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This Week You Need To Know

LaRouche Demands Iraq Answer — From Vice President Cheney

by Jeffrey Steinberg

June 14—A political firestorm is building in Washington, over the mounting evidence that some officials of the Bush Administration and the intelligence community may have lied about Iraq's purported nuclear weapons program, to secure Congressional, public, and United Nations support for the war on Iraq. One focal point of the controversy is the use of forged documents by Administration officials, in promoting the idea that Iraq was on the verge of possessing nuclear weapons.

As late as March 16, Vice President Dick Cheney appeared on national television to make the incredible claim that Iraq already possessed a nuclear weapons capability. Such arguments, based on alleged "hard" secret intelligence, played a major role in compelling skeptical members of Congress to back President Bush's war on Iraq, several Congressmen have stated.

In this context, on June 7, Debra Hanania-Freeman, spokesman for Democratic Party Presidential pre-candidate Lyndon H. LaRouche, Jr., issued a statement, quoting LaRouche, demanding specific answers from Vice President Cheney: "Let there be no mistake about it," LaRouche said. "The nature of these charges constitute hard grounds for impeachment.... I want to know exactly what Dick Cheney knew and when he knew it. The charges are grave and specific and leave no wiggle room. Determining who knew what and when is, at this time, an urgent matter of national security." The LaRouche campaign statement (see below) is now circulating nationally as a million-run LaRouche in 2004 leaflet. Officials of the Bush Administration, starting with the Vice President, are going to have to disclose what they knew, and when.

The Niger Forgeries

As reported in *EIR* last issue ("The Henry Waxman Letter: Who Knew What, And When?"), some time in late 2001, the Central Intelligence Agency received copies of a series of documents, on a supposed letterhead of the government of Niger, purporting to show Iraq attempting to purchase large quantities of uranium oxide ("yellow cake"), for possible use in building nuclear weapons. According to news accounts, in February 2002, Vice President Cheney asked a former U.S. Ambassador to Africa to travel to Niger to determine the authenticity of the documents. The Ambassador, whose identity is not yet publicly known, did make the trip, and reported back that the documents were fake, and there was no evidence of any Iraqi attempt to obtain the uranium precursor from Niger.

Despite the fact that the documents were shown to have been forgeries, allegations about the Iraq-Niger transactions continued to surface, throughout the autumn of 2002, and reference to the Iraqi attempts to obtain the nuclear materials even appeared in a State Department "fact sheet" dated Dec. 19, 2002, and in President George Bush's Jan. 28, 2003 State of the Union address.

Representative Henry Waxman (D-Calif.) followed up his letter to President Bush, with a new letter to National Security Adviser Condoleezza Rice on June 10. This letter challenged statements made by Rice on the June 8 Sunday talk shows, which "contradicted other known facts and raised a host of new questions." Waxman pointed to Rice's statement on NBC's "Meet the Press," that "maybe someone knew down in the bowels of the Agency" that the evidence cited by the President about Iraq's attempts to obtain uranium from Africa was suspect; he asked her to identify any such individual or individuals.

Waxman then added following questions: "When you were asked about reports that Vice President Cheney sent a former Ambassador to Niger to investigate the evidence, you stated, 'the Vice President's office may have asked for that report.' In light of this comment, please address: (a) Whether Vice President Cheney or his office requested an investigation into claims that Iraq may have attempted to obtain nuclear material from Africa, and when any such request was made; (b) Whether a current or former U.S. ambassador to Africa, or any other current or former government official or agent, travelled to Niger or otherwise investigated claims that Iraq may have attempted to obtain nuclear material from Niger; and (c) What conclusions or findings, if any, were reported to the Vice President, his office, or other U.S. officials as a result of the investigation, and when any such conclusions or findings were reported."

Waxman's letter concluded: "What I want to know is the answer to a simple question: Why did the President use forged evidence in the State of the Union address? This is a question that bears directly on the credibility of the United States, and it should be answered in a prompt and forthright manner, with full disclosure of all the relevant facts."

'Watergate' Parallels

That the United State government could take a decision to go to war, based even partially on fake intelligence, is a grave scandal, one that some qualified observers say is worse than Watergate. Indeed, former leading Watergate figure, ex-White House Counsel John Dean, wrote a June 6 article published by *FindLaw*, in which he stated, "Presidential statements, particularly on matters of national security, are held to an expectation of the highest standard of truthfulness. A President cannot stretch, twist, or distort facts and get away with it. President Lyndon Johnson's distortions of the truth about Vietnam forced him to stand down from re-election. President Richard Nixon's false statements about Watergate forced his resignation.... In the three decades since Watergate, this is the first potential scandal I have seen that could make Watergate pale by comparison. If the Bush Administration intentionally manipulated or misrepresented intelligence to get Congress to authorize, and the public to support, military action to take control of Iraq, then that would be a monstrous misdeed."

In a Feb. 1 *FindLaw* commentary, Dean had already singled out Cheney for his efforts to impede Congressional probes into the activities of the Energy Task Force that he chaired in the first year of the Bush Administration. "Not since Richard Nixon stiffed Congress during Watergate," Dean charged, "has a White House so openly, and arrogantly, defied Congress's investigative authority.... As someone who knows a White House coverup from first-hand experience, I must say that if the Vice President forces the Comptroller to file his lawsuit, it will certainly appear that a coverup is in the works. Whether the coverup relates to Enron, or to his Energy Group's relationship with Halliburton (the energy company he ran before running for his present office), or to a dubious relationship with some other contributor that has received some benefit, or all of the above, I cannot say. But something is amiss.... [Cheney] is stonewalling. This is how a coverup begins."

Cheney Is the Prime Target

While an appropriate level of concern has been focussed on President Bush's Jan. 28, 2003 State of the Union address, the key figure who must be forced to say what he knew, and when, is the Vice President.

It may yet prove to be the case that the Vice President has a legitimate explanation for his persistent pushing of the Iraq

nuclear bomb hoax, after officials of the U.S. government confirmed, in February 2002, that the documents underlying the charges were fakes, based on an investigation that Cheney had personally requested.

Indeed, the *Washington Post*, on June 12, published a front-page story already attempting to provide the Vice President with an escape hatch. According to the *Post's* Walter Pincus, "The CIA did not pass on the detailed results of its investigation" of the Niger documents "to the White House or other government agencies." The Pincus story spun a "Keystone Cops" tale of failed communications, which several CIA analysts, interviewed for the article, disputed as nonsense.

A retired senior U.S. intelligence official told *EIR* that he had been informed that it was the Vice President's office, that pressed the CIA to provide the Niger documents to chief UN inspectors Mohammed ElBaradei and Hans Blix.

The *Post* story reflected, more than anything else, growing political pressure on the Administration to make a public accounting of the intelligence process leading up to the Iraq war. On June 9, *EIR* White House correspondent Bill Jones asked a pointed question of spokesman Ari Fleischer, who acknowledged the pivotal role of the Vice President in the Administration's intelligence assessments. Their exchange follows:

EIR: "Ari, one of the most vocal of the Administration officials in emphasizing unambiguously that Iraq had weapons of mass destruction was the Vice President. And, particularly, he was putting forward this—what was later known to be forged evidence about the letter that indicated the purchase of yellow cake from Niger. Can you tell me, at what point did the Vice President know that this evidence, or suspect that this evidence was forged in the process?"

Fleischer: "I haven't talked specifically to the Vice President about it, so I can't answer specifically, from his point of view. What I can tell you is, is the American intelligence community, as the information was received about the forgeries behind this, very frankly, spoke up and said that this information was incorrect."

EIR: "Can you tell me also, Ari, what role the Office of the Vice President or people from the Vice President's office—like [Cheney's Chief of Staff] Mr. Libby or others—played in putting together the package which was presented to the United Nations, to justify the attack on Iraq?"

Fleischer: "Again, you need to talk to them specifically about what role they played. But as has been discussed on numerous occasions, the Vice President, whether it be the Secretary of Defense [in 1991] or as Vice President, it is in his capacity—and we are a better administration for it—works carefully with the intelligence community, works carefully with all the agencies involved in the defense of our country to work with them to make certain that we are all working together, we're doing our best to implement the policies of this President. And the President values him highly in that capacity, in that role. He is very effective and he delves deep into what the agencies are working on, no matter where they are, to make certain that we are working from the best policies possible. And that's a very strong role he plays, and the President is appreciative for it."

A Series of Cheney Statements

A careful review of the statements issued by the Vice President, in the runup to the Iraq war, confirms that he was a pivotal player in the "war party," and was the "Chickenhawk" faction's point man, in charging that Saddam Hussein was in the advanced stages of building a nuclear bomb.

*On Aug. 26, 2002, Cheney delivered a bellicose speech before the 103rd National Convention of the Veterans of Foreign Wars in Nashville, Tenn., in which he directly raised the specter of a Saddam nuclear bomb. "The Iraqis continue to pursue

the nuclear program they began so many years ago," Cheney bluntly told the audience. "On the nuclear question, many of you will recall that Saddam's nuclear ambitions suffered a serious setback in 1981, when the Israelis bombed the *Osirak* reactor. They suffered another major blow in Desert Storm and its aftermath. But we now know that Saddam has resumed his efforts to acquire nuclear weapons.... Many of us are convinced that Saddam will acquire nuclear weapons fairly soon."

*On Sept. 8, 2002, the Vice President appeared on "Meet the Press," and delivered even more specific allegations of Saddam Hussein's pursuit of the materiel required to build nuclear weapons: "We do know with absolute certainty that he is using his procurement system to acquire the equipment he needs in order to enrich uranium to build a nuclear weapon."

*On March 16, 2003, a week after Dr. Mohamed ElBaradei, head of the International Atomic Energy Agency, testified to the United Nations Security Council, debunking the Niger-Iraq nuclear weapons documents as "shoddy forgeries," the Vice President appeared on "Meet the Press," and again repeated the charges of Iraq's nuclear weapons program, going so far as to charge that "he has, in fact, reconstituted nuclear weapons."

Cheney directly challenged the ElBaradei testimony, telling host Tim Russert, "I disagree" with the ElBaradei findings that Iraq has no nuclear weapons program. "And you'll find the CIA, for example, and other key parts of our intelligence community disagree.... We know that—based on intelligence—that he has been very, very good at hiding these kinds of efforts. He's had years to get good at it, and we know he has been absolutely devoted to trying to acquire nuclear weapons. And we believe he has, in fact, reconstituted nuclear weapons. I think Mr. ElBaradei is frankly wrong. And I think if you look at the track record of the International Atomic Energy Agency on this kind of issue, especially where Iraq's concerned, they have consistently underestimated or missed what it was Saddam Hussein was doing. I don't have any reason to believe they're any more valid this time than they've been in the past."

With such statements on the record, there is no doubt that the Vice President has a lot of explaining to do, and that the American people, and the world community, have every right to expect full, public disclosure.

Latest From LaRouche

[In an e-mail, a constituent asked **Lyndon LaRouche** a question occurring to many as the dollar falls](#)

[LaRouche on BBC](#)

[Cheney Is Very Much Under the Gun](#)

[LaRouche Replies To Bartley Column](#)

This letter to the editor of the Wall Street Journal was written in response to an attack on Presidential candidate LaRouche by Journal editor emeritus Robert Bartley...

U.S. Economic/Financial News

Rohatyn: U.S. Cannot Afford a Global Empire

The United States cannot afford global dominance and needs European support, is the gist of an op-ed in the June 10 *Financial Times* of London by Lazard Frères fascist Felix Rohatyn, who says it is "profoundly unwise for the U.S. to go it alone in the world," because "it simply cannot do so without seriously damaging the American way of life and standard of living." The U.S., he says, "is excessively dependent on foreign capital and energy," faces the "long-term liabilities of an

ageing population and unmet social needs," and cannot afford "the open-ended costs of global military dominance, preemptive wars and nation-building. America needs the Atlantic alliance to help meet the costs of peace—as well as the costs of war—and to sustain economic growth across the Atlantic." The U.S. is already facing a \$1.8-\$4-trillion Federal deficit over the next 10 years, and further cuts in pensions and health care will be required, the dollar is plunging even as the need for foreign capital inflows increase, "a precarious situation."

Rohatyn says that while the dollar's decline has been orderly so far, it could accelerate, and that Treasury Secretary John Snow's recent comments "amount to a deliberate—and highly dangerous—policy of further devaluation." The Fed "could ultimately be left with a grim dilemma: raise interest rates to protect the dollar... or let the dollar slide further and run the risk of an international financial crisis."

"It is time for the U.S. to stop and think about the contradictory nature of its economic policies and its new international doctrine.... Something will have to give. A crippled Atlantic relationship will only make matters worse," Rohatyn concluded.

Manufacturing Collapse Could Soon Become Irreversible

The nation's manufacturing base could disappear forever, if ongoing factory closings and job layoffs cause the sector to shrink below "critical mass," warned a study released on June 10 by the National Association of Manufacturers, the nation's largest industrial trade association, representing 14,000 companies and 350 member associations. Such a collapse, NAM warns, threatens the survival of manufacturing's "innovation process"—research and development, investments in capital equipment and workers, and "spillovers" that benefit the economy as a whole—which would "deteriorate beyond repair"—and with it, the "seedbed of our industrial strength." Moreover, once the manufacturing sector has diminished below its "critical mass," NAM cautions, the process by which economic prosperity and higher living standards have been generated, "may never be recovered."

NAM's report, titled "Securing America's Future: The Case for a Strong Manufacturing Base," counters the lie peddled by the utopians in the Bush Administration, that the manufacturing sector could have a "magical" recovery. Even so, NAM denies that the manufacturing breakdown is due to the economic collapse of the bankrupt international monetary-financial system—reflecting the downshift from a "producer" to a "consumer" society. Instead, it blames global competition and the rising costs (health care, litigation) of doing business in the U.S., as well as the overvalued U.S. dollar. Rather than support LaRouche's "Super-TVA" infrastructure-building policy, NAM foolishly calls for the U.S. to force other nations to lower their tariffs, and for implementation of domestic steps, such as passing litigation reform. On the positive side, it does urge a permanent R&D tax credit.

The report cites the following:

Benefits provided by manufacturing's innovation process:

- *Spawn more additional economic activity and jobs than any other economic sector, for a given investment.

- *Are responsible for almost two-thirds of all private sector research and development.

- *Manufacturing salaries and benefits, are higher than the average for the total private sector.

- *Important contributor to tax receipts.

Serious challenges to the long-term viability of the manufacturing base, and the underlying innovation process:

*Since July 2000, manufacturing has lost 2.3 million jobs.

*Manufacturing exports, as a share of GDP, have fallen since 1997.

*U.S. manufacturing's share of capital investment and R&D expenditures, historically a dominant characteristic of our nation's commitment to progress, is diminishing.

*Manufacturing faces a potential shortfall of highly qualified employees.

U.S. Bank Derivatives Jump by One-Third in Year Ending March 31

U.S. commercial banks reported \$61.9 trillion in derivatives, for the 12 months ended March 31—a 32% increase over the \$46.8 trillion reported the previous year, according to the FDIC. The figure is even higher, \$64.9 trillion, for the bank holding companies, which includes some investment banking activities done by holding companies outside the banks themselves. Leading the pack are the usual suspects: JP Morgan Chase, with \$31.3 trillion; Bank of America, with \$13.6 trillion; Citigroup with \$12.1 trillion; and in the minor leagues, Wachovia with "just" \$2.3 trillion; and Bank One, with \$1.1 trillion. The top 25 bank holding companies held \$724 billion in credit derivatives, of which \$409 billion were at Morgan Chase, \$139 billion at Citicorp, and \$107 billion at Bank of America.

Is Another Market-Manipulation Bailout Attempt Underway?

A small group at JP Morgan Chase has racked up more than \$100 million in trading profits so far this year "on prescient bets on currency and interest rate moves," the *Wall Street Journal* reported June 3, noting that the bets were being made with the bank's own money. The *Financial Times* reported June 6 that currency traders have been "minting" money this year, "helping offset parts of Wall Street that are in a slump." Placing currency and bond bets and then manipulating the markets to make those bets winners was a staple of 1990s systemic bailouts, earning bankrupt insider banks billions of dollars in profits. Perhaps a similar game is afoot today, or maybe they are just profiteering off the collapse of the dollar.

Monetary 'Hair of the Dog' May Give Economy 'a Worse Hangover'

Noting that "a torrent of money, courtesy of another likely slash by the serial rate cutter Alan Greenspan, and George W. Bush's humongous tax cuts, is poised to sluice into the market," columnist Alan Abelson writes in the June 9 *Barron's*: "The idea of resorting to the hair of the dog that bit you is both the oldest known remedy for a hangover and a longstanding pillar of Fed policy. There are inherent and obvious dangers, of course, in using moonshine to alleviate the after-effects of too much moonshine. Not the least of them is ending up with a worse hangover, and that's an evident risk, whether the hair of the dog happens to be a magnum of the bubbly or another stock-market bubble."

New Jersey Electric Rates To Skyrocket, Thanks to Dereg

In 1999, when New Jersey's electricity deregulation measure, known as the Electric Discount and Energy Competition Act became law, consumers were told that competition in the electricity sector would lower their prices. The utilities were forced to implement a 14% rate cut, and a cap was put on that price. That cap expires on July 31, wrote *The Record* of Hackensack on June 8. The fairy tale that competitors would come in who were cheaper, never materialized.

On Aug. 1, when the cap is removed, rates will immediately rise 14%, back to where they were in 1999, because today it is no cheaper to produce power than it was then. In addition, the law had also allowed the incumbent utilities to recoup, when the cap expires, the difference between what they could charge for electricity over the past four years, at the artificially low rate, and what it actually cost them to buy power for their customers. (In California, the law simply allowed the utilities to go bankrupt.)

And, because natural-gas prices are double what they were in 1999, the utilities have already applied for an increase in rates to cover increased delivery costs, which will push rates even higher.

Will New Jersey wise up and consider a bill, like that in California, to get rid of deregulation? Stay tuned.

Massachusetts Gambles with State Pension Funds

In the rearranging-the-deck-chairs department, the Commonwealth of Massachusetts will sell \$5 billion of stocks and bonds in its pension fund, and invest the money in hedge funds and real estate, to try to bolster returns and lower risk, according to the London *Financial Times* June 10. This will work about as well as the deck-chair tactic on the Titanic. The Massachusetts fund, with \$27.8 billion in assets, is the 21st-largest public pension fund in the United States, owning \$11.4 billion of stocks. It plans to sell \$3.3 billion of those shares, reducing its U.S. stock holdings from 38% to 26%, and to cut its bond holdings from 16% to 10%. The average state allocations are 42% for stocks and 37% for bonds, as a percentage of total assets. The plan lost 9% of its value last year, and hopes to do better under the new allocation, which also targets increased investment in commodities, junk bonds, and emerging markets.

Large Firms See Big Jump in Health-Insurance Premiums

Health-insurance premiums for large firms have jumped in 2003 by the largest amount in a decade, and exceed the increase in health-care spending during 2002, according to a report released June 11 by the Center for Studying Health System Change. CSHSC cites the Towers Perrin survey of large companies, which found that premiums climbed 15% on average in 2003—the biggest jump in at least a decade—after rising 13% in 2002. Likewise, the Watson Wyatt Worldwide survey reports that the median premium increase was 15% in 2003.

Since premium increases for small employers are usually higher than those for large companies, these estimates are probably low, CSHSC notes.

Health-care spending rose 9.6% in 2002, CSHSC found.

World Economic News

Bank of Japan To Buy Securities, Including Junk Bonds

In an "unprecedented scheme" to increase liquidity, the Bank of Japan announced June 11 it will buy corporate securities—including "junk" grade. Following a two-day monetary-policy board meeting, the BOJ revealed it will, for the first time ever, purchase asset-backed securities (ABS). Previously, the Central Bank has bought less risky government bonds. BOJ plans to buy from private banks up to 1 trillion yen (\$8.5 billion) of securities, backed by loans or receivables of small companies—including securities that could have credit ratings as low as "BB," a "junk" rating. The purchases will start at the end of July. This "unprecedented scheme," the BOJ said in a statement, is a way of "encouraging the development of the ABS market."

IMF Lashes Out at Argentina for Postponing Home Foreclosures

The International Monetary Fund is punishing Argentina for violating "creditors' rights," as specified in the short-term agreement signed last January. Article 30 of that agreement, signed by Finance Minister Roberto Lavagna, stated that for the duration of the eight-month program, "no law or other legal instrument could be approved allowing an involuntary suspension of creditors' rights." The Argentine Congress recently passed a law postponing home foreclosures for 90 days, which the Fund considers a violation of the agreement, and wants the new government to grovel, and ask for a waiver—forgiveness—before a new round of negotiations can begin. Looting rights *ueber alles*!

In a June 10 meeting with Secretary of State Colin Powell in Buenos Aires, President Nestor Kirchner said Argentina desires a "long-term, global debt agreement," to include both private debt as well as debt to multilateral agencies. (See also [IBERO-AMERICA DIGEST](#).) Kirchner said, "[W]e will pay, as long as it doesn't mean aggravating the country's social situation." The country requires an "in-depth solution" which would not leave a time bomb for the next government, Kirchner emphasized. There must be a write-down and rescheduling of private debt, and a viable, long-term agreement with international agencies, including a rescheduling of payments to the IMF.

Mahathir Urges Private-Sector Switch to Euro for Trade

Citing the probable continued devaluation of the U.S. dollar, Malaysian Prime Minister Dr. Mahathir bin Mohamad called on the private sector to dump the dollar in favor of the euro, for international trade, the *New Straits Times* reported June 8. He said there was no intention to review the ringgit's peg against the greenback, but that "the government felt there was a need for the private sector, especially those involved in exporting manufactured goods, to use the euro for payments since the U.S. dollar was likely to depreciate further." He had earlier called on the state oil company Petronas to explore the possibility of using the euro in its oil and gas trade.

Mahathir also said the government had expanded economic activities by opening new markets for Malaysia's exports, especially in South Africa, South America, the Arab countries, and the West Asian region. "This is to ensure that the nation was not overly dependent on traditional markets such as the U.S. and Europe."

China Begins Work on World's Longest Transoceanic Bridge

China began work June 8 on the 22-mile bridge across Hangzhou Bay, from Shanghai to Ningbo, the longest transoceanic bridge in the world. The \$1.4-billion project, which is expect to be completed by 2009, is one piece of the planned 3,200-mile highway from Heilongjiang in the far north, to Hainan Island in the far south.

United States News Digest

Gen. Shinseki's Farewell Speech Will Rally Patriots Against Rumsfeld Utopians

On June 11, the highly respected Gen. Eric Shinseki retired from the Army's top position—Army Chief of Staff—after 38 years of service, starting as an enlisted man. He lost part of his foot in Vietnam, and had to fight to remain in the Army. General Shinseki's farewell speech was widely and correctly interpreted as containing sharp criticisms of the current Secretary of Defense, Donald Rumsfeld.

"My name is Shinseki, and I am a soldier," he began. He praised his predecessors, who he said "understood the important distinction between command and effective leadership," describing "command" as being "about authority, about an

appointment to position—a set of orders granting title.

"Effective leadership is different. It must be learned and practiced in order for it to rise to the level of art. It has to do with values internalized and the willingness to sacrifice or subordinate all other concerns—advancement, personal well-being, safety—for others.... You must love those you lead before you can be an effective leader. You can certainly command without that sense of commitment, but you cannot lead without it; and without leadership, command is a hollow experience—a vacuum often filled with mistrust and arrogance."

Since "arrogance" is almost Donald Rumsfeld's middle name, there can be little doubt who was the target, when Shinseki continued: "Our mentors understood that mistrust and arrogance are antithetical to inspired and inspiring leadership—breeding discontent, fostering malcontents, and confusing intent within the force."

Shinseki discussed at length the principle of civilian leadership—a principle which Rumsfeld and Deputy Defense Secretary Paul Wolfowitz have accused the Army's uniformed leadership of ignoring, as he cited a prime example, Secretary of the Army Thomas White, fired by Rumsfeld after he refused to denounce Shinseki's warning of the need for several hundred thousand troops in postwar Iraq. "So when some suggest that we, in the Army, don't understand the importance of civilian control of the military—well, that's just not helpful—and it isn't true. The Army has always understood the primacy of civilian control—we reinforce that principle to those with whom we train all around the world. So to muddy the waters when important issues are at stake, issues of life and death, is a disservice to all of those in and out of uniform who serve and lead so well."

This week, it was revealed by reporter Wayne Madsen in a column entitled "Unfit for Office: Time for Rumsfeld To Resign," in the online publication *CounterPunch*, that seven generals have turned down Rumsfeld's offer to become Army Chief of Staff, including CENTCOM Commander Tommy Franks, Deputy CENTCOM Commander John Abaziad, and the current Vice Chief of Staff, John Keane. Others who refused to take the post were Gen. B.B. Bell of the U.S. Army European Command, Gen. James Campbell of the Pacific Command, Gen. Larry Ellis of the Army Forces Command, and Gen. Philip Kensinger of the Army's Special Forces Command. Madsen reports that Franks, Keane, and Abaziad, along with Shinseki, "could not stand the idea of putting up with Rumsfeld and his Chickenhawk advisers on a daily basis."

Bush Lectures Israel After Assassination Attempt

In stronger comments than have been made for some time, President Bush and other Administration spokesman last week criticized Israel for its attacks on Palestinian targets, saying that the Israeli military actions could derail the peace process known as the Road Map.

"I am troubled by the recent Israeli helicopter gunship attacks," Bush said during an appearance with Ugandan President Yoweri Museveni at a White House press briefing June 10. "I regret the loss of innocent life."

"I'm concerned that the attacks will make it more difficult for the Palestinian leadership to fight off terrorist attacks," Bush continued. "I am determined to keep the process on the road to peace. And I believe with responsible leadership by all parties, we can bring peace to the region. And I emphasize all parties must behave responsibly to achieve that objective."

Later, White House spokesman Ari Fleischer made it clear that the President's remarks were aimed at Israel:

"But this attack deeply troubles the President, particularly as a result of the new environment that has been created in the post-Aqaba era, that means both parties agree that the best way to dismantle terror, and therefore, enhance Israel's security and the livelihood of the Palestinian people, is through the actions laid out in the Road Map. Both parties said they would

follow the Road Map. And the President wants to remind all parties about their responsibilities. Today, he reminds Israel."

Fleischer described the Administration's message to Israel as a "full-court press." Involved were Secretary of State Colin Powell, National Security Adviser Condoleezza Rice, Assistant Secretary of State William Burns, U.S. Ambassador Kurtzer, Elliott Abrams at the NSC, and others.

GOPers Will 'Review,' Not Investigate, Iraq Intelligence

Apparently succumbing to pressure from the White House and Vice President Dick Cheney, in particular, Congressional Republicans announced June 11 that they are reviewing intelligence concerning Iraq's weapons of mass destruction, but that this does not constitute a formal investigation, as some Democrats had demanded.

Senator Pat Roberts (R-Kansas), the chairman of the Senate Intelligence Committee, said that a "joint formal investigation ... is very premature," and charged that some of the criticisms are "simply politics." "I will not allow the committee to be politicized or to be used as an unwitting tool for any political strategist," Roberts said.

Senator John Warner (R-Va.), head of the Senate Armed Services Committee, stated that "the evidence that I have examined does not rise to give the presumption that anyone in this Administration has hyped or cooked or embellished such evidence to a particular purpose, and I regret that those allegations have been made."

Senate Dems Want Full Investigation of Intel Manipulation

It was notable that no Democrats appeared in the press conference June 11, held by the heads of the Senate Intelligence Committee, the Senate Armed Services Committee, and the House Intelligence Committee, since the two Intelligence Committees normally pride themselves on operating in a completely bipartisan manner.

Senator Jay Rockefeller (D-W.Va.), the ranking Democrat on the Senate Intelligence Committee, expressed his disagreements publicly, saying that "closed hearings and a review of documents presented by the Administration are not sufficient. We need to be able to request additional intelligence documents; interview intelligence community and Administration officials past and present; hold closed and open hearings, and a prepare a final public report."

He charged that the Republican plan is "entirely inadequate and slow-paced," and he said he is unconvinced that they "really want to get to the facts."

Senator Carl Levin (D-Mich.), the leading Democrat on the Senate Armed Services Committee, said that "the issue of whether U.S. intelligence was shaded or embellished is critically important."

Senator Joseph Biden, the ranking Democrat on the Senate Foreign Relations Committee, charged: "They took a truth and embellished it. What I'm accusing them of doing is hyping it. They created a false sense of urgency."

Senate Defeats Privatization of Air-Traffic Control

Senator Frank Lautenberg's (D-N.J.) amendment to stop the privatization of air-traffic control passed the U.S. Senate June 12, by a vote of 56-41, with the support of 11 Republicans.

"Today the Senate spoke loud and clear: The nation's air-traffic-control system is not for sale," Lautenberg said. "One

thing we learned from 9/11 is that the public does not want private contractors responsible for the safety and security of air travellers. I was shocked when I learned that the Bush Administration wanted to contract out air-traffic control to the lowest bidder."

Lautenberg pointed to the privatization of British air control, where near-misses of crashes have increased by 50% since privatization, debt service has increased by 80%, and delays caused by air-traffic control have increased by 20%. Canada's privatized system has run up a \$145-million deficit in the past year, resulting in an added cost tacked onto every ticket.

Under Lautenberg's amendment, air-traffic controllers, air-traffic-control specialists, and flight service-station controllers are reclassified as "inherently governmental," and the attempt to change these categories to "commercial," which would allow their jobs to be privatized, defeated. (The Office of Management and Budget requires 15% of the jobs of all Federal agencies to be privatized, and rates the agencies on this.)

Last week, the House passed a narrower version of a bill to block privatization offered by Rep. Don Young (R-Ak.). Both bills will now go to conference. Republican Senators who voted to block privatization included: Gregg (N.H.), Bond (Mo.), DeWine (Ohio), Talent (Mo.), Voinovich (Ohio), Chaffee (R.I.), Domenici (N.M.), Inhofe (Okla.), Murkowski (Ak.), Fitzgerald (Ill.), and Specter (Pa.).

DOJ Report: Targetting of Arabs, Muslims a 'Total Failure'

Professor David Cole of Georgetown University Law School, reviewing the recently issued Inspector General's report on the Justice Department's post-9/11 preventive detentions, says that the report deals with only part of the preventive-detention campaign; it does not deal with those detained on criminal charges or as material witnesses, or those picked up when they showed up for the DOJ's Special Registration program. Nevertheless, says Cole in the *Washington Post* June 8, the report, which is based on interviews of more than 730 detainees, "paints a stark picture of practices previously kept secret."

Although all were innocent of terrorism, they were treated as terrorists, held in secret, and tried in secret on routine immigration charges. Of the total of 4-5,000 people detained, only one has been convicted on terrorism charges. "The targetting of Arabs and Muslims has been a total failure," writes Cole, "and it has so alienated the targetted communities, that we have almost certainly lost opportunities for gathering information that might help us find real terrorists."

Cole draws the comparison with the 1919-20 Palmer Raids, and notes that they are now viewed as a tragic mistake. But not so at the time: The *Washington Post* wrote then, that "there is no time to spend on hairsplitting over infringement of liberty."

DOJ Plans To Expel More Than 13,000 Immigrants

More than 13,000 Arab and Muslim men who came forward and registered with immigration authorities under a new DOJ program may face deportation, the *New York Times* wrote June 7. "What the government is doing is aggressively targetting particular nationalities for enforcement of immigration law," says the director of the ACLU's project on immigrants' rights. Some of those facing deportation have waited months or years for immigrant authorities to process their applications to legalize their status. Officials acknowledge that most of those caught up in counter-terrorism sweeps, have no connection to terrorism.

Former CIA Counterterror Chief Says Ashcroft Policy 'Worthless'

Citing Attorney General John Ashcroft's widespread detentions of Arab and Muslim immigrants since 9/11, without providing them any due process, or access to lawyers or family, former CIA counter-terrorism chief Vincent Cannistraro asked: "What has that meant in terms of preventing terrorism?" He answered: "This has resulted in no net benefit to the United States, it has resulted in no deterrence to any acts of terrorism." Noting how the FBI has gone into mosques, schools, etc., and simply alienated people, Cannistraro called this "a worthless, feel-good measure that alienates communities in the United States that law enforcement is totally dependent on, for assistance in preventing terrorism."

Cannistraro added that there is a backlash beginning within the Department of Justice, the FBI, and other agencies, in which law-enforcement officers are beginning to understand that "they can't do this job by themselves, unless they have cooperation, and the only way to get cooperation, is to treat people differently."

Cannistraro was addressing a conference of the American Muslim Council in Washington June 8. He began his presentation by explaining that since 9/11, the Bush Administration has operated as an alliance of neo-conservatives who were originally Democrats, and Evangelical Christians, and that this amounts to an anti-Muslim alliance. He identified John Ashcroft as one of the most influential of the Evangelicals in the Bush Administration, who has allowed his religious beliefs to influence the way he enforces the law, to the detriment of American Muslims.

Ashcroft 'More Dangerous Than Immigrants Wrongly Detained'

"The Attorney General is far more dangerous than any of the immigrants he wrongly detained," wrote *Washington Post* columnist Richard Cohen June 10. The column, entitled "Ashcroft's Attitude Problem," goes after Ashcroft for his refusal, during a recent appearance before the House Judiciary Committee, to admit that there was anything wrong with the Justice Department's detention of hundreds of Arab and Muslim immigrants after 9/11—none of whom were ever linked to any terrorist activities. Cohen reviews the reports of abuse of the detainees reported by the DOJ Inspector General.

"To hear him, the system worked perfectly," Cohen writes. "This is precisely the mind-set he brings to capital punishment, of which he clearly cannot get enough."

"Go ahead, connect the dots on Ashcroft yourself. A cavalier attitude toward civil liberties, an inability to concede mistakes, a refusal to see imperfections in the criminal justice system, a zealously irrational belief in the death penalty—and pretty soon you can read between the lines of that Justice Department report. The Attorney General is far more dangerous than any of the immigrants he wrongly detained."

Ibero-American News Digest

Brazilian Congress Defends Nation-State vs. the NGOs

The final report issued for 2002 by the special Parliamentary Commission of Investigation (CPI), established in 2001 to investigate "irregular activities" by Non-Governmental Organizations (NGOs), marks a major blow to Prince Philip's Worldwide Fund for Nature's attempts to drive Lyndon LaRouche's influence out of Brazil. The work of the CPI was shaped from the outset by LaRouche's work, as reflected in its decision to invite *EIR* correspondent Lorenzo Carrasco as the first witness from which it took testimony. The final 2002 report includes a section of Carrasco's testimony (including his warnings on the FTAA), and identifies Carrasco as an author of the *Green Mafia* book, which identifies the "world oligarchical forces," which control the environmental movement.

The WWF, as the Worldwide Fund for Nature is best known, sought, unsuccessfully, for the courts to prohibit circulation of the *Green Mafia* book, on the grounds that it damaged their reputation.

The stated premise adopted by the CPI in its report, is that the nation-state is necessary, to defend the common good. The report refutes the assertion by NGO activists that the concept of the nation-state has been replaced by that of "local and world governance." NGOs, supranational bodies, and multinational corporations are "symptoms and agents of the weakening of the modern, sovereign, nation-state, which has been adhered to since the Treaty of Westphalia, of 1648," the report states. The idea that this historical change "has been, on balance, advantageous to humanity, could be illusory. Before a hypothetical world government arrives, the state is, still, the alternative to tribal anarchy."

The classic state permits the interests of society to be addressed in "a comprehensive and coherent way," the CPI elaborates. Particular interests, "the mono-visions" typically promoted by most NGOs "cannot substitute for the single and strong voice on behalf of the common good, which only the state can provide." If "civil society" is stronger than the state, this will bring "fragmentation and loss of common purpose.... [T]here are more than enough reasons for [the state] to exercise control and vigilance over NGOs," it asserts.

The environmental and indigenist movements put forward a "post-industrial" view imbued with "scorn for the merely industrial," the report warns. Not only is the factory chimney despised, but so are highways, electricity plants, waterways, mining, lumbering—"indispensable activities for those who are still trying to build themselves as a modern nation."

The environmental and indigenist NGOs are acting against the interests of society, interests which are strongly established in Article 3, Clause II of the Constitution, which says that the fundamental objective of the Brazilian Republic, is to "guarantee national development. The which, it must be noted, is the irreducible condition for the creation of jobs and for the overcoming of poverty," the CPI writes.

Narcoterrorism Revives in Peru

The narcoterrorist Sendero Luminoso, nearly driven to extinction under former Peruvian President Alberto Fujimori, has resurfaced with a vengeance, under the Presidency of ex-World Bank employee Alejandro Toledo. Sendero carried out a FARC-style mass kidnapping of 71 people, including eight foreigners, at a gas-pipeline construction site in Ayacucho department, on June 9. The kidnappers demanded a \$1-million ransom from Argentine oil company Techint, which is building a section of pipeline there to carry natural gas from Peru's Amazon jungle across the Andes to the Pacific coast.

Sendero released their hostages the next day. While President Toledo claimed on a national television broadcast that quick government action led to this success, and that no monies had been paid, that claim was quickly contradicted by various hostages, who reported the company involved paid some ransom, after negotiations in which the government was involved.

The terrorists' show of force, intended to demonstrate that the government can be made to capitulate, was accompanied by an escalation of the political campaign to legalize Sendero Luminoso and the MRTA—the other narcoterrorist force which the Fujimori government had crushed. The center of this operation is none other than the U.S. State Department-financed "Truth Commission," whose purported mandate is to clarify human rights violations under Fujimori's war against terrorism. On June 6, the Truth Commission sponsored a seminar in Lima, titled "From Negation, to Recognition," which featured Colombia's "repentant" M-19 commander Antonio Navarro Wolf as one of its principal speakers. Wolf used his speech to send "fraternal greetings of solidarity" to jailed MRTA commander Victor Polay Campos, with whom he had fought in the 1980s in the jungles of Colombia. Both were involved in the continent-wide "Battalion America" terrorist force. Wolf assured the Truth Commission that Polay is ready to accept "democratic rules."

Meanwhile, Sendero's hostage-taking provided Toledo with the pretext needed to extend the state of emergency imposed

to crush the national rebellion against his IMF policies.

Fox Slammed for Promising Foreigners Mexico's Energy

Visiting Stockholm, Sweden at the beginning of June, Mexican President Vicente Fox once again offered to open up the nation's energy sector to foreign takeover. During a June 3 address to Swedish businessmen, Fox committed his government to opening up the oil and electricity sectors, despite the fact that these sectors are fully protected from foreign encroachment by the Mexican Constitution, and the Congress has refused to reform to permit it.

Nonetheless, Fox promised that the legal reforms he has repeatedly proposed will be approved "this same year," and invited "any company to be a provider in the chain of production, industrialization, transformation, or distribution of oil or electrical energy."

The Office of the President in Mexico confirmed that he made these statements, insisting that these sectors are fully open to foreign investment.

Opposition legislators, who hold a majority in the Congress, charged Fox with outright lying. "Stubborn," "impertinent," "incompetent," and "fantasy-ridden," were some of the accusations made against Fox on the floor of the Congress, by Senators and Deputies from the PRI, PRD, and PVEM parties. Fox and his Finance Minister Francisco Gil Diaz are part of a group of "stubborn neo-liberal fanatics, who insist on continuing on this path" of promising foreign investors something which will not become a reality, Sen. Jesus Ortega (PRD) noted. "Lies aren't going to convince anybody, but will just continue to grow."

Summing up the opposition sentiment, Sen. Manuel Bartlett Diaz (PRI), who led the fight to block Fox's proposed bills to open up the energy sector, observed: "There hasn't been a single trip [abroad] by the President, since he was a pre-candidate, in which he has not sought to give away the oil or the electricity. It is truly alarming that the President is telling lies, saying that the reform he seeks is about to be approved. That reform is dead.... This reflects a kind of autism about the national reality. Either he doesn't know what's going on, or his Secretary of Government isn't telling him."

Castaneda Joins Soros's Human Rights Watch Board

Former Mexican Foreign Relations Secretary and drug legalization lobbyist Jorge Castaneda has been invited to join the board of George Soros's Human Rights Watch for the Americas, as one of a select few non-Americans to be so "honored." According to HRW/Americas director Jose Miguel Vivanco, the invitation to Castaneda came in recognition of his role in moving Mexico's government away from its "mistaken concept of sovereignty" and "nearly total obstructionism" of human rights advocacy, toward an active international leadership role in defense of human rights.

Vivanco took care to add: "We are associating ourselves with Castaneda, not with [the Mexican] government," which he insisted still had "an enormous distance" to cover in addressing "chronic and persistent" human-rights problems.

As reported in the Ibero-American Digest of *EIW* #23, Castaneda is busily wooing the international corporate and financial community, for support for his hoped-for Presidential bid for 2006. In an interview with the Spanish daily *El Pais* June 10, Castaneda repeated his argument that the only way to get through the kinds of "structural reforms," such as privatization of the energy sector, that the Fox regime has pledged to achieve, is to first ram through the "institutional reforms" that will make the former possible. Specifically targetted by these so-called reforms is the Mexican Congress, which is today a key obstacle to the efforts of the financier-backed Fox regime to hand over Mexico's oil and hydroelectric wealth. Castaneda would replace Congress with a parliament under the heel of the next head of state, namely, himself.

Powell Offers Argentina's Kirchner Free-Trade Ploy

The Bush Administration may try to lure Argentina into a bilateral free-trade agreement, similar to the one finally signed with Chile on June 6, to break up any possibility of a strong Brazil-Argentina alliance or a more vibrant Mercosur. Secretary of State Colin Powell reportedly made the proposal to Argentine President Nestor Kirchner, when the two met for an hour in Buenos Aires on June 10. Washington is nervous about the discussions between Kirchner and Brazil's Lula da Silva on the need for a strong alliance between the two countries, along with their support for South American integration. Kirchner campaigned on the promise that his government would not follow former President Carlos Menem's policy of "carnal relations" with the United States.

Powell made his proposal just as Kirchner was preparing to travel to Brasilia, to meet with his counterpart Lula to further consolidate the "strategic alliance" which both Presidents say is a crucial policy goal of their governments. During the one-hour discussion with Powell, Kirchner took pains to distance himself from U.S. foreign policy, saying that Argentina would only send peacekeeping forces to Iraq under the aegis of the United Nations, and he pointedly refrained from making any response to Powell's insistence that Cuba be "democratized."

As EIRNSJ predicted, the pressures on both Argentina and Brazil are intensifying, and Anglo-American dirty tricks can be anticipated to play on Lula's and Kirchner's weaknesses—their unwillingness thus far to break with IMF policy.

Industrial Collapse in Brazil Raises Political Heat

Brazil's industrial output fell 4.2% in April, over the same month a year ago, the government's statistical agency announced on June 9. The fall, the first in 11 months, is blamed on Brazil's stratospheric interest rates. With a benchmark rate of 26.5%, a mid-sized company pays around 60% annually for a one-year loan, while rates for consumers caught in problem loans can hit 220%. At those rates, it is no surprise that production of transport equipment was down 11% over the year before; manufacturing of electrical and communications, 13%; clothing and shoes, a stunning 28%.

High interest rates were already one of the biggest political headaches faced by President Lula da Silva. Ironically, it is Vice President Jose Alencar, a right-wing businessman, who is leading the rebellion against the rates imposed by the leftist Workers Party members on the government's economics team.

While Lula was in France for the expanded Group of Eight summit, Alencar called for a national "crusade" against these "surreal" and "absurd" interest rates. And just as Lula was assuring the G-8 leaders that his government would not intervene with the markets, back home, Acting President Alencar was telling Brazilians: "We need political decisions.... This is not a decision for the economist. It is a decision for the politician, to be taken in the political realm." He denounced the interest rates as "robbery," and charged that "never in the history of Brazil has there been a greater transference of profit generated by work, to the benefit of the financial system."

Lula's economic team is now concerned that such an open split over economic policy within the government, is going to worry "the markets," and affect the "economic indicators," *Tribuna da Imprensa* commented on June 5.

Western European News Digest

***Neue Zuercher Zeitung* Covers LaRouche vs. Strauss**

Switzerland's leading daily acknowledged U.S. Presidential pre-candidate Lyndon H. LaRouche, Jr.'s central role in the

ongoing exposure of the neo-conservative Strauss faction in the U.S. government.

Under the headline "Traditions of Conspiracy in America—Leo Strauss, LaRouche and the Neo-Conservative Cabal," the piece takes up over two-thirds of a page in the June 13 issue of *Neue Zuercher Zeitung*.

The author, Hans-Rudolf Kamer, who was *NZZ*'s former Washington, D.C. correspondent, notes suspicions that the Bush Administration has come under the control of neo-conservative hardliners, who staged the war against Iraq and secretly aim for world domination. Current accusations over allegedly missing WMDs in Iraq are interwoven with traditional conspiracy theories, Kamer writes, and then launches into a convoluted explanation of what neo-conservatives are or are not, concluding that those so accused in the Bush Administration are not "classical" neo-conservatives.

As for "conspiracy theories," Kamer refers to Hillary Clinton's lashing out against a "right-wing conspiracy" at the time that President Clinton was threatened with impeachment. Thanks to coverage of such conspiracy theories in the *New York Times* and *The New Yorker*, these charges are not resonating in Europe now, Kamer says.

Kamer points to Lyndon LaRouche, who published a pamphlet called "The Children of Satan," just a few weeks before the *Times* and *New Yorker* articles. Kamer reports that LaRouche talks about the "Nietzschean fascism of Leo Strauss" and the "world government utopias" of Bertrand Russell and H.G. Wells, which he associates with the new American preemptive war strategy. Moreover, LaRouche claims that 9/11 was a new "Reichstag Fire."

LaRouche, lies Kamer, is a mixture of Kant and anti-Semitism, paranoid tirades against everything from British empiricism to Ollie North. But isn't it strange that politics makes such strange bed-fellows, and of course, Prof. Strauss is not a fascist, Kamer protests, but a "good democrat," who now is under attack from "neo-socialists like LaRouche."

Deception About Iraqi WMD 'Worse than Watergate'

A continental European political-diplomatic insider told *EIR* June 10, "In the Watergate scandal, no American died. Now, a lot have died, and are dying, because of a 'threat' which never existed."

A close reader of LaRouche material, he then said, "LaRouche is absolutely right, when he says that Cheney is the 'chief duck.' This has been the case from the beginning. I saw a high-level American on *CNN* last week, a man about 70, who formerly served in the CIA, including at a senior level in Iraq, who charged that the architects of American strategy now, are trying to realize their *Mein Kampf*."

"Just as Hitler openly described his ideas for world domination, so have Cheney and his collaborators clearly set out their plans for world domination. The main problem is not Bush himself, but Cheney, Wolfowitz, and Rumsfeld."

This individual fears that, feeling desperate, this mob might now "try to provoke another 9/11," and takes very seriously LaRouche's warnings about a possible "economic 9/11" in the making. Moves to consolidate a Middle East process, "independent of the flawed 'Roap Map' as such," and to bring Russia squarely into Europe, through LaRouche's Eurasian Land-Bridge and related initiatives, are now more crucial than ever, he insists, to outflank and neutralize this Cheney-led grouping.

Russian Strategist Agrees Bringing Cheney Down a Good Idea

"Mr. LaRouche's idea to bring about the downfall of Dick Cheney is an excellent idea, very good, and it comes just at the

right time," said a senior Russian strategist, who rarely shows such exuberance.

"I consider this exactly the thing to be done now, in fact, I have been myself thinking about the need to move against Cheney, during the past days," he commented. "Mr. LaRouche's move will be supported by many Republicans, who resent Cheney. First of all, some financial groupings in the Republican camp are angry about his maneuvers with oil. More than that, there are energy groups, in both the U.S. and Britain, who are angry about how Cheney has used his oil connections, for his own gain, and against them.

"Cheney can be isolated.... It is necessary to divide the Republicans. Bush is the most foolish, but he's not the worst.... And I'm sure Colin Powell would be happy to see Cheney go."

He pointed to three other things. One, is that because of his health, Cheney is vulnerable to attack and pressure. Second, various people around Bush were not so happy to hear Cheney say so directly that he would be around for a second term, if Bush were re-elected. Third, the timing of LaRouche's move is perfect, at a time when both the U.S. and Britain are being rocked by the "Iraqi weapons of mass destruction" scandal. "This is the time to move. In a few days, there will be attempts to bury the whole matter, probably with some sensational sex scandals."

The Moscow source further commented that "it is perfectly understandable to me, that LaRouche would be getting such attention now in Britain, with the June 6 *Glasgow Herald* article and the June 9 *BBC* interview. This reflects the depth of the crisis around Iraq, in Britain. This positive attention is very important."

He also attributed great importance to the John Dean article on the potential worse-than-Watergate dimensions of the "Iraqi WMD" scandals.

Iraqi-American Researcher Exposes Fraud by 10 Downing Street

In a telephone interview June 6, Ibrahim Al-Marashi explained how his research into the organization of the Iraqi intelligence services, was lifted to provide material for the dossier released by the British government, to motivate war against Iraq.

EIR: What research were you doing, and how did it end up in the dossier?

Al-Marashi: It was part of a project of historical interest. I was looking at the invasion of Kuwait which led to the 1991 war. I examined the documents which the Iraqis left behind, after their withdrawal. They were 300,000 documents, which I went through. The purpose was to provide a guide to help the reader understand how the Iraqi intelligence services functioned, and therefore, to be able to understand the single documents. The research was conducted in 1998. I took part of it, and compiled an article, which appeared in the September 2002 *Middle East Review of International Affairs*.

EIR: Was the article published on your initiative?

Al-Marashi: Yes. I knew one of the editors. Iraq was coming up in the news, and I thought I could explain how the intelligence services were managing to maintain the regime.

EIR: How did it end up in the British dossier?

Al-Marashi: The authors of the British dossier must have taken it from the Internet. They must have made an Internet

search on "Iraqi Intelligence Agencies" and my article would have been the first item. I know they used the online version, because they kept the mistakes that were there, misplaced commas, and the transliteration of Arabic terms. The No. 10 Downing Street dossier took material from three sources, and all three used different methods to transliterate Arabic names. These differences are in the dossier. They didn't go to the trouble of correcting or unifying them.

EIR: What were the other two sources?

Al-Marashi: Articles in *Jane's Intelligence Review*, one by Sean Boyne in 1998, and the second, by Ken Gause, in November 2002. Both were on Iraq's intelligence agencies.

EIR: What exactly did the dossier compilers lift?

Al-Marashi: They took material on the responsibilities of these agencies, the organizations, their functions—they lifted it wholesale.

EIR: What did they change, to motivate going to war? You mentioned in your *Daily Telegraph* article that they changed the wording of one sentence, to make the case that Iraq had capabilities to harbor and assist al-Qaeda. Did they make any other changes?

Al-Marashi: Besides what was in that article, nothing. Because nothing in my article stated the case for war. The dossier is made up of three sections: sections 1 and 3 go into the intelligence agencies, and how they obstructed UN inspections teams; section 2 is on the Iraqi intelligence agencies. Section 3 stressed the obstructions, so they made the case that, since the intelligence agencies were obstructing inspections, they were guilty, and therefore, one should go to war. They used my research as a justification for war.

EIR: The British intelligence services are certainly not amateurs. How can you explain something like this? How could it happen?

Al-Marashi: I think it's indicative of a bigger picture, that is, the tensions between British intelligence and 10 Downing Street. Maybe intelligence sectors were not sharing information with 10 Downing Street. They went and plagiarized an open source, saying it was intelligence. It has to be seen in the context of the rivalry between No. 10 Downing Street and intelligence.

EIR: Who wrote the dossier?

Al-Marashi: Four staffers in the communications department, under Alastair Campbell.

Emergency Measures To Stem Panic over British Pensions

The British government is taking urgent measures to calm its citizens over shrinking pension funds, the *London Times* reported in banner headlines June 12. Government was forced to announce "unprecedented emergency measures to shore up confidence in company schemes. A 'lifeboat' fund will be set up to rescue final-salary occupational pensions in firms that go bust."

As a consequence of the recent three years' stock market crash, pension schemes of top British corporations have been devastated. The "black hole" among the FTSE-100 companies pensions officially amounted to 65 billion pounds at the end

of last 2002, and for all British corporations, totals about 100 billion pounds. This means that in recent cases of bankruptcies, such as the Welsh steel company ASW, pension schemes could just cover the pensions of those workers that had already retired, while those who are about to retire often lose their entire pension and have no chance of finding a new job.

The government will now force the corporations to pay into the new "lifeboat" fund that will be activated for corporations that go bankrupt, on a compulsory basis. Corporate pension fund managers immediately came out claiming that exactly this emergency measure will make matters much worse, because it puts additional financial pressure on the companies.

Worse, the emergency measures "would sound alarm bells with credit-rating agencies already concerned at the size of pension deficits in British companies. Downgrade by rating agencies would lead to further stock losses, thereby aggravating the pension crisis, ballooning the deficit to 300 billion pounds."

Malaysia and Italy Can Work Together for Global Peace

Malaysia's King, the Yang di-Pertuan Agong Tuanku Syed Sirajuddin, addressed a state banquet hosted by Italian President Carlo Azeglio Ciampi at the Quirinale Palace June 11. The Tuanku told assembled guests that Malaysia and Italy may be geographically far apart, but they had shown readiness to shoulder their responsibilities for peace in their contributions and involvement in peacekeeping missions and other initiatives undertaken by the United Nations. He said the joint aspirations and objectives would enhance the close ties between Kuala Lumpur and Rome in various aspects.

Addressing the banquet, he said: "My visit will herald a new era in bilateral relations and foster closer ties in defense, trade, tourism, science, and technology."

President Ciampi, referring to Italy's taking over the Presidency of the EU later this year, assured the Tuanku, "A strengthened European Union will also be beneficial to relations with Asia." He added that ASEAN's commitment to peace and stability in the region as well as the economic strength, makes it a special partner and a locomotive force driving relations between Europe and Asia. He noted that the opening of the Delegation of the European Commission in Kuala Lumpur signifies the political and economic importance the EU attaches to Malaysia and Southeast Asia.

The Tuanku and his wife, Raja Permaisuri Agong Tuanku Fauziah were on a four-day state visit, on the invitation of Italian President Ciampi.

Earlier, the King conferred the Malaysian Government's Award "The Most Exalted Order of the Crown of the Realm" on Ciampi. He bestowed the "Grand Knight of the Most Distinguished Order of the Defender of The Realm" on Senate President Senator Marcello Pera and President of the House of Representatives Pier-ferdinando Casini. Two people received the "Grand Companion of the Most Distinguished Order of the Crown." Two received the Panglima Setia Mahkota and eight the Seri Mahkota Malaysia. Ciampi then presented the King with the highest Italian order, Cavaliere di Gran Croce Decorato di Gran Cordone, in the form of a gold medallion.

Russia and Central Asia News Digest

Former Russian Central Bank Chief: 'De-Dollar Has Started'

The 12th International Financial Congress, held in St. Petersburg at the beginning of June, was the occasion for intense discussion about the implications for Russia of the plunging U.S. dollar. (According to the Federal Reserve, 12% of all

cash dollars in circulation, are in Russia.) Current Russian Central Bank chairman Sergei Ignatyev puzzled journalists by declaring that "de-dollarization has started"—possibly referring to Russia's increasing the share of euros and gold in its gold and foreign currency reserves. According to *Izvestia*, however, Ignatyev was unavailable for further comment. Instead, *Izvestia* correspondent Natalya Orlova interviewed his predecessor, Victor Gerashchenko, who attended the Congress as an independent observer.

Gerashchenko, who at the end of last year welcomed the Italian Parliament's resolution in favor of a New Bretton Woods system, made a number of pointed remarks, exposing the irresponsibility of Ignatyev's denial of the possibility of a panic stampede out of the dollar in Russia. Gerashchenko said that expert calculations already indicate that the dollar-ruble exchange rate should be 15 or 16 rubles to the dollar, instead of the official rate of over 30. About continued Central Bank support for the dollar in Russia, he remarked, "The opinion that the ruble exchange rate should be kept high for the benefit of eight or ten companies, engaged in export of resources and not even paying what they are supposed to pay, is wrong.

In the same issue with this interview, *Izvestia* editorialized that the Central Bank should be more open about its policy: "[T]he country's top financial authorities should address the people and explain their view, which is the basis of their policy. Do they prefer the Russian currency to remain cheap, for the sake of the oil exporters? Or, on the contrary, are they not going to prevent an increase of the ruble, which increases domestic demand?... It would be only useful for business and the population if Mr. Ignatyev sincerely confessed: Yes, we don't want the ruble/USD exchange rate in 2003 to fall beyond 30 rubles. Or, if he explained what we are going to do with our currency reserves—to promptly pay the foreign debt, or to extend credit to developing countries, or just to keep this money for worse times."

Glazyev Forms New Committee on National Resources

At a June 10 press conference, Member of the State Duma Sergei Glazyev announced that he has agreed to head the new Committee for the Defense of Russian Citizens' Rights to National Natural Resources. Other members of the committee are Academicians Dmitri Lvov and Zhores Alfeyorov, the Nobel laureate in physics and a member of the Communist Party group in the Duma. Glazyev said that by Sept. 1, the committee will prepare legislative initiatives "on the expropriation and redistribution of super-profits from the exploitation of Russia's natural resources." This "natural rent," he said, could be allocated, either through special public funds, or through the Federal budget, "for the good of the country's development and of each individual citizen."

The matter of national ownership of natural resources was the subject of an exchange between Academician Lvov and Lyndon LaRouche, at the hearings Glazyev convened on June 29, 2001, on how to defend national economies under conditions of global economic collapse. (See *EIR*, July 20, 2001, and LaRouche's follow-up article, "On the Subject of Primitive Accumulation," in the Aug. 17, 2001 issue.)

At the same press conference, Glazyev said that studies done at the Russian Academy of Sciences show the possibility of achieving 20-30% annual growth in areas of advanced technology, in order to "create real, powerful engines of economic growth." This will require a development budget, and development banks, he said.

Glazyev's Political Moves Draw Attention in Russia

Economist Sergei Glazyev's leadership of an effective opposition movement in this year's Russian Parliamentary elections, and even his possible Presidential candidacy next year, are the subject of current coverage in major English- and Russian-language media in Russia. As *EIW* reported two weeks ago, Glazyev held a conference of diverse opposition forces on May 19.

Moscow News of June 11-17 analyzed Glazyev's bid to expand the base of the People's Patriotic Union (PPU), under the headline "Red Banner Changing Hands?" The article tried to play up friction between non-Communist Glazyev, who was elected to the Duma on the Communist Party (CPRF) slate and co-chairs the CPRF-led PPU, and CPRF leader Gennadi Zyuganov. But its main point was that many voters "see in the young, but fairly experienced and well-educated political figure, a proper new leader, capable at last of rejuvenating the CPRF and leading the left forces to victory in the upcoming [Dec. 7] Parliamentary elections."

Similarly, a *Moscow Times* article of June 9 stressed that the CPRF "old guard is wary of embracing a rising star who could eclipse them." Nonetheless, they may be unable to do without him, since Glazyev "has shown that he can reach beyond the party's traditional electorate and tap into a new group of voters"—as happened in the Krasnoyarsk gubernatorial election in 2002, where Glazyev got 21.4% of the vote, as against a previous CPRF showing there of 15%.

The *Moscow Times* quoted thinktankers on Glazyev's "promising political future," a point underscored by *Izvestia* commentator Andrei Kolesnikov in his June 9 column. Anticipating a generational change in several parties, Kolesnikov wrote, "There is almost no doubt that the 2004 Presidential elections are a good opportunity for Sergei Glazyev, who is very politically active already today, and has even reportedly received guarantees that he will be second on the CPRF slate, with 20 of his people included in the top part of the slate." There will be a CPRF leadership meeting at the end of this month.

Israeli Foreign Minister Tries To Lean on Russia

Foreign Minister Silvan Shalom of Israel was in Moscow June 9-10 for talks with his counterpart, Igor Ivanov, about the Mideast "Road Map" for peace, crafted by the "Quartet"—the U.S., Russia, the EU, and the UN. At every opportunity—remarks as he arrived at the airport, his June 9 press conference with Ivanov, and an interview with *Nezavisimaya Gazeta* printed June 11—Shalom put up front the demand for action to restrain Iran's nuclear program. Shalom railed against Iran as being run by "a radical extremist regime," striving to "create a nuclear industry for military purposes." He said Iran is a threat to Israel, the region, Europe, and Russia.

Ivanov called his discussion of Iran with Shalom "very frank and constructive," a diplomatic indication of disagreement. *Kommersant-daily* reported that Shalom sought to meet President Vladimir Putin on this matter, but Putin declined to schedule a meeting with him.

On June 9, Putin spoke by phone with President George Bush, about the Road Map. He also phoned Israeli Prime Minister Sharon and Palestinian Prime Minister Abbas, as well as Yasser Arafat on June 10.

Russia Denounces Needling by United States.

There is a furor in both the Russian and the Western press, about whether or not Russia is shifting away from its commitment to peaceful nuclear cooperation with Iran. Sources in the entourage of British Prime Minister Tony Blair fanned these rumors on June 4, claiming that at the Evian G-8 summit, President Putin had pledged to halt nuclear-fuel deliveries, pending Iran's signing a new, special accord with the International Atomic Energy Agency. Russian Foreign Ministry spokesman A. Yakovenko and Deputy Foreign Minister Georgi Mamedov strenuously denied that this was Russia's posture, in statements made June 5 and 6. Some analysts suggested that Blair had been "confused," mistaking Putin's reference to the bilateral Russian-Iranian agreement on reprocessing spent fuel from the Bushehr reactor—an arrangement still under negotiation—for the U.S.- and British-demanded new IAEA one.

Mamedov said to *Vremya Novostei*, "The position of the United States in relation to Iran generally ... differs from ours.

The Americans are in favor of isolating Iran. But we are in favor of cooperation with it, of course, within the framework of international agreements." Mamedov particularly objected to Congressional testimony by the State Department's John Bolton, who, on June 4, talked about potential actions against countries allegedly seeking to become nuclear, adding that countries supplying them with nuclear materials would also face "adverse consequences." Mamedov said, "It is completely incomprehensible why, after serious agreements in St. Petersburg and Evian, such unfounded remarks were necessary. We consider it not very responsible on his part, to make such statements—without proof and without asking us about it."

An IAEA delegation was in Iran beginning June 7. On June 16, the IAEA board of governors is scheduled to review the question of Iran's compliance with the nuclear Non-Proliferation Treaty.

Russia's Lukoil Pushes To Resume Work in Iraq

Leonid Fedun, vice president of the Russian oil company Lukoil, said June 2 that Lukoil was "in consultation with the occupying power" (that is, the U.S. and secondarily, the U.K.) about getting back into action in Iraq. A week later, June 9, Foreign Minister Igor Ivanov told a meeting of corporate managers in Moscow that Russia was "conducting an active dialogue with all parties to the process, and hopes for the participation of Russian companies in the postwar reconstruction of Iraq." Ivanov said that some Russian contracts might be frozen, but that measures were being taken for them not to be annulled.

In the meantime, *Kommersant-daily* reported that a team of Russian oilmen arrived in Baghdad June 4, on the first such visit since the war began. And *Vedomosti* of June 9 said that Lukoil has "resumed the development of the west Qurna oil field"—for which it has a contract that had not yet been implemented, before the war—although the report gave no details.

Russia Protests U.S. Pressure Tactics on Weapons Destruction

On June 5, Russian Foreign Ministry spokesman Aleksandr Yakovenko said that Moscow objected to Washington's setting "additional unjustified conditions" on U.S. assistance to Russian weapons-destruction projects. He said the list of conditions was "getting longer rather than shorter," as exemplified by the U.S. intention to withhold \$100 million in assistance to a chemical-weapons disposal facility in Shchuchye, until either Russia or a third country contributes an additional \$50 million. Such decisions, Yakovenko said, "create additional difficulties for the Russian side. At issue are not only plans to build the Shchuchye facility but also our cooperation with other G8 countries to which we have offered separate projects." He added, "We have more than once expressed concern with the uneven development of Russian-U.S. cooperation in chemical weapons disposal, pointing to the fact that linking [this issue] with politics is counterproductive."

Wave of Assassinations in Russia Involves Putin's Defense-Sector Projects

May and June have seen even more gangland-style assassinations than usual, in the violent world of Russian business. The victims ranged from a Yukos oil manager in Irkutsk, to a St. Petersburg Sea Port official, as well as St. Petersburg organized-crime kingpin Konstantin Yakovlev (aka "Kostya Mogila"—"Kostya the Grave" [as in "tomb"]), who was killed in Moscow.

But a pair of assassinations on June 6 took Russian networks to a new level, when two top defense-industry officials were killed. Igor Klimov, acting general director of the defense-industry consortium Almaz-Antey, was shot to death near his apartment in Moscow, while Sergei Shchitko was gunned down in his car in a Moscow suburb. Shchitko was commercial director of the electronics firm RATEP, an Almaz-Antey subsidiary. While there are many "versions," as Russian analytical theories are called, about these killings, one thing is clear: Almaz-Antey was an important defense-sector project, shepherded into being by President Putin personally, with Putin's long-time associate Vladimir Ivanov as its

chairman of the board. *Gazeta* and other Russian sources identify Klimov as Ivanov's man, as well as having been, like Putin, a veteran of the KGB's foreign section. Klimov was to have been confirmed as general director at a board meeting later this month. Almaz-Antey was approved by Presidential decree in 2001 and established the next year, to consolidate 46 smaller companies involved in producing air defense missiles.

Some Russian observers described the latest events as giving the impression that the Federal executive power cannot control the country. Analysts unfriendly to Putin, like military journalist Pavel Felgengauer and thinktanker Maxim Pyadushkin, call the killings a defeat for him. Quoted June 10 in a *Financial Times* article titled, "Deaths challenge Putin's reforms," Pyadushkin said, "This is a big blow to Putin's image, and a clear sign that in Russia there are some circles that do not worry about him and are not afraid of his new elite." Felgengauer told *AP* that Almaz-Antey was supposed to be a pilot project for reorganizing the defense industries into large government-held companies.

George Soros Leaves Russia—the Worse for Wear

Megaspeculator George Soros gave a press conference in Moscow June 9, at the conclusion of his tour of 10 nations in the Balkans, the Caucasus, and Central Asia—"what the geopoliticians describe as the arc of instability," he noted. In Russia, Soros said, "The main purpose of my visit to Moscow is to celebrate the 15th anniversary of the [Soros] Foundation by terminating it in its present form. I want to emphasize that this does not mean the ending of all our activities, but reorganization of those activities in a different form."

Soros, whose speculative bidding for Russian assets (he bought part-ownership of the Russian telecommunications system), and bribes to Russian scientists, played no small part in the disruption of life in the country during the 1990s, cynically declared that what he had been spending money on—"introducing the Internet, reforming education, providing books to libraries and so on"—are "activities that should really be supported by the state." According to Soros, "It is no longer appropriate for me ... to continue to subsidize the Russian state. The economy is now recovering and the state is restored. That is why I think that it is right for us to conclude our activities in their present form."

Soros announced that he had launched about 20 new foundations, however, to seek support from sources other than himself, and to carry on his work. Particularly targetted is education, which the Soros-launched New Russia Foundation will attempt to dominate.

He said that he has become "preoccupied with problems of globalization" and, since Sept. 11, "with the role that the United States plays in the world." Therefore, he intends to carry on his "struggle for a global open society," primarily in the United States.

Central Asian Nations Confer on Afghanistan

The 13th session of the Economic Cooperation Organization (ECO), which is made up of the Central Asian republics, plus Iran, Pakistan, and Turkey, opened on June 9 in Bishkek, Kyrgyzstan. Iranian Deputy Foreign Minister for Economic Affairs Hossein Adeli told *IRNA* that experts would discuss the agenda of the organization, and the foreign ministers would discuss plans for the coming year. He said they would be signing a document for collective cooperation on various reconstruction projects in Afghanistan.

Mideast News Digest

Leaders Call for Armed Peacekeepers in Mideast

In an exclusive interview to the Israeli daily *Ha'aretz* June 12, UN Secretary General Kofi Annan called for the deployment of armed peacekeepers in order to separate Palestinians and Israelis. Annan told Akiva Eldar of *Ha'aretz* that he saw the upcoming deployment of 51 U.S. monitors, who will be soon deployed along with U.S. special envoy John Wolf to oversee the implementation of the road map, as a good start.

In a parallel development, U.S. Sen. John Warner (R-Va) sent a letter to President Bush on June 11 calling for the dispatch "at the earliest practical time," of an international force under NATO auspices, to provide security and ensure implementation of the Road Map.

Annan gave full support to Palestinian Prime Minister Abu Mazen (Mahmoud Abbas), saying "The international community has an obligation to support Abbas and to work with him." But he called on the Israeli government to ease conditions. As for Israeli Prime Minister Ariel Sharon, Annan gave him the "benefit of the doubt" on his commitment to implement the Road Map. Annan also gave his support to Palestinian President Yasser Arafat, and said it was wrong to isolate him.

Powell Asks Quartet To Help Salvage Israel-Palestine Peace

On June 12, Secretary of State Colin Powell telephoned Foreign Ministers Silvan Shalom of Israel, Ahmed Maher of Egypt, Saud al Faisal of Saudi Arabia, and Marwan Muasher of Jordan, to ask for their help in stemming the violence between Israel and Palestine.

Secretary Powell, who this week goes to Cambodia for the ASEAN meeting, will stop over in Amman, Jordan on June 22 for a meeting with members of "The Quartet" (authors of the Road Map: the U.S., Russia, the European Union, and the UN) during a World Economic Forum. Among those with whom he will meet in Jordan are UN Secretary-General Kofi Annan, Russian Foreign Minister Igor Ivanov, and senior officials of the European Union. There is no indication yet of how much Presidential backing Powell will have to pressure Sharon and Israel. But, in speaking with *Reuters* after a town meeting in Los Angeles, National Security Adviser Condoleezza Rice said on June 12 that the "Road Map" is "absolutely relevant," and, as presented by President Bush, "is the only viable way to peace."

The President keeps his promises and expects others to keep theirs, said Dr. Rice, adding that Israeli leaders must understand that "the Palestine leadership is trying to reform security services ... that have been unwilling to fight terror."

On June 13, it was announced that Israel and the Palestinian Authority will renew security contacts, beginning with a meeting scheduled for June 14. The decision was made following pressure from the United States and Egypt.

In statements to the press on June 13, Powell said the U.S. was anxious to see restraint from Israel in its retaliations, and that terror against Israelis must stop. "If the terror goes down, then the response to terror will no longer be required," Powell said. Referring to the recent surge of violence, Powell said, "We've got to punch our way through it, and get on with the steps called for in the Road Map."

Israelis Start Dismantling Outposts; Settlers Reoccupy Them

The Israelis have started dismantling 10 of the 15 unauthorized outposts they promised would be dismantled for now, according to Ariel Sharon's pledge at the Aqaba summit earlier this month with Palestinian Prime Minister Mahmoud Abbas/Abu Mazen and President Bush. Another 100, one-third of which are inhabited, are supposed to be dismantled.

Although 10 were dismantled, some of them were simply reoccupied by the Israeli settlers, hundreds of whom on June

blocked roads to one inhabited outpost called Gilad Farm.

Israeli Defense Minister Shaul Mofaz reportedly told the settlers that the Bush Administration has put pressure on Israel to remove all outposts, which number about 100.

Nabil Abu Rudainah, an aide to Palestinian President Yasser Arafat, derided the action: "This is a theatrical and insignificant step."

Meanwhile, the settlers' Yesha Council denounced the dismantling of the settlements. Its spokesman, Yehoshua Mor Yosef, said, "If we are evacuated, and I assume that the army will use force to evacuate us in the end, then we will return the next day to 10 hilltops. We will do everything we can to torpedo, obstruct, and to prolong this step."

***Washington Times* Highlights Israel-Hamas Link**

In an analysis piece in the June 14 *Washington Times*, Joshua Mitnick, whose article was titled "Israeli retaliatory raids enhance Hamas' image," discussed what longtime readers of *EIR* already know: That Hamas owes its existence to Ariel Sharon, from the time of its founding in the 1980s, to the present. *Times* staff writer Mitnick reported that Hamas was founded as an offshoot of the Muslim Brotherhood. "At the time," Mitnick wrote, "the Muslim Brotherhood actually received funding from Israel, which was interested in cultivating a rival to the secular Palestine Liberation Organization. Palestinian Authority officials accuse Israel of providing the seed funding for Hamas, though Mr. Rantisi, a co-founder, denied this week that Israel had any part in Hamas' establishment."

Mitnick began the article by reporting how "The militant Islamic group Hamas has soared to new heights of prestige among Palestinians this week, even as its deadly attacks on Israel have brought sharp condemnation in Washington and retaliatory strikes against its top officers by Israeli security forces." He further reported that "Israeli missile strikes at Hamas leaders ... have only reinforced the feeling among Palestinians of the group's power."

Mitnick quoted Palestinian journalist Daoud Kuttub thusly: "When your enemies go for your leaders, it means that they're afraid of you and that means you are doing something right." Mitnick noted that Hamas' fortunes ebb and flow with the level of conflict between Israel and the Palestinians. During the period of the Oslo peace accords, Hamas was marginalized, but now it's stronger than ever, and it has benefited directly from Israeli attacks on the Palestinian Authority.

Iraq Expert Tells EIR: 'Violence Everywhere'

In a discussion with *EIR* on June 12, University of Warwick [England] Professor Toby Dodge stated, "I just spent eight days in Baghdad, and the situation now inside Iraq is dreadful. The reality of what is going on, is being ignored by the international media." Dodge is one of Britain's leading experts on Iraq. He added, "The situation is so serious, that the Iraqi family I stayed with, forbade me to go out after 4 p.m. in the afternoon. By 7 p.m., all the streets are completely deserted. There is violence everywhere, and all semblance of security has broken down."

Dodge emphasized that the broader situation around Iraq is more and more dangerous, because "the group now running policy in Washington is committed to what can only be called 'permanent revolution.' Their idea seems to be, in order to draw attention away from the mess they've unleashed in Iraq, start something somewhere else. Obviously, they're committed to causing trouble with Iran. But Iran is not Iraq. Even these people must understand, that an invasion of Iran is impossible. But I'm sure they have a strategy of undermining the regime, causing energy blackouts, and unleashing special ops. This will likely only solidify support for the regime in Tehran, a phenomenon that often happens when the population of a nation feels threatened."

Informed of LaRouche's mobilization to impeach Cheney, Dodge responded, "Wonderful! This is exactly the kind of thing we need right now." He said this will have repercussions in Britain, where Tony Blair could be hit, at any moment, by a further escalation of attacks on the "Iraqi weapons of mass destruction" front, especially if "elements of the security services" decide to make a bigger issue of this, and "if a paper trail is found, proving a deeper involvement of 10 Downing Street in playing with the intelligence than heretofore known."

OPEC Will Exclude Iraq as Long as U.S. Occupying Authority Is in Charge

OPEC "cannot have relations with Iraq until there is an internationally recognized government, that is a consensus," said Venezuelan Oil Minister Rafael Ramirez, according to various press reports June 11. In other words, Iraq will not be permitted to attend OPEC conferences until the U.S. transfers power in Baghdad to a UN-recognized sovereign Iraqi government. "This does not mean we do not want Iraq in the organization," Ramirez added. "We do want Iraq in OPEC, and we think Iraq will want to stay in OPEC because they will need a reasonable price for oil."

The decision is expected to raise concerns in international oil markets, as traders fear that an isolated Iraq, under U.S. influence, could choose to leave the organization it helped create more than 40 years ago.

It is still unclear whether or not OPEC will recognize the Iraqi interim political council, which the U.S. plans to install in about four weeks.

Blix Blasts 'Bastards' He Says Tried To Undermine Him

In an interview to the June 11 issue of the British paper the *Guardian*, former chief UN weapons inspector Hans Blix said, among other things: "I have my detractors in Washington. There are bastards who spread things around, of course, who planted nasty things in the media. Not that I cared very much. It was like a mosquito bite in the evening that is there in the morning, an irritant."

Blix accused the Bush Administration of leaning on his inspectors to produce more damning language in their reports. He accused "some elements" of the Pentagon of being behind a smear campaign against him; and accused Washington of regarding the UN as an "alien power" which they hoped would sink into the East River.

Asked if he believed he had been the target of a deliberate smear campaign he said: "Yes, I probably was at a lower level."

Even before he returned to Iraq after four years in which Iraq had banned weapons inspectors, Blix said, senior U.S. Defense Department officials were criticizing his having been chosen to lead the returning inspectors. That was just the beginning. By autumn, the married father of two was being branded in Baghdad as a "homosexual who went to Washington every two weeks to pick up [his] instructions."

A lot of the sniping "surely came" from the Pentagon, claimed Blix. "By and large my relations with the U.S. were good," he said, "but towards the end the [Bush] Administration leaned on us." Washington, he claimed, was particularly upset that the UN team did not "make more" of the discovery of cluster bombs and drones in March. He said Washington's disappointment at not getting UN backing for an attack was "one reason why you find skepticism towards inspectors."

Blix said he was convinced that "there are people in this Administration who say they don't care if the UN sinks under the East River, and other crude things." Instead of seeing the UN as a collective body of decision-making states, Washington now views it as an "alien power, even if it does hold considerable influence within it. Such [negative] feelings don't exist

in Europe, where people say that the UN is a lot of talk at dinners and fluffy stuff."

Blix said he found this especially worrying given President Bush's openly proclaimed belief in the doctrine of preemptive strikes. "It would be more desirable and more reasonable to ask for Security Council authority, especially at a time when communism no longer exists and you don't have automatic vetoes from Russia and China," he said.

Similarly, it would be much more "credible" if a team of international inspectors were sent now into postwar Iraq to search for WMD, instead of the 1,300-strong U.S.-appointed group.

Sharon: First Israeli PM To Be Brought Before Knesset Hearing

According to the June 10 issue of the Israeli paper *Ha'aretz*, Ariel Sharon has become the first Israeli Prime Minister to be brought before a hearing of the Knesset (Israel's Parliament). He was forced to testify in his own defense at the Knesset State Control Committee over a conflict-of-interest case where he influenced the passing of a law that he would financially benefit from.

The case involves attempts by Sharon to get a law passed that would allow commercial use of farmland, a law from which Sharon, who owns several farms, would financially benefit. One of these farms is in Kfar Malal, to which the new law refers directly. The case was documented in a report by Israeli State Comptroller Eliezer Goldberg. The violation is doubly outrageous, because Goldberg had formally warned Sharon when he became Prime Minister that he could not be involved in any discussions concerning any proposed law dealing with agriculture.

Sharon, as usual, claimed he broke no law, saying, "The fact that I placed the issue on the Israeli Land Authority's agenda does not signify participation in the decision making. What did you expect, that I would ask the authorization to get permission for a phone call?" This could lead to a criminal investigation if Attorney General Elykim Rubinstein has the guts to push it.

Asia News Digest

Editor's Note

See our special coverage this week in [INDEPTH](#) on the historic breakthrough on the Korean peninsula: the connection of the trans-Korea railway, a major step toward completing the Eurasian Land-Bridge, from Pusan to Rotterdam.

Roh Says Force Not an Option in North Korea Nuclear Issue

South Korean President Roh Moo-Hyun declared that force was not an option in dealing with the North Korean nuclear issue. Speaking about his recent trip to Japan, President Roh said on June 11, according to his spokesman Yoon Tai-young: "I conveyed my determination to resolve the NK nuclear issue through dialogue, and rule out the possibility of using force or other means that could destabilize [regional security]."

Foreign Ministry officials also reported that, when South Korea, the U.S., and Japan meet in Hawaii June 12-13 regarding the Korea crisis, they will agree that the next talks should be five-way, with Japan and South Korea joining China, the U.S., and North Korea. State Department official Richard Armitage was quoted as saying that although the North Korean position calls for one-on-one talks with the U.S., Pyongyang is relaxing its demands, and talks may take place within the next month or two. *Reuters* reported that U.S. envoy Jack Pritchard met North Korean representatives at the UN, arranging

for a one-on-one meeting between the U.S. and North Korea in the context of the five-state meeting.

Wall Street Journal Blames China for Crisis in Myanmar

The *Wall Street Journal* of June 9 editorialized that the junta in Yangon, the capital city of Myanmar, is ignoring the cries from around the world to turn the country over to opposition leader Aung San Suu Kyi, because "the generals know they have a 'fraternal ally' in Beijing," which is the "only supplier of large-scale economic assistance, from telephone exchanges to roads, bridges, and port facilities." Heaven forbid. This has even forced India, they write, supposedly out of fear of China's military presence in the region, to drop its support for Aung San Suu Kyi and back the generals.

Their conclusion: "China's attitude toward Burma [Myanmar] is of a piece with its lack of pressure on North Korea, another rogue regime.... Until it stops protecting tyrants in its neighborhood, China won't be respected as a civilized world power."

Bush Administration To Impose Sanctions on Myanmar

Writing in the June 12 *Wall Street Journal*, U.S. Secretary of State Colin Powell supported the extreme measures against Myanmar contained in bills introduced in the U.S. Congress by right-wingers Sen. Mitch McConnell (R-Ky.), Rep. Henry Hyde (R-Ill.), and Rep. Tom Lantos (D-Calif.). He declared that the "thugs who now rule Burma" (the name used for Myanmar by the opposition) have failed to respond to international pressure—despite the partially successful visit this past week by UN special envoy Rizali Ismail, who visited Aung San Suu Kyi in detention, and reported that she was in good health, and that the junta has agreed to release her soon.

Rizali said in a June 11 *BBC* interview that ASEAN must take the situation in hand and find a solution to move the stalled effort at national reconciliation forward. "This is something that I have noticed for some time: the inability of the region to be able to deal with issues that are important to the region, and this is one of them. It really undermines the credibility of ASEAN by insisting upon non-interference, and, in the process of doing that, perpetuating the status quo, when clearly the people of Myanmar want change."

Malaysian Prime Minister Dr. Mahathir Mohamad, however, said that it is "not constructive" to apply sanctions, and ASEAN countries generally are opposed to interfering in each other's internal affairs.

Powell said the U.S. Administration was shifting course, by supporting legislation against the regime, calling for freezing financial assets of the junta, banning remittances to Myanmar to cut into their foreign exchange, placing restrictions on "travel-related transactions," and limiting commerce with the country. Powell is attending an ASEAN meeting in Cambodia next week, where he will "press the case."

The Dalai Lama Calls for More Contact with Beijing

In the context of improving ties between China and India, the exiled Tibetan religious leader Dalai Lama said that he wants greater contact between his envoys and the Chinese authorities, following the success of recent meetings, according to the Dalai Lama's spokesman.

A four-member delegation of the Dalai Lama, led by special envoy Lodi Gyaltsen Gyari, just spent two weeks in China, the second such extended visit since last September. "His Holiness is particularly pleased the Chinese leadership has a positive assessment of our recent direct contact," Gyari said. "He is encouraged by the development and reiterated the importance for us to continue to make vigorous efforts to advance this process further."

The resolution of tensions over Tibet, could open the way to improved transport and trade between India and China. Access to Tibet is relatively easier from the Indian side.

Indian Deputy PM Advani Meets Rumsfeld in Washington

India's Home Minister and Deputy Prime Minister L.K. Advani met with U.S. Defense Secretary Donald Rumsfeld in Washington, according to the *Times of India* June 9. Rumsfeld reportedly came to the Washington hotel where Advani (touted as the next Prime Minister of India by the U.S., the Israelis, and the Pentagon) was staying. The Deputy Prime Minister met all of the top Pentagon personnel, as well as Vice President Dick Cheney.

The Israeli and American expectation of seeing Advani as the next Prime Minister, however, received a major setback recently when the Bharatiya Janata Party president Venkaiah Naidu told the media that the BJP, which leads the governing coalition, would like to see Advani and incumbent Prime Minister A.B. Vajpayee as joint leaders in the next general elections in 2004. Seizing the opportunity, Vajpayee immediately responded that he would be more than glad to drop his name from the banner and back Advani as the "sole leader." The trick worked. Immediately an overwhelming response came from the BJP members and activists urging Vajpayee to be the "sole leader." Advani, under pressure, had to come out in public to announce that the BJP has one leader, and that one is Atal Behari Vajpayee.

U.S. Signals Interest in Leasing Military Bases in Thailand

On the eve of Thai Prime Minister Thaksin Shinawatra's five-day visit to Washington June 9-13, the Bush Administration leaked that the U.S. is looking to lease land along Thailand's east coast for use as a military "forward positioning" site. The area in question is vacant land near Sattahip naval base and Utapao air base in Chonburi and Rayong provinces. Utapao and Sattahip were major bases for the U.S. during the Vietnam War. Both Thaksin and his Defense Minister have repeatedly denied that Utapao was used by the U.S. in the 1991 Gulf War, or in Afghanistan, or as an interrogation center for al-Qaeda suspects following the war in Afghanistan.

Although Prime Minister Thaksin's trip was never slated to have all the bells and whistles that greeted Philippines President Gloria Macapagal-Arroyo recently, it was not even clear if whether Thaksin would meet with President Bush at all, because Thaksin had been lukewarm on support for the Iraq war. However, in the event, Thaksin and Bush met for 45 minutes, and Thaksin was applauded for the arrest of three Muslims from southern Narathiwat province, bordering Malaysia, who are alleged to have links to Jemaah Islamiya. Deputy State Department spokesman Philip Reeker highlighted the arrest in a briefing, calling it "a positive step forward in the global war on terror," and adding that "we commend Thai authorities for their vigilance."

Africa News Digest

Harlem Congressman Rangel Challenges Rumsfeld on African Bases

Congressman Charles Rangel (D-N.Y.) has challenged Defense Secretary Rumsfeld over the creation of U.S. bases in Africa, without the agreement of the African Union. Rangel "has written to the Defense Secretary, Donald Rumsfeld, asking that he make public U.S. efforts to establish bases and basing rights in Africa without African Union authorization," according to an opinion column in Johannesburg's *Business Day* June 9, by Francis Kornegay of the Centre for Africa's International Relations, University of the Witwatersrand, Johannesburg. Kornegay's column is titled, "African Lobby in U.S. Must Work With African Union." Kornegay is an expert on, and interlocutor of the U.S Africa lobby (or, more correctly, "lobbies").

Mbeki at ILO Meet: Give the Poor a Voice!

South African President Thabo Mbeki, in addressing the International Labour Conference in Geneva June 11, emphasized that there is no solution for any sector of any society, be it labor, government, or the private sector, with the level of poverty and underdevelopment that now exists. The market economy left on its own simply doesn't work, he said.

Mbeki insisted that there must be a determination, as the European Union has made in its own internal economy, "that there are certain challenges of poverty and underdevelopment that can only be addressed through a conscious process of resource transfers from the rich to the poor globally." (The EU reference concerned the fact that the EU has designated a European Structural Fund, which accounts for over a third of the EU budget, and that, for example, "and quite correctly, a developed and prosperous country, the UK, has been allocated 16.6 billion euros by the EU to address challenges that are relatively minor, compared to those confronting the developing world.")

Mbeki noted that "no call is made that these regions [EU countries] should beautify themselves for the benefit of the market, and depend on this market to supply the resources to pull them out of their relative backwardness. Bear in mind that even as it tried to prepare itself for these suitors, sub-Saharan Africa was transferring to the rich countries of the North \$14.5 billion to service its debts." He noted that part of the money given the UK is for a "unique peace program" in Northern Ireland. In contrast, for developing countries, there must be peace, stability and "absence of civil strife," to use the words of the Washington Consensus, before the rich can consider giving any financial assistance. "In one case, resources are allocated to achieve peace. In another, peace must be achieved before assistance can be considered."

He noted that the only purpose of IMF Structural Adjustment Programs "imposed on countries of the South" was to "restore their capacity for debt repayment, and caused further deterioration in the living conditions of the most fragile classes of the population. The financial transfers from South to North in service of the debt set a mortgage on all chances of development, representing as they do four times the OECD budget for public aid to development."

Mbeki reiterated that with globalization, "the majority of poor countries have become increasingly marginalized, sinking more and more into poverty." "There are certain challenges of poverty and underdevelopment that can only be addressed through a conscious process of resource transfers from the rich to the poor, globally. The decision must therefore be taken that those elected by the people to represent them and to pursue the public good, above sectional interests, have an obligation to ensure that such resource transfers take place.

"The poor of the world watch and wait to see what decisions we will take and what programs we will implement. These are the billions cast out into outer darkness, among whom there is much weeping and gnashing of teeth.... Perhaps they do not know this, but all of us here do, that the resources exist within the world economy and society to achieve the objective of the eradication of poverty, globally. The question we must all answer is why we are not using these resources to achieve this goal that is of central importance to the poor and unemployed but also to those of us present here, who represent the tripartite constituency of the ILO."

Mbeki cited John Maynard Keynes' remarks at the closing session of the Bretton Woods Conference in 1944, including: "We have shown that a concourse of 44 nations are actually able to work together.... There is hope for the world." Mbeki commented that 60 years later, we still have the possibility to make the statement, "there is hope for the world." But, unlike Keynes's view, the poor must also have a voice. He concluded that "When they do speak in the end, on all continents, including where we are meeting, they will proclaim—we are the hope of the world, free at last of the curse of the money merchant!"

President Bush To Visit Africa?

Although there is no formal announcement yet, the White House officials say President George Bush is to visit Senegal, Nigeria, and South Africa July 7-15. Bush was to have visited Africa in early 2003, but the visit was postponed in the buildup to the Iraq war.

Some officials hope to add a stop in East Africa, where Bush could take part in a signing ceremony of a possible Sudan peace agreement. If Bush commits to the full eight days, he may address the Leon H. Sullivan Summit of African and African-American leaders being held this year in Abuja, July 14-19. The summit is chaired by Andrew Young, who under Jimmy Carter was U.S. Ambassador to the UN.

According to the White House, President Bush has met 25 African heads of state so far, "more than any previous President."

Museveni Embraces More Death by Free Trade

Ugandan President Yoweri Museveni, after meeting President Bush June 10 in Washington, told a reception that the marketplace "and its discipline" can "set us free." He was speaking to a meeting organized to launch the AGOA III Action Committee that will lobby for the extension of the African Growth and Opportunity Act (AGOA) beyond 2008, according to allAfrica's Charles Cobb. The event was organized by the Whitaker Group, led by Susan Whitaker, former Assistant U.S. Trade Representative for Africa, who says she identifies with Museveni's vision for Uganda and Africa.

The AGOA, originally signed into law by President Clinton in 2000, is supposed to shift U.S.-Africa relations from aid, to trade and investment, permitting AGOA-qualified governments to export to the U.S. without quotas or duties. But the strings attached are enough to hang any country that goes along: African governments are required to make severe cuts in government spending; sell off government enterprises; give foreign investors additional rights; make deep cuts in tariffs; accept U.S. monopoly and patent laws; adhere to all IMF, World Bank, and WTO regulations; and avoid any activities that may "undermine" U.S. national security.

Museveni, who has been exposed by *EIR* for his role in Anglo-American genocidal operations in Africa, was given royal treatment in the United States. He met with Treasury Secretary John Snow and was the guest of honor at a private dinner hosted by World Bank president James Wolfensohn. He was scheduled to be honored June 11 at a luncheon organized by the UN Development Program "for his leadership in fighting HIV/AIDS." He was also scheduled to speak before the Council on Foreign Relations on "Forging U.S.-Africa Partnerships Against Terror."

International Community Ignores Ethiopia Starvation

Some 12.5 million Ethiopians face starvation—despite an early warning to the international community on the consequences of Ethiopia's drought. According to World Food Program executive director James Morris: "Once again, because governments have failed to provide the aid needed, WFP is forced into an exercise in triage." According to Wagdi Othman, WFP's spokesman in Ethiopia: "We have been criticized in the past for not giving the true picture, for not ringing the alarm bells early enough so that donors can respond. This time the humanitarian agencies and the Ethiopian government *did* sound the alarm bells in time, starting from July 2002." In most of the affected parts of the country, farmers are facing a lack of both food and water. Some farmers saw a total failure of their harvests last year. "Families say they cannot send their children to school, because they are hungry and cannot cope with the walk to school, let alone studying."

Namibia Encouraged To Produced Cheap AIDS Drugs

The Namibian government has teamed up with a local company to produce cheap AIDS drugs, Health Minister Dr. Libertina Amathila announced June 9. Amathila made the announcement during a discussion between ministers and visiting UN Special Envoy on AIDS Stephen Lewis. Amathila said the Cabinet gave approval for an Ondangwa-based company to produce generic drugs (apparently anti-retrovirals) that will be affordable to Namibians. She said the government will set money aside to invest in the production of the drugs. It is believed that the unnamed company, owned by a Namibian, has the backing of the Cuban government, according to *The Namibian*.

Apparently, Stephen Lewis was encouraging such an endeavor. He is quoted: "You can issue licences to private companies also. Given your stage of advanced responsibilities, you will have a wider market for your products." Lewis also urged Namibia to "test the waters" at the Global Fund for HIV-AIDS, TB and Malaria, by applying for assistance to set up the manufacturing plant.

Life Expectancy Plunging in South Africa Without Anti-AIDS Measures

The life expectancy of men in South Africa is expected to drop to 43 years in 2005, and 38 years in 2010, from 49 years in 2001, unless there is aggressive HIV/AIDS-related and nutrition intervention. For women, life expectancy was 52 years in 2001, but is likely to also drop to 43 in 2005 and 37 in 2010. South African Minister of Labour Membathisi Mdladlana released a 73-page document reporting on what is happening to the workforce.

Mugabe Charges Tsvangirai With Attempting To Overthrow Zimbabwe Government

The leader of the British-run opposition party in Zimbabwe, Morgan Tsvangirai, was arrested on June 6 and charged with one count of treason for attempting to overthrow the government. He remains in custody. The arrest came at the end of a week of work stoppages and demonstrations by Tsvangirai's Movement for Democratic Change (MDC). Tsvangirai has repeatedly said, over recent months, that MDC actions were intended to bring down the government of President Robert Mugabe.

Tsvangirai is currently in the process of being tried on another charge—of plotting the assassination of Mugabe. But the evidence is clearly insufficient for a conviction. That trial resulted from a sting operation against Tsvangirai organized by "former" Mossad agent Ari Ben Menashe. (*EIR* notes the possibility that Ben Menashe's motive in the sting was to embarrass Mugabe and make Tsvangirai a persecuted hero.)

Meanwhile, despite efforts by the British Foreign Office and U.S. State Department, support for Mugabe on the part of other African governments continues. Zambia is now ready to sell maize to Zimbabwe, and Tamoil, the Libyan fuel company, and Zimbabwe's national oil company, Noczim, have agreed to resume Zimbabwe's oil purchases from Libya.

Mauritania Attempted Coup Is New Flashpoint

Mauritania's ties with the U.S. and Israel were the motive behind a failed coup attempt of June 8-9, not the repressive measures against Islamist groups, says Mauritanian opposition leader Abdullah Bin Ali, in an *ArabicNews* report June 11. He lives in exile in Morocco.

Responding to the U.S. announcement that it had sent forces to Mauritania to protect its embassy, Bin Ali said that he believed "the USA had [actually] provided logistical support to the Mauritanian forces via transporting Mauritanian soldiers from military bases in the northern part of the country to Nouakchott suburbs or inside it.

"Bin Ali said that the Mauritanian President had established firm alliance relations with Washington since 1999 as he had replaced the French military advisers who were in Mauritania since its independence in 1960 by American military advisers and trainers." Other reports say ties with the U.S. have become stronger since 9/11.

"Bin Ali stressed that the Mauritania alliance with the U.S. and Israel was one of the main motives for this coup ... [and] denied what was stated in the Western mass media that this coup was carried out by Islamist groups as a reaction to the acts of arrest [of their members]."

Bin Ali's quoted statements are consistent with *Reuters'* report from Nouakchott June 10, according to which Salah Ould Hnana, the suspected coup leader, "had been fired from the army after stirring opposition to the Israeli ties." Mauritania is one of only three Arab states with formal diplomatic relations with Israel.

The existence of a crackdown on Islamists, however, is not in doubt. Sheikh Bekaye of *Associated Press* wrote June 9, "Mauritania launched its crackdown initially to stem Islamic shows of support for Iraq. Last month, dozens of Islamic leaders were arrested for allegedly using mosques to recruit fighters." He adds that insurgents freed at least 32 Islamic activists from a detention center.

The government had imprisoned nine members of the banned Nouhoud Party May 29. The weekly newspaper *Erraya* was banned on June 5 for "subversion and intolerance" and an arrest warrant was issued for its editor, who went into hiding. In addition, 30 members of the Movement of Democratic Forces and a Muslim preacher were charged with treason for "using places of worship for subversive propaganda and having connection with foreign networks."

This Week in History

June 16-22, 1933

Seventy years ago this week, the Hitler dictatorship in Germany moved in to abolish the last two major political parties, outside his own National Socialist German Workers' Party (NSDAP). On June 19, 1933, the Social Democratic Party (SPD) was dissolved; two days later, Hitler's own coalition partner, the Nationalist Party, had its offices occupied, with dissolution to follow officially on June 29. By July 14, after a few more small parties had been liquidated, Germany was officially a one-party state.

While we touched on the process that led to this result back in February, when we reached the anniversary of the emergency decree which Hitler put through in the wake of the Reichstag Fire, it is well worth reviewing again. The parallels with what is happening today, and with what could easily happen if sane elements of both major political parties don't begin to organize around a LaRouche-style alternative to the neo-conservative agenda, are positively eerie.

It is worth noting that Hitler went to great pains to adopt a "legal" strategy for his drive for dictatorship. When he came out of prison after his failed 1923 "Beerhall putsch," he earned the nickname "Adolphe Légalité" for his attention to the "letter" of the law—all the while he was preparing to make *himself* the law.

The day after the Reichstag Fire, Feb. 28, Hitler enacted his Decree for the Protection of the People and the State. This measure suspended the seven sections of the Constitution which guaranteed civil rights. While the measure explicitly forbade stripping parliamentarians of their rights, that did not stop the Nazis from arresting Communist Party MPs, and some Social Democrats. The government also immediately began roundups of 4,000 Communist Party members.

The "state of emergency" justification was fed by continual stories about allegedly imminent moves by the "Bolsheviks" to attempt armed rebellion, or atrocities. Not only were none of these stories confirmed, but the Hitler government never provided any of the evidence it promised, that would show that the Communists were behind the Reichstag fire. (Later, it was rather conclusively shown that the Nazis set it up themselves.)

In this atmosphere of fear, the Nazis won the March 5 elections, although with only 44% of the vote. It was the last "free" election to be held in Germany for more than 15 years to come.

But, while the majority of Germans were not rallying behind Hitler, there was no alternate leadership being put forward. And as Hitler deployed his thugs and state apparatus against one group after another, those not directly in the line of fire accommodated. That supineness was demonstrated sharply in the March 23 parliamentary vote for Hitler's *Notverordnung*, the Enabling Law for Removing the Distress of the People and the Reich. With a margin of 441 to 84 (all Social Democrats in the opposition), the Reichstag (Parliament) gave up its powers to Hitler's Cabinet, and even approved a provision that laws could deviate from the Constitution, with the (meaningless) caveat that the actions not disturb the prerogatives of Reichstag or President.

The assault on remaining democratic institutions, and social groups, followed in rapid-fire fashion:

*First, the Jews, who began to be excluded from the professions immediately, and on April 1, saw their shops the subject of an official boycott. The situation grew ever worse, until finally, the Nazi government undertook the extermination of European Jewry.

*Second, the state governments, which were disbanded on April 7 by decree, and received new Nazi governors appointed by the Reich.

*Third, the labor unions. After organizing a huge May Day celebration publicly dedicated to the German worker, Hitler's thugs moved in and closed down the trade union offices all around the country—on May 2. By May 23, collective bargaining had been explicitly banned, on the rationale that decision-making had to be left in the hands of the employer.

*Fourth, the political parties. On May 10, the offices of the Social Democratic Party (which had opposed the *Notverordnung*) were seized, and the party's newspaper shut down. Even after that the SPD voted for Hitler's foreign policy in the Parliament—but to no avail. On June 19, the Social Democratic Party was dissolved. Two days later, the German National Party—the coalition partner of Hitler's Nazi Party!—had its offices taken over, on the way to being dissolved on June 29. After a couple more small parties were shut down, the way was paved for the decree of July 14, 1933:

"The National Socialist German Workers' Party constitutes the only political party in Germany.

"Whoever undertakes to maintain the organizational structure of another political party or to form a new political party will be punished with penal servitude up to three years or with imprisonment of from six months to three years, if the deed is not subject to a greater penalty according to other regulations."

From that time forward, the dictatorship required other means of resistance. The crucial period of opportunity had been lost. Its moral lessons were summed up by the Lutheran Pastor Martin Niemöller, who said:

"First they came for the Communists, but I was not a Communist so I did not speak out. Then they came for the Socialists and the Trade Unionists, but I was neither, so I did not speak out. Then they came for the Jews, but I was not a Jew so I did

not speak out. And when they came for me, there was no one left to speak out for me."

Links to articles from *Executive Intelligence Review**.

*Requires Adobe Reader®.

Feature:

Gerhard Scharnhorst: What U.S. Military Patriots Must Know

by Steven Douglas

The political, military, scientific, and intellectual accomplishments of Gen. Gerhard Johann David Scharnhorst, the founder of the Prussian General Staff during the Wars of Liberation against Napoleon during the early 19th Century, constitute an excellent point of orientation for the many patriotic members of the American military who are seeking to defeat those philosophical descendants of Napoleon today known as the 'chicken-hawks' of U.S. Defense Secretary Donald Rumsfeld and Vice President Dick Cheney.

Science and Technology:

Europe's Mars Express Will Search for Life on Red Planet For the first time in a quarter of a century, a spacecraft is on its way to Mars to see if it can detect the existence or remnants of life.

Marsha Freeman reports.

Economics:

Freddie Mac Now Threatens the Global Bubble It Propped Up

by Richard Freeman

'Freddie Mac sent a shiver through the financial markets after it announced an abrupt change of top management, raising concerns about the stability of the number-two U.S. mortgage lender,' the Financial Times of London reported June 10. The day before, Freddie Mac (originally called the Federal Home Mortgage Loan Corporation) had fired its president, and forced the resignation of two top officers.

Rate Cuts: Swindling the Suckers

In an e-mail, a constituent asked **Lyndon LaRouche**, the world's leading economist, a question occurring to many as the dollar falls: 'If an aggressive round of interest rate cutting globally occurs to support the dollar, and if this is accompanied by prolonged price weakness, could we experience a sudden dramatic decline in gold prices?' LaRouche answered, 'I think you may have touched upon a much more important issue, than you, perhaps, recognized. I shall now present you with a summary of the immediately threatened situation, which I have been reviewing with some leading experts. . .

Italy's 'EU New Deal' Push Reflects LaRouche

by Claudio Celani

The Italian government has presented its proposal to relaunch public infrastructure investments in Europe, bypassing the constraints of the Maastricht Treaty 'Stability Pact.' In a paper entitled 'A European Action for Growth,' published on June 9, Italian Economy and Finance Minister Giulio Tremonti proposed to build a European agency to finance economic infrastructure 'off-budget,' on the model of the new Italian infrastructure agency Ispa.

The Nation's Cities: Job Loss Skyrockets

by [Mary Jane Freeman](#)

America's metropolitan areas, once known as engines of the U.S. economy, are in a severe downward economic spiral as reflected in huge rates of job loss since 2001. Metro areas (MAs) are defined as having a population of 50,000 or more; these areas generate 'more than 80% of the nation's employment, income, and production of goods and services,' reports the U.S. Conference of Mayors (USCM). At its just-concluded annual conference, the USCM released a report documenting that the nation's 319 metro areas had a 1 million-plus net loss of non-agricultural payroll jobs from 2001 to 2002.

Interview: [Hal B.H. Cooper, Jr.](#)

[Connecting N. America And Eurasia by Rail](#)

Hal Cooper, PhD, a Seattle-based transportation consultant, is a longtime advocate for an intercontinental railroad connection across the Bering Strait, and for development corridors —rail, utilities including electric transmission, natural gas, and water, and highways—on key routes in the Americas, and worldwide.

International:

[Brazil, India, South Africa Forge South-South Alliances](#)

by [Lorenzo Carrasco](#)

While the Group of Eight richest nations annual summit, this year in Evian, France June 1-3, produced little of significance in the face of the world political and economic catastrophe—aggravated by the Anglo-American invasion of Iraq—the leading nations of the South's developing sector made good use of that meeting for intense diplomatic initiatives toward forming a bloc, whose unity would enable them to withstand the crisis, while participating in a desperately-needed reorganization of the current world order.

- [MST Uprising Part of Soros Plan for Brazil](#)

by [Silvia Palacios](#)

Throughout the month of May, Brazil's proto-terrorist Land- less Movement (MST) launched a wave of unusually violent land invasions, which, though apparently blind, are in reality part of the low-intensity warfare unleashed successively in three states: Pernambuco, Parana', and Sa~o Paulo.

[LaRouche on BBC](#)

['Cheney Is Very Much Under the Gun'](#)

BBC Radio's 'Five Live—Up All Night' interview program again had American Presidential pre-candidate Lyndon LaRouche as its guest on June 9, discussing the LaRouche campaign press release calling for Cheney's impeachment. After requesting a six-minute taped interview, BBC expanded it to twelve minutes, and aired it entirely. The interview immediately followed an ABC News report from the United States, discussing the false intelligence that was used to justify the invasion of Iraq.

[Sharon Sends a Missile Into the White House](#)

by [Dean Andromidas](#)

When three Israeli helicopter gunships, flying low over Gaza City on June 10, fired seven missiles at a car carrying Abdel Aziz Rantisi, reputedly the number-two leader in the Islamic militant Hamas organization, the true target was President George W. Bush, who only the week before put the prestige of the U.S. Presidency behind the Road Map for a Middle East peace.

[LaRouche Youth Movement Hits European Parliament](#)

'These LaRouche people are everywhere!' Such was the impression that more than 50 members and friends of the international LaRouche Youth Movement left in the French city of Strasbourg, seat of the European Parliament, during the first week of June. The aim of the week of action was to make politicians and the public aware of Lyndon LaRouche's program for urgent economic and social reforms, as well as a cultural renaissance.

[Report From Germany](#)

[Latest Incident Aimed at Anti-War Policy](#)

by [Rainer Apel](#)

Former Economics Minister Ju'rgen Mo'llemann's death in a parachute incident poses questions...[B]ecause he had trained as parachutist in the Bundeswehr and was an experienced sports jumper, the incident left no doubt that something awful had happened. An accident? Sabotage? Suicide?

Remarkable Growth In China-India Relations

by [Mary Burdman](#)

Since the groundbreaking visit of Indian Defense Minister George Fernandes to China at the end of April, relations between the two giant nations of Asia have improved steadily. The long-planned visit of Prime Minister Atal Behari Vajpayee to China—the first by an Indian Prime Minister since P.V. Narasimha Rao's in 1993—was confirmed when Vajpayee met Chinese President Hu Jintao in St. Petersburg, Russia, amidst the world leaders' meetings there on May 31.

'We Are Determined: These Lines Will Go Through!' — Trans-Korean Railways Connected

by [Kathy Wolfe](#)

SEOUL, June 14 (EIRNS)—In simultaneous ceremonies on the western Kyongui Line and eastern Donghae Line, the two Koreas at 1 p.m. today re-connected the lines of the Trans-Korean Railway (TKR) for the first time since Sept. 1, 1945. Fifty officials of North and South presided at a ceremony in which 25 kilometers of new rail was laid on either side of the sensitive Military Demarcation Line (MDL), which runs down the center of the 14-km-wide Demilitarized Zone (DMZ).

National:

LaRouche Replies To Bartley Column

by [Lyndon H. LaRouche, Jr.](#)

This letter to the editor of the Wall Street Journal was written in response to an attack on Presidential candidate LaRouche by Journal editor emeritus Robert Bartley, over LaRouche's internationally followed expose´ of the 'Straussian cabal' in the Bush Administration. LaRouche titled it, 'Re: 'Joining LaRouche In The Fever Swamps,' Wall Street Journal, June 9th'.

LaRouche Statement:

Charges Versus Cheney Are Grounds for Impeachment

This statement was released on June 7 in Washington, D.C. by the LaRouche in 2004 Presidential campaign committee.

In the midst of a growing mountain of evidence that Vice President Dick Cheney led a battery of senior Bush Administration officials, in repeatedly using what was known to be a forged document from a foreign government to corral Congressional and public support for the Iraq war, Democratic Presidential pre-candidate Lyndon LaRouche issued a sharply worded statement today, insisting on a full investigation documenting exactly what Vice President Cheney knew, when he knew it, and precisely what he did, contrary to what he knew to be the truth.

A Dialogue About Leo Strauss, and the Effect of His Nihilist Philosophy Today

The following is a slightly edited transcript of The LaRouche Show on April 12. While more up-to-date information is available on LaRouche's websites, the editors thought the development and discussion here would be of use to our readers, just as the furor around the late Leo Strauss is reaching fever pitch.

Volcker, Rumsfeld Out To Gut Civil Service

by [Carl Osgood](#)

It has now become apparent that the unconstitutional gutting of civil service protections under cover of 'reform,' which Secretary of Defense Donald Rumsfeld's faction has been demanding, since the the Iraq War 'hot phase' ended, is perhaps as much a product of Wall Street as it is of Rumsfeld's Pentagon.

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