such as the Bush "41" Administration's Cheney, back as early as 1990.

So, Thatcher, Mitterrand, and "41" succeeded in adopting a policy directly opposite to my own, a policy consistent with the influence of the rabid strategic utopians in "43's" own Administration today. That trio's response to the fall of the Berlin Wall, slightly more than a year after my 1988 Berlin conference, has therefore been a principal contributing cause for the accelerated rate of collapse of physical economy of the combined U.S. and European economies since that time.

That typifies the issues underlying the often embittered personal differences arising from the conflict between my policy and theirs, differences amplified by the issue underlying their extraordinary fear of superiority of my intellectual powers over theirs, in matters of economic and related policy-making. This same specific fear of my intellectual powers (I command no other kind) had been that expressed by the U.S. utopian faction since 1982-1983 developments around what became known as the SDI.

It was my personal role in the crafting of the SDI, in collaboration with relevant officials of the Reagan Administration, and my personal role in related back-channel discussions with the Soviet government, which pre-qualified me as uniquely suited to the negotiations which should have occurred at the 1989-1990 point of the collapse of the Warsaw Pact system.

My proposal for a system of strategic ballistic-missile defense based on new physical principles, which then-President Reagan adopted for his March 23, 1983, SDI proffer to Moscow, had been previously designed by me as the most effective means of outflanking both the Anglo-American and Soviet utopian factions' Bertrand Russell-led commitment to Mutual and Assured Destruction (MAD). I had forecast, in February 1982, that were President Reagan to make the proffer I recommended, and if the Soviet Union were to reject that proffer, we must expect a probable Soviet economic collapse to occur, approximately five years ahead. The collapse, as I had forecast it, occurred just slightly more than six years later. That forecast had been based on two included considerations. First, my attention to certain characteristic flaws in the Soviet civilian economy. Second, evidence assembled during my 1977-1982 effort to define a mutual U.S.A.-Soviet escape from the "Kissingerian" trap of Mutual and Assured Destruction.

From Summer 1982 through 1989, the hate-filled utopians, such as the Heritage Foundation, their controlled mass-media, and their corrupt political-party henchmen, mobilized their forces, inside and outside government, against me, and, a bit later, also Dr. Edward Teller. My policy, as expressed by President Reagan's March 23, 1983 and October 1986 Reykjavik proffer of cooperation to the Soviet government, was, like my early-1986 summary of a forty-year space-program, the long-range strategic planning basis for my October 12, 1988 announcement concerning the impending economic collapse of the Warsaw Pact. For my international influence on account of this nested set of policies, I was openly hated and feared by both the U.S. utopians and Soviet General Secretaries Yuri Andropov and Mikhail Gorbachev, more or less as much as by the U.S. utopians and their political supporters. However, with the collapse of the Warsaw Pact system, my thus-validated credibility for dealing with the Soviet government on the matters posed by the radically transformed global strategic situation was outstanding.

With me put temporarily out of the way, almost immediately following the January 1989 inauguration of Bush "41," the

utopian faction around Shultz and Cheney within the Bush Administration conducted its terrible blunders almost unchallenged. The utopians' policy, adopted, if only in part, by "41" at that time, was to seize the opportunity presented by the collapse of Soviet power, to establish what was intended to be an "eternal" Roman-imperial-style rule of the entire world by the Anglo-American Tory concert of power. Later, as the utopians grew increasingly insane over the course of the 1990s, the largely "wise-guy-connected" Chickenhawk brigade of utopians, showed their commitment to establishing an eternal U.S. imperial rule over the planet. These creatures tended, more and more, toward merely tolerating the still unavoidable burdens of partnership with the United Kingdom they had formerly viewed with awe; by their actions, they came to view London as a come-down Sancho Panza trailing after the lunatic, passionately homicidal, American Don Quixote. (Naturally, sane leading Britons are not at all pleased with such paranoid schemes of Vice President Cheney and his Chickenhawks.)

An intelligent approach to the collapse of the Warsaw Pact system, would have been to integrate the massive potential for net economic growth bottled up within the system into both a reduction in the costs of operation of existing military systems, and a mobilization of new mechanisms of international credit for a coordinated, accelerated rate of increase of produced net physical output, per capita and per square kilometer, globally. We could have emerged from the physical-economic depression already fully underway inside the U.S. during the 1980s, into the greatest rate of increase of real physical productivity in history, a planet-wide growth.

Instead, under the cover of agreements adopted by Thatcher, Mitterrand, and Bush, we did exactly the opposite. The policy conducted against Europe and the territory of the former Soviet Union since 1990, was to loot and destroy the greatest part of the productive potential existing in 1989-1990, in not only the former Warsaw Pact area, but within Europe as a whole as well. Worse, during the same time-frame, 1989-2002, the policies of the U.S.A., the IMF, and the World Bank, have accelerated the already ongoing, willful destruction of the basic economic infrastructure and physical production capacity of the Americas as a whole.

As a consequence of 1990-2002 U.S.A., IMF, World Bank, and related supranational agreements and practices, we have exhausted the recent dozen years in deliberately causing the relatively greatest collapse of productive potential in our planet's history.

The outcome of these 1944 patterns of shift in U.S.A. and world policies and practice, has become today the complex of the three cited, leading threats to U.S. national security. If the U.S. soon dies, as it probably would if the present policies of Cheney et al. were allowed to continue, and if anyone survived to erect a tombstone for our poor, fallen nation, the appropriate inscription would be, as for the lost glory of Athens at the close of the foolish Peloponnesian War: "Died of Self-Inflicted Wounds."

So far, the U.S. major-party nominating conventions of Summer 2000, rank prominently among those self-inflicted wounds.

The Doom of Our Reigning Economics Imbeciles

Modern European civilization was born within the Italy-centered, Fifteenth-Century, Platonic Renaissance. The modern nation-state republic, and the great increase in human productivity and well-being of modern times, were a continuing outcome of the republican, anti-oligarchical tradition set into motion by that Renaissance. The modern economic progress so set into motion, could have occurred, as it did, only through the force of scientific and technological progress typified by Nicholas of Cusa's founding of modern experimental physical science, by the continuation of Cusa's program by geniuses such as Leonardo da Vinci, and, later, the founding of a comprehensive, systemic form of mathematical physics, by the discoveries of that avowed follower of Cusa and Leonardo, Johannes Kepler.

Then and now, economic progress is essentially a product of the practice of the kind of anti-Romantic, Classical scientific and artistic culture traced, chiefly, from within the bounds of modern European culture's intellectual debts to ancient Classical Greece. It is through the discovery and employment of experimentally validated universal physical principles, as discovered through the Socratic method, that the human will is able to increase society's power in and over the universe, as no other living species can do this.

Through those methods, we acquire the means to increase the ratio of the essential physical wealth of nature produced by us, in excess of the wealth we must consume to generate that production. The physical margin of such profit, is limited by the rate and relative scale of application of discovered universal physical principles. A "zero-technological growth" culture, is not a form of economy, but a commitment to endless attrition, an economic suicide-pact.

This notion of the discovery of universal physical principles, has been efficiently understood by the best minds of European civilization since ancient Classical Greece, as from Archytas and Plato through Archimedes and Eratosthenes. The explosive progress of modern physical science and productive powers of labor, during more than six recent centuries of modern European culture, has been chiefly the result of the Fifteenth Century's revival of that ancient Greek Classical tradition in science and artistic composition radiating from the lantern of Brunelleschi's catenoid cupola for the Cathedral of Florence.

In contrast to that knowledge, the problem is, that, for a parasitical financier or kindred oligarchy, poor, ignorant serfs and slaves are much preferred, politically, to a sturdy, intelligent citizenry of the sort unlikely to put up indefinitely with the rule by oligarchical parasites such as those associated politically with Cheney's crew, and with the Enron and George Soros gang. To induce the submission of the human cattle of a past or new Roman empire, one must stupefy the human subjects, as U.S. educational, "recreational" drugs, mass-media, investment, and employment policies have done, increasingly, with notable success, since the mid-1960s "Aquarian" cultural-paradigm shift.

In today's post-1968 U.S., we have now replaced the relatively competent education under pre-1968 teachers, by a Ritalin-assisted proliferation of ignorant but fiercely opinionated teachers, who, often, themselves, would not have been qualified to graduate even from primary school, back during the mid-1960s. Such pervasive ignorance and superstition within an entertainment-stupefied population as a whole, like the imperial Rome of bread and circuses, or the modern equivalent in the U.S.A. today, are qualities of decadence in populations desired by those who would hope to maintain a Roman-style world empire.

A population employed in true scientific and technological progress, can not be a stupefied one, like most of those young victims coming out of our schools and even many university programs today. A population addicted to the quasi-psychotic pseudo-science of video-games, were better suited to the role of the Roman-imperial-style cannon-fodder of global perpetual warfare.

Thus, to realize the social-control objectives of the utopians, the U.S.A. and Europe had to be transformed from reliance upon technologically progressive forms of physical-goods production and professional health-care services, to the kind of decadent consumer society we have tended to become since approximately the time mad Zbigniew Brzezinski's proposal for a post-industrial "technetronic" economy was presented, during the late 1960s.

Therefore, the immediately practicable solution to the immediate U.S. internal crisis, must appear to be something like a return to the days of the Eisenhower and Kennedy Administrations. The object is to reverse rapidly the damage done by the 1965-2002 cultural paradigm-shift. However, it would be insufficient to do no more than imitate, indifferently, both the follies and actual successes of the 1945-1964 interval. We must distinguish between the follies and successes of that time; and, we must use the successes as proven benchmarks, which show the way back toward that innovative highway of progress which the U.S.A. was created to become.

Today's policy-shaping must take into account the following essential differences between the disaster of 1929-1933, and the far worse, onrushing disaster of today.

Despite the financial and economic crises of 1905-07, the first two decades of the Twentieth Century were a period of continued, energetic expansion and technological progress of the U.S. and European economies. Through the latter decades of the Nineteenth Century, into 1914, the world was mobilizing, both in technology and volume of output, for the war which the U.K.'s Prince of Wales (and later King Edward VII) was intent on unleashing on the continent of Europe. Edward was putting France, Germany, Italy, Russia, Austro-Hungary, the Ottoman Empire, and Japan, at one another's throats, all for the subsuming purpose of maintaining the British Empire's "geopolitical" rule of the world through maritime supremacy over both the U.S.A. and the interior of the Eurasian continent.

During the so-called "war to end war," and at the Versailles Treaty negotiations, the watchword was the expression of intent to proceed toward future "world government," a utopian goal sometimes identified as World Federalism. Then, and under the influence of the post-1944 utopians, "peace through disarmament" became a code-name for de-industrialization and halting scientific and technological progress, as much as might be deemed feasible. Thus, the combined, ruinous effect of "The Great War" was the destruction suffered by that war, and maliciously pre-calculated, and largely economic-cannibalistic destruction of existing, post-war wealth. The post-war Versailles and related policies were aimed at the further destruction of the kinds of maintenance and growth and technological progress which had characterized the period since the 1861-1876 emergence of the U.S.A. as the world's leading model of agro-industrial progress.

Thus, whereas less than a generation passed between the end of World War I and President Roosevelt's launching of the U.S. recovery from the 1929-1933 Great Depression, twice that interval of time has elapsed since the mid-1960s beginning of the willful destruction of the U.S. internal economy. Worse, has been the savagery of the rate of willful destruction of basic economic infrastructure, especially since, firstly, the tenures of American Tories Henry A. Kissinger and Zbigniew Brzezinski as U.S. National Security Advisers, and, secondly, the more accelerated rate of net destruction since 1990 up to the present time.

While the general principles of reconstruction for today remain broadly the same for today's crisis as they did for Franklin Roosevelt's first and second terms, the sheer magnitude of the U.S.A.'s present own economic disaster at home, as measured per capita and per square kilometer, is, speaking relatively, qualitatively greater than during the middle 1930s. We should have learned enough, collectively, from the 1933-1945 experience, and from other lessons acquired since, to overcome the difficulties before us, but we will fail unless we recognize those combined physical and ideological factors of destruction embedded within the present economy and its ideologies.

The greatest single internal danger to our republic today, is not as much the admittedly terrible physical shortages in our infrastructure and productive capacity which have piled up over the recent thirty-five years. Our worst economic affliction is the set of habits which have been built into our popular culture and our economic thinking, under the recent three-and-a-half decades' shift from our former general consensus as a vigorous productive economy, down deep into the pit of a post-productive, decadent culture of an habituated "consumer society." Those habits which we have cultivated, in the prevalent zeal for a "post-industrial" utopia, have become the knee-jerk cultural reflexes which always tend to cause today's majority of popular opinion to prefer, repeatedly, the wrong, ultimately self-destructive choice of decision. To the degree that that cumulative cultural paradigm-shift is regarded as the wisdom of "democratic opinion," the U.S.A. today is a self-doomed nation. Without recognizing that this danger to our nation, and us all, comes from, largely, within ourselves, there could be nothing describable as a democratic possibility for a general economic recovery today; today, that recognition is what stands between us and our nation's self-extinction.

The utopian policy rat-race currently organized by Pied Piper Cheney's fanatics, is to be recognized as something which became possible today, only because of the broader accumulation of insanity which has taken increasing control of popular

opinion, and also policy-shaping, since approximately 1964.

Such are the essential, predominantly internal features of the strategic threats to the U.S.A. today. — Wiesbaden, Germany
Sept. 27, 2002

FLASH!

Bring in the New Bretton Woods System!

On Sept. 25, the overwhelming vote in the Italian Parliament for a resolution based on the New Bretton Woods idea showed the potential for Lyndon LaRouche's economics to be adopted by dozens of Parliaments around the world. Spearheaded by the youth organization of the international LaRouche movement, such an organizing tidal wave is already underway.

In addition, the statement below, by the Ad Hoc Committee for a New Bretton Woods System, has already begun circulating internationally, with the idea of updating and relaunching the February 1997 call for a New Bretton Woods that was initiated by Helga Zepp LaRouche and Natalia Vitrenko.

Ad Hoc Committee for a New Bretton Woods System

Six years ago, a call was circulated, for an Ad Hoc Committee for a New Bretton Woods, which was signed by over 500 parliamentarians from over 40 countries, and several hundred civil rights leaders, trade unionists, industrialists and representatives of social organizations, among them former President Jose Lopez Portillo of Mexico and former President Joao Baptista Figueiredo of Brazil. All those who signed, were motivated by their deep concern about the effects of the global financial and economic crisis. Since then, the governments of the G-7 states have shown themselves to be unwilling, to deal with the dramatically worsening crisis.

At the moment, the global world financial and monetary system has entered the final phase of its systemic crisis. Argentina is sinking into chaos, all of Latin America is following. Japan is collapsing more deeply into depression; the Bank of Japan is buying shares of banks on the stock market, in order to postpone its going bankrupt, and the subsequent global collapse of the system. The "New Economy" bubble has burst, the American economic model is shaken by a fundamental crisis of confidence, huge banks are threatened with bankruptcy, debts worldwide have become unpayable, municipalities are insolvent, and other bubbles are about to burst.

If, in this situation, in addition, a war against Iraq is launched, a war which will have incalculable consequences for the strategic situation and the world economy, then humanity as a whole is truly threatened with catastrophe, and a descent into a New Dark Age.

It is therefore urgently necessary that the agenda of world politics be changed.

We, the undersigned, demand the immediate convocation of an emergency conference, in the tradition of Franklin Delano Roosevelt and the 1944 Bretton Woods conference. The aim of this conference must be to create a new monetary and financial system, as proposed by U.S. Presidential pre-candidate Lyndon LaRouche, which replaces those mechanisms that have led to the destruction of productive industrial capacities and to the existence of the speculative bubble, with mechanisms which make possible economic growth worldwide and productive full employment.

A large portion of debt worldwide must be written off, since it cannot be paid, neither by the nations of the so-called Third World, nor by the U.S.A, nor by municipalities like Berlin. The speculation in derivatives must be completely written off. We need fixed exchange rates, so that long-term investments are again possible, and a national banking system in each country, on the model of the Kreditanstalt fuer Wiederaufbau, in order to issue credit for economic reconstruction.

Instead of a policy of continuing war without any peace plan, we need an economic perspective for securing world peace. The construction of the Eurasian Land-Bridge, as the center of a global reconstruction plan for the world economy, not only means overcoming unemployment and the economic crisis, but also represents the common interest of all participating nations. Therefore, the Eurasian Land-Bridge, as a concrete concept for a new, just world economic order, is also a true vision for peace.

If the current trends of financial collapse and war dynamic continue, a catastrophe is ensured. Thus, let us change the agenda of world politics, before it is too late!

First signators:

Hrant Khachatrian, member of Armenian Parliament,

president of Union of Constitutional Rights Party

Haik Babookian, member of Armenian Parliament

Prof. Dr. Tatyana Koryagina, economist, Moscow

Dr. Nino Galloni, economist, Rome

Helga Zepp LaRouche, President, Schiller Institute

U.S. ECONOMIC/FINANCIAL NEWS

House Subcommittee Passes 'Kill Amtrak' Bill

While 2004 Democratic Presidential pre-candidate Lyndon LaRouche's "November Emergency Program" spells out fully what's required to revive U.S. rail infrastructure, the House Appropriations Transport subcommittee Sept. 26 approved a "Kill Amtrak" bill for 2003. The bill committed only \$762 million for FY2003, much less than even the Senate offer of \$1.2 billion, and nowhere near what is required to run a railroad.

Amtrak doesn't deserve to get more, said subcommittee chairman Harold Rogers (R-Ky), because it would be "rewarding mis-management." (Last year Amtrak received some \$826 million, including a \$100-million emergency loan this past summer.) The underfunding of Amtrak continues the axiomatic lunacy behind the 1997 Amtrak Reform Act, which mandated sure-death for Amtrak by underfunding, radically increased indebtedness, and then privatization of the Northeast Corridor. Typical of the "trains cost too much" lunacy is Rep. Anne Northrup (R-KYy): "The Federal government has to fork over \$212 every time a person rides from Louisville to Chicago." So Amtrak's Kentucky Cardinal train should be cut.

As a gesture to prevent the threatened shutdown of six long-distance routes (five of which connect to Chicago), the Committee today approved a flat \$150 million— three-fourths of what Amtrak says it needs to keep the six routes running.

(The new Amtrak bill will go to the full House only after approval by the Appropriations Committee, where many funding measures are currently stalled, as Congressmen wrangle over how to pass a "continuing resolution" on the budget, which expires Sept. 30.)

Consumer Study: Electricity Dereg 'All Pain, No Gain'

In a report released Sept. 18 (which received no media attention), the Consumer Federation of America (CFA), charged that more electricity deregulation will raise consumer prices by tens of billions of dollars. The study, titled, "All Pain, No Gain," also points out that while Congress is trying to repeal the 1935 Public Utility Holding Company Act (PUHCA), if the Act had actually been enforced, the recent Enron and other "market" abuses could never have happened, saving consumers tens of billions of dollars in fraud. The study observes that "When you are headed in the wrong direction, going faster does not help."

The CFA report stresses that it is not only in the well-publicized case of California that deregulation has raised prices. For example, in the Midwest in 1998, prices soared by half-a-billion dollars in one week. Since the California debacle, Wisconsin, Colorado, and Florida have done market analyses, concluding that price increases would result from deregulation.

Ken Silverstein of Sciencetech reports that Energy Secretary Spencer Abraham's Electricity Advisory Board insists falling prices have saved consumers \$1.3 billion, but it is not clear if that includes money "saved" when people had blackouts instead of electricity.

Energy Companies Withheld Power in California Blackouts

After more than a year and a half of study, the California Public Utilities Commission released its report Sept. 17, which concludes that the blackouts suffered by the state in 2000 and 2001 were caused by companies withholding available power. Between November 2000 and May 2001, five companies— Duke, Dynegy, Reliant, Mirant, and AES-Williams— withheld 37-46% of their available generating capacity, the report found, which power could have avoided most, if not all, of the blackouts. The reason, the report states, was to create a shortage crisis to drive prices up as high as possible.

While the charges were contested by the companies— which continue to claim that twice as many megawatts of capacity were idle in February 2001 as in February 1999, due to the need for repairs— the report cites many specific cases which disprove this. In one, a power plant owner refused to offer power to the state Independent System Operator, haggling over the price. But when grid operators insisted the power was needed to avoid blackouts, the company called back and said the plant was unavailable due to air quality restrictions.

Other investigations into the California energy crisis continue. The Federal Energy Regulatory Commission announced on Aug. 13 a formal investigation into misconduct by Avista Corp., El Paso Electric, and three Enron affiliates, for manipulation of short-term electric and natural gas prices. The probe is in coordination with the Department of Justice and Securities and Exchange Commission.

Census Bureau Reports Dramatic Increase in U.S.. Poverty for 2001

The U.S. Census Bureau's latest report Sept. 24, shows that, for 2001, nearly 34 million Americans were living below the absurdly low, official poverty level of **\$18,000 for a family of four**. Twenty years ago, *EIR* determined that it took at least \$40,000 a year to support a family of four; today that figure would be twice that. Not surprisingly, as poverty rose, from 11.3% in 2000 to 11.7% last year, household income went down— except among the very wealthiest Americans. The

Census Bureau reports that median household income declined by 2.2% in real terms, from its 2000 level, to \$42,228 in 2001.

The decline in income affected all but the richest households and all regions except the Northeast.

"This report signals a significant reversal of what had been a very positive trend in terms of income and poverty," said Jared Bernstein, senior economist at the union-backed Economic Policy Institute in Washington.

The survey found that income inequality has also widened. Only those in the highest income brackets— \$100,000 or more of cash income— gained, while the greatest percentage losses were suffered among the poorest households. *For the first time, the highest-earning 20% of households earned more than half of the nation's income before taxes.* The top 5%, with incomes above \$150,000, earned 22.4% of the national income, up from 22.1% in 2000.

"The share of national income going to the bottom fifth of households is at the lowest ever, while the proportion going to the top fifth is the highest ever," said Robert Greenstein, executive director of the Center on Budget and Policy Priorities.

Jobless Claims Up Again

Unemployment claims, according to the U.S. Labor Department Sept. 19, were at 424,000 in the week ending Sept. 13; the Department revised the previous week's figure to 426,000, raising the four-week running average of such new claims to a high 418,500. Continuing claims for unemployment, for the week ended Sept. 7, rose from 3.54 million to 3.61 million, and the four-week moving average rose by 29,500, to 3.56 million.

White House Spokesman Flunks Economics

An unidentified reporter asked spokesman Ari Fleischer a pertinent question at the White House briefing Sept. 20:

Q: "The national security document says that the lessons of history are clear in the point that market economies, and not command-and-control economies, are the path to prosperity and peace. How do you square that statement with recent political and economic events in Latin America?"

Fleischer: "I'm not sure I follow your premise. Are you saying that it's inconsistent?"

Q: "The growth of Latin America during the '90s was less than it was in the '60s and '70s. And there's now a wave sweeping across Latin America, that's both political and economic in nature, that seems to represent a repudiation of this statement."

Fleischer stumbled, asserting that "Latin America and Central America are real success stories in many cases," naming El Salvador and Peru as proof. The reporter came back:

Q: "Then why are the economies stagnant?"

Fleischer: "Well, I think economies can always be stagnant. In capitalist countries, and in free and democratic countries, there's growth and there's recession and there's retraction...."

Fleischer may want be forced to offer his own "retraction"— of his foregoing remarks— before too long.

WALL STREET POLICE BLOTTER

***WorldCom's** former controller, **David Myers**, pleaded guilty Sept. 26 to charges he participated with former chief financial officer, **Scott Sullivan**, in hiding more than \$7 billion in expenses, thereby inflating earnings to meet Wall Street targets when, in fact, the company was losing money. The fraud drove the telecom company into the biggest bankruptcy in U.S. history. Myers entered guilty pleas in Manhattan Federal court to charges of securities fraud, conspiracy, and filing a false document with the U.S. Securities and Exchange Commission. Prosecutors are expected to use Myers to help build a case against Sullivan (who has been indicted on fraud charges and is expected to face trial) and other former officials, including former chairman **Bernard Ebbers**. Myers faces up to five years in prison on both the conspiracy and securities fraud counts, and 10 years for lying to the SEC.

***Adelphia Communications** founder **John Rigas**, his sons, and two other former executives were indicted Sept. 23 on Federal charges of defrauding the cable-television operator of more than \$2.5 billion, and stealing hundreds of millions of dollars. A trial date has been set for Oct. 2. The 24-count indictment, filed in Manhattan Federal Court, charges the men with conspiracy, securities fraud, wire fraud, and bank fraud, alleging that Rigas and sons **Timothy** (former chief financial officer) and **Michael** (former vice president for operations), hid \$2.3 billion in debt, spent company funds on personal amenities, and used more than \$250 million to meet margin calls on their private stock holdings. Prosecutors are seeking to seize from the Rigases more than \$2.5 billion of assets, representing proceeds of the alleged fraud and corporate looting.

"The scheme charged in the indictment is one of the most elaborate and extensive corporate frauds in United States history," U.S. Attorney James Comey said in a statement.

The charges expand on a criminal complaint filed in July, adding new charges stemming from allegedly false statements made in filings to the U.S. Securities and Exchange Commission.

Also indicted were **James Brown**, Adelphia's former vice president for finance, and **Michael Mulcahey**, former director of internal reporting.

***Xerox** is facing a criminal investigation opened Sept. 23 by the U.S. Attorney's office in Bridgeport, Conn. The probe delves into Xerox's accounting practices from 1997 to 2001, a follow-on to a probe by the Securities and Exchange Commission that led the copier-maker to pay a record \$10-million civil fine in April, and restate \$6.4 billion in revenue for the five-year period, to settle claims that it booked revenue from sales-type leases immediately rather than over the lifetime of the contract, inflating profit by \$1.5 billion. The Federal Bureau of Investigation is evaluating whether to file criminal charges, the Wall Street Journal reported.

***Qwest Communications**, its accounting (formerly audited by **Arthur Andersen**) under investigation by the Department of Justice, plans to restate up to \$1.48 billion in revenue from mid-2000 and all of 2001, erasing \$950 million in sales that were actually bogus trades of optical-fiber network capacity with other carriers, and up to \$531 million in cash sales of optical capacity that were booked prematurely, as in Xerox's case.

Global Telecom Meltdown Continues

***SBC Communications** will cut an additional 11,000 jobs, most by the end of the year, on top of 10,000 jobs already cut this year. The second-largest U.S. phone carrier will also slash capital spending for next year by 20%-33%. SBC lost about 3 million customers in the first eight months of this year, causing revenue to plummet by more than \$1 billion in the first half of 2002.

***MobilCom** is eliminating more than one-third of its workforce, or 1,850 jobs, and freezing its work on the roll-out of its Universal Mobile Telecommunications System network. Three sites will be shut down.

WORLD ECONOMIC NEWS

Sheikh Yamani Warns Iraq War Could Send Oil Price to \$100/Barrel

In an interview with the German magazine *DM Euro*, former Saudi Oil Minister and OPEC chief Sheikh Yamani, who is "still close to the ruling family," according to the Daily Telegraph online Sept. 25, said that if Saddam Hussein is attacked, he might fire chemical weapons at his neighbors. Then, if the Saudi and Kuwaiti oil flow were affected by the U.S. war against Iraq, "you can expect a triple-digit oil price. It could rise to \$100 [per barrel] if the flow of oil from Kuwait and Saudi Arabia is turned off," Yamani said. The benchmark price of a barrel of crude rose 12 cents Sept. 24, to \$29.25, still well below the \$40 a barrel it reached during the Gulf War.

Global Stock Markets Suffer Longest Decline in 60 Years

With the week ending Friday, Sept. 26, the Nasdaq index fell below the 1,200-point mark for the first time since September 1996. Since its peak at about 5,000, in 2000, the Nasdaq has lost three quarters of its market value. While the Dow Jones index, designed in a special way to cover up the market crash, has, so far, "only" dropped from 12,000 to 7,700 points in the last 2.5 years, or about 35%, the broader S&P-500 index of U.S. stocks lost 45% of its value in the same time period. If the Nasdaq continues slide for one more week, its losses would surpass the 48.2% crash suffered during 1973-74, and the present meltdown would be the biggest since 1937-38.

Unless a miracle happens before Christmas, the S&P-500 will finish 2002 with its third annual loss in a row, which last occurred at the start of World War II, between 1939 and 1941.

In Japan, stocks this week sank back to the 19-year low, already reached in early September. Most of the European stock indices are at their lowest levels in six years. The German DAX on Sept. 25 in early trading fell to 2,800 points, a level not seen since late 1996, compared to 8,000 points in March 2000.

But the most stunning market meltdown has been the German Nemax-50 of the "New Economy" firms: The Nemax hit a new all-time low on almost every single trading day in September, with 97% of its value vaporized since its peak in March 2000, and will shut down by early 2003. Deutsche Boerse, Germany's stock exchange operator, said it will close the Neuer Market, transferring companies listed there to two new groupings with different reporting rules.

IMF Warns of 'Serious Risk to World Economy'

The IMF, in its September "World Economic Outlook," rebuts lunatics Alan Greenspan and Paul O'Neill, on the sustainability of the current account deficit and the overvalued dollar: "Global imbalances," it warns, pose a "serious risk to the world economy." "The question is not whether the U.S. deficit will be sustained at present levels forever— it will not— but more when and how the eventual adjustment takes place."

"The overvaluation of the dollar has not yet been corrected," the IMF warns, "and an abrupt and disruptive adjustment remains a significant risk." Such an event, would have an "adverse impact on the international financial system."

EC Delays Budget Balancing by Two Years

The European Commission, hit by economic reality, again pushed back its balanced-budget deadline by two years, to 2006, as Germany, France, and Portugal face deficits that surpass the "stability pact" limit of 3% of gross domestic product in 2002. French Prime Minister Jean-Pierre Raffarin hailed the EC's "sense of reality" in acknowledging that budget-balancing commitments "depend on growth." Italian Finance Minister Giulio Tremonti said he "fully agrees" with the EC's approach.

How Long Will Brazil Let Itself Be Bled Dry?

Brazil's currency, the real, lost 12% of its value in the week of Sept. 23-27, alone, closing on Friday, Sept. 27 at yet another record low: 3.8725 to the dollar. Brazil's benchmark bond also suffered huge losses this week, and is now selling at under 50 cents on the dollar (48.38 cents), its lowest level since 1995. Money is also pulling out of the stock market. The Central Bank reported it sold \$150 million in reserves to banks on Sept. 27 alone, to bolster the currency, yet despite that, the real lost 2.69% that day.

Bloomberg put out a wire Sept. 27 which effectively signals the sharks to go into a feeding frenzy. The wire quoted Jeremy Brewin, a money manager from London's Morley Asset Management, putting out the line that "the market's beginning to take over the game." Investors think the Central Bank is losing control, and may not be willing to spend the reserves required, or may not have the reserves to spend, to defend the currency. "We now have to see them prove that they still have reserves left. There are beginning to be signs of bluff."

Such ravings follow the Sept. 24 statement by a Templeton Asset Management manager, Mark Mobius, also broadcast by Bloomberg: "There is going to be a default. The only question now is: Can it be done in a controlled manner?" Mobius said there is a "90%" chance Brazil will default.

Exactly how much Brazil's debt is increased by this week's devaluation is not known, but it does guarantee that Brazil will not meet one of the conditionalities of its IMF program. Brazil's total public debt was supposed to be no greater than R\$810 billion on Sept. 30, but the real would have to be at 3.18 to the dollar for that to be the case, according to the Central Bank. It's already at over 3.8, and now is most likely to plunge further when market's open on Sept. 30.

Banks and Sharks Are Profiteering of the Devaluation

Brazilian dailies report Sept. 25 that the real came under intense pressure after the government announced, at the end of the previous week, that it would pay off the \$1.51 billion in dollar-indexed debt when it came due on Sept. 25, because it wasn't willing to pay the more than 50% in interest rates demanded by "investors" to roll them over. The key to dollar-indexed bonds is that the government is forced to repay the holders, not what they paid for them originally, but the dollar-equivalent of what they paid—at the time of maturity. Since the higher the real's value was at the close of Sept. 24, the greater the profits for the bondholders when they were repaid on Sept. 25, the "markets" struck. *Jornal do Commercio* estimated the **additional** profits secured by the bond holders simply from the real's collapse in the two days after the government's announcement, was R\$331.4 million—over \$89 million. Ahh, the wonders of market economy!

Another \$1.25 billion comes due Oct. 1, which the government will also have to pay off, so the looting continues.

Uruguay Seeks a Debt Moratorium

The desperate government of Uruguay's President Jorge Batlle is examining options for rescheduling its debt, via a swap of short-term for longer-term debt, but is anxious that the move be seen, not as a default, but rather an "authorized moratorium," press reported on Sept. 20-21. Government authorities see this as an implementation of IMF Deputy

Managing Director Anne Krueger's crazy scheme to allow debtor nations to restructure their debt, while imposing severe austerity. The Uruguayan officials don't want to cause problems for the country's creditors, according to *El Observador*.

For the rest of this year and through 2003, Uruguay must pay \$2.2 billion in interest and principal, and another \$1 billion in 2004. It is scheduled to receive a total of \$3.8 billion from the IMF/World Bank/Inter-American Development Bank, which will be used to pay these obligations.

Meanwhile, the country's collapse continues unabated. Imports for August declined a whopping 51%, compared to the same month last year. *La Republica* reported on Sept. 23 that real wages have fallen 30% this year, making this the worst year for real wages in the country's history.

UNITED STATES NEWS DIGEST

LaRouche Led the Anti-Imperial Fight; Broad Opposition Explodes on the Scene

Democratic Party presidential pre-candidate Lyndon LaRouche, Jr. released a statement on Sunday, July 14, 2002, called "The Real Corruption: McCain and Lieberman." Less than three months later, the floodgates have opened, of a debate that LaRouche began against the "Clash of Civilizations" Iraq war and the neo-conservatives' preemptive war doctrine.

Recall the courageous and prophetic statement from the conclusion of that leaflet by LaRouche:

"The bottom line: It is urgent that the Democratic Party emerge, under new leadership, in the continuing tradition of FDR, JFK, and Lyndon LaRouche, as the legitimate focal point of opposition to the foolish wars into which McCain and Lieberman are doing so much to blackmail the Bush Administration into fighting.

"For this to happen, the McCain-Lieberman corrupt blackmail operation must be exposed. I promise you; it will be thoroughly exposed, as we move to take the Democratic Party of Franklin Roosevelt back, for the sake of our republic, its people, and the world.

"I will do my job. If you also do yours, we could save this nation from something awful."

Generals, Unlike Chickenhawks, Caution Senate On Iraq War

In their testimony before the Senate Armed Services Committee, on Sept. 23, three out of four top generals urged extreme caution before launching war against Iraq.

Former Chairman of the Joint Chiefs of Staff Gen. John Shalikashvili and former NATO commander Gen. Wesley Clark both argued that the U.S. should not go to war against Iraq without first making every effort to go through the United Nations.

Former Central Command Commander Gen. Joseph Hoar also insisted on UN support, and then proceeded to discuss his own experience in Vietnam, where "our government failed to define the true nature of the war." He made the point, that while fighting terrorism is the number-one priority, "It is only a portion of what we need to do.... What is really at stake is the hearts and minds of 1 billion Muslims." That is, the U.S. will have to earn their trust, which has been battered over the last two decades by U.S. behavior and their perception of it. "We must step up to the Israeli-Palestinian issue, and put pressure on both sides to step up to the peace table." Hoar went on to question the legitimacy of the arguments for attacking

Iraq, both with regard to Iraq's alleged connections to terrorism, and its actual capabilities with respect to weapons of mass destruction.

Most distressing to the utopians, perhaps, was Hoar's blasting any notion that a war on Iraq will be "easy." If the fight were defined around Baghdad, he said, we would win the battle, but the cost in the lives of both American servicemen and Iraqi civilians could be unacceptable.

The fourth witness, former Air Force Vice Chief of Staff Thomas McInerney, was a utopian madman, who envisioned what could be described as an "Afghanistan-type operation on steroids."

Daschle, Levin Take on Warmongers

Senate Majority Leader Tom Daschle (D-SD) launched a frontal attack against Bush Administration warmongering in Senate floor remarks on Sept. 25, charging that Team Bush is playing politics with the issue of war. Using their own words, Daschle tore into the Administration for talking about their Iraq war push as a "marketing" strategy. Especially disgusting were the statements of White House Chief of Staff Andrew Card, who explained why the war push was made in September, by saying, "From a marketing point of view, you don't introduce new products in August," to which Daschle lashed out, "New products? War?"

Finally, on Sept. 25, said Daschle, when he read that Bush himself said "The Democratic-controlled Senate is not interested in the security of the American people," Daschle took the offensive. "Mr. President," said Daschle, "We have got to rise to a higher level. Our Founding Fathers would be embarrassed by what they're seeing going on right now.... You tell Senator Inouye he is not interested in the security of the American people! You tell those who fought in Vietnam and in World War II they're not interested in the security of the American people! That is outrageous! Outrageous! The President ought to apologize to Senator Inouye and every veteran who has fought in every war who is a Democrat in the United States Senate. He ought to apologize to the American people...."

Bush had made the remarks in discussing the failure of the Senate to pass legislation creating an Office of Homeland Security.

The same day, Sen. Carl Levin (D-Mich), chairman of the Senate Armed Services Committee said the Bush Administration is dividing the world with its "go-it-alone" rhetoric. Opening the second day of hearings this week, he said the U.S. "should not announce to the world at this time that we will follow a unilateral go-it-alone policy if the UN does not act. Telling friends and potential allies at the time that we're seeking their support, that 'it's our way or the highway,' will divide the world, not unite it."

Levin opened by quoting at some length the Sept. 23 testimony from top retired U.S. Generals (see accompanying slug,) adding, "I, too, believe that we should focus on mobilizing the world community to give Saddam Hussein a clear ultimatum to disarm and comply with UN [Security] Council resolutions or face military action by a multinational UN-authorized coalition of member states to compel compliance."

Regional Press All Across America Is Opposed To Iraq War

A review of regional newspapers all across the heartland of America this week reveals that the editorial content opposes an Iraq war, contrary to the yellow chickenhawk journalism typical of the Washington-New York media and the national "all-news" TV networks. A sampling:

*Molly Ivins published a column syndicated nationally, run in *The Baltimore Sun* Sept. 25, with the headline, "Mr. Bush, Stop the Insanity." She warned, "The announced plan of this Administration for world domination reinforces every paranoid, anti-American prejudice on this Earth.... This creepy, un-American document has a pedigree going back to Bush I, when— surprise!— Dick Cheney and Paul Wolfowitz were at the Department of Defense.... Now it is back yet again as the answer to post-Sept. 11.... Happy Pearl Harbor Day. We have just announced ourselves Bully of the World."

**The Bergen Record*, in New Jersey, on Sept. 26 editorialized, "Caution on Iraq: Retired generals question wisdom of attacking."

**The Modesto Bee* ran an op ed by Peter Schrag, a syndicated columnist, "Newspeak and the Sharonization of U.S. policy," on Sept. 25, again echoing LaRouche statements. "The Sharonistas— Vice President Dick Cheney, Deputy Defense Secretary Paul Wolfowitz, his friend Richard Perle, who chairs the Defense Department's Defense Policy Board, *New York Times* columnist William Safire— are the Middle East hawks who sold Bush the Iraq war."

**The Des Moines Register*: "The courage to question: A national debate on war cannot happen unless a loyal opposition speaks out" was the Sept. 26 editorial.

**The Huntsville Times* in Alabama ran a David Prather column, "Where can we find the truth about Iraq?" that said, "Truth has become the first casualty...."

**The Sacramento Bee* editorial on Sept. 22, was "Congress must slow down this rush to war by refusing to give Bush the blank check he seeks...."

**The Milwaukee Journal Sentinel*, on Sept. 24, ran an editorial, "A Truncated Debate on Iraq," saying opposition is being silenced "For reasons having as much to do with the political calendar in America as with imminent threats posed by Saddam Hussein's arsenal."

Gore Feels the LaRouche Pressure

Former Vice President Al Gore delivered an address to the San Francisco Commonwealth Club Sept. 23, in which he launched his campaign to destroy Senator Joe Lieberman's ambitions for the 2004 Democratic Presidential nomination. Gore's spin was to support the idea of a future war against Iraq, but to reject President Bush's demands that he be given all powers to make war wherever and against whomever he might choose at any earlier, or later, future time.

Perennial opportunist Gore, true to form, is now being pulled by the tail-wind of the LaRouche-led international opposition to the policies of both Republican and Democratic Parties' Chickenhawks. But the war networks are simply proffering the Gore, rather than the Bush, variety of Chickenhawk babble.

Gore supports war against Iraq, but not yet.... Gore's points attacking the Bush "I-am-God" doctrine are worth noting, but get no praise from us. He still wants a war with Iraq, only on a slower course. Gore will have no effect on the process, but LaRouche's Presidential campaign has created the environment where Gore has had to distinguish himself from warmonger Lieberman.

Uproar Over Connecticut Democrat Dobson Announcing, 'I'm a LaRouche Democrat'

"Laying out his agenda for the State Legislature, Abraham Lincoln said, "This is going to be short and sweet, like an old woman's dance. I support a National Bank, rebuilding our country with government-sponsored transportation, and high

tariffs. I hope you will see fit to elect me.' Likewise, I hope to be succinct, and communicate the heart of my campaign without fanfare. To be brief, I am running as a LaRouche Democrat, which is synonymous with being an old-style FDR Democrat."

Laurie Dobson, the Democratic Party-endorsed candidate for State Legislature in Connecticut's 141st District, issued the declaration quoted above on Sept. 5. It threw down the gauntlet to Connecticut Democratic Senator Joe Lieberman: "Lieberman and the other chickenhawks demand that Bush rush us into an insane war.... Lieberman is harming the Democratic Party, to the point where people are afraid to speak for basic Democratic principles which relate to promoting the general welfare."

For days, the Dobson controversy was front-page news, as the Lieberman clique tried to pressure her to resign, and then, failing that, tried to bankrupt her campaign. On Sept. 17, the *Stamford Advocate* ran a front-page article instructing Dobson contributors on how to get their money back! However, the article continued: "Some people will change their minds, some people will feel more convinced to donate, said Dobson, who added that she feels 'a lot better as a person' since she stepped out of the party's 'approval zone' and declared her support for LaRouche."

Dobson is escalating her campaign on all fronts, and will appear with Nancy Spannaus in a national webcast on transportation and an FDR-style economic reconstruction plan on Oct. 3, broadcast on www.spannausforsenate.com. Dobson's website is <http://www.votefordobson.com>.

Appropriations Still Frozen in Gridlock

As of Sept. 25, the House of Representatives has not acted on any more of the 13 annual spending bills since Congress returned from its August recess, and the Senate has not been able to come to a resolution on the Interior Department Appropriations bill, even after three weeks of debate. Senate Democrats blame the White House for being unwilling to raise the discretionary spending ceiling beyond the \$758 billion decreed by Office of Management and Budget Director Mitch Daniels.

With attention riveted on Iraq and homeland security, there seems to be very little interest in solving the problem, in spite of a looming \$157-billion deficit for fiscal 2002 and, likely, a much larger one for 2003. Various suggestions have been floated for either a long-term continuing resolution— to run as far as February 2003— or a lame-duck session after the November election.

Airlines Blame Security, Insurance Costs for Woes

On Sept. 24, four major airline CEOs were among the witnesses who testified before the House Aviation Subcommittee on the disastrous financial condition of the airline industry. Among other measures, the industry is asking for relief from the Aviation Security Act, passed last year, and for terrorism risk insurance for at least one year. "We ask for that help because aviation is key to our nation's economic health," said one.

The impact of a possible war with Iraq also raised concerns. Subcommittee chairman John Mica (R-Fla) warned that a war could "dramatically spike aviation fuel prices that, in fact, could substantially impact the already bleak bottom line" of the industry's balance sheet.

But instead of "market conditions" drivel, Rep. Peter Defazio (R-Ore) threw in some reality, saying, "I think what we're confronted with here," he said, "is the ultimate failure of the promise of deregulation."

Hearings Push Police-State Measures

After months of closed-door hearings, the Joint House-Senate Intelligence Committees have begun a series of public hearings on intelligence failures leading to 9/11, which are being carefully staged in order to pave the way for the loosening of legal restrictions on the sharing of information between intelligence and law-enforcement agencies. The restrictions were originally enacted in the wake of the 1970s revelations about the rampant abuses of Constitutional rights by U.S. intelligence agencies. In short, the hearings, which included "appearances" on Sept. 20 and 24 by CIA and FBI agents behind opaque screens, are being orchestrated to give the false impression that the Sept. 11 attacks could have been prevented, if only there were fewer restrictions and guidelines governing FBI and CIA activities.

Within days of the first public hearings, the Justice Department issued new guidelines requiring that secret wiretap or grand jury information from criminal investigations, be provided to intelligence agencies when the information relates to terrorism or weapons of mass destruction. This has already been going on "informally."

The new guidelines don't address the sharing of information the other way: when surveillance information gathered under the looser standards of foreign intelligence probes, is handed over to prosecutors. This is now the subject of an appeal brought by the Justice Department, of a May ruling from the Foreign Intelligence Surveillance Act (FISA) Court. In that ruling, the super-secret FISA Court rejected efforts by John Ashcroft's DOJ to expand the ability of criminal prosecutors to use information obtained under national-security wiretaps.

Campaign Trick Tries To Stop Illinois Gov. from Commuting Death Sentences

Outgoing Illinois Governor George Ryan, who has led the fight against corrupt and fraudulent death penalty convictions in the U.S.A., is being sued by his own Attorney General to stop him from commuting the death sentences of 158 people on Death Row. The suit is being brought by Illinois Attorney General Jim Ryan (no relation), who is also the Republican nominee for the 2002 Governor's race. Attorney General Ryan claims that the Ryan name is hurting his election race, because Gov. Ryan— also a Republican, and George Bush's 2000 election campaign chairman in Illinois— has set clemency hearings for all 158 Death Row prisoners, and is expected to commute all or most of the death sentences. Despite this phony scandal, Gov. Ryan is being considered for nomination for the Nobel Peace Prize because he reversed his position on the death penalty, upon examining the gross inequities and failures of the system.

IBERO-AMERICAN NEWS DIGEST

Argentine Daily Covers Italian Resolution for New Financial System

Under the headline, "Unanimous Resolution of the Parliament. Strong Italian Support for Argentina," the Argentine daily *Clarín* Sept. 26 reported on the Italian Parliament resolution calling upon the Berlusconi government "to use all possible instruments to aid Argentina" (see INDEPTH "Italian Government Votes for New World Financial System"). The resolution brought about "one of those rare moments of political unity between the government and the opposition," *Clarín* stated. *The difference between that and the "red hot" and "furious debate" over Prime Minister Silvio Berlusconi's support for Bush's war which preceded the discussion of the Argentine initiative, clearly impressed Clarín's correspondent, who emphasizes that every parliamentary group signed the initiative, and that it was motivated by Vice Foreign Minister Mario Baccini.*

The one important part of the resolution which *Clarín* notably did not mention, was the first paragraph asserting the systemic nature of the crisis. Perhaps, *Clarín's* editors feared that would have made the "LaRouche hand" in this too obvious to its Argentinian readers. Nor did it dare mention that Lyndon LaRouche had been cited in the debate. It did, however, report that "one of the Parliament's decisions is the call for Italian initiatives in the international bodies, to

propose a *financial architecture* to sustain the real economy and avoid 'speculative bubbles' and financial crashes' of nations such as Argentina" (emphasis in original).

Baccini, *Clarín* recalls, visited Buenos Aires last May, and signed two loans for \$91 million, the first international credit which Argentina had received "in the most dramatic moments of the crisis which Argentina is suffering." He will return in the last week of October, on a trip that also takes him to Chile and Uruguay.

U.S. Treasury Secretary O'Neill Calls Meeting of Finance Ministers

U.S. Treasury Secretary Paul O'Neill called a meeting of the Finance Ministers of the Americas (minus Cuba) for the morning of Sept. 27, in order to have "a frank and open discussion of economic issues affecting the hemisphere," a Treasury Department statement announced. The meeting will take place before the opening of the annual International Monetary Fund-World Bank meeting in Washington, D.C. "Recent economic developments" and "improving financial stability" are on the agenda, the statement admits, the closest it gets to even hinting at the crisis which led them to call the meeting.

Colombia's Uribe Falls into IMF Trap

Colombian President Alvaro Uribe has fallen into the IMF's trap of demanding greater austerity, in the form of deep budget cuts and more taxes on the population, in exchange for U.S. and other financial aid to expand his country's war on narcoterrorism. As the LaRouche movement in Colombia has repeatedly insisted, no war on narcoterror can succeed without an emergency economic reconstruction program as its underpinning.

On the eve of a trip to the U.S. to meet with President Bush, Deputy Defense Secretary Paul Wolfowitz and the IMF, Uribe called on the population to "endure." "We will all make this effort: the business sector and citizens contributing with taxes; workers and retirees delaying pension increases to guarantee future monthly payments." Uribe also said that although Colombia "will continue to comply with debt payments," he called on the financial system to "understand that we must pay the social debt to a nation suffering much misery," and that therefore the nation needed "long-term international credits, at reasonable interest rates." He then flew off to Washington, where he immediately met with top utopian Wolfowitz, who afterwards told the press that the Bush Administration was committed to working with Congress to give Colombia full support in its "fight for democracy." Uribe also met with Treasury Secretary Paul O'Neill and Secretary of State Colin Powell, before going on to confer with IMF and World Bank officials.

'Lula' da Silva Leads in Latest Brazil Polls

With only a week to go until Brazil's national elections Oct. 6, Jacobin "Lula" da Silva's lead in the polls is growing, so much so that it is possible he will be elected President in the first round. The latest polls show Lula running around 44%, while the government's candidate, Jose Serra, is polling 19-20%— not surprising, given that this former Health Minister is running on the IMF's program. Wild card Ciro Gomes— a former Finance Minister who has been part of a continental political project run by Harvard sociologist Roberto Mangabeira Unger (along with Mexico's Carlos Salinas and Jorge Castaneda), but who has won the support of some nationalists— is polling around 15%. Running last, at around 12%, is Anthony Garotinho, a leftist and former Governor of the state of Rio de Janeiro.

To win on the first round, a candidate has to receive one vote more than 50% of the *valid* votes cast, which generally means a candidate has to receive around 44% of the vote, once spoiled and invalid ballots are subtracted. If no candidate wins that much, a second round runoff between the two top vote-getters will be held Oct. 27.

Polls are just polls, however, and much could happen between now and Oct. 6, given world realities, including the way the Brazilian currency, the real, is plunging.

EIR Campaign Against 'Green Mafia' in Brazil Expands

EIR's explosive Portuguese-language book, *Green Mafia: Environmentalism at the Service of World Government*, has just been reprinted for the fourth time in Brazil this September, bringing the total printed so far to 10,000 copies since it first rolled off the press in March 2001.

This is the book which Prince Phillip's Worldwide Fund for Nature (WWF) Brazilian branch has done everything in its power to stop from circulating. The book has circulated widely in policy-making circles across the country, and it became the center of national debate in May 2001, when a Parliamentary Investigative Commission (CPI) set up by the Senate to investigate the Non-Governmental Organizations, held hearings and invited Lorenzo Carrasco, *EIR's* correspondent in Brazil, to testify at its opening session. The official Senate daily published a summary of Carrasco's remarks, as did various other Brazilian media, all of which identified him as the author of *Green Mafia*.

On July 25, 2001, the WWF-Brazil filed suit against *EIR*, requesting the courts order the seizure of all copies of *Green Mafia*, on the ludicrous grounds that *EIR* was violating a Temporary Restraining Order which prohibited a separate entity—the Ibero-American Solidarity Movement (MSIA), a Brazilian political movement founded by co-thinkers of Lyndon LaRouche—from campaigning against the WWF, or even from publishing any truthful statements about their genocidal intentions and actions. The WWF attempted to argue that *EIR* is no more than a front for the MSIA, and therefore its book should be seized.

The courts threw out WWF-Brazil's bogus suit against *EIR*, but its equally-bogus slander suit against the MSIA is still proceeding through the courts.

Regional Banker: Argentina Needs State Banks To Foster Economic Growth

Writing in the Argentine daily *Clarín* Sept. 13, former Banco de la Provincia president Rodolfo Frigeri argues that Argentina needs its state-sector banks, in order to foster economic development. This is the sentiment of most Argentines, who oppose the Duhalde government's agreement to sell to private interests, 10% of the stock of the state-owned Banco de la Nación (BNA), and the provincial Banco de la Provincia de Buenos Aires, to comply with International Monetary Fund (IMF) demands for these banks' eventual privatization. There have already been angry public protests against this, and Banco de la Provincia's current president, Ricardo Gutierrez, told *El Cronista* that "to talk about privatizing state banks, with all the problems the economy has today, is being out of touch with reality. There is no agreement to do that."

Frigeri zeroes in on the real reason for the IMF's demand. Look at the opposing goals of private and state-run banks, he proposes. Private banks, which in Argentina are largely foreign-owned, seek to maximize their profits. But the operations of public banks "have a lot to do with the *development plans* encouraged by the nation, the province, the region or municipalities. Their efficiency doesn't lie in demanding immediate payment from the farmer whose [farm] has been flooded, or the producer in crisis, but to do everything possible to aid their recovery, even at the cost of rescheduling their debts." This is what the IMF calls "inefficiency."

The IMF experts who propose the banks' privatization "don't feel obligated to understand the human dimension of economic development," Frigeri says. And, he adds, whatever happened to their commitment to free enterprise—why do they fear letting private banks compete with state banks? Everyone knows that, were there no public banks, "interest rates, as well as the list of productive sectors deserving of credit, and the decision to finance them, would be made many kilometers from Argentina [on Wall Street], and that large sectors of the country, today serviced exclusively by public

banks, could remain marginalized."

Paraguay Faces 'Worst Economic Crisis in 20 Years'

"If we don't get an IMF loan for \$200 million, we will barely survive," said Paraguay's Finance Minister James Spaulding in desperation, Sept. 19. Spaulding added that his country is suffering "the worst economic crisis in the last 20 years." The Finance Minister's warning, made to Radio Cardinal, come in the midst of growing social upheaval, sparked by the IMF's demands for Congressional approval of new austerity measures, which this impoverished nation cannot tolerate.

On Sept. 23, some 60 business, trade union, and social organizations are striking nationwide to protest the very "fiscal adjustment" law the IMF demands which, among other things, calls for increasing the value-added tax (VAT) from 10% to 11%. At the last minute, the government tried to prevent the strike by offering to lower a proposed gasoline-price increase, but this was rejected. Farmers in five southern provinces were scheduled to be out on the roads, in their tractors, and vowed to caravan all the way to the national capital, Asuncion, "if necessary," to force the government to withdraw the austerity legislation.

Spaulding, meanwhile, reported that he had received a letter from the IMF, expressing concern that the austerity legislation hadn't yet been approved by the entire Congress.

WESTERN EUROPEAN NEWS DIGEST

Amelia Robinson Received by Lombardy President

American civil rights heroine Amelia Boynton Robinson, now a leader of the LaRouches' Schiller Institute, was received in Milan by Roberto Formigoni, the President of Italy's Lombardy region, on Sept. 24. Formigoni presented Mrs. Robinson with the official medal of the Lombardy region, in recognition of her work for civil rights and peace, and noted that her name is well known in Italy, as the work which she carried forward with Martin Luther King, Jr. has had a significant impact in Italy.

During their meeting in Milan's Pirellone tower, Mrs. Robinson stressed the importance of working for peace through improving the economic conditions of peoples around the world, and Formigoni clearly stated his opposition to a new war in Iraq, and his support for an increased role for the United Nations in the current situation.

During her two-day visit to Milan, Mrs. Robinson also met with a City Commissioner who has been in contact with the LaRouche movement for years, and addressed a meeting of 35 contacts— mostly youth— of the Solidarity Movement in Milan. She told of her past experiences in the fight for voting rights, and urged people to work with Lyndon LaRouche to change the disastrous conditions in which the world finds itself. She said that countries should refuse to support or participate in a war with Iraq, so that George W. Bush will have to change his policy, and she denounced the political and cultural degeneration in the United States as a departure from the tradition of the U.S. Constitution.

While in Milan, Mrs. Robinson gave several interviews, including to one of the largest-circulation magazines in Italy. On Sept. 25, the national daily *Libero* ran a picture of her and Formigoni with a short article about her visit, mentioning that she was addressing a meeting of the Solidarity Movement.

Le Monde: War of Attrition Has Already Started Against Iraq

The Sept. 25 issue of the Paris-based *Le Monde* published an article headlined "The War of Attrition Against Iraq Has

Already Started," by military specialist Jacques Isnard. It describes in detail the war that the U.S. and Britain are already waging against Iraq, which Isnard calls a "double-pronged" strategy aimed at "weakening gradually the existing Iraqi potential, and at activating the deployment of forces which will be mobilized, with the allies, once George Bush decides to go."

For the past month, British and American airplanes have been carrying out heavy raids, no longer at land-to-air missile ramps, but against "fixed or mobile centers of command, control and communications contributing to the Iraqi defenses." It is a "war of attrition" against the infrastructure through which Saddam Hussein could counter the coming attacks. Isnard notes that the U.S. is avoiding targetting areas where they think that Saddam's troops would be willing to turn against him. This is the case in Basra, in the southern part of the country, where the U.S. believes, rightly or wrongly, that two out of five regular Army corps and three out of the six Republican Guard units are weak and undecided.

The attitude of the Republican Guards (60,000 men) is apparently closely scrutinized by the U.S., because Saddam has distanced himself from them and replaced them with another special unit (25,000 men) working closely with the Special Security Service, the Moukhabarat intelligence networks, and the secret police. In the meantime, Washington is accelerating troop deployments which will reach 60,000 men in the area by mid-October, excluding the troops, helicopters, and airplanes aboard six aircraft carriers.

Americans and British, in a smaller deployment, are already setting up bases in Kuwait, Saudi Arabia, Bahrain, Oman, Turkey, and Diego Garcia in the Indian Ocean. Isnard says the military targets and order of attack have already been established and reports that, according to *Aviation Week and Space Technology*, six military reconnaissance satellites have already redeployed solely into surveillance of Iraqi territory.

European Strategist: Major Conflict Heating Up Between U.S., Europe

According to a senior Western European strategist just returned from the U.S., "There is a major conflict erupting between the United States and Europe, and that is the real significance of this push for war with Iraq."

"This is very clear to me," he added, "after having been in the U.S., and being immersed in the American environment, which is completely different from that here in Europe. After some time, I began to feel physically, this different environment. And once you understand this, you see that it is no secret, that a very big anti-European mood has developed among policy circles and commentators on the other side of the Atlantic."

Aside from a growing divide between how the European nations and the Americans approach certain internal and social problems, this source claimed there is a growing set of differences on the approach to international problems. "The Europeans think in terms of treaties, conventions, and international law, but the crowd now running the show in the U.S. thinks in terms of **force**. As long as the Soviet Union existed, such differences were kept under the rug, but now they have come to the surface."

He said that "certainly Cheney and Rumsfeld embody this view on the other side of the Atlantic, but it goes beyond them, to encompass a whole set of influential people, a powerful group, in the American Establishment. This is no longer the thinking of an Eagleburger or a James Baker, but this comes from a powerful trend, mainly centered in the neo-conservatives."

The coming Iraq war will accelerate transatlantic differences, the strategist affirmed. "The Americans want this war, by hook or by crook. It is difficult to see the rationale. In any case, this will be the last enterprise of this type. The Yugoslav war already destroyed NATO forever. And if the Americans attack Iraq now, this will cause deep, deep, deep differences between the U.S. and Europe, which all will have consequences for the already fragile international economy."

The Western European source characterized the new Bush Administration strategic doctrine as "absolute and total madness, and confirmation, for me, that the conflict between the U.S. and Europe is getting ever-deeper."

White House Spokesman Fleischer Icy Towards Germany

In the aftermath of the Sept. 22 German elections (for full coverage, see our INDEPTH section), White House press spokesman Ari Fleischer warned Sept. 23 that relations between the U.S. and Germany would remain somewhat frosty, and indicated that there would be "no return to the status quo ante."

Asked whether President Bush had called to congratulate Chancellor Schroeder on his electoral victory, Fleischer said, "As you know, Secretary Powell received a phone from German Foreign Minister Joschka Fischer yesterday, and the President was pleased that the Secretary took the call and extended his message."

Later, Fleischer was more explicit: "I think this is all very plain for everybody to know and plain to see, and I'm not going to belabor the point. Things were said that I think, in the President's judgment, were excessive during the campaign and raised a sense of anti-Americanism and criticism of the United States and the United States' policies from an ally. These criticisms were not muted. And it is the right of anybody to do that in a democracy, and German leaders exercise those rights. And now the German people have exercised their right, and they have spoken. And the United States government will work with whoever people elect around the world in freedom and democracy. And that's what will happen here."

"But nobody should be under any illusions or mistakes that now that the election is over, that everything goes back to the way it was," Fleischer continued. "That's not the natural result of the manner in which that campaign was waged. And I think that's plain for everybody to know and see."

The references were to the strenuous campaign Schroeder and his SPD ran to oppose an Iraq war, and in addition, the rumors that the German Justice Minister had likened President Bush to Adolf Hitler, while another German Cabinet Minister had compared him to Caesar Augustus, treating Germany like the "province Germania."

European Commission Pushes Back Balanced-Budget Deadline

Hit by economic reality, the European Commission has again pushed back its balanced-budget deadline by two years, to 2006, as Germany, France, and Portugal face deficits that surpass the "stability pact" limit of 3% of Gross Domestic Product in 2002. French Prime Minister Jean-Pierre Raffarin hailed the EC's "sense of reality" in acknowledging that budget-balancing commitments "depend on growth." Italian Finance Minister Giulio Tremonti said he "fully agrees" with the EC's approach.

Renewed Tensions Flare Between Spain and Morocco

The conflict between Spain and Morocco is intensifying again, two months after the outbreak of "war" over the tiny Mediterranean island, Perejil. At the beginning of last week, a meeting between Moroccan Foreign Minister Benaissa and Spanish Foreign Minister Ana de Palacios—the first of its kind since relations had broken off in October 2001—was suddenly cancelled. The reason given was that Morocco claims that on Sept. 29, a Spanish military helicopter landed on Perejil. Spanish Defense Minister Frederico Trillo insists that is not true, that a military helicopter only took to the air, when the Spanish authorities noted that Morocco had dispatched a rubber dinghy from its coast.

In addition, the Moroccan Foreign Minister claims that Spanish authorities have violated Moroccan territorial waters and

air space 87 times since July.

The meeting, which was to have taken place in Madrid, was supposed to settle the long-lasting dispute between the two countries, which also includes questions concerning fishing rights, the Spanish enclaves of Ceuta and Melilla, and the West Sahara.

Parliamentary elections are taking place in Morocco for the first time since 1997, and it may be that Moroccan King Mohammed VI may want to saber-rattle to get the voters mobilized.

Morocco is also concerned that since the crisis in July, Spain has strengthened its military units in the region. Spain, which settled the conflict by immediately involving U.S. Secretary of State Colin Powell, has cancelled all weapon sales to Morocco since July, while Spanish authorities are said to have put Morocco in the same category of "sensitive states" as Iraq. From that standpoint, the renewed frictions between the two countries should perhaps be seen in the wider context of the buildup for war against Iraq.

Russia and Central Asia News Digest

Putin: Existing UN Resolutions on Iraq Are Adequate

On Sept. 26, Russian President Vladimir Putin again stated that the UN does not need to pass another resolution about inspectors. Putin made the remarks as he received the new ambassador from Iraq, one of several countries presenting ambassadorial credentials that day.

Putin stated, "Russian-Iraqi relations have a long history. We advocate a speedy settlement of the situation around this country by political and diplomatic methods, on the basis of existing UN Security Council resolutions, in strict accordance with the principles and norms of international law. The decision to renew the activity of UN inspectors in Iraq has opened possibilities for this. Its speedy implementation will make it possible to answer the international community's concerns."

But while Putin was *reiterating* Moscow's standing position on Iraq, **Izvestia.ru** commentator, Alexander Shumilin wrote the same day that it was a "sensation," because "there have been so many reports about 'intense Russian-American diplomatic contacts' connected with the new draft UN Security Council resolution...."

"Although there was no concrete evidence of some compromise being reached between Moscow and Washington," said Shmulini, "the majority of analysts [including **Izvestia's** own— ed.] were inclined to think that 'their positions were drawing closer.' The conclusion was being drawn that Russia would likely not block the British draft of an anti-Iraq resolution. Obviously, that conclusion was premature."

Shumilin reports that Foreign Minister Igor Ivanov called Tony Blair's Iraq dossier "a propaganda splash." But then he says it is an open question, whether the words of these leading Russians are "an informational smokescreen" for a compromise with the U.S., or express Moscow's genuine desire to impede a U.S. war on Iraq.

Bush's Imperial Design Denounced as 'Mein Kampf,' and 'Preemptive Strike on the World'

See this week's INDEPTH for extensive quotes from **Red Star**, newspaper of the Russian Defense forces, and from the English-language **Moscow Times**, as two leading examples of the world reaction against the Bush Administration's preemptive war doctrine.

Primakov Proposes Agenda for Chechnya Peace Talks

A major article by former Prime Minister Yevgeni Primakov, in the Russian government newspaper **Rossiyskaya Gazeta**, published Sept. 10, put forward the perspective of a sharp shift from armed combat to negotiations in Chechnya. After the unofficial, but also not officially criticized, talks by Russian politicians Ruslan Khasbulatov, Ivan Rybkin and others with Chechen representatives in Liechtenstein this summer (in which Zbigniew Brzezinski's Chechnya committee had a role), the Primakov article marks an intensification of motion towards such a shift. The article has been also redistributed by **RIA Novosti**.

Primakov begins the article bluntly, "Chechnya is Russia's largest problem and its main frontline of counter-terror struggle. But the time has come to amend the policy with regard to Chechnya. The strategy is all right in that Chechnya should remain part of the Russian Federation. But the tactic of attaining this strategic goal should be amended. The previous policy with regard to Chechnya was only partially successful. The federal forces delivered a debilitating blow at the bandit groups, thanks to the men and officers of the Army and the Interior Ministry troops. But the resistance of the bandits has not been crushed, as proved by their continued mass raids, which are doing serious damage to the federal forces. It would be wrong to put the entire blame on the command, although planning could have been better. The trouble is that the Chechen problem cannot be resolved by only or at the current stage predominantly military methods."

Acknowledging he "may be criticized by ... certain quarters that are directly involved in the Chechen problem," he says, "I have thought long and seriously, and believe that I have the moral right to put forth my ideas."

He then proposed six principles: 1) separate "civilians from bandits"; 2) undertake negotiations, including with the field commanders, or at least some of them; 3) recognize that some of the Chechens want to negotiate, and that their Saudi and Turkish sponsors will likely be more careful in current circumstances; 4) make officials in adjacent Russian areas responsible if conditions are created favorable to Chechen guerrilla operations; 5) not allow the military to play the dominant role in the settlement, but rather a single representative of the Russian President, who should be responsible for "everything in Chechnya, including economic development, the military action against the bandits and the political work with the population"; 6) work internationally and with the public abroad, to make them understand "what a heavy burden we are straining to carry and how difficult it is to fight at the forefront of the most bloody battle against terrorism for years without being understood."

The article comes as fighting and tensions has been escalating (see below).

Chechen Provocation Fuels Russia-Georgia Tensions Again

A major provocation by Chechen warlords in Ingushetia on Sept. 27 is fanning tensions between Russia and Georgia. The battle occurred around the village of Galashki in Ingushetia, a republic in the Russian North Caucasus adjacent to Chechnya, which also shares a border with Georgia. Forces identified with Chechen warlord Ruslan Gelayev, though reportedly commanded by one Abdul Malik a.k.a. Vitali Smirnov (a Russian convert to Islam), engaged federal Internal Affairs and then regular Army troops. Somewhere between 40 and 100 guerrillas were killed, as well as 10 or more Russian soldiers. One of the dead with the Chechens was a British citizen named Gervais Roderick John Scott, a stringer for the **Frontline News** TV show.

The incident is particularly loaded, because the band of "Gelayevists" is alleged to have entered Ingushetia from Georgia. According to stories in the **Kommersant** and **Nezavisimaya Gazeta** dailies, the band is the one that was allegedly holed up in Georgia's Pankisi Gorge several weeks ago. On Sept. 20, they popped up in North Ossetia, another Russian republic, at a location 200 kilometers from Pankisi. The remnants of the band retreated into Chechnya after the Sept. 27 fighting.

Russian media are highlighting the statement by Defense Minister Sergei Ivanov, that if it were proven that the Chechen band in Galashki came from Georgian territory, this would be "the final drop, that made Russia's cup of patience overflow." Said Ivanov, "We will use every capability we have to repulse this aggression, as allowed to us under international law and the UN resolution on combatting terror."

'Washington the Fourth Rome' Makes Georgia its Protectorate

Vitali Tretyakov, the respected former editor of **Nezavisimaya Gazeta**, calls the United States in its current imperial posture, "The Fourth Rome." The term is particularly cutting, given the failure of late-20th-century designs for "Moscow the Third Rome (and the Fourth Shall Never Be)." Tretyakov's remark appeared in a lengthy article he published in **Rossiyskaya Gazeta** of Sept. 19, analyzing what was behind President Putin's Sept. 11 "ultimatum" to Georgia about harboring Chechen fighters in Pankisi Gorge.

Tretyakov observes that there are certain "constraints" on Russian action in the Caucasus: "The President of present-day Russia will not carry out any acts of force on the territory of another state without the permission of the United States, because he cannot. This is even more true in the case of Georgia, which under the leadership of Eduard Shevardnadze is bending over backwards to give itself up to the Americans, dreaming of becoming if not a second U.S. state by the name of Georgia, then at least a protectorate of the Fourth Rome. The Fourth Rome is perfectly willing for this, but does not quite understand how and why it should maintain a Georgian elite that is all too corrupt and demands the constant satisfaction of its desires...."

Russian Commentator: We Can Oppose the United States

An **RIA Novosti** commentary by Dmitri Kosyrev was translated and showcased by the **BBC** on Sept. 24, under the headline "Pro-Kremlin agency outlines Russian stance on Iraq." **BBC** goes out of its way to say the source is "known for its close relations with the Russian Presidential Administration and often used by the Kremlin in order to outline its views on sensitive matters in an unofficial way."

Kosyrev took up the coming days' debates in the UN Security Council, "where Washington is pushing for a blatantly provocative resolution on Iraq." He went on to present an analysis of U.S. actions: "The point [of such a resolution] is to make the conditions of weapons inspections so tough for Baghdad that Saddam Hussein would refuse to cooperate. In this case, the Security Council would be caught in an American trap and would have to vote for war. If the Security Council rejects the American plan, then George Bush, armed with a resolution from the U.S. Congress, will fight against Saddam on his own or together with Great Britain. In both cases, Washington will demonstrate an ability to impose its will on the rest of the world. This is its true goal, rather than changes in Iraq or in the Middle East."

Kosyrev suggested that this raises the prospect of a "collapse" of the UN. "The point is, that a resolution passed by U.S. Congress can't give the American President the right to violate the UN Charter. It has the status of an international treaty and, therefore, stands above internal laws of any country. Theoretically, America may become subject to UN sanctions if it strikes Iraq without Security Council approval. Of course, nobody can actually implement such sanctions. Russian diplomats, like any others, are bound by their official status and can't say in plain words that the limit of patience towards American boorishness has been exhausted, as well as the limit of patience towards Saddam Hussein. However, Saddam is not the point. The point is the need to set boundaries for American all-powerfulness. What's more, it must be done politely and in a friendly manner."

As for the United States, "A superpower with no obligations to the rest of the world is more than just dangerous— it's doomed to defeat. It may be defeated by terrorists or find itself bogged down in the Middle East, or lose the economic competition to its own allies. Meanwhile, Moscow has just started to get used to partnership with America and enjoy the

benefits it gives.... For some people it's hard to realize that we oppose America not as a strategic enemy, but as a friend and ally. Few people understand that the Iraq problem does not return us to the Cold War time. The Russian position is very much similar to that of France, which also has serious economic interests in the Middle East and in Iraq but still remains an old American ally.... Insofar as the struggle for the new world order is concentrated at the UN, other countries are gladly hiding behind Russia, France, and China's backs. The approval or non-approval of the U.S.-proposed resolution on Iraq now depends on [those] three permanent members of the UN Security Council. The dubious privilege of standing on the front line is the only difference between Moscow, Paris, and Beijing, on the one hand, and the rest of the world. It, too, contemplates how to restrict American all-powerfulness a little bit, before America does so itself by embarking on a risky adventure."

Ukrainian President Kuchma Under Siege

On the evening of Sept. 23, the Ukrainian political opposition, a tactical alliance of the Socialist Party, Batkivscina Party, and Communist Party, temporarily took over the studio of the first channel of Ukrainian national television, halted the broadcasting of news programs, and broadcast an announcement that the studio had been occupied. Kiev authorities promptly restored order, drove out the politicians, resumed the work of the national TV, and launched a criminal case against the opposition forces for attempting to impede broadcasting.

Public protests continued, however, in the streets of Kiev, Kharkov, and other large cities. Inside the Supreme Rada, Batkivscina's Yulia Tymoshenko demanded to start impeachment proceedings against President Leonid Kuchma. The opposition also demanded the ouster of Interior Minister Yuri Smirnov and the immediate release of the detained participants in recent days' public rallies.

By the evening of Sept. 24, a group of parliamentarians including Tymoshenko and SP leader Alexander Moroz had invaded the office of President Kuchma's staff, but they were stopped by guards. The group refused to leave until President Kuchma agreed to personally meet with them and receive their demand for his resignation. Tymoshenko and others remained in a stairwell, and announced a hunger strike. Kuchma was forced to cave in and agree to a meeting.

The destabilization in Kiev was amplified by the U.S. State Department, which announced on Sept. 24 the suspension of all financial assistance to Ukraine, due to allegations about weapons deals between Ukraine and Iraq. The evidence of these supposed deals was reportedly provided to the U.S. by defector Mykola Melnichenko, an intelligence operative who was the source of the infamous tapes of conversations in Kuchma's office, which were used to implicate him in the murder of journalist Heorgi Gongadze two years ago.

According to wire reports from Washington, another one of Melnichenko's tapes allegedly has Kuchma authorizing the sale to Iraq, through Jordanian intermediaries, of a "Kolchuga" anti-aircraft warning system. In response to the State Department announcement, Kuchma issued a denial and invited international inspection of Ukrainian-Iraqi deals.

MIDEAST NEWS DIGEST

U.S. Ambassador's Fit Against Egyptian Press Shows Imperial Madness

The current U.S. Ambassador to Egypt, David Welch, triggered a wave of protests when, on Sept. 20, he published an article in the Egyptian daily newspaper **Al-Ahram**, denouncing those who dare to question the "official" accounts of the attacks of Sept. 11. The publication of Welch's rant provoked protests from Egypt's leading journalists' association, including calls for Welch to be declared **persona non grata** and asked to leave the country.

Lyndon LaRouche called attention to this heated exchange, as yet another manifestation of the mad imperialist bent of the present Bush Administration. Below, we publish the official published statement from the Journalists' Society of Egypt, condemning Welch's comments, followed by excerpts of the Welch article, which appeared in the warmongering **New York Post** on Sept. 27.

The statement below, translated from Arabic, from the Journalists' Society of Egypt, was published in the same daily **Al-Ahram** on Sept. 24. A series of published statements by leading Egyptian intellectuals denouncing Welch's demand for censorship, are not yet available:

"In its meeting on Sunday, the Bureau of the Supervisory Board of the Journalists' Society discussed the comments sent to the Society in response to the article written by Mr. David Welch, U.S. Ambassador to Cairo, and published in **Al-Ahram** daily, especially his call on Egyptian chief editors to ban any articles and opinion commentaries that do not fit into the American viewpoint on the responsibility of al-Qaeda for the September 11 attacks. On this occasion, the Bureau emphasizes that the main principle to which the Society and all Egyptian journalists are committed is that the freedom of expression includes the right to publish all opinions, no matter how much they go against the general consensus, and that the road to truth starts from presenting all views, and not from the scissors of the censorship.

"There is no doubt that the publishing of this article [of Welch] by the oldest and most prestigious Egyptian and Arab newspaper [**Al-Ahram**], is the embodiment of this principle, while it is highly doubtful that a similar article criticizing American press would ever find its way to an American newspaper that easily.

"While expressing its astonishment at the U.S. Ambassador's disregard for the principle of freedom of expression and publishing, it also expresses it towards his attempt to manipulate this principle for the advantage of the American Administration's viewpoint....

"The Bureau would like to assure Mr. Ambassador that any attempt to interfere in the publishing policies of the Egyptian newspapers is regarded as an unacceptable move, violating the independence of the press as granted by the Constitution and law. Furthermore, it is useless to expect a positive response from any Egyptian chief editor to any orders that might bring real damage to the reputation of the Egyptian press."

From the article by Ambassador David Welch:

[After thanking the sympathizers in Egypt for commemorating the September 11 attacks favorably.]

"Unfortunately, the anniversary also brought yet more media voices questioning who planned and committed the attacks, and positing incredible conspiracy theories without the slightest bit of evidence to back them up.

"Leading Egyptian newspapers and magazines in the past two weeks alone have published columns by senior columnists who suggested governments or groups other than al-Qaeda were responsible. A leading Egyptian professor of sociology, in a public lecture on Sept. 11, 2002, spent nearly half an hour trying to cast doubt on al-Qaeda's culpability and even went so far as to implicate the U.S. government by asserting that America had benefited from the attacks. Much attention and credibility have been given in the media to a book by a Frenchman, a book that has been completely debunked by more careful and thorough French authors. [Welch does not mention their names: Guillaume Dasquie and Jean Guisnel— who wrote a book attacking Thierry Meyssan, Lyndon LaRouche, and Jacques Cheminade.]

"Most of the world accepts the voluminous evidence of al-Qaeda's responsibility. No serious debate still exists about this. This has been detailed in thousands of articles in independent media in many countries, articles available to anyone with

access to the Internet.

"Moreover, al-Qaeda itself fully admitted its culpability in interviews given in June to Yusri Foda of **Al-Jazeera**, interviews which aired on the network this month. It is difficult to fathom how commentators can simply disregard these confessions, coming on top of all the other publicly available evidence.

"That educated columnists and professors would still doubt who designed and carried out the attacks makes one wonder if they are ill-informed or simply too upset with American policy on other issues to accept the reality on this one. If the former, then their sources of information are flawed and incomplete....

"Sadly, such disregard for the facts in such a serious matter can tarnish the reputation of the Egyptian media in the eyes of the world. I hope editors will keep this in mind and exercise their editorial judgment when reviewing articles or columns to print in their publications.

"If nothing else, responsible media should be dedicated to telling the truth, not spreading falsehood, and knowing the difference between the two...."

Democrats Voice 'Anti-War' Sentiments, But War Has Already Begun

In a race against time, where the Bush Administration is already at war with Iraq, having escalated British and U.S. allied air strikes on fixed Iraqi defenses throughout the week, leading Democratic members of the U.S. Senate and House are *belatedly* attacking the idea of a war against Iraq. While the Democrats' anti-war language uses the strongest terms heard in years, only 2004 Democratic Party Presidential pre-candidate Lyndon LaRouche has identified that the Bush "National Security Strategy" is a Cheney-Wolfowitz imperial nightmare that has *nothing to do* with a threat assessment concerning Iraq. The war has been planned for a dozen years. For details, see [EIW #29's Editorial](#) calling for Cheney's resignation; and this week's [INDEPTH](#) feature.

Kennedy Attacks War Plan; U.S. Congressmen Visit Baghdad

On Sept. 24, two more members of the U.S. Congress joined a delegation to Iraq to explore a road to peace, and in a Washington speech on Sept. 27, Sen. Ted Kennedy warned that Israel could escalate the war by launching a nuclear strike—a reality that few leaders outside of Lyndon LaRouche have ever mentioned. However, Kennedy, like other war opponents, failed to assert that it is well known that Sharon's Israel has plans for a "preemptive attack" on Iraq, such as the one they carried out against the Iraqi Osirik nuclear reactor in 1981.

Senator Kennedy delivered his attack on the Bush war plans, ironically, at the Johns Hopkins School of Advanced International Studies (SAIS), which was under the control of former Cheney aide and chickenhawk warmonger Paul Wolfowitz, before he became Deputy Secretary of Defense for the Bush Administration.

Kennedy's speech is a new development in a show of opposition to the war. At the same time, Congressmen Mike Thompson (D-Missouri), James McDermott (D-Wash), and David Bonior (D-Mich) were on their way to Iraq, to assess the damage caused by the Gulf War and ten years of sanctions. McDermott says that he does not think that there is any evidence that Iraq is a real threat to the United States. They say they want the Bush Administration to exhaust all diplomatic measures and allow weapons inspectors to go to Iraq, before discussing military action. However, these events are occurring as the Bush Administration has already escalated its air war.

Kennedy opened his speech by saying that "America should not go to war against Iraq unless and until other reasonable

alternatives are exhausted.

"There is clearly a threat from Iraq and there is clearly a danger," Kennedy said. "But the Administration has not made a convincing case that we face such an imminent threat to our national security that a unilateral, preemptive American strike and an immediate war are necessary.... War should be a last resort, not the first response," Kennedy proclaimed to applause.

Kennedy noted that "it is an open secret in Washington that the nation's uniformed military leadership is skeptical about the wisdom of war with Iraq," and he cited testimony by retired Generals Wesley Clark and Joseph Hoar in the Senate earlier this week, including Hoar's warning that the U.S. military would have to be prepared to fight block by block in Baghdad, where a battalion of soldiers a day could be lost in casualties.

Kennedy also raised the possibility that if Iraq attacks Israel with weapons of mass destruction, "Israel will retaliate, and possibly with nuclear weapons," and that this "could draw the Arab world into a regional war in which our Arab allies side with Iraq, against the United States and against Israel."

Kennedy urged the Administration to work through the UN for a new resolution providing for the resumption of inspections by the end of October, but his comments may be too little, too late.

U.S.-British War on Iraq Already Underway

Further American-British air raids on Iraqi defense sites are profiled as prelude to full assault, in a prominent article in the London **Telegraph** on Sept. 27. The **Telegraph** has an inside track into the war planning through its owner, Conrad Black, the major financier of the neo-conservative fascist organizations in the U.S., and through its top executive, Richard Perle, who runs the Defense Policy Board. The **Telegraph** states that "British and American aircraft have attacked four of the six main Iraqi air defense command posts in the past 48 hours, as the allies step up raids on Saddam Hussein's military facilities. The increasing frequency of raids is expected ultimately to build up into a full-scale air before any land attack...."

Reports from Washington indicate the U.S. war on Iraq has already started— *without* UN resolutions, or Congressional approval. On Sept. 27, the U.S. admitted that it had struck from the air at a civilian airport and radar system in Basra, which is an important outlet to the Persian Gulf, early the previous day. And exiled Iraqi military officers (among other sources) have reported a recent buildup in attacks on communications sites and Iraqi air defense command centers— presumably as preparation for a U.S.-led invasion.

At the same time, large quantities of armored and other material are being shipped from Europe to forward positions, while the number of troops ostensibly engaged in various "maneuvers" is continuously being increased.

Mubarak in Diplomatic Initiative To Stop War

On Wednesday, Sept. 25, after meeting with the Iraqi Foreign Minister in Cairo, Egyptian President Hosni Mubarak flew to Saudi Arabia to meet with Crown Prince Abdullah. He told **Reuters** that "both leaders will be trying to seek a solution to avoid a U.S. strike against Iraq, either more concessions from Iraq or a formula on a new UN resolution which would be acceptable to both Washington and Baghdad."

Before Mubarak embarked on the trip, Egyptian Foreign Minister Maher told reporters that Iraq had reiterated that UN weapons inspectors would be allowed back into Iraq without any conditions.

Dr. Mahathir Demands End To Israeli Attack on Palestine

Malaysia's Prime Minister Dr. Mahathir Mohammed wrote to President George W. Bush, France's President Jacques Chirac, and German Chancellor Gerhard Schroeder on the crisis in Israel and Palestine, after receiving a call from President Yasser Arafat, prior to Mahathir's departure for the Asia-Europe Meeting (ASEM) in Denmark that began on Monday. Mahathir called on the world leaders to intervene in the ongoing siege of Arafat's headquarters.

On Sept. 25, Malaysia's Ambassador to the UN, Tan Sri Hasmy Agam, warned that Iraq should not be used as a cover or excuse by Israel to intensify its practice of state terrorism against the Palestinian people.

Indonesia Condemns IDF Attacks on Arafat Headquarters

A statement released on Sept. 23 by Indonesia's Foreign Ministry charged "that the continuing military aggression against the legitimate representative of the Palestinian people represents a continued defiance of the will of the international community as reflected in the relevant UNSC resolutions. The aggression also constitutes the intensification of the much-discredited attempt to sideline and endanger the elected Palestinian leadership under Arafat. Through its actions, Israel is once again threatening the stability and security of the region and jeopardizing the future of the peace process.

"At this juncture, the Indonesian government reiterates its support and solidarity with the Palestinian people. Indonesia demands that Israel immediately end its siege and the destruction of the Palestinian headquarters in Ramallah and fully comply with the UN resolutions."

Israel will Ignore UN Resolution on Withdrawal from Occupied Territories

Israel's record of scorning UN resolutions is exceeding that claimed by George W. Bush as a **casus belli** in the case of Iraq. On Sept. 23, the UN Security Council passed another resolution (the third since March 2002) demanding that Israel withdraw from Palestinian towns and stop destroying property. With Yasser Arafat under siege in Ramallah and Israeli tanks wreaking havoc in Gaza, the U.S. abstained from—but did not veto—the resolution, which was otherwise unanimous. The resolution specifically asked an end to Israeli operations in and around Ramallah. Israel was instructed to withdraw from Palestinian cities "toward the return to positions held prior to September 2000" when Sharon began the current war. The Security Council also condemned the terrorist attacks on Israelis.

However, **Reuters** quoted a senior Israeli official saying Israel's compliance was "highly unlikely" since Palestinians would probably not arrest militants as required by the UN.

Palestinian Leader Refuses To Ride to Power on Back of an Israeli Tank

Tawfiq Tirawi, head of West Bank intelligence for the Palestinian Authority, and one of those inside Yasser Arafat's compound whom the Israelis have demanded be handed over as an alleged "terrorist," told the Dubai-based television, MBC, that the Israelis want him out of the way, because he refuses to turn against Palestinian President Arafat. "I and other Palestinians are wanted by Israel because we are an obstacle to attempts to bring in an alternative leadership on the back of Israeli and American tanks, such as happened in Afghanistan," he said. He told the Israeli daily **Ma'ariv**: "Yasser Arafat and I will fight to the last minute."

World Jewish Leader Accuses Sharon of Ethnic Cleansing

Henry Siegman, former chairman of the American Jewish Congress and currently fellow at the Council on Foreign Relations, accused Israeli Prime Minister Ariel Sharon of implementing a policy of transfer and ethnic cleansing.

The statements appeared in the Israeli newspaper **Ha'aretz** on Sept. 25. First Siegman accused Sharon of being responsible for a policy that serves to "undercut Palestinians who seek to abandon violence and resume a political dialogue." In the last six weeks, while efforts to stop the violence by the Palestinians themselves were underway, "The brutal curfews and closings remained unchanged. Indeed, during this period, the Israel Defense Forces killed 75 Palestinians, most of them civilians, including children.... [E]ven more telling, Sharon chose to announce his designation of Effie Eitam, the most outspoken advocate of the expulsion of the Palestinians from the West Bank, to take charge of Israel's settlement program. It is difficult to imagine a move better calculated to discredit Palestinians seeking to repudiate Hamas and Islamic Jihad and end the violence."

Siegman also pointed to a recent commentary by Avi Primor, vice president of Tel Aviv University, who accused Sharon of planning to implement a South African-style apartheid policy against the Palestinians.

Rumsfeld Plays Dumb About U.S. Arming Iraq with Bio-Weapons

Senator Robert Byrd (D-WVa) grilled Defense Secretary Donald Rumsfeld about how in the past the U.S. helped Saddam Hussein produce biological weapons, during Rumsfeld's appearance before the Senate Armed Services Committee last week, syndicated columnist Robert Novak reported Sept. 26. When Rumsfeld denied any knowledge of the U.S. providing the building-blocks for weapons of mass destruction to Iraq in the 1980s, Byrd read sections of last week's **Newsweek** article aloud to him, describing the U.S. exports. Rumsfeld denied ever having heard of anything like this.

Novak suggests that Rumsfeld should become familiar with the following national security documents:

*"The sole surviving copy of a May 25, 1994 Senate Banking Committee report," which said that "pathogenic ... toxigenic and other biological research materials were exported to Iraq," under U.S. Commerce Department licenses. The report details 70 shipments from 1985-88, and says that "these microorganisms exported by the U.S. were identical to those the United Nations inspectors found and recovered from the Iraqi biological weapons program."

*National Security Directive (NSD) 26, signed by President George Bush the elder on Oct. 2, 1989, now declassified, which proposed normalization of relations with Iraq.

Novak also describes Rumsfeld's Dec. 20, 1983 visit to Baghdad, in which he was carrying a secret letter from then-Israeli Prime Minister Yitzhak Shamir, offering Israeli assistance to Iraq in its war against Iran.

Warnings: Israel will Use Iraq War To Launch Nukes

A top Israeli military commentator is warning that Ariel Sharon is leading Israel to the deployment of nuclear weapons. Reuvan Pedatzur, writing in the Israeli daily **Ha'aretz** of Sept. 26 warns Sharon ran a psychological warfare campaign to prepare Israel's population for the use of nuclear weapons against Arab countries. Pedatzur's commentary can be found in **EIW's INDEPTH** this week.

But also warning of this Israeli "doomsday" scenario was former UN Arms Inspection Chief Richard Butler, one of the most rabid promoters of war on Iraq; he said, to a business conference in Hong Kong, regarding Israel responding to any Iraqi attack: "My deepest fear in that context, if that occurs and the war escalates, is that Israel will use its nuclear weapons. If that happens, the world would have been changed beyond recognition, and I would fear that if that happens the state of Israel would cease to exist."

Asia News Digest

ASEM Report: Korea's 'Momentous Changes' Supported

EIR reporters on the scene this week in Copenhagen, Denmark, report that South Korean President Kim Dae-Jung stated on Sept. 23 that "truly momentous changes are taking place on the Korean Peninsula" in his address to the Asia-Europe Meeting (ASEM)-4 summit. "We have opened a new chapter in inter-Korean relations," Kim said. "Agreements reached in the South-North Joint Declaration of June 15th are now being translated into concrete actions.

"In particular, the reconnection of the inter-Korean rail and road, which began last week, bears great significance in that it leads to the easing of military tensions. More specifically, the barbed-wire fences along the DMZ are being removed, even if only in limited sections. There will be considerable exchanges between the two Koreas in the social and cultural fields, and economic cooperation will flourish. This will herald a historic shift towards a united Korean Peninsula.

"The reconnection of the inter-Korea rail link holds even deeper meaning. It completes a land link between Korea and Europe, which we like to refer to as the 'Iron Silk Road.' This will provide an unprecedented opportunity to realize the lofty ideal of ASEM, a united community. Trains departing from Europe will be able to cross the Eurasian continent to arrive in Korean destinations such as Seoul and Pusan, the world's third largest container port and a gateway to the Pacific. Likewise, trains departing from Korea also will be able to reach Western Europe, thereby forming a connection to the Atlantic. This will result in a drastic reduction in both logistics costs and transportation time.... When the 'Iron Silk Road' is completed, Asia and Europe will come closer as one community in the spirit of cooperation."

He concluded: "As the Sunshine Policy bears fruit, peace and prosperity will thrive not only on the Korean Peninsula but also on the Eurasian continent and the world as a whole."

ASEM also issued, on Sept. 23, the "ASEM Copenhagen Political Declaration for Peace on the Korean Peninsula." It stated that the Asian and European leaders in Copenhagen, "recalling the 'Seoul Declaration for Peace on the Korean Peninsula' " of 2000, "renewed their commitment to peace and stability on the Korean Peninsula and reaffirmed their support for the process of inter-Korean reconciliation and cooperation....

"They are encouraged by the recent positive developments towards the easing of tensions and promotion of dialogue between the Republic of Korea (ROK) and the Democratic People's Republic of Korea (DPRK) after the naval clash in June...."

The ASEM leaders "welcomed the substantial progress recently made towards accomplishing a series of projects for inter-Korean cooperation, including the launching of the construction work on Sept. 18, 2002 for the reconnection of rail and road links across the inter-Korean border which have been severed for the last five decades."

EIR will cover the ASEM conference next week.

Australian LaRouche Movement Launches Campaign For National Bank

The names of almost 600 prominent Australians were published in a full-page advertisement this past week in **The Australian**, calling for the establishment of a new national bank. The ad was organized by Lyndon LaRouche's Australian associates, the Citizens Electoral Council (CEC), and follows an intense two-month mobilization to organize the signers to endorse a petition, and subscribe to literature and donate money for the ad. The signers included 16 current and former members of parliament, more than 300 local elected officials, more than 50 union leaders, and dozens more religious,

ethnic, academic, political, military and cultural dignitaries. **The Australian** is the nation's major national newspaper, and the ad was very prominently placed— page four.

The ad highlighted the global economic crisis and its ramifications in Australia, and launched a nationwide campaign to bring Australia prominently into the fight for the New Bretton Woods call, initiated by Lyndon LaRouche in 1997. The ad generated a wave of media coverage across the country, especially on national radio networks. CEC spokesmen were busy with the media all day, and were able to report on the Italian Parliament action and LaRouche's New Bretton Woods proposal in the interviews.

The statement in the ad read in part:

"We, the undersigned, are sick to death of the misery and destruction which economic rationalism has wreaked on this country since it was adopted beginning 1983 by the Hawke/Keating governments, and continued by the Howard governments. Except for a handful of the very wealthy, these policies have been a disaster for virtually all Australians, including local government lobbies, trade unions, Aborigines, ethnic groups, immigrants, students and teachers, healthcare providers, the rural sector, small business, the poor, the unemployed, the aged and disabled, and many other average, struggling Australians. Known as 'globalization,' these policies have also produced an international economic crisis, with potential dire consequences for Australia.

"Therefore, we urgently *demand* that the Parliament begin immediate moves toward the near-term establishment of a new national bank, with the kind of broad-ranging powers necessary to bring our callous private banks into line, and to initiate a recovery of our industries, our agriculture, our environment, and of our social and physical infrastructure, in order to provide the chance for a happy, optimistic future for all Australians, of whatever creed, colour, or country of origin. Such was the dream of the courageous founder of our original Commonwealth Bank, King O'Malley; it is now urgent that we make that dream a reality."

China Warns About Attack on Iraq

Speaking in Copenhagen on Sept. 24, on the final day of the ASEM summit, Chinese Prime Minister Zhu Rongji said there would be "severe consequences" if the U.S. attacks Iraq unilaterally.

"We request that Iraq comply with UN resolutions without any preconditions and accept the UN weapons inspections," Zhu Rongji said. "We also ask that Iraq's sovereignty and territorial integrity be respected. Without authority or mandate from the United Nations or without firm evidence, any actions will lead to severe consequences."

Malaysia Goes for Expansion, Investment, Economic Growth

Malaysian President Dr. Mahathir Mohammed announced a dramatic shift in Malaysia's budget policy for the coming year, with investment tax credits, a huge increase in spending for education, and expanded agricultural and rural investment, reported the **New Straits Times** on Sept. 21. The widely expected across-the-board tax cut was not implemented, with Dr. Mahathir insisting that lower taxes would not draw more foreign investment anyway, in the current economic crisis.

Instead, using a policy made famous by John F. Kennedy, he said there would be "perks for reinvestment" through investment tax credits, while taxes of small and medium-sized industries would be cut from 28% to 20%. Civil servants will receive a one-month bonus as a stimulus, while incentives will go to businesses that invest in new foreign markets or expand exports. He looked to China and Korea as examples for industrial strategies.

Investment in transportation and other infrastructure will increase, and Dr. Mahathir rejected the foreign attacks on "mega-projects." According to the **New Straits Times**, he also said that "some may have forgotten that we are still contending with the yet-to-be-reformed international finance capital [system], an agenda likely to be forgotten under the rubric of the war on terrorism."

Education will take up a full 27% of the total budget. An Education Savings Fund will be set up to provide people from lower-income families a "ringgit for ringgit" matching grant. Special funds will go to train teachers to meet the new requirement that science and math be taught in the English language.

Philippines President Says Enough to Globalization

Philippines President Gloria Macapagal-Arroyo announced that "the time for unbridled globalization is over." Speaking to the Unfair Trade Alliance, which has been highly critical of her blanket support for free-trade policies, she expanded on her recent calls for tariffs and "fair trade" in the face of the collapsing Western import markets. Reversing her previous position, she said this is one area where she now agrees with her former Vice President, Teofisto Guingona, Jr., who broke away from Mrs. Arroyo in July over U.S. military policies in the country, and who has been critical of the government's economic liberalization policies, once even leading a rally at the Department of Trade and Industry, where protesters accused the government of abandoning local industries.

The **Philippines Star** reported Sept. 23 that President Arroyo had ordered a review of a mid-1990s tariff-reduction program, which is hurting local industries. Presidential spokesman Ignacio Bunye quoted the President as having told a business association, "We cannot continue with unbridled globalization. In other words, we don't necessarily have to follow the time schedules of the tariff-reduction schemes. We don't feel really fixated on schedules or agreements on tariff reductions."

U.S. Out To 'Reorder West Asia,' Says Indian Strategist

The real issue behind the U.S. design to attack Iraq is to reorder West Asia, "not the terms of coercive inspection of Baghdad's strategic program," nor "regime change in Iraq," according to Raja Mohan, former Deputy Director of the Institute for Defense Studies and Analyses, New Delhi, and now editor of the op-ed page of **The Hindu**.

Raja Mohan identifies Vice President Dick Cheney as "the point-man for American strategy in the Gulf." Raja Mohan, who is well-connected to the Indian Ministry of External Affairs, says "the Bush Administration appears to have come to their conclusion that further political tinkering to maintain status quo in the region will no longer serve its interests. And that a drastic surgery of the region should begin in Iraq.... In the short term, Washington hopes that a pro-U.S. Iraq could become the mainstay of American military presence in the region, reduce American energy and security dependence on Saudi Arabia, which is looking increasingly vulnerable. It will step up the pressure for internal change in the Arab world, encourage the reformers in Iran and persuade the Palestinians to fall in line."

Raja Mohan says that Washington has already decided to wage war against Iraq, and that France and Russia are just haggling "about the political price the U.S. is willing to pay for support ... and about the terms of the post-Saddam arrangements in Iraq." Raja Mohan says the arguments in the UN Security Council between the U.S., and France and Russia (three of the five permanent members) is not about the "principle of multilateralism," but the latter are preparing to bargain hard for protecting their oil and other interests in Iraq.

Warmongers Add Malaysia to List of 'Terrorist Risks'

Last week, Malaysia was added to a list of 15 countries named as "terrorist risks," in a Justice Department memorandum issued by the U.S. Immigration and Naturalization Service. The move imposes restrictions on passport holders seeking entry to the U.S. or Canada, and is seen in Malaysia as highly insulting, not least because the listing was posted only days after Deputy Prime Minister Abdullah Ahmad Badawi was at the UN and in Washington, where he met with Vice President Cheney, Condoleezza Rice, Colin Powell, and Tom Ridge.

Abdullah, who is to succeed Mahathir as Prime Minister in 2003, told Cheney, "[W]e don't like this kind of profiling. This is not good for the existing bilateral relations." Separately, Foreign Minister Syed Hamid Albar protested the listing to Canada, warning that it could hurt relations with Canada's largest trading partner in Southeast Asia.

The other countries included on the list are: Iran, Iraq, North Korea, Libya, Sudan, Syria, Saudi Arabia, Cuba, Afghanistan, Yemen, Egypt, Somalia, Indonesia, and Pakistan. The fact that most are Muslim countries indicates the "Clash of Civilizations" bias in Ashcroft's Justice Department. See this week's INDEPTH for U.S. moves targetting Indonesia as well.

Temple Killings Raises Fear in Gujarat

The siege of the Akshardham Temple in Gandhinagar, India, close to the state capital of Ahmedabad, ended with 32 dead and more than 60 injured. Reports indicate that the three terrorists killed were carrying a letter in Urdu stating that the siege was a revenge action against earlier anti-Muslim riots in the Indian state of Gujarat. The terrorists have been identified as Kashmiris. Whoever these people are, it is obvious that they were on a suicide mission.

Gandhinagar is the parliamentary constituency of India's Deputy Prime Minister and Interior Minister L.K. Advani. Advani, who is considered a hardline conservative Hindu, is now in Ahmedabad and has announced that the terrorists belong to a rather obscure group, Tehrik-e-Kasas, from Kashmir, with links to Pakistan. Pakistani Interior Minister Moenuddin Haider has denied any links and said that this is the outcome of the religious tension in Gujarat. Advani also said that in recent days, Pakistani President Musharraf had made a number of references to the Gujarat riots, which indicates that Pakistan had been planning for some time to carry out this operation.

Indian Prime Minister Vajpayee, who was on a state visit in the Maldives, flew directly into Ahmedabad. He has already ordered troops to be deployed in the riot-prone areas in Gujarat. He has also tried to downplay the religious element in the killing, by stating that the terrorists failed to prevent the Jammu and Kashmir elections. Hence, they chose a soft target. Congress Party President Sonia Gandhi was also in Ahmedabad and has condemned the attack.

The Akshardham Temple is the temple of the Swaminarain sect, whose leader, now dead, was a saint-like figure. The sect established their version of the Hindu religion around this saintly person and has built about 450 temples around the world. The temple, however, is visited by all.

Bush Administration To Hold Talks with North Korea

The Bush Administration announced it would begin talks with North Korea, reported the **New York Times** Sept. 26. Assistant Secretary of State James Kelly will travel to North Korea early next month, though the Bush Administration has previously refused to continue the Clinton policy of increasing engagement, and snubbed South Korean President Kim Dae-Jung's appeal to support his "Sunshine Policy" opening to the North. A move to open talks in June was scrapped after a naval clash between the two Korean states.

AFRICA NEWS DIGEST

Mandela Denounces U.S. for Bullying 'The Whole World' in Rejecting Iraq Offer

Former South African President Nelson Mandela angrily denounced the U.S. for "bullying," because of the White House reaction to Iraq's agreement to admit UN weapons inspectors.

Mandela told reporters at his Johannesburg office on Sept. 17: "If President Saddam Hussein has said the United Nations inspectors can come without condition, what right has he [President Bush] to come in and say that offer is not genuine? On this question of Iraq they are absolutely wrong. It is the United Nations that must decide. We must condemn that very strongly. That's why I criticize most leaders all over the world for keeping quiet, when one country wants to bully the whole world."

'LaRouche' Means Economic Development, Especially to California's Green Governor

When former California Governor and radical population control advocate Jerry Brown was asked about economic development, he turned to the interviewer, journalist Marc Morano, and snapped, "Are you with LaRouche?" Morano, who is not "with LaRouche," wrote that after a "contentious" interview, "Brown turned to this reporter and asked, 'Are you with LaRouche?' " The story was reported by **CNSNews.com** on Sept. 3.

In the exclusive interview, Morano asked Brown "whether he thought the residents of the poorest nations of the world wanted to develop economically as the U.S. has done." Brown responded, "Many do, but it's not viable. I would say *we* can't develop like us, nor them ... the developed model cannot work without another five planets." Brown, who is currently Mayor of Oakland, Calif., was at the recent Johannesburg summit on behalf of Global Greens, and appeared in numerous panel discussions. He defended efforts "to stop infrastructure projects deemed too ecologically destructive in countries like India and Brazil. The projects would have brought running water and electricity to the poor residents of the nations," according to **CNS**.

The **CNS** story also reports how Philip Stott, professor emeritus of biogeography at the University of London, reacted to Brown.

"The more people develop, the less environmental problems there are," Stott told **CNS**. "Just remember history— over and over again, they have all been proved false prophets." Stott said Brown's comments reminded him of Marie Antoinette's supposed remark, "Let them eat cake." Stott opposes the environmental anti-development movement in his book, **Political Ecology: Science, Myth and Power**.

Commonwealth 'Troika' Takes No Action Against Zimbabwe

The Anglo-American empire forces have been demanding that Zimbabwe be ostracized, and that President Robert Mugabe be overthrown, but the latest meeting of the British Commonwealth's "Troika" took no action to sanction Zimbabwe. Presidents Mbeki of South Africa and Obasanjo of Nigeria rejected Australian Prime Minister John Howard's plea for stronger action against Zimbabwe over the outcome of the election last spring and seizures of white-owned farms, when the three, appointed by the Commonwealth heads of state, met in Abuja Sept. 23.

Afterwards, Howard said, "I was of the view that Zimbabwe should be suspended immediately from the Commonwealth." Since Zimbabwe is already suspended for a year, he presumably meant an indefinite suspension. Mbeki and Obasanjo continue to advocate a renewal of negotiations between the Mugabe government and the British-directed Movement for Democratic Change led by Morgan Tsvangirai, even though neither side is interested.

In Australia, government and opposition MPs are calling for the government to impose its own sanctions against Zimbabwe, following the lead of the EU and the U.S., according to **Reuters** Sept. 24. Deputy Prime Minister John Anderson said the government would consider this when the Prime Minister returned home.

Trans-Saharan Highway Planned by Nigeria and Algeria

Nigeria and Algeria established a committee to oversee the construction of a Trans-Saharan highway, during a Sept. 19 meeting in Abuja of delegations led by the two countries' ministers of public works. The main route will run north from Lagos, on the Gulf of Guinea, through Nigeria, Niger, and Algeria, to the latter's capital, Algiers, on the Mediterranean. Feeder routes will apparently come in to the main route from Mali and Chad (to the west and east of Niger, respectively). The main, north-south road will run 2,344 kilometers, with the total length being 4,800 kilometers.

In Algeria, construction of its national segment began in 1971, but was only half-done when work was suspended for lack of financing. The Algerian government is now to build a 170-km section from Tamanrasset to Ain-Guessam on the Niger border.

In Nigeria, a contract to widen the road from Ibadan to Ilorin has already been signed, and the segment from Ilorin to Kaduna, further north, will come next. The segment through Niger will require external financing, according to the communiqué of the Sept. 19 meeting. A donors conference will be held in Algiers in March.

The highway project and a trans-Saharan natural gas pipeline project—to take gas to Europe by way of Algeria—are being overseen at a higher level by a Nigeria/Algeria Joint Commission to strengthen bilateral relations, created Jan. 14. Both countries are members of OPEC.

South Africa General Strike Looms Against Privatization

On the eve of its general strike, Oct. 1-2, against the policies of privatization that are increasing unemployment and poverty, the Congress of South African Trade Unions, COSATU, angrily underscored the latest unemployment statistics, and rejected the argument that mass unemployment was caused by inadequate skills.

"That contention ignores the fact that young people have the highest rate of unemployment and also a higher educational level, by far, than the average employed person," said a COSATU statement this week. Among COSATU's demands on the unemployment front is that the state, as a short-term measure, should develop a large-scale jobs program. "These jobs programs should include youth brigades to be involved in public works projects," but also to provide services such as support for people with AIDS, and to become involved in the program to educate adults (ABET). COSATU insisted that land reform must be accelerated to provide employment for the rural landless and to ensure affordable working-class housing near centers of employment.

Speaking at the National African Federated Chamber of Commerce Congress at Sun City Sept. 22, COSATU president Willy Madisha has vowed the strike action will take place despite pleas by Public Enterprises Minister Jeff Radebe, and other government officials. "Government presents restructuring as if privatization is the only solution, and as if it will serve all of us. They offer us shares ... to try and buy our support. But all of us must see the bigger picture. The rising cost of privatized infrastructure also hits hard on small-scale producers, the bulk of whom are black," Madisha said.

On the eve of the strike, the National Education, Health and Allied Workers Union (NEHAWU) rejected Education Minister Kader Asmal's plea to education-sector labor unions not to participate in the strike called by COSATU. Reacting to Asmal's plea, NEHAWU president Vusi Nhlapo said their decision was final. "The work stoppage is about the broader

action of stopping privatization in this country." Nhlapo said the fact that the Students Congress had also weighed in as part of the strike action has shown that even students realize the importance of the anti-privatization strike.

In addition to the employment crisis, food price inflation has forced high-level discussions of introducing strategic food reserves so that the population can be fed.

'No to Economic Slavery,' Say Nigerian Strikers

Two Nigerian oil and gas workers' unions have merged and are planning an indefinite strike against privatization. The National Union of Petroleum and Gas Association of Nigeria (NUPENG) and the National Gas Senior Staff Association of Nigeria (PENGASSAN) have united to form NU-PENGASSAN under the presidency of Shina Luwoye, and planned an indefinite strike against the government's insistence on privatizing the Nigerian National Petroleum Corporation (NNPC).

Luwoye called upon the workers Sept. 18 to say "No to economic slavery." He said that petroleum product tanker drivers had been told to stop work from the same day, Sept. 18. NU-PENGASSAN will make sure that all points of crude oil export and all points of import of refined oil products are on strike.

Luwoye said, according to the newspaper **Vanguard**, "Privatization meant loss of resource control, recolonization of the country, arbitrary hike in prices of products, poor management, and incessant strikes." He also said privatization of NNPC and its subsidiaries was unnecessary, because they are viable and profitable. "The union," he said, "believed in the liberalization of the oil sector and allowing private refineries to operate alongside those owned by the government."

Zambia Daily Declares IMF Anti-Human

"If humans prevail, alternative policies to the IMF and World Bank's programs will be found and implemented,' concludes a hard-hitting editorial in Sept. 19 edition of **The Post**, a Zambian daily that details what these policies have done to that country. "The hardships Zambians are going through are primarily a consequence of the resounding and irreversible failure of an economic and political conception imposed on our country and indeed the whole world: neoliberalism and neoliberal globalization. And these economic and social hardships our people are forced to endure are totally being blamed on our leaders' corruption, extravagance, and lack of priorities. Yes, these have some truth in them, but they don't tell the whole story— there's much more to it. Attribution of all our economic and social problems to these factors could only be made out of ignorance or as an attempt to hide the real cause— the resounding and irreversible failure of IMF and World Bank indirect rule in Zambia....

"We are certainly paying a premium for the stupidity of our leaders, those who thought they can improve our country's economy by levelling everything to the ground; those who foolishly thought the world was a perfect market where privatization and unbridled economic liberalization was the solution to a nation's problems...."

This Week in History

Sept. 30-Oct. 6, 1989

There were two major turning points which occurred during this week in history— in 1986 and in 1989— and they are intimately related to the choices which now face the United States, and the world.

October 6, 1986 was the fateful day on which the largest state-Federal police force assembled since the Palmer Raids of the

early 1920s, was deployed against the offices and residence of political leader Lyndon LaRouche. The 400-man team, comprised of ATF, FBI, State Police, and other assorted agents, utilized helicopters, at least one Armored Personnel Carrier, and an overwhelming show of force, to swoop down on the rather small town of Leesburg, Va., allegedly in order to seize documents pursuant to a Federal indictment for conspiracy to commit mail fraud.

In fact, as the behavior of the task force made clear, the included, if not the main, purpose of the raid was to physically eliminate LaRouche himself, whose residence just outside the town was surrounded by military hardware. The "theory," as later revealed in court proceedings, was that these forces were necessary in order to deal with expected armed resistance from LaRouche's security detail. Legally, however, the small army of Federal and state officials had no reason to enter the area where LaRouche lived, as there was no indictment or search warrant issued against him, or anyone else living on the premises, nor were the relevant documents assembled there.

The ominous standoff lasted all day Oct. 6, while FBI men with axes broke into the offices of the publishing houses associated with LaRouche's political movement, and carted away boxes of documents. Helicopters buzzed over LaRouche's residence, and the tensions ran high, as three associates of LaRouche were arrested at gunpoint, and it looked as though anything might happen. In the evening of that day, LaRouche sent a telegram to President Reagan, advising him of the danger of an assassination attempt.

At that very moment, the President was involved in a non-military strategic confrontation with U.S.S.R. chief Mikhail Gorbachov in Reykjavik, over the Strategic Defense Initiative policy which President Reagan had developed out of LaRouche's initiative. The President held firm against Gorbachov, as well as against the murder of the SDI's author.

Over the course of the next day, the military deployment around LaRouche's residence was removed. Those who had aimed to kill LaRouche, had lost this round by intervention of circles around the President.

The subsequent events, around the further indictments, the trials, and the eventual imprisonment of LaRouche and 10 associates, are well known. But this early inflection point should not be overlooked. A high-level faction in the U.S. Establishment had been determined to kill the individual whom they considered a major impediment to their plans to subvert the American republic into an empire. Others, ensconced in the U.S. government, prevented it from happening, thereby preserving LaRouche to play a decisive role in history subsequently.

The crucial moment in which that role should have been decisive came in October-November 1989, with the victory over the Communist regime of East Germany, and the breaching of the Berlin Wall. The final dismantling of that Wall came on Oct. 3, 1990.

Once again, it had been Lyndon LaRouche who forecast the collapse of the communist regime, and had called, in October 1988, for the reunification of Germany around a program of economic development. In fact, had LaRouche and his movement been able to organize freely at that time, his proposals might have been taken up at the time of German reunification—a moment of historic opportunity for reversing the decades of conflict and division that had subsisted since the Cold War was started by Winston Churchill.

Yet, by early 1989, those who had been unable to physically eliminate LaRouche, had succeeded in railroading him into prison, and the momentous events of fall 1989-1990, had to proceed without him on the scene. While LaRouche's policy input was carried forward, with the issuance of his Productive Triangle proposal in the winter of 1989, the effort was severely crippled by the fact that the author was imprisoned.

Thus, a major historical turning point—the first peaceful revolution in modern history—was bungled, because the Anglo-American Establishment had succeeded in sidelining the only effective personality on the scene, who could take

international leadership in this situation. There's a lesson to be learned here, for those who realize the even higher stakes in the situation today.

All rights reserved © 2002 EIRNS

[top of page](#)

[home page](#)