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This Week You Need To Know

WHY MAN'S GREATEST ACHIEVEMENTS COME AS A RESPONSE — TO SOLVING THE GRAVE DANGERS FACING OUR EXISTENCE

On Oct. 9, 2003, Lyndon LaRouche addressed an audience of more than 50 leading Swiss business, financial and political leaders, at the prestigious Forum 44 in Chaux de Fonds, near Lausanne. Forum 44 was founded in 1944, and has sponsored lectures by some of Europe's most prominent elected officials and strategic thinkers. LaRouche's opening remarks provide a strategic overview of the current global financial, monetary, and strategic crisis, which is driving the world dangerously close to global conflagration. At the conclusion of his formal remarks, LaRouche answered questions from the audience for over one hour.

It is the irony of history, that greatest achievements of mankind come as a response to the worst dangers to mankind. Such is the situation in the world today.

I shall indicate, at the end, what I propose as the outline of a solution, for the problems, or the principal problems, which face us today. But I shall do so, by first stating the immediate danger, indicate the causes for the danger, and thus proceed to show what the answers must be, having defined the causes of the danger. And among the most important things to consider, apart from the technical things that I shall address, is what happened to the minds of the people of the United States and Europe, in particular, that they allowed this catastrophe, that's now upon us, to happen.

What we face now, at this moment, is the terminal phase of a general breakdown of the existing world monetary-financial system. Exactly when the system will blow out, is not yet certain. But, if it continues in its present form, without change, it will blow out very soon; it could blow out tomorrow morning; it could postpone its blowout for months. It's likely to come soon. This danger of a financial blowout, as in 1928-1933, an earlier period, also has become the danger of the spread of general warfare.

And I'll say how serious the warfare is: The United States has a nuclear triad—submarine, aircraft carriers, and so forth. This is all the United States has, as you can see in Iraq. The United States does not have the capability of fighting a conventional war, not even in Iraq. It fought a war, but it can not get out of Iraq alive, by its own military force. It could not undertake another war. So, the United States is left, if it wishes to fight a war, against Syria and Iran and other countries, as has been indicated, it must think of resorting to nuclear attacks—relying on its nuclear triad capabilities, which have a horrible destructive effect.

In other words, we're in a situation where the United States could not win a conventional war. But, if it's determined to fight a war, it must use weapons of nuclear mass destruction.

Other nations of the world are aware of this. And, already, there are new kinds of submarines, new kinds of technologies, which are designed to be asymmetric to the U.S. military capability, in preparation for a war with the United States, forced upon them by the United States, some time during the coming years.

So, we are on the edge, as we were in 1933 and 1934, with Hitler, we're on the edge of the danger of a new general war—this time, an asymmetrical, nuclear-armed war, one beyond the capacity of humanity to sustain, in its effects. Therefore, the important thing is to get at the root of this problem, which is largely centered in the economic crisis, and to solve that problem, and by solving that problem, put to bed a form of warfare, which mankind could no longer tolerate.

We have to do that soon.

How did we get to this mess? How did we get into this crisis? The financial crisis is simple: You see, the Japanese are trying to sink the yen, to save the dollar. And every time they try to sink the yen to save the dollar, the yen goes up, and the dollar goes down. We've come to the point that, in the world, it is not possible to save the present U.S. monetary-financial system, nor the present world monetary-financial system.

For example, in a neighboring country—Germany—the political system is presently disintegrating before your eyes. The ruling coalition, with its member, the SPD: The SPD is in the process of disintegration; the Green party may be out, soon, in the process. The CDU, one of the other parties, is also in a process of disintegration, but it's one led by three leaders, who are leading on the road toward the destruction of that party.

You see instability in Italy. You see all over the world, that "failed states" are not found in developing countries: They're also threatened to be found in Europe! Eastern Europe is largely a system of failed states: The conditions in most countries in the former Comecon area is *worse* than it was under the Soviet Union. There's more political freedom. But the economic situation is far worse.

These are dangerous times.

We also have a very particular problem: The United States, for years, has maintained its appearance of prosperity, by a number of means. First of all, the Anglo-Americans, who have controlled the world monetary system, especially since 1971-72—the floating exchange rate monetary system—have used their power to regulate the relative values of currencies; and have done so in order to loot countries. One of the byproducts of this, is, the United States has largely shut down its own productive capacities, and has turned people onto the streets; shut down industries; shut down infrastructure; and relies upon goods imported from countries which have cheap labor. This labor is kept cheap, by constantly driving down the prices of the currencies of developing countries and others, by keeping the prices of Central and South America, Africa, Asia—keep these prices down, by manipulating the financial and monetary markets.

The United States is living on cheap labor, of people from abroad. And it's losing its factories, its production, and its labor force, inside the United States. For 80% of the family-income brackets of the United States, have been in desperately worse conditions since 1977, consistently up to the present time. We see health-care systems are collapsing. We see pension systems are being rotted out, looted. Industries are collapsing, disappearing. This is a process of doom.

How did we get here? You recall the post-war period: At the end of the last war, the United States emerged as the only power of any significance on this planet, at that time. We made a mess of it, but nonetheless, in the post-war period, from about 1945 through the middle of the 1960s and somewhat beyond, the conditions of life in Europe, and certain other parts of the world, improved in the post-war reconstruction. That began to change in the '60s, in the United States and Britain first, especially with the Harold Wilson government in Britain, the first Harold Wilson government, when the British and U.S. economy began to disintegrate in this process—accelerated in part by the Vietnam War.

Then, in 1971-72, two things happened, which destroyed the previously existing world monetary-financial system, on which the post-war recovery had been based: that is, the Bretton Woods system. The Bretton Woods system had been

established at a time, the United States was the only world power worth mentioning, and the U.S. dollar was the weapon with which the reconstruction was fought. The U.S. dollar was used through the Bretton Woods system, to create a fixed exchange rate, gold-reserve-based world monetary system, a high regulated system, under which Europe and other parts of the world prospered or recovered. This recovery, despite all the evils and mistakes and so forth that went on, worked. It worked in the United States, until the middle of the 1960s.

After 1971-72, Europe began to slide. South and Central American began to go into a catastrophe. Africa, particularly Sub-Saharan Africa, has gone into virtual genocide, for economic and other reasons, since. Asia has come up a bit; India is more powerful than it was then; China has emerged not as a great world power, but a much more powerful nation than it was then. But over all, as in Europe, the systems on which we had lived, in Europe, in the United States, these systems—transportation systems; systems of power generation and distribution; municipal organization; health-care systems; educational systems—these systems, in which we had taken pride, which were our prosperity, have been shut down. They've been shut down in various ways. We are now a broken nation.

If you look at—as I do, in terms of industrial management and agricultural management—at an economy, that is, you look in physical terms: You look at an economy as a production manager does; you in terms of process sheets, and bills of materials. You look at the flow of process sheet materials and bills of materials from customers; you look at the structure of their organization. You look at the structure of your customers' organization. You look at the entire economy in terms of bills of materials and process sheets; you look at these kinds of ratios. And you look at an economy so—and then, you measure what money means, in terms of bills of materials.

You take a standard of living, of household living. Don't measure it in dollars first: Measure it in household standard of living; measure it in terms of the food; the quality of housing; the health care; the education; the public facilities which go into that standard of living for the individual. How much does that cost? That gives you a standard of reference, for how an economy works, and for measuring money.

Now, look at the rest of the economy, in those terms. And what you see is, three currents, since about 1966, beginning in the United States and the United Kingdom: Since that time, and spreading into other parts of the world, we have seen a hyperbolic growth, in so-called "financial market assets." We have seen a similar, but for most of the period, slower growth, in the expansion of monetary emission. We have also seen, if we take into account the collapse of infrastructure, an accelerating collapse of the physical conditions of life and production, in Europe, the United States, and elsewhere. So, you have these three curves—down in physical terms, for production and standard of living, especially of the lower 80% of family-income. Soaring up, for so-called "financial market assets." The expansion of financial markets is funded, and driven, by monetary emission.

As of 1999-2000, in the case of the United States, and other cases, the rate of monetary emission, required to sustain financial markets, grew faster than the rate of the financial markets. This is a condition like that of Germany in the summer and autumn of 1923. This kind of process is hyperinflationary: When the growth of financial assets is less than the expansion of monetary emission required to sustain that financial market, you are in a hyperinflationary mode. When this is combined with a collapse of employment, a collapse of levels of production in those countries, and on a world scale, you are in a hyperinflationary spiral.

So, what has happened recently, is most of the so-called prosperity of the world, especially of leading sectors of the world—Japan, Europe, the United States—has been fraudulent. There has been no recovery. There has been no net growth. There has been a recovery in obligations, called "financial assets." There has been a recovery in the amount of money in circulation, while the amount of goods being produced in terms of value, has collapsed.

The system has now reached the point, when the use of certain kinds of fakery, to maintain the appearance of prosperity

and might, has come to an end. The system is finished. The crisis is systemic. The crisis is terminal. And we're in the end-phase of the terminal process of this system.

How'd we get here?

How did we do this? Here's the United States and Western Europe, presumably the most intelligent and powerful parts of the world economically—how did we make this mistake? We came out of World War II, and we began to rebuild the world economy. We did not do a bad job; it wasn't a good job, but it wasn't a bad job. The economy of Germany was rebuilt, the best model. France was rebuilt. Italy was rebuilt. Japan grew. Other parts of the world benefitted.

Why did we stop doing that? Why did we do something else? Why did we become *stupid*?

Well, this is the nature of humanity. There are cycles in humanity, and some economists try to explain cycles in terms of business cycles—don't pay any attention to them; it's all nonsense. The determination of cycles of economic behavior is the *behavior of human beings*. And you have to look at human beings, to understand what is causing policy decisions, and a pattern of policy decisions, to change.

What happened to us?

All right. Now, let's look, to compare Switzerland, which has not gone through a war, itself directly, for a long period of time, and take the vitality of this country, as compared to what Europe around Switzerland has suffered, over the past century, for example; what the United States has gone through—other parts of the world. Now, what happened to these other parts of the world, in which these decisions were primarily made?

Well, let's go back to the 1780s: The United States had been born. The United States had been created by Europe, created by leaders of Europe, including the followers of Leibniz, and many others. The United States was created as a project, by Europeans, who intended to create a model republic *in* North America, in the hope that the success of this model, would be a model for advancing freedom and development of the state in Europe.

What happened? Why didn't France, which was the next candidate country, when it went through a financial crisis, why didn't it follow Bailly and Lafayette, and produce the constitution, adopt a constitution, which would have saved France from crisis? And made France the second great country (under a monarchy, admittedly), but the second great country, to have this kind of republic? A monarchical republic, but as a republic? Why didn't it happen?

Well, because some fellows in Britain didn't want it to happen, especially Lord Shelburne, of the British East India Company. So, there was organized a French Revolution, to thwart the intentions of Bailly, Lafayette, and others. And to destroy France in two phases: One, the so-called "left phase" of British agents, Danton, Marat, and so forth; a gentleman from Lausanne, Jacques Necker had something to do with this—he was a British agent, an asset of Lord Shelburne. Philippe Égalité was part of it. Then, you had the Jacobin Terror. And then, you had the same people use the Jacobin, Napoleon Bonaparte, to make him the first fascist dictator in modern history. And, he became the Emperor of Europe, and half-destroyed Europe.

And, Europe has never had—outside of Switzerland—anything resembling a true republic of any durability since. What Europe has had, is what is called an "Anglo-Dutch Liberal model of parliamentary government." And every time there's a crisis, which is inherent in that system, the parliament falls, and the parliamentary government falls. And often, periods of dictatorship ensue, in financial crises. These systems are dominated by central banking systems, so-called "independent" central banking systems, today, which are actually consortia of private banking interests, which exert veto powers over the

state apparatus, and over the parliamentary government.

In the United States, it's different: We have a Presidential system. The power of the Executive is lodged permanently in the Presidency. The President, as a personality, may change: But the Presidency continues. We have never had, up to now, an overthrow of our Constitution, or our Constitutional form of government—because of the Presidency. Our Constitution, our form of government, can absorb all kinds of horrors—and we've had a few, such as the Civil War. But, we've always been able to save the nation, and save the system. There's no other part of the world, which has a Constitutional national system, which has not been overthrown a number of times, during that period.

So, we do have some solutions. But, the problem is, constantly we come back to these crises. Now, what happened? How were we manipulated? How were the peoples of the world, coming out of the 15th-Century Renaissance, developing the modern nation-state, recovering from the religious wars of 1511 to 1648—how did this great Europe, which was making tremendous progress, how did it make these terrible mistakes? How were they manipulated? *By wars and revolutions.*

The French Revolution, the Jacobin Terror; the Napoleonic terror; the repetition of this in the 19th Century, in wars. Then we had the great wars in the 20th Century—three of them: First, World War I; second, World War II; third, the so-called U.S.-British/Soviet conflict, which was one of the most shocking. Even though we didn't fight the war, the shock was great.

What has happened repeatedly—go back to the horror, which people experienced in France, with the Jacobin Terror. Look at those leaders in France, who were butchered. Look at those institutions which were butchered. Look at the number of French soldiers who were slaughtered, for the ambitions of Napoleon, across Europe. Look at the effects on Europe. Look at the effect of the Vienna Congress of 1815; look at the effects of Carlsbad Decrees of Metternich and Company, following 1815. Look at the other effects of this type: the shock. Again and again, the people of Europe, in particular, have been terrified; and to some degree, the United States.

Then, of course, the First World War and the Second World War. Look at the destruction of Europe! The extent of the destruction of World War I between 1914 and 1917. Look at the mass graves in the cemeteries of France, for example. Get the effect on population: the pessimism, the fear, the depression. Look at World War II.

Then, go to 1945: When a reactionary President of the United States, Harry Truman, made the decision—a totally immoral, militarily unjustified decision—to drop the only two nuclear weapons the United States had, respectively on the civilian populations of Hiroshima and Nagasaki of Japan. There was never a sound military reason for it. Japan was a defeated nation.

A personal friend of mine, who at that time, was an OSS agent, the key OSS man in Italy, was dealing with the Ministry of External Affairs, or the Foreign Ministry of the Vatican, on behalf of an operation which was being run, by the Emperor Hirohito, through diplomatic channels through the Vatican, trying to negotiate peace. By the time that Roosevelt died, the Emperor of Japan had agreed to terms of peace with the United States and others. The terms of peace which were exactly those installed after MacArthur signed the treaty.

Japan was a besieged, defeated nation: The sea blockade, the aerial blockade, of Japan was total. Japan is an island nation, with very little usable land-area, which depends on raw materials around it. If you blockade Japan effectively, the economy will collapse. The economy was collapsed. The military system had collapsed. Some generals were still holding out against the Emperor. At the time of the summer, MacArthur war-plan, which was known in Washington: Well, let's wait till October. They'll collapse, and the peace will be accepted. We don't have to put anybody on the island. We don't want an unnecessary war. We don't pursue an enemy who's already defeated—you may start a new war you don't want.

But, Truman decided to do it. They did consult Eisenhower in Europe. Eisenhower said, "Don't do it. The war's won. Don't

extend the war. Don't use the bomb." MacArthur was not consulted, and MacArthur war-plan was on the table in Washington; they knew it. There was no military reason, for dropping one or two of those weapons on Hiroshima and Nagasaki.

What that did is this: You had an evil fellow in Britain—Bertrand Russell. Bertrand Russell was the person who was responsible, personally, for the development of nuclear weapons. He was the one who signed the letter, addressed to President Roosevelt, which President Roosevelt never got, never received. But, that letter, nonetheless, through the bureaucracy, was used to set the creation of the atomic bomb into place. It was done. And Truman dropped the bombs.

Russell explained what his policy was: His policy was, preventive nuclear war. His policy was, as he stated it, in a paper he published, in his organ, in September of 1946; his purpose was, to use preventive nuclear warfare, to bring the nations of the world, to submit to world government, and give up national sovereignty. The only reason Russell gave that up, was that at a later point, the Soviet Union got a priority in developing a deployable thermonuclear weapon. And at that point, Russell's dream of preventive nuclear warfare ended, until Dick Cheney revived the policy in 1991; it was turned down by then-President Bush, but successfully revived the policy, after Sept. 11, 2001.

We're now operating on the basis of the Cheney version of the Russell policy, of world government, effected, through *preventive nuclear warfare*, especially nuclear warfare against nations, which have no nuclear capabilities. The Iraq War was simply one step in that direction; and Syria and Tehran are the next targets.

All right. That was terrible enough. Some of you recall: The world was shocked and terrified by the impact of those two nuclear bombs dropped on Japan. Because it was known at the time, there was a faction in the United Kingdom, and in the United States, which Eisenhower later called the "military-industrial complex," which wanted to have an empire, then an Anglo-American empire, based on this policy of preventive nuclear warfare, to create an empire, which they would call "world government."

That was a shock. Some of you lived in those times, and can remember the shock of knowing that, or knowing aspects of that.

From that point on, especially from 1950, we lived under the threat of nuclear warfare. The threat increased. In 1962, we went to the edge: For several days, the world was screaming, frightened, terrified, convinced that on the next morning, the world might die in a thermonuclear exchange between two superpowers. The following year, the President of the United States was assassinated. The assassination, which was done by a section of the "military-industrial complex," was never investigated. John J. McCloy, the boss of the Establishment at that time, gave the order to the Warren Commission, "Don't investigate. Here's what you're going to say," and that's what they decided. And the world knew it. The world knew it. Then, the following year, the Indochina War was launched, officially.

The effect on the U.S. population, of this succession—the Europeans, too, but take the U.S. population—the effect. World War II, which had been a period of optimism for the American people in particular, concluded with the two bombs dropped on Hiroshima and Nagasaki. The two bombs, which raised the question of whether the next war, would be a nuclear war: So that a period of optimism, the end of the war, was accompanied by a great depression, a fear of a new kind of warfare. Then, we had the Korean War. We got rid of Truman. We put Eisenhower in, to try to stabilize the situation. So, we had four years of the end of Trumanism. But then, these events occurred.

The American people were terrified beyond belief. And the young people, who were coming into maturity—the so-called Baby Boomer generation, which entered adult years, during the middle and late 1960s *never, in general recovered, from this combination of shocks*. The shocks transmitted through their parents, to their parents' households; the shock transmitted of a nuclear holocaust in 1962; the shock of the Kennedy assassination; the shock of the launching of the Indochina War.

And people changed. They changed from a people committed to technological progress; a people committed to developing infrastructure; a people committed to making the world better, at least in their own terms—that was their intentions, they may not have been too good at it, but that was their intention.

And what they'd run into? They went into Tavistock Institute's "take some LSD." "Take sex from your nearest neighbor, and find out what the sex is later." Orgies; degradation; flight from reality; fantasy. "Hate technology! Let's kill technology!" "Technology is bad. Let's kill it." Let's go back to nature. Let's climb up the trees again, call ourselves baboons, or something. And this is what happened, to a large degree, to a very large part of the university population of the late 1960s and 1970s.

As a result of this, the population underwent a cultural change. It was called a "cultural paradigm shift," and this is how all these things which led to the present financial economic crisis occurred. This is what happened to us.

So, it was not an automatic pulsation of an economic system. We had an economic system, which, with all its defects, would work, *was* working, *was* improving things. We destroyed that system! Then, in 1971-72, with Nixon's decisions, under the orders of George Shultz and Paul Volcker and Henry Kissinger, took down the system. They took down the Bretton Woods system, on Aug. 15, 1971. The following year, in the Azores, George Shultz led the fight to eliminate the Bretton Woods system. We went to a floating exchange rate system, which was the *beginning of the collapse* of the world monetary-financial system.

In the course of the 1970s, we went to "structural reforms," to eliminate industry; to deregulate the economy; to shut down our mass-transit systems; to stop developing our power systems; to privatize our regulated power and distribution systems. They destroyed our regulated trucking transport system. To begin to destroy our cities; to destroy our factories; to destroy the productive powers of labor of the United States.

And this happened around the world. It spread into Germany, and France, and Italy, during the 1970s. Terrorism was unleashed, to assist this process, as you may recall in Europe: in France, in Germany, in Italy, and elsewhere, during the 1970s. This was done by official agencies—not by some rag-tag leftists. It was done by professionals, using rag-tag left groups as a cover for what they did. This happened to us.

So, what is happening now, as a result of a cultural paradigm-shift, induced by the combined effects of this terror, which Europe in particular has suffered. And we wrecked our economy. But, we have a great opportunity, as a result: We have much to fix, and great progress under conditions of crisis, occurs as a result of recognizing, that collapse and failure are things which require fixing. And if we think we know how to fix these problems, we can mobilize with optimism, or at least increasing optimism, to rally ourselves around fixing.

Now, what do we have before us, as an opportunity? Europe is bankrupt. Western Europe is hopelessly bankrupt. Germany's hopelessly bankrupt. France will be bankrupt—it's more stable than other countries, so the bankruptcy doesn't show as quickly or as soon. Italy is bankrupt. Spain is bankrupt. All of continental Europe is bankrupt. The United Kingdom is bankrupt. And there's no possibility of its recovery *under present conditions*, present trends, present policy trends. The United States is bankrupt: Look at the current-accounts deficit; look at the national debt, that is spiraling; look at what's happened to the value of the dollar: It's all collapsing.

But there is an opportunity, to be seen, in the challenge of failure, as often, many business ventures have shown. The threat of failure is a great goad to discover success. And if you have a management which has ability, to find success, under the goad of failure, it probably will survive and go on to great prosperity after that, having learning the lesson. And that's what we have to do now.

What's the opportunity? Well, Germany, France, Italy, and so forth, have a great opportunity in China. They have a significant opportunity in India, and elsewhere—in Asia. They have a significant opportunity with the cooperation of Russia, which I can explain to you.

China is expanding. China has the large infrastructure development program of any nation in the world: It has to. Because China has many poor people. It has a growing population, which is trying to curb the rate of growth of population, but it has a growing population. Therefore, it has to move away from the coastal areas, more and more, into the inland areas; into areas which are more poorly developed, even arid areas. Therefore, it's taken great projects, like the Three Gorges Dam; other great water projects, power projects, development projects, planned for the coming quarter-century. Many already in progress, with plans for 25 years beyond that. In other words, a half-century. China is moving in a half-century.

Well, China has some technology. It has some industries, which are fairly advanced. It has neighbors such as Japan and Korea. And also India, which can contribute technology. But it doesn't have enough. Therefore, China has become, in this sense, a great potential market, for Europe. Because Europe, which needs employment, which needs markets for its industries and economies, to save Europe, has a great market in Asia—in the expansion, in filling the needs of China, filling the growing needs of India, of Southeast Asia, and so forth.

Also, in this development, there are great areas of Central and North Asia, which have never been really developed, which contain vast mineral resources, large water resources, other kinds of resources; areas for new habitation, new cities. We can move freight, across Eurasia, from Brest to Pusan, in Korea, and on to Japan: We can move it more cheaply and quicker, than we can by ship. Because when you move freight, across a developed land-area, that movement of freight interacts with production along the route of travel. And therefore, the cost of transportation is less than zero, under those conditions: Because the production you're generating, by developing that territory, more than pays for the cost of developing the transportation system.

This opens up whole areas of Asia for development—North and Central Asia. Russia has, left over from Soviet period, a large amount of scientific technology, which is quite relevant to the development of this area. Kazakhstan, which is sort of a second Russia, has a lot of capability in that area.

So therefore, if Europe, Russia, South and East Asia, enter into large-scale cooperation around these kinds of projects of development, the objective basis for a great revival in the economy of Eurasia is possible.

However, what is needed, is a credit system. Now, in Europe, we have the Tremonti Plan; we have the European Investment Bank. Now, these are good ideas, but they won't work. They won't work to the effect that they're indicated. EU200 billion a year, as a fund for infrastructure? That's a joke! The world economy is in excess of \$40 trillion a year. It is collapsing. To have a recovery, we have to think in terms of projection of a 5% rate of growth, throughout an entire area. So, we're talking about that. We talking about the order of magnitude of \$1-2 trillion a year, into an investment fund, for infrastructure and so forth, for the development of Eurasia. Otherwise, we're not serious about a recovery program.

Now, that fund requires credit, at between 1-2% simple interest, over 25- to 50-year terms. This requires a new, fixed-rate monetary system, with a gold-reserve basis, like the Bretton Woods system; we're talking about EU1,200 an ounce for gold reserve, under these conditions—or more; some calculated rate.

We can't do it with the present monetary system. But what we do with it? This is where the trouble arises. From an American standpoint, this is not a difficult problem to deal with; it's not an impossible problem to deal with. Under the American Constitution, the U.S. Constitution—and I'm the President of the United States—what happens? I declare, as President, that the present world monetary-financial system is bankrupt. That means that I take the Federal Reserve System of the United States, and I put it into receivership, as bankrupt, for bankruptcy reorganization. The Federal Reserve System

is then absorbed, and becomes a National Banking institution of the United States, along the lines prescribed by Hamilton. I reorganize stability, in a whole system, and I then use state power to generate credit, both in the United States, and by treaty agreement with other countries.

We then get other countries to cooperation with the United States, to put the IMF in receivership, in the same way. We reorganize the IMF in receivership, as a joint effort of a group of nations, which set up a new banking system, which is: fixed exchange rate; gold-reserve denominated protection; and a regulated system, with the intent to generate credit through treaty agreements among nations, of 25- to 50-year terms; long-term agreements, earmarked primarily to large-scale infrastructure projects, but also for other purposes—technology, and so forth.

In other words, the same kind of objectives that the Tremonti Plan indicates, but on an adequate scale. We're talking about \$2 trillion a year, at least, in terms of a growth factor, on global scale.

Under those conditions, given what is needed in the development of Central Asia and North Asia, and so forth, and the growing market in China, the growing market in Southeast Asia, the growing market in India, as a physical market, the opportunities for going from the *depths* of what we're in now, into prosperity, exist! All it requires, is intelligence, and the will, and the action by some leading government, to set the thing into motion.

The problem in Europe, why the United States is so essential, is because the European system of Anglo-Dutch Liberal model of parliamentary system, does not allow governments to make that kind of decision by themselves. The way we got a Bretton Woods system, in the first place, was the power of the United States, because the Bretton Woods system was based on the American System, as Franklin Roosevelt understood it—not Keynes, Franklin Roosevelt. Europe could not have done that by itself, by will, because its institutions wouldn't allow it. But, when the United States, as the leading power in the situation, took the initiative, and the world needed the United States to take that action, the nations of Europe, trying to come out of bankruptcy, said, "yes"; other nations agreed: Because the promise was, at that point, that the developing nations of the world (as we call them today) would have a chance to be free of colonialism, and we would develop them, too, as Roosevelt had promised.

We're faced with that situation, today. The United States, today, is a disgrace, compared to what it was under Franklin Roosevelt. But, the United States Constitution, and the Constitutional tradition, enables a President, who understands this, to call a convention among nations—not just a formal convention, but just by meeting with heads of state and relevant people around the world—and say, "Do you understand what our problem is? Do you understand, there's no other solution, except we have to act jointly to do this? Are you willing to do it?" And, by coming together, we can do it.

We have before us—that's another subject—but, from my knowledge of the situation, we have technological frontiers, in this world, which are wonderful. There are things we can do, which most people haven't even dreamed about.

But, what we need is this: We need to couple this, with a conception of the nature of man. Most politicians and most economists, can not tell the difference between a man and a baboon. And our economy shows it. What's the difference between a man and a baboon? A baboon is a very capable animal, unless it becomes an Arnie Schwarzenegger, and then you don't want him around. But, a baboon is considered intelligent; but a baboon can not discover a universal physical principle. Only a man can develop a universal physical principle: It is by the discovery of these principles, whether in physical science, or in Classical artistic composition, that man increases our physical power, per capita, in the universe, and improves the social relations among people, through such means as Classical drama and so forth, which give us an *insight* into the nature of man.

The key thing here, is to understand what man is, to say, "We are not baboons. We are not apes. We are a distinct species, superior to all animals." What distinguishes us is our ability to see beyond the veil of sense-perception, to discover

universal physical principles, and principles of artistic composition which enable us to understand social processes. And by this means, we have been able, as a species, to rise above the 3 million or so potential of a higher ape, to over 6 billion people today. *No monkey could do that.* So, let's not make a monkey of man.

Therefore, the essential motive of good economy, and good statecraft, is not to get rich. The motive is, in the first instance, to solve problems, to overcome shortages. But the *basic* motive, of any creative person, and any good statesman, is the nature of man: What does a human being require? A human being requires *to be, and to know he or she is, something distinct from, and above the beast. A human being needs to be human.* To be human, is to express the difference, between the baboon, and the man.

Technological progress, economic progress, is essential for our existence, to meet our responsibilities. But it's not a duty: It's something better than a duty. It's something which gives to the person who *participates* in this work, a sense of *being human*, a sense of being a spiritual being, of expressing that which makes him a spiritual being, which makes him *happy*.

So, it is not a guilt-ridden person, working, in order to earn a living. It's attacking the job with *joy*, because it's what makes him feel good, about being human. He enjoys the idea, of inspiring a child to think in those ways. He enjoys transforming people around him, from ugly pessimists, who act like baboons—or Schwarzeneggers—and inspiring them to see themselves as human. This is expressed by the enjoyment of great Classical art, for example.

And, to me, that's the essence of the matter: To get man with a sense of immortality, a spiritual immortality, in the sense that what we do, in our generation, honors our ancestors, fulfills their dreams, and transmits a better future to our descendants, defines us as a spiritual person. For example, we study the work of Archimedes, for example. We relive the discoveries of Archimedes, today. Archimedes becomes a living person, for us, because we have relived his discovery. We have relived his mind's processes, in making that discovery. The same with every other great discovery. Every great work of art: to understand a Classical Greek statue, and the genius of that, is to experience the artist who created it. To see all the great works of man, is to experience the mind of the person who created that work of art. And to see, in the immortality we sense, in experiencing the interior of their mind, of persons long deceased, we see our own goal, to achieve, and realize, and earn our own immortality, by becoming that kind of a person, to someone a thousand years from now. And, that sense, imbued in a child, will give us a society of adults, which will not tolerate, what we're doing to ourselves, as a world, today.

Yes, the practical task is necessary. But, it must be imbued with a moral motive: a sense of what the difference is between a man and a beast.

Latest From LaRouche

LaRouche Qualifies For FEC Matching Funds; Runs Radio Ads

Democrat Lyndon LaRouche was certified for Presidential campaign matching funds by the Federal Election Commission this week, having met the rigorous *national* support qualifications for a Presidential candidate. Only one other candidate among the "Nine Dwarves" in the Democratic Party has qualified for matching funds. LaRouche's campaign is running radio ads in the Nation's capital, which will be holding the first Presidential primary election in January 2004. One of LaRouche's radio ads asks the question: "Is the Cheney/Bush Administration paying off the nine lemming-like losers running for the Democratic nomination? They might as well be. But you'd have to check Terry McAuliffe's bank account to be sure." Another hits hard at the failure of the Democratic National Committee to mobilize against the Recall in California, saying: "Lyndon LaRouche was the *only* Democratic candidate who recognized the danger of Arnold Schwarzenegger, and, if the DNC had not been cowards or sellouts, Arnie could have been defeated. "We're now in a fight. The world knows that we have a Nazi, a genuine Nazi figure, an Austrian immigrant for head of state of California, like Austrian immigrant Hitler for head of state of Germany.... "I'm going for Cheney's impeachment, or resignation, as soon as

possible.... We're going to do something about the Democratic Party leadership which failed totally in this California situation. They did *nothing* to save the state of California." "If you're serious about saving this country from the Cheney gang and Hitler Arnie, then listen to LaRouche's next webcast, on Wed., Oct. 22 at 1:00 PM. Hear a real President for a change, at larouchein2004.com.

Europeans See 'Fascist Spectre' Behind Schwarzenegger

Lyndon LaRouche's campaign committee released the following statement on Oct. 7, the morning of the California Recall:

Leading British media outlets and political commentators are putting out the word which continues to be suppressed in the United States, except in the publications of the LaRouche Presidential campaign, that the campaign of Arnold Schwarzenegger represents the specter of fascism in the United States. The message being sent to Americans underscores that put out by the LaRouche in 2004 campaign in a mass leaflet, entitled "Return of the Beast," which warns that "Schwarzenegger, like Hitler before him, is the kind of 'Beast-man' personality who is tapped, in a time of great crisis, to intimidate a population into submission, out of terror, to the most murderous policies." Most notable is today's main editorial in the Rupert Murdoch-owned *London Times*, which focusses on "the fascist spectre that stands behind Arnie." Chief commentator Lord William Rees-Mogg writes that he is not concerned about Schwarzenegger's praise of Hitler, as much as the fact that "Arnold Schwarzenegger is relying on the appeal of fascism, whether or not he is personally a fascist." "The politics of mass emotion are the politics of fascism," Rees-Mogg adds. This British oligarch knows of what he speaks, and his further description of the "beast-man" role, described as "leadership," being played by Schwarzenegger complements what LaRouche alone has had the nerve to say in the United States. "The core of all fascist movements is the direct relationship between the leader and the masses, not mediated through institutions of democracy. What does the leader do? He provides leadership. What allows him to provide leadership? The strength of his will. What is the evidence of the leader's will? The exciting feeling he creates of ultimate ruthlessness. How does Arnold Schwarzenegger demonstrate this ruthlessness? By having played a machine—not even a man—which killed hundreds of people." The Californian Recall move, Rees-Mogg wrote, has provoked "straight conflict between the democratic principle and the Führer Prinzip (leadership principle), the issue of 1933."

- How Hitlerism Is Being Financed -

The suppression of the reality of what Schwarzenegger represents in the United States, has everything to do with the mobilization of *organized crime* behind his campaign, in both the Republican and Democratic parties. A look into the funding of the Schwarzenegger campaign, and that of his "Twin" in the Democratic Party, Cruz Bustamante, reveals that they are both heavily financed by major Las Vegas casino owners, and their Indian gambling counterparts. Schwarzenegger himself has been a beneficiary of the organized crime-linked casino interests, including casino financier Paul D. Wachter, since the early 1980s. Arnold is also backed by banker Russell Goldsmith, who is very close to Las Vegas casino kingpin Steve Wynn. Bustamante is notorious for his reliance on the Indian gambling interests, themselves frontgroups for the financiers behind the casinos. Bustamante's connection to these organized crime-linked circles helps explain why he is openly campaigning *for* the Recall—and thus, effectively, for the election of Beast-man Schwarzenegger. On the national level, the Schwarzenegger-Bustamante operation is being backed by the "Bull Moose" combination identified by Lyndon LaRouche in the summer of 2002, the duo of Arizona Senator John McCain, and Connecticut Senator Joe Lieberman. McCain, who is currently actively campaigning for Schwarzenegger, and Lieberman, who supports Bustamante, are both notorious for their own connections to financial interests involved with gambling and organized crime, and are simultaneously backed by Conrad Black's Hudson Institute, which promotes the murderous economic and strategic policies that demand a "strongman" to be implemented. Exemplary of the international fascist policies pushed by Schwarzenegger's financial supporters is the fact that Hummer corporate owner Ira Rennert, who hires Arnie as a global spokesman for his "military" vehicle and funds his Inner City Games foundation, is a leading funder of the pro-Armageddon, Temple Mount fanatics in Israel, as well as the genocidal policies of the fascist Sharon government. A defeat for Schwarzenegger is today's Recall election, is the most potent action citizens can take, in order to defeat the rise of Hitlerian fascism in the United

- LAROCHE INTERVIEW WITH IRANIAN RADIO -

This interview with Democratic Presidential pre-candidate Lyndon LaRouche with the Voice of the Islamic Republic of Iran (www.irib.com), aired on Oct. 9 and 10.

QUESTION: Thank you for joining the Voice of the Islamic Republic of Iran, Mr. LaRouche. It has been three years since George W. Bush has taken office in the U.S. How do you assess the economic and political performance of Mr. Bush's Administration? **LAROCHE:** I think that George W. Bush is a very limited man, to be diplomatic about it, and is essentially, to a large degree, a puppet of a group around his Vice-President Dick Cheney and a group of so-called neo-conservatives around him, including Cheney's man Lewis Libby. So I think the problem is that Bush's performance has been terrible. He attracted a great deal of sympathy on Sept. 11, 2001, but with his speech in January of 2002, he began to lose his credibility, and the United States has probably become more hated, or more despised, or whatever, around the world, than ever before in my experience. He has been a very unsuccessful President so far, and I think his limitations have something to do with that. The U.S. economy is about to go under. We're now in a terminal phase of disintegration of the post-1971 monetary-financial system of the planet. We must expect things like a 50% collapse of the U.S. economy, which will have a terrible effect on China and other countries. So, we must expect very soon, a very severe collapse, a Depression-style collapse, if not worse. The failure of the Bush Administration on the economy will, in the end, be one of the things that pulls him down.

QUESTION: Some people believe that if George W. Bush cannot be successful in Iraq, it will mean the end of his work. Your comment? **LAROCHE:** There's no way this can work. This was, first of all, a terrible thing to get into, a terrible mistake. It was not Bush's idea, I think. You have the ideas of people like Sharon in Israel and the neo-cons in the United States. They're very close together on this, and so you have a relationship between the so-called neo-conservatives in the United States, and the fascists around Sharon, and this has been the problem in the Middle East. One has to remember that this group, in 1990, wanted a continuing war in Iraq, which the former Bush Administration backed away from. What they did was terrible, but what they backed away from was another thing. Cheney has been campaigning for this ever since. And, as of September 2001, he managed to get this adopted. The mess they've got in Iraq is insoluble. An insoluble mess. It is insane. I've been campaigning to try to get this thing in the UN, not because the UN can be successful in itself, but I believe that no one will have any confidence in the United States in Iraq, and therefore, maybe different people will be able to pull the Iraq people back together, and the Iraq people themselves, with help, will deal with the situation. But the thing has to go back to Iraq as quickly as possible, not an occupying force.

QUESTION: On the attacks on the American soldiers: The American Administration says, that most of these attacks are done by, let's say, agents from neighboring countries, and also the remnants of the Ba'athist regime of Saddam. And, of course, most people believe these are the Iraqi people themselves who do not want the occupation of their land by a foreign country. Your comments on this? **LAROCHE:** First of all, this is a fraud. In the case of Sept. 11, as I think people in Iran who've had some experience know, that it's always possible for a powerful government to recruit its agents or dupes of various nationalities, and to plant them as dead bodies in the middle of an atrocity. And then to blame the country whose nationals they are for the atrocity. My knowledge is that the job that was done inside the United States was an inside job—not by really any external forces. Although, considering the number of people who are agents of the United States in other countries these days, you never know who is going to show up as a dead body in one of these situations. But the idea that this thing is an Islamic orientation, an Islamic problem, is obviously an absurdity; it's false. I've been trying to get people in some of the Arab countries and others, and from Arab nationalities, to maintain their courage, because I think that if they maintain their confidence and courage, it gives us ability to perhaps develop solutions to this problem.

QUESTION: Do you think that the George W. Bush Administration itself believes that the situation in Iraq is not under their control, and that there is destabilization, considering the fact that apparently Condoleezza Rice has established a

working group in order to stabilize the situation in Iraq? **LAROCHE:** She's not going to succeed. We have another factor in the United States, which many people outside the United States do not understand. The United States has a unique institution in the form of its Presidency. The Presidency is not a person, although the President as such is an important figure. But the Presidency is a composite of the institutions of the Executive Branch of government. These institutions are what the President himself personally relies upon, for advice, and for the ability to carry out his policies. These institutions of the United States, associated with the Executive Branch but also with some of the people of the Congress, are determined now to try to bring this situation under control. I think that any improvement in U.S. policy will come *not* from the obvious leading personalities, but will come from the pressure of the institutions of the United States, who recognize that George Bush has committed a terrible failure, and may intervene to make improvements in his behavior.

QUESTION: Do you think that the George W. Bush Administration can cope with the economic costs of its presence in Iraq, given the fact that they've called for an \$87 billion budget for Iraq? **LAROCHE:** That was \$87 billion to help bail out Halliburton! This is a fraud. It's a complete fraud. It can't work. The problem here on the economic side is, we are now on the edge of a financial chain-reaction collapse in the U.S. economy and around the world. We're on the edge of it now. The George Bush Administration has no chance in the world, in terms of its capability—its intellectual and other capability—to understand or to deal with this onrushing financial collapse. So the situation in Iraq has to be seen from the standpoint that the entire financial system is about to go under.

QUESTION: How do you feel about the prospects of relations between the United States, and the European Union, Russia, and China? **LAROCHE:** Well, these are different entities. Now, in the case of Russia, and some of the European countries, I think that they will tend to be sympathetic to anything that makes sense. China has a different policy; China's a different kind of country. They look at the world somewhat differently than other countries do. But there are many countries in Asia which are in this direction. For example, the Russia/China/India cooperation, and the cooperation of other countries in Asia with these three countries, I think is a very positive factor, and I think that, as a factor together with the Europeans, would open the door to cooperation with the United States, if the United States would change its policy in an intelligent direction.

QUESTION: What is your opinion about the situation after Iraq? Some people think it is now Iran's turn. Some say that America will resort to psychological war concerning Iran; others say that they will choose the military option for Iran. What do you think about this? **LAROCHE:** I think we're in a very dangerous situation. Sharon is extremely dangerous. Sharon is presently an integral factor in the U.S. policy toward the Middle East entirely. We saw the attack by the Israelis on Syria, the threat of new attacks. The threats toward Iran bother me very much. I think we have a very dangerous situation, and I would only hope that the very fact that the situation is so dangerous, would cause international forces to act effectively to get the United States to step on Sharon. The United States has the power to get Sharon under control, the U.S. Presidency. I've been campaigning for that, effectively. Sharon must be brought under control. He's extremely dangerous, and he's capable of anything under certain circumstances. So there's no control factor in the ordinary sense. If the United States says no, and means it, we can control Sharon. But until we do that, the situation's extremely dangerous.

QUESTION: About Arnold Schwarzenegger's winning the election for Governor of California, in the Recall election, some people say that, despite the fact that Schwarzenegger is a Republican, the Bush Administration is not happy with his election. Of course, this is the hypothesis of some experts, because of the financial problem the state has, and they think that this will have a negative impact on the Bush Administration. And also, some people say he has been pro-Austrian, pro-Hitler, and that his ideology will affect this process. Your comments, please? **LAROCHE:** Arnold Schwarzenegger is a type who would be classed as a Hitler. He has the mentality—not that he's an intellectual figure; he's not an intellectual figure—but he's a personality with a certain beastly disposition. He's a "beast-man," in the sense of Nietzsche's idea of the superman. He is like a Hitler, in the sense that he will do unthinkable things to terrify people into submission. This has two sides to it, actually, three sides. The first side is, that the United States has imported an Austrian fascist as the head of state of California. That is a shock to everybody in the world who understands what Hitler was. With the United States being taken over, even a major state of the United States, being taken over by a fascist, who is as dangerous as Hitler, this is a

shock to the world, and there will be a reaction. We're also sitting in a situation where the California budget is empty. The California treasury is now empty, so whoever takes over California 37 days from now, is going to find an empty budget, an empty till. In the meantime, we're on the verge of a great housing collapse, a real-estate collapse in the United States, with international repercussions. What's going to happen very soon, is that we're going to have, in the United States, an impossible situation, and we're going to have the image of a Nazi-like figure-which is what Schwarzenegger is. His father was a Nazi. His father's family and household helped to make Arnie a Nazi in his personality. But his personality is a Nazi, whatever his ideology is, and he's extremely dangerous. All of these things are complications which are going to decide many things, including the Democratic Party is going to be shaken up, because the Democratic National Committee, and all of the 10 rivals of mine for the Democratic nomination, failed completely in this election. They did nothing to win the election. We could have won it. Arnie could not be elected, had they acted properly. So this is one of the other aspects of it. We're now in a fight. The world knows that we have a Nazi, a genuine Nazi figure, an Austrian immigrant for head of state of California, like Austrian immigrant Hitler for the head of state of Germany. This is what the world is going to be thinking over the coming period. Something is going to happen.

QUESTION: Mr. LaRouche, it is said that you are going to campaign against, let's say, Schwarzenegger, and also against Mr. Cheney, who is one of the staunchest allies of Mr. Schwarzenegger. Is this true? **LAROUCHE:** I'm already doing that. I've got a large youth movement. I'm probably second in the number of people giving me popular support, financial support for my campaign, a very effective campaign. We did a good job in California. If we'd had two other Democratic candidates coming in to do what I did, or the DNC doing what I did, Schwarzenegger could not have been elected. They failed. So obviously, it's going to be fun. I'm going for Cheney's impeachment, or resignation, as soon as possible. Many people are now working on that. We're pushing for his resignation, and we're going to do something about the Democratic Party leadership which failed totally in this California situation. They did *nothing* to save the state of California.

QUESTION: Mr. LaRouche, you said that Schwarzenegger is pro-Hitler, but in one article, I read that he is one of the contributors to the Simon Wiesenthal Center, a center which is against the pro-Nazi and pro-Hitler personalities, and that also campaigns around Holocaust issues. **LAROUCHE:** It's these circles that helped to make him a rich man. He lists his holdings as \$200 million, personally. These fellows, including some organized-crime people, are very close to him, and helped him get his fortune. He's tied in personally to McCain, Senator McCain. He's tied into Joe Lieberman, who is really very bad news. He's tied into this fellow Bustamante, a Democrat, who's actually an asset of Arnie Schwarzenegger, through the same financial connections. So this fellow went to the Wiesenthal Center, and cut a deal with these fellows, who are not necessarily what you might think they are. They are essentially gangster mentalities, and they are involved with organized-crime types of financial figures, which Arnie is. But Arnie is essentially, his personality, is that he's a Nazi. Now make a comparison. Sharon is supposed to be Jewish. Is Sharon a Nazi? Of course he's a Nazi. Is he a member of the Nazi Party? No, he doesn't have to be a member of the Nazi Party. He's got his faction of the Likud, which is the same thing as a Nazi Party. So sometimes you find that the fascists cling together, and these other little things are secondary to them. But there's no big Jewish support for fascism in the United States. There's a division among Jews in the United States on this kind of issue, a deep division, as there has been historically, as there is a division on the question of Israel. So that Arnie's affiliation with the Wiesenthal Center helps him financially, but it doesn't change his character.

QUESTION: Considering the fact that Mr. Schwarzenegger is an inexperienced man in political and economic issues, and considering the fact that California has a huge financial problem, and budget deficit, do you think that he will be successful in coping with the situation? **LAROUCHE:** NO! He actually created it. Schwarzenegger is very close to many of these energy companies which conducted the swindle, in concert with Cheney, which caused the financial crisis in California. California had two sources of the financial crisis. One was principally the collapse of the so-called Information Technology section, the so-called Silicon Valley, which took a big loss when the whole Internet, this kind of thing, collapsed. The second one is the rip-off of the state of California by Enron and similar companies, who looted the state by taking over the deregulated energy industry. Schwarzenegger was an integral part of that looting, together with international people like Warren Buffett, who is one of his backers, and so forth. So he's actually close to these pirates who looted the state. He has no competence whatsoever. There is no qualification of Schwarzenegger for governing. His only qualification is being a beast-man, who is used, like Hitler, to intimidate a population into submitting to his threats. That's all he is. He's a thug.

Period.

QUESTION: Before wrapping up this interview, I want to ask you whether you would agree with me to conduct another interview concerning another major incident in the U.S., this so-called leaking situation inside the United States. Just two or three questions, that don't take your time up.... And now, Mr. LaRouche, thank you for being with us. **LAROCHE:** Thank you.

QUESTION: Just a moment, Mr. LaRouche. Would you please elaborate and brief our listeners the details of this recent leaking of a covert CIA agent in the U.S., **LAROCHE:** Which one are you talking about?

QUESTION: Valerie Plame. **LAROCHE:** Oh, you mean the Joe Wilson case, the wife of Joe Wilson.

QUESTION: Yes. **LAROCHE:** This is going to blow things up. It's a difficult case because of the personalities involved. It's an important case. It's a violation of the law. The President of the United States is being very foolishly evasive on it. It probably involves Cheney and his circles. It was an operation. It's illegal. It involves the potentiality of major criminal charges against those responsible. George Tenet, the CIA Director, has formally begun the procedure which sets into motion a very serious kind of investigation, and I don't think people are going to let it go. I think this thing is going to fly. It's going to be a big issue. But it's a very tricky situation in the United States on this, because there's a lot of cowardice among people who should be doing things. We're involved in trying to push some of these things to get them done. Otherwise, it's very difficult to say what's going to happen. What should happen is that somebody should actually go to jail over this.

QUESTION: Is Mr. Ashcroft supervising the investigation procedure? **LAROCHE:** That's going to be a question, because Ashcroft has got a conflict of interest problem. His personal campaigns for election, before becoming Attorney General, involved people who are involved in the area of investigation of this Joe Wilson wife's case. So, therefore, technically, legally—

QUESTION: Like Mr. Karl Rove. **LAROCHE:** Yes. That's only one of them, but there are others as well. This fellow Ashcroft is a very nasty piece of work. What's going to happen is uncertain. But certainly this question is going to be posed, the demand for his recusal. What will happen probably, around this, is there will be from the Congress, some people in the Congress will be pushing for a separation, that is, for the Attorney General to appoint a special counsel to conduct the investigation of the case. But there are many dimensions to it. We don't know exactly what's going to happen because there are so many dimensions; and who's going to do what, and who's not going to. That's the problem. So it is difficult to say what's going to happen. But it is an extremely important case. It goes to the heart of the issues in the United States right now. And it may be one of the things that ends up, whether Cheney is implicated directly or not, it's one of the things that may end up in getting Cheney to be forced to resign.

QUESTION: Do you think George W. Bush himself has been aware of this leaking, considering the fact that Joe Wilson has been one of the critics of the buying of uranium by Iraq from Africa? **LAROCHE:** I don't know. I don't think that George Bush, the President, knows too much, frankly. And I am very careful about accusing him of knowing something, because I don't think he has the ability to know. He's a very limited person, intellectually. But around him, he's influenced and manipulated. He is mean-spirited. George W. Bush is a very mean person. He's not a pleasant person. He's a type I understand very well. I think he is more a puppet, in effect, of these circles....

QUESTION: You have said before that George W. Bush himself has a limited personality. That Rice and others must show him the way. Some people say that George Bush, ironically, couldn't find weapons of mass destruction in Iraq, and has resorted to *personal* destruction. How do relate this irony to the reality? **LAROCHE:** Well, the reality is that George Bush is personally a very mean and limited person. And you do not have to be intelligent to be mean, cruel, and vicious.

And Bush, essentially, is manipulated by people like Cheney who control his mind. So therefore, they know how to manipulate him. And he's mean. So therefore, he has no real conscience, which would say, "No. Don't tell me to do that. I am not going to do that." He's the kind of person who is very petty, very mean, very vicious. And he is easily manipulated into doing almost anything. The only control I know over him, of any significance, comes from his father's circles. And they might have some influence over him, or others. But as long as Cheney's in there—and Cheney is the controlling figure over George Bush—generally, up to a point, George Bush will do whatever Cheney will tell him to do.

QUESTION: In Britain, we had also the similar incident concerning David Kelly's death. And it started with the leaking incident. How do you relate these two incidents? **LAROCHE:** Obviously, I am not sure. I am sure that what was done to him did cause his death. How the death was caused, I don't know. But I know from the British side, and from my knowledge around the British side, that this was a real scandal; and that it was something that was done by the Blair Administration. The problem now is, that for the moment the British establishment has decided to keep Blair in, at least temporarily, rather than dump him. So he was protected, and not dumped. He is still on shaky grounds. But what is a part of this is, there was a significant cover-up, on the case of the Kelly investigation. But it was done by the establishment. They arranged and configured things in such a way as to create an appearance under which Blair was able to not be thrown out of office. But he is very shaky, and the Kelly story has not come out yet. It is still there, and it can come out.

QUESTION: How would Democrats exploit this situation in the next Presidential election? **LAROCHE:** Well, I'm the only Democrat that's going to do anything about it. And I will deal with a lot of questions. I will start from what I think are the top questions. And then deal with the auxiliary questions. For me, the top questions are the relations of the United States to the other nations of the world. I think it is necessary now—the world has become very dangerous, with modern nuclear weapons, and other things. And with the things that are happening now, it's necessary to find some form of durable peace—which means new relationships among states. That is, we must have a system of sovereign nation-states, who are acting more or less in partnership. But protecting each other's sovereignty. We've got to get that now, otherwise we are going to get into some kind of a mess, war or whatnot, that we don't want. So that's my prime concern. The second thing to me, is the economic issue. We now have a great depression that is oncoming. This is going to cause mass deaths around the world, unless we deal with it. So, therefore, that's my second concern: Get this thing under control. Then, there are many other issues, which as a President, I'd be concerned with. But those would be issues I'd deal with as individual issues. But my main concerns are to get this war danger out of the way, get it under control; and to establish a new relationship among states, which is more equitable. You know, I've been, for years, ever since the 1940s, I was concerned about the freedom, the end of colonialism. And I have been committed—and I thought that President Roosevelt was committed to that at the time—to use the postwar opportunity to end the existence of colonial systems. I have been associated for a long period of time with support for the idea of a just new world economic order, including some of my old friends in the Non-Aligned Movement. That's the way I want to go. I want to bring in the nations which have been excluded, from Africa, from South America, from Asia, and to bring them in to more of a partnership. The idea, that if we develop that partnership, that would be the best security for the world. And as part of that, to address the general economic problems which face the human race, like this mess in Africa. Something's got to be done about it. So those issues are the issues I'm mainly concerned about. On the other things, I will deal with the other things ad hoc, on the basis of principle. I will not try to get involved with isolated issues as such, and play issues for electoral politics. It's not my temperament.

QUESTION: Mr. LaRouche, finally, how do you see the political consequences of this leaking incident for the White House? **LAROCHE:** I don't know. I think we are getting to the point where—my view is, we are headed for a big crisis in U.S. politics, in the U.S. political system. I don't think that anything we might assume today is true, will necessarily be true tomorrow. I think there is a big blowup coming, fast. My general view is to be prepared for it, whatever it is, as you would be in war: Be prepared for the worst. It's going to come; and I am hopeful, in some respects. I know what I want to do. But I think we are in a very dangerous situation. I don't think there are any easy answers, in terms of the present situation. I think the present government of the United States is crazy. It's difficult to deal with. I have to try to deal with it. But it is crazy. The Israeli situation is insane, extremely dangerous. We have to deal with it. There are no clear solutions in view, because the people who should be cooperating, aren't. So it's dangerous. And I have to react on the basis of reacting to the situation as it turns up, though you could probably understand what my inclinations would be.

QUESTION: Well, Mr. Lyndon LaRouche, the current U.S. Presidential candidate, and also, the editor and columnist at the *Executive Intelligence Review*. Thank you for your time, Mr. LaRouche. **LAROUCHE:** Thank you. Good to be with you.

Links to articles from *Executive Intelligence Review**.

*Requires Adobe Reader®.

Feature:

LaRouche Youth on 'The Crab Nebula and The Complex Domain'

The Labor Day conference of the Schiller Institute and International Caucus of Labor Committees met simultaneously in Reston, Virginia and Burbank, California on Aug. 30-31, for the first-ever 'two-coast' videoconference of the LaRouche movement. EIR published the speeches by Lyndon and Helga LaRouche, and by Indian leader Dr. Chandrajit Yadav, in recent issues. Here, we present one of the highlights of the conference: the Aug. 31 panel on science and creative discovery, by members of the LaRouche Youth Movement from Philadelphia and Los Angeles.

- On the Sensorium
By Merv Fansler
 - Two Means Between Two Extremes
by Jason Ross
 - Extending the Sensorium
By Adam Sturman.
 - Metaphor and Platonic Creativity
By Riana St. Classis.
 - On the Crab Nebula
By Sky Shields.
-

Economics:

MEXICO PRIVATIZATION 'REFORMS'

Cheney's Pirates: 'Stand and Deliver, Or We'll Sink You'

by Dennis Small

Mexican President Vicente Fox is given mafia-style orders with respect to the privatization "reforms" that the Cheney crowd is demanding.

Italian Blackout Is A Warning to Europe

by Claudio Celani

'Such an accident cannot occur in Italy,' were the last famous words pronounced by Prof. Andrea Bollino, the head of GRTN—the Operator of

Italy's national electric grid—in the aftermath of the blackout that hit a region of 50 million people in the United States and Canada on Aug. 14. The echo of Professor Bollino's words had not yet vanished, when Italy was hit by an even larger blackout in the early morning of Sept. 28.

- **Why Deregulation of Electricity Doesn't Work**

By Dr. Paolo Forniciari

Dr. Forniciari is Deputy Chairman of the Italian Nuclear Association, and former Nuclear Activities Director of Italy's state electricity company ENEL. His long career includes responsibility for the design of Italy's nuclear power plants; teaching nuclear reactor control and engineering at Pisa University.

Schröder Revives Mideast Diplomacy

by Rainer Apel

Whereas German exports to the depressed United States market dropped by 5% during the first half of 2003, exports to the Mideast-Gulf region increased by more than 10% during the same period.

International:

Cheney Behind New Mideast War Drive: Return of 'Clean Break'

by Jeffrey Steinberg

With very little fanfare, in September David Wurmser moved over from the State Department office of arms control chief and leading war-party agitator John Bolton, to the Old Executive Office Building, working directly under Vice President Dick Cheney and his chief of staff Lewis 'Scooter' Libby. Wurmser's move was highly significant, given that the former American Enterprise Institute and Washington Institute for Near East Policy neo-conservatives was one of the primary authors of the now-infamous 1996 'A Clean Break' document, which spelled out the current joint Mideast war strategy of the Ariel Sharon government in Israel and the Cheney cabal inside the Bush Administration in the United States.

- **Documentation: Israel Acting On Cheney Gang's Policy From 1996.**

Excerpts from 'A Clean Break: A New Strategy for Securing the Realm,' the 1996 strategy for Likud party leader Benjamin Netanyahu's Israeli government, written by a team led by Richard Perle, and including other current Bush Administration officials Douglas Feith and David Wurmser, and Hudson Institute official Meyrav Wurmser. The auspices were the Institute for Advanced Strategic and Political Studies in Jerusalem.

- **Eyewitness Report: The Tragedy Seen From Within Iraq**

by Our Special Correspondent

A visit to the region by an EIR special correspondent gave useful firsthand experience of the situation inside and around Iraq. In discussions with members of Iraqi political factions and other citizens, one discovers the agonizing process which the Iraqi people went through before, during, and after the invasion of Iraq by the U.S.-British led coalition. However, the worst is not over yet.

Repeat of 1920 Iraqi Revolt?

With the Oct. 9-10 breakout of clashes between U.S. troops and Shi'ite residents of the Al-Sadr City in Baghdad, the 1920 Iraqi revolt against the British occupation forces cameback to mind. Then, as now, Shi'ite religious scholars led the revolt after a long period of self-restraint. Then, the British were dragging their feet on granting the Iraqi people full independence.

Gelli 'Comeback' Exposes Synarchists, But Threatens To Destabilize Italy

by Claudio Celani

The 'puppet-master' of Italian politics, as he defined himself in 1980, Licio Gelli resurfaced in late September in an interview in which he insisted the Synarchist faction he notoriously represents, is again running Italian politics.

Russia: NATO May Force Nuclear Strategy Shift

by Rachel Douglas

More than any of the particular disagreements on display when Presidents Vladimir Putin and George W. Bush conferred at Camp David in September, a meeting Putin had with Russia's military leadership upon his return, dramatizes the potential for a global showdown to emerge from the posture and policy of Vice President Dick Cheney's group in Washington.

New Winds From the United States. Dr. Vakhtang Gogvadze of the Republic of Georgia hails LaRouche's role.

Comment From the Georgian Republic

Dr. Gogvadze is a professor, ex-Speaker of the Parliament of Georgia (1992-95), and Chairman of the Union of Georgian-Russian Friendship. He is the author of a number of original writings, containing a philosophic and theological analysis of today's social and political problems. He contributes this essay on the 220th anniversary of the Treaty of Georgievsk between Russia and Georgia, and as a discussion of Lyndon LaRouche's 'Foreign Policy: A World Of Sovereign Nation- States,' published in EIR, May 16, 2003.

Terror Threats to the Bush Tour of Asia

by Mike Billington and Jeffrey Steinberg

As President George W. Bush prepares his whirlwind tour of Asia Oct. 17-23, security officials both in the United States and in Asia are bracing for a possible terrorist attack on the President, possibly targetting the meeting of over 20 heads of state in Bangkok, Thailand for the annual Summit of the Asian-Pacific Economic Conference (APEC) on Oct. 20-21.

National:

Drumbeat Against Dick Cheney Grows Louder

by Michele Steinberg

Despite White House claims to the contrary, several senior U.S. intelligence sources contend that Vice President Dick Cheney's chief of staff, Lewis 'Scooter' Libby, was at the center of the Valerie Plame leak—regardless of whether or not he was the person who made any of the phone calls to the half-dozen journalists who were fed the information, blowing the CIA operative's cover.

- **The Coming Fall of Dick Cheney**

by Carl Osgood and Arthur Ticknor

Despite White House and GOP Congressional stonewalling and grandstanding, there are serious and continuing efforts by the Congress to investigate Vice President Dick Cheney's Iraq War disinformation, and his profiteering from the war. Ironically, the latest investigations were triggered by two Administration actions that attempted to answer or evade criticism about the war: the first, concerns the leaking of classified information about a covert CIA operative; the second, the Sept. 14 lie by Cheney to 'Meet the Press' host, Tim Russert, that he has 'no financial ties' to Halliburton. Excerpts from major Congressional statements and press releases follow:

California Recall Failed by Dems, Enraged Voters Elect A Hitler; LaRouche Is Sole Opposition

by Harley Schlanger and Paul Gallagher

Confirming with a shock, the collapse of the political strategy of the Democratic National Committee (DNC) and the pathetic irrelevance of all nine 'DNC-approved' Democratic Presidential candidates, California's looted, enraged, and leaderless Democratic voters elected a Hitler on Oct. 7, as a Republican governor.

Hitlerian Psychology No Secret With Arnie

by Scott Thompson and Nancy Spannaus

When selected quotes from Arnold Schwarzenegger's 1997 interview with George Butler, the producer of 'Pumping Iron,' came out in the first days of October, the Schwarzenegger for Governor campaign rushed to declare that they would release the entire 33-page transcript to the media, to show that the quotes—the most lurid of which are shown in the leaflet pictured on page 61—were 'taken out of context.' Within days, the campaign had

decided not to release the transcript. Apparently, Arnie's backers decided that its circulation wouldn't help them after all.

Vietnam in the Desert: Question Won't Go Away

by Michele Steinberg

"The Vietnamese people—in fact, a lot of them—were quite sympathetic to the insurgents, and they provided a base of support which we couldn't overcome. We could always defeat the guerrilla forces in the field no matter how big they got . . . but the problem was because there was this base of support and resentment against foreign occupiers—neocolonialists, whatever they thought we were—in the population, no matter how many of these guys we killed in the field, there were always more. The population of Vietnam grew every year, both North and South, throughout the war . . . so no matter how many people you captured, killed or dragged away, there were always more of them.

Iraq War Used To Push Military Transformation?

by Carl Osgood

An Oct. 2 hearing of the House Armed Services Committee provided evidence that, so far, the only lessons from the Iraq war that the Pentagon will discuss openly, are those that deal with the ongoing utopian 'transformation' of the U.S. military.

U.S. Economic/Financial News

Republic Files for Bankruptcy as U.S. Physical Breakdown Escalates

On Oct. 2, Republic Engineered Products (REP) suddenly ordered 2,500 workers to leave work at five mill sites in Canton, Loraine, and Massillon, Ohio; Gary, Indiana; and Hamburg, New York. On Oct. 6, the steel-maker filed for Chapter 11 bankruptcy protection; and subsequently announced it will sell some or all of its assets.

Republic Engineered Products is the left-over husk of Republic Steel, once America's third-largest steelmaker, with over 10 million tons of steel-making capacity. In 1984, Republic Steel merged with the Jones and Laughlin Steel division of LTV Corporation, to become LTV Steel. Subsequently, this entity underwent several bankruptcies, takeovers, and spinoffs, to the point that today, Republic became a much smaller company, although it is the nation's leading supplier of special bar-quality steel, a highly engineered product, used in critical components of automobiles, off-highway vehicles, and industrial equipment.

The crisis at Republic reflects the intersection of the collapse of U.S. infrastructure with that of basic manufacturing. On Aug. 14, the massive electrical grid blackout that hit the U.S. Northeast, set off a fire and explosion at Republic's No. 3 blast furnace, at its Lorain, Ohio facility. Blast furnaces are lined with refractory brick, and are not easy to repair—in many cases, they have to be relined. Therefore, the Lorain, Ohio No. 3 blast furnace has been shut since Aug. 14. The company had begun preparations to reopen its No. 4 blast furnace, to replace No. 3, when financial insolvency struck the company, which is very dependent on the auto industry: Ford Motor Company announced Oct. 1, that it will close plants in Ohio and Michigan starting 2004. On Oct. 5, Republic announced that it had defaulted on a major bank loan; the next day, it filed for bankruptcy.

This is part of the decimation of steel-making in North America:

* Slater Steel announced it will close two facilities, eliminating about 1,000 jobs, four months after the Canadian-based steelmaker filed for bankruptcy. Slater Steel said it will close its Fort Wayne, Indiana plant, by Dec. 15, resulting in about 370 layoffs, and its other stainless bar mill, Atlas Specialty Steels in Ontario, which has 630 employees.

* Keystone Steel & Wire is shutting down its rod mill and steel-making operation, supposedly for only one week, idling about 20% of hourly workers at its Peoria, Ill. plant, the second-largest manufacturer in the area.

* Weirton Steel, which had filed for bankruptcy in May, said it seeks to cut 950 jobs—about 1/3 of its workforce—and terminate its pension and health-care plan that covers 10,000 retirees and dependents, under a bankruptcy reorganization plan filed Oct. 7. Plus, Weirton is negotiating the possible sale of its plant, once America's largest, wholly employee-owned company.

Free-Trade Madness Shutting Down U.S. Manufacturing

Free-trade insanity is killing U.S. manufacturing, the proverbial "goose that laid the golden egg," and thereby devastating factory towns across middle America. Once-dominant U.S. companies are shutting down plants nationwide, and moving production to Mexico or Asia, in a mad rush to slash costs by using cheap labor, in order to meet Wall Street's profit expectations, feeding the downward spiral in jobs losses. The following items were compiled from newspaper reports and press services, including the *Milwaukee Journal-Sentinel* Oct. 3; *Reuters* Oct. 4; *San Antonio Express-News* Oct. 5; *Wall Street Journal* Oct. 6; and *AP* Oct. 6.

* **Illinois:** Maytag will close its 50-year-old refrigerator factory in Galesburg by the end of 2004, eliminating 1,600 employees, as it moves the work to Mexico, draining the lifeblood of this town of 33,700, along with the nine surrounding counties. Firms that relied on the plant for business include sheet metal suppliers and local firms providing everything from toilet paper to light bulbs. For every Maytag worker eliminated, nearly three other jobs in the region will disappear—bringing total jobs losses to 4,166—according to a study by the Institute for Rural Affairs at Western Illinois University. Next year, Maytag will start paying Daewoo Electronics in Korea to produce refrigerators with top freezers and ship them to the U.S. to be sold under the Maytag name. In the case of dishwashers, Maytag buys motors from China (from a GE-owned plant), makes wire harnesses in Mexico; and only final assembly is done in the U.S., in Tennessee.

Maytag's U.S. competitors, mainly General Electric and Whirlpool, are exporting Mexican-made appliances to the U.S. GE owns 48% of Mexico's largest appliance maker, and Whirlpool just acquired full control of the second-largest.

* **Kansas:** Boeing has outsourced both parts supply and assembly overseas, eliminating the jobs of some 11,000 aerospace workers in Wichita.

* **New York:** Carrier Corp. is shutting down its manufacturing operation in Syracuse, and slashing 1,200 jobs at the container refrigeration and compressor plant (some 43% of the workforce at the facility)—as it shifts all production to Singapore. The heart of the once-mighty industrial city, Carrier is the world's largest manufacturer of heating, air conditioning, and refrigeration systems and equipment.

* **Wisconsin:** Weyco Group is closing its last U.S. shoe factory, by the end of the year, as the Beaver Dam-based maker of the Nunn Bush and Stacy Adams shoes moves production to India.

* **Texas:** Friedrich Air Conditioning, one of San Antonio's oldest and largest manufacturers, is building more of its air conditioners in China and South Korea, in a drive to find the lowest labor cost.

"They have killed the goose that laid the golden egg," declared Jimmie Thurmond III, president of Pak-Mor Manufacturing, which filed for bankruptcy in June.

U.S. Real Estate Bubble Nearing Bursting Point

The real-estate bubble which has significantly contributed the illusion of the non-existent "recovery" is now reaching its terminal phase, according to reports from the California Association of Realtors Oct. 9, and appearing in the *Seattle Times*

Oct. 7, *Reuters* Oct. 8, and the *Wall Street Journal* Oct. 9.

* Office Vacancies continued to climb, even as rents fell further in the third quarter. Nationwide, the average vacancy rate rose to 16.8%, compared to 15.7% a year ago, while rents fell 5.8% during the same period. Available office space grew by 5.3 million square feet, the largest amount in the past five quarters. Dallas, already hit by the telecom bust, now has a vacancy rate of 26%. The U.S. figure is likely underestimated: extra room a tenant isn't using and not putting on the market for sublease, is not accounted for until vacated; "shadow space" is more than 15% of the portfolio for about one-third of corporate real-estate executives, according to a recent survey.

* Two Federal home loan banks hit by \$16 million in losses linked to derivatives and mortgage holdings, due to falling interest rates—reflecting that the U.S. housing bubble is reaching the bursting point. The Federal Home Loan Bank of Atlanta said it posted a \$9.1 million loss in the third quarter, while the Pittsburgh FHLB said it expects to record a \$6.5 million loss, both in contrast to profits in the second quarter as well as a year ago. Both banks' losses were due to hedging strategies that were intended to protect against risks from swings in interest rates; Atlanta cited a fall in the market value of interest-rate derivatives, while Pittsburgh blamed a drop in the value of its mortgage holdings due to the rash of mortgage refinancings. The losses raise fears that the 12 regional government-sponsored banks have been taking on too much risk, through increased purchases of mortgages or use of derivatives, a marked change from their original purpose of borrowing money from Wall Street to lend to local banks who issue mortgage loans.

* More U.S. households selling homes for less than they owe. After years of borrowing heavily on their homes, more and more households are selling their homes for less than they owe, just to unload their impossible-to-service mortgages, and to avoid foreclosure or bankruptcy. Usually, this recourse comes as the end-result of delinquent mortgages—those not paid for more than 90 days. In the Seattle-Tacoma area, for example, the number of delinquent mortgages has risen 50% between June 2000 and July 2003, according to Loan Performance, a San Francisco firm that tracks mortgage data monthly.

* Only 23% of households in California can afford to buy a home, according to a new report released by the California Association of Realtors. The worst area at present is in southern California. In Orange County and Los Angeles County, a family must have an income of more than \$90,000 per year to afford to purchase a home. This is a drop of 5% in the percentage of families which can afford to buy a home, when compared with 2002, as the median price is continuing to go up, while the median income is dropping.

Wall Street Demands 'Nationalization' of Freddie, Fannie—Through Taxpayer Bailout!

In a dramatic shift from its drive for the privatization of the mortgage-finance giants, about to implode as the derivatives and housing bubbles burst, the *Wall Street Journal* Oct. 9 urged Congress to "nationalize" Fannie Mae and Freddie Mac—so that U.S. taxpayers would be forced to pick up the bill. Instead of forcing speculators to eat their losses, as Democratic Presidential candidate Lyndon LaRouche insists, under a bankruptcy reorganization directed by the Federal government, the Synarchist mouthpiece, the *Journal* gloats, "the taxpayers are on the hook for risks that go sour."

Jobless Out of Work, Longer and Longer

Nearly one-fourth of unemployed Americans—23%—have been out of work for six months or ` highest level in 20 years, as of the end of September. Plus, some 5 million people were working only part-time because they could not find full-time jobs.

World Economic News

ECB Head Duisenberg: Dollar Crash 'Unavoidable'

A sharp fall of the dollar is "unavoidable," but a dollar crash has to be prevented by all means, warned outgoing European Central Bank (ECB) President Wim Duisenberg in an interview with the Spanish financial daily *Expansion*, the Spanish sister paper of London's *Financial Times*. The German *Financial Times* featured his statements under the front-page banner headline "Duisenberg Fears Dollar Crash" Oct. 6. Duisenberg's term as ECB president expires at the end of October.

In an unusual statement for a central bank chairman, Duisenberg noted: "The dollar is the currency of a country with a huge deficit in its balance of payments, close to 5% of its GDP.... You can afford this for one year, two years, maybe five years, but at some time there has to be an adjustment of its currency." He added, "We hope and pray that this adjustment, which is unavoidable, will be slow and gradual. We will do everything in our power to make it slow and gradual. Until now, the adjustment is only against the euro." Should this downward "adjustment" of the dollar against the euro continue or even accelerate, it could have severe consequences for the euro-zone economies, Duisenberg said. He didn't specify what kind of measures, such as further rate cuts or outright currency interventions, the ECB could implement to prevent the euro from rising too rapidly.

Putin Moots Pricing Russian Oil in Euro, Not Dollars

At a joint news conference on Oct. 9 with German Chancellor Gerhard Schroeder in the Urals city of Yekaterinburg, Russian President Vladimir Putin commented on rumors that Russia will soon start to trade its oil exports in euros, rather than dollars. "We do not rule out that it is possible, he said. "That would be interesting for our European partners." He then noted that the decision wouldn't depend solely on the government, because the main Russian oil companies are not privately-run. A German government source stated on the same day in Yekaterinburg: "The question is taking on increasing significance."

According to the *Moscow Times* Oct. 10, already in 1999, just after Putin became Prime Minister, he laid out a proposal to move Russia's trade out of dollars and into euros. "A switch into euros by Russia, the second-biggest oil exporter behind Saudi Arabia, and holder of the world's largest natural-gas reserves, would represent a major shift in the balance of currencies behind the world's most traded commodity," the *Times* observed.

Presently, Russian oil exports create a daily demand for dollars in the volume of about \$170 million every day. Michael Lewis, head of Deutsche Bank's commodity research, said: "If Russia makes this move, it will be a reorientation of its economy towards Europe."

New Regulatory Body To Make Energy Security Top Priority

Security of energy supplies must become the top priority of the new regulatory body for the German power and gas markets, stated Georg W. Adamowitsch, German Deputy Economics Minister, at an energy conference in Düsseldorf on Oct. 6. Currently, there is no oversight agency for the German power market, which was deregulated five years ago. But the German government, he said, is now preparing legislation to establish an energy-regulating body by mid-2004, which will be added to the already existing Regulatory Commission for Telecommunication and Postal Services (RegTP). The legislation will be presented by the end of this year.

The job of the energy regulators will not be just to ensure fair competition. In view of the recent blackouts in the U.S. and Europe, energy supply security has to be the top priority, stated Adamowitsch. Recent events have shown the extraordinary vulnerability of technologically advanced economies. Everybody has to recognize the risk of huge economic damage, in particular if investments into power plants and grids are too low. He said that the German government would now put the energy supply security up front, not only on the national level, but at the EU level as well.

On Sept. 29, European Commissioner for Transport and Energy Loyola de Palacio announced preparations for a new European energy market bill. A key feature of the new legislation will be that national regulatory bodies in the future have to force certain investments by energy firms into power infrastructure. Italy, Spain, Portugal, and Britain were described as the weakest flanks of the European Union power grid.

Baden-Württemberg Refuses To Phase Out Nuclear Power

The CDU/FDP coalition government of Baden-Württemberg, in the southwest of Germany, has announced it will start a joint initiative in the German Bundesrat (Upper House) with the states of Hesse and Bavaria to organize "the abandoning of the abandoning" of nuclear power in Germany. Another option is to challenge the agreement on phasing out nuclear power, the so-called "nuclear consensus", to German courts. Baden-Württemberg Economics Minister Walter Doering called for prolonging the life span of nuclear power plants to 50 years, instead of the 30 year maximum set in the agreement. State Environmental Minister Ulrich Mueller described the "nuclear consensus" as nothing but a "capitulation declaration" by the German power suppliers. This strategy, that is phasing out nuclear power step by step between now and 2020, is wrong and therefore needs a "correction."

Among all German states, Baden-Württemberg has the highest share (58%) of nuclear power in total power generation. The state government has ordered a study, which has just been released, documenting the likely consequences for the state of the "nuclear consensus." The study notes that the state, one of the remaining industrial *Mittelstand* (small to medium-sized manufacturing) centers of the German economy, would become extremely depended on power imports. These imports would not only come from France, where most of the power generation is nuclear, but would also have to come from places like Ukraine, that is from nuclear power plants with much lower security standards.

Nuclear Power: Back on the World's Energy Agenda

"Atomic Power—Comeback of the Reactors," reads the headline of a five-page feature in the latest issue of the German newsweekly *Spiegel*. The perplexed writers of the liberal magazine note that there is suddenly a worldwide drive towards nuclear power, "as if the partial meltdown in Harrisburg 1979, and the super-catastrophe in Chernobyl 1986, would never had happened." The U.S., Japan, China, India, South Korea, Taiwan, South Africa, and Russia are all planning to build new nuclear-power plants. And even in Europe, where countries like Germany, Sweden, Belgium, Italy, Spain, and the Netherlands have formally decided to completely abandon nuclear power, there are efforts to develop an upgraded European pressurized water reactor (EPR).

International Atomic Energy Agency (IAEA) director Mohammed ElBaradei is pointing to the need for nuclear desalination in order to overcome global drinking-water shortages. Ten countries, including the U.S., Brazil, France, Britain, Switzerland, and South Africa are working on the "Generation IV" nuclear reactor, where a meltdown of the nuclear core can be definitely ruled out.

Even more shocking for the *Spiegel* authors, is the fact engineers, worldwide, are putting great hope "into exactly a reactor type, which had been abandoned in Germany 15 years ago," that is, the high temperature reactor (HTR). And there are new technological solutions in the pipeline for dealing with nuclear waste, such as the transmutation technology put forward by Carlo Rubbia and others.

Spiegel acknowledges that "atomic researchers are now driven by a new obsession with progress, which the world has not seen for 50 years. Then, it was U.S. President Dwight D. Eisenhower, who, in his famous "Atoms for Peace" speech, called on the community of nations to adapt nuclear forces to serve the 'art of peace.'"

Nobel Economics Prize Goes to Duo For Statistical Model

Robert Engle of the U.S., and Clive Granger of Britain, were awarded the 2003 Nobel Memorial Prize in Economic Sciences, for developing new statistical methods to predict the future by analyzing economics data over a long period of time. Forecasting models based on their Aristotelian work, which smooth out some of the impact of erratic swings in statistics, are widely used by financial analysts. Engle, for example, was honored for coming up with the concept of "auto-regressive conditional heteroskedasticity," or ARCH, for short.

United States News Digest

Cheney Caught, Again, in Big Lie at Heritage Talk

Once again, Vice-President Dick Cheney crawled out from whatever rock he has been hiding under, to issue a tirade of lies that the war against Iraq was "the central front in the war against terror." Cheney spoke at the Heritage Foundation in Washington, D.C. on October 10.

Cheney said that 9/11 had called for "a shift in national security policy," since deterrence and containment no longer worked. Instead, Cheney said, "There is only one way to protect ourselves against catastrophic terrorist violence, and that is to destroy the terrorists before they can launch any further attacks against the United States."

Cheney lied that matters were going swimmingly in Afghanistan, where the Karzai government was now "fully joined in the war on terror." He lied that Saddam Hussein, because of his "reckless and sudden aggression," had been supporting Abu Nidal, Palestinian suicide bombers, and al-Qaeda: "He also had established a relationship with al-Qaeda, providing training to al-Qaeda members in the areas of poisons, gases, making conventional bombs." As a result, Cheney said: "...The ultimate nightmare, could bring devastation to our country on a scale we have never experienced. Instead of losing thousands of lives, we might lose tens of thousands or even hundreds of thousands of lives in a single day of war."

Cheney judoed CIA analyst David Kay's mealy-mouthed report, to say that he was certain WMD would be found amongst the 100 weapons depots, "some of which cover areas larger than 50 square miles." He ticked off the laundry list of WMD "massive breach[es]" of UN Resolution 1441, from a purported prison where biological warfare agents were tested, to Iraq seeking Ballistic Missile technology for a 1,300-kilometer-range missile from North Korea.

He said that in the future, if the President determines that U.S. national security interests demand it, then the U.S. will go with what allies it needs against what enemies it perceives, because having a checkmate from allies "amounts to a policy of doing nothing." He exaggerated that 50 allies were aiding the U.S. in Iraq, and 70 in Afghanistan. He claimed that the U.S. was training the police, army, governing council, ministers, and so forth for self-rule in Iraq, but gave no dates. "Today, because we acted, Iraq stands to be a force for good in the Middle East," Cheney said.

He concluded with all praise to Bush (for heeding his advice?): "The current debate over America's national security policy is the most consequential since the early days of the Cold War and the emergence of a bipartisan commitment to face the evils of communism. All of us now look back with respect and gratitude on the great decisions that set America on the path to victory in the Cold War and kept us on that path through nine Presidencies. I believe that one day, scholars and historians will look back on our time and pay tribute to the 43rd President, who has both called upon and exemplified the courage and perseverance of the American people."

Cheney's performance at the Heritage Foundation capped a several day public relations drive to sell the ongoing Iraq occupation to the American public, which also included a speech by National Security Advisor Condoleezza Rice in

Chicago, and several appearances by President Bush in New England. However, the Cheney speech was so hardline that the Washington Post reported, the next day, that it would likely cause more backlash than support for the Administration's effort to win public backing for an added \$87 billion in expenditures.

***Washington Post* Notes LaRouche Matching Funds**

In her Oct. 12, Sunday Politics column, published in the *Washington Post*, Dana Milbank wrote the following: "FEC Distributes Matches: It's a two-man race now: Dean vs. LaRouche. The Federal Election Commission announced last week that perennial presidential candidate Lyndon LaRouche became the only Democrat other than Dean to request and receive eligibility for federal matching funds. LaRouche and Dean achieved this feat by raising \$5,000 each from 20 states in amounts no higher than \$250 from any person." The item appeared below a headline grabbing piece exposing AIPAC's drift towards the Republican Party, headlined "In Drive to Aid Israel, Lobby May Be Shifting Out of Neutral."

Timeline of Wilson Leaks Points To Cheney

The *Washington Post*, on Sunday, Oct. 12, provided new details about the FBI's ongoing investigation into the source of the Bush Administration leak about Ambassador Joe Wilson's wife, CIA clandestine officer Valerie Plame. According to the *Post*, FBI investigators are probing the actions of the Bush Administration in the month leading up to the July 14 Robert Novak column, which "outed" Plame as a CIA agent. The FBI is seeking to determine how Plame's name first came up inside the Bush Administration, not just to identify the leakers. As far back as June 2003, Bush Administration officials were running damage control on the Joe Wilson mission to Niger, which disproved stories that Iraq was obtaining yellowcake uranium from the African country. The *Post* reported that one key question in the FBI probe is when and how White House officials and "members of the Vice President's staff" found out about Plame's CIA employment.

The *Post* story noted that the first public mention of the Wilson mission in Feb. 2002 to Niger was a Nicholas Kristof column in the May 6, 2003 *New York Times*, which did not mention Wilson's name, but did give an accurate account of his trip and his findings. The Kristof column highlighted the role of Vice President Cheney in seeking the CIA probe of reports of the Iraq-Niger yellowcake deals. On June 12, the *Washington Post* again reported on the Wilson Niger mission—in more detail, but still without mentioning his name. According to the Oct. 12 *Post* report, by this time, the White House knew fully about Wilson's mission and launched an effort to downplay its significance, including its first criticisms of Wilson. At this time, Wilson told reporters, he personally escalated the pressure on the White House by sending a message to Condi Rice, through mutual contacts, warning that her strong statements in a "Meet the Press" TV interview on June 8, denying that senior Administration officials knew about the Wilson mission, were wrong. Rice communicated back to Wilson that she was "not interested and he should publish his story in his own name if he wanted to attract attention," the *Post* reported Oct. 12.

On July 6, Wilson did go public, with his *New York Times* oped, and with his own appearance, the same day, on "Meet the Press." The very next day, the White House was forced to issue a statement, admitting that President Bush had been wrong to include the now famous 16-words in his State of the Union speech, citing British evidence of Iraq seeking uranium in Africa. Later the same week, CIA Director George Tenet "fell on the sword," and took credit for the failure to expunge the 16 words from the Bush speech. Also, two "top White House officials disclosed Plame's identity to at least six Washington journalists, an Administration official told the *Post* for an article published Sept. 28." The same unnamed administration official later confirmed to the *Post* that the leaking of Plame's CIA identity was "part of their broader case against Wilson." The source told the *Post*, "It was unsolicited. They were pushing back. They used everything they had."

The *Post* article also reported that on July 12—two days before the Novak column named Plame—an Administration official told a *Post* reporter that the White House had ignored the Wilson trip because it was "set up as a boondoggle by his wife." On July 17, *Time* magazine's web site noted that "some government officials" had named Plame as a CIA agent.

Shortly after Novak's column was published, several other high-profile reporters told Wilson that they had been called by White House officials, including NBC News reporter (and wife of Alan Greenspan) Andrea Mitchell. On July 21, Wilson received a call from Chris Matthews, according to *Newsweek*, in which the MSNBC host told Wilson that he had just gotten off the phone with Karl Rove, who had told him that Wilson's wife was "fair game."

***EIR* Sources Add Further Evidence of Cheney Role in Leaks**

A well-placed U.S. intelligence source has told *EIR* that the timeline of attacks on Ambassador Joe Wilson and his wife date back at least to March 2003, within days of IAEA chief Dr. Mohamed ElBaradei's testimony before the UN Security Council, exposing the Niger government documents, purporting Iraqi efforts to purchase yellowcake, as forgeries. According to the source, at that time, Vice President Cheney and top aides began probing Ambassador Wilson and his family, in a damage control effort—four months prior to Wilson's July 6 *New York Times* op-ed. If this report proves accurate, it further shows that Cheney and his top aides were aware of the Joe Wilson mission and his findings prior to the May 6, 2003, Kristof piece in the *New York Times*—and shows that the Veep and his aides have been lying about their involvement. Other top national security specialists have emphasized to *EIR* that they are convinced that Cheney's chief of staff, Lewis "Scooter" Libby, is at the center of the "Leakgate" scandal, and that members of the Defense Policy Board may also be implicated in the leaking.

Four Senators Slam Administration Leak Probe

The *Washington Post* reported on Oct. 10 that Democratic Minority Leader Thomas A. Daschle (D-SD), along with Democratic Senators Joseph R. Biden, Jr., (Del.), Carl M. Levin (Mich.), and Charles E. Schumer (N.Y.), sent a letter to President George W. Bush pointing to "five missteps" in the investigation of the blown cover of CIA agent Valerie Plame Wilson, wife of Amb. Joseph Wilson.

The objections lead with the decision of White House counsel Alberto R. Gonzales to screen documents of White House employees submitted in response to the Department of Justice request, and his possible claim of "Executive Privilege" to withhold some. They cite this as one reason why a special counsel must be named.

The letter states that: "Already, just fourteen days into the investigation, there have been at least five serious missteps. ... We are at risk of seeing this investigation so compromised that those responsible for this national security breach will never be identified and prosecuted."

Other "missteps" include: 1) The Department of Justice began its investigation on Sept. 26, but did not ask the White House to order employees to preserve relevant evidence until Sept. 29; 2) The Justice Department did not ask the Pentagon and State Department to preserve possible evidence until late on Oct. 1, after news reports that such a request was coming; 3) White House Press Secretary Scott McClellan has said that he determined that three senior officials who were the subject of speculation in news accounts were not involved in leaking classified information, and the Senators believe that this displayed rank incompetence; and, 4) Attorney General Ashcroft remains responsible for the probe despite his close political and personal relationships with Bush and his top aides.

Low Combat Fatality Rate Masks Iraq Fiasco

"Visiting the Walter Reed Army Medical Center... [is like visiting] a Civil War hospital." Lawrence Kaplan writes in the Oct. 30 datelined issue of *The New Republic*, that although Walter Reed Army Medical Center is located only a few miles north "of the think tanks, Government offices, and, yes, magazines that pressed for war in Iraq," only President George W. Bush, of all those who did so, has twice visited the "mangled 19-, 20-, and 21-year-olds on whom they rely to accomplish America's aims abroad." Alone among the "mainstream press," *The New York Times* has done but one fictionalized account

of the people who must now learn to live without arms and legs.

Secretary of Defense Donald Rumsfeld has tried to hide this tragedy by flying the wounded in, in C-17s and C-141 aircraft at night to Andrews Air Force Base, "under cover of darkness," where there are no TV lights to guide the wounded to their ambulances. Kaplan notes, "Pentagon officials have rebuked public affairs officers who release casualty figures, and until recently, U.S. Central Command did not regularly publicize the injured tally either." Although 200 Americans have been killed, a rough estimate, which is a military guesstimate, is that "1,600 Americans have been wounded, more than 1,300 of them in combat." Medical trauma treatment has tended to mask this development, because, where, during World War II, one-in-three casualties survived, today it is one-in-eight.

Kaplan concludes: "The numbers tell a truth about the situation on the ground in Iraq — or at least about the Sunni triangle where most of them originate. Every day, guerrillas wound an average of nearly ten Americans, many of them grievously. And these are just the ambushes that find their mark. Soldiers back from Iraq tell of coming under fire routinely, and, in recent weeks, about 20 separate attacks on American forces have been reported every day. As a result, the sheer number of wounded soldiers exceeds anything Americans have seen since Vietnam."

Ibero-American News Digest

Mexican Governor Warns Schwarzenegger Victory May Portend New 'Kristalnacht'

Ricardo Monreal, Governor of the Mexican state of Zacatecas, warned in a press conference Oct. 8, that the election of Arnold Schwarzenegger, "a man of a highly xenophobic and racist character," as Governor of California, the U.S. state with the largest number of Mexican immigrants, could generate "persecutions" and "distortions" of the human rights of those immigrants.

"We have to be very careful with this actor, because he makes us think that the *Kristalnachts* of Nazi Germany could be revived," Gov. Monreal warned.

Kristalnacht ("night of the broken glass") is the name given to the unannounced, night-time rampage of the Nazi Party in 1938 against Jewish property, in which the windows of Jewish shops were smashed to pieces—a foretaste of the round-up of the Jews into concentration camps that would soon follow.

Monreal recommended that the Mexican and Hispanic immigrants join together, in order to defend themselves.

Zacatecas is not a border state, nor is it very populous. Located in the midst of the Great American Desert as it is, however, its economy is so under-developed, that one-half of the state's population has emigrated to the United States. Almost one-half million Zacatecans live in California.

Jorge Castaneda Endorses California's Hitler

Arnold Schwarzenegger's victory as Governor of California "is not going to be as catastrophic as one would have thought," former Foreign Relations Secretary and Mexican Presidential hopeful Jorge Castaneda assured Mexico's Radio Monitor on Oct. 9. "He knows very well that he has to govern for everyone." Castaneda went further, and called Schwarzenegger the representation of "the American dream," asserting that Mexican Americans will tend to identify with the "Terminator," as "an immigrant who 'made it,' who speaks with a German accent, as many Mexican-Americans still speak with a Spanish accent."

The LaRouche Youth Movement in Mexico hit the nail on the head, when they shut down two of Castaneda's key campaign events in September, denouncing him as a candidate owned, just like Schwarznegger, by the financial interests behind Dick Cheney's neo-conservatives (see [EIW, Vol. 2 #37](#)).

Chavez Sets Up New Continental 'Bolivarian' Jacobin Apparatus

Representatives of every major narco-terrorist, indigenist, insurgent group in Ibero-America came together on Aug. 28-30 in Caracas, to found the "Bolivarian People's Congress," (CBP), under the nominal leadership of the mentally unbalanced Venezuelan President Hugo Chavez. Among the 50 groups represented at the Congress were Bolivia's Movement to Socialism (MAS) party, whose 'cocalero' leader Evo Morales, is leading the current narco-insurgency in that country; Mexico's Cuauhtemoc Cardenas, aging Peruvian terrorist Hector Bejar, leaders of Ecuador's indigenous Pachakutic movement, El Salvador's Farabundo Marti National Liberation, the Cuban Committees to Defend the Revolution, and Brazil's Landless Movement (MST).

Behind the calls for continental unity to "fight globalization," and formation of a "Confederation of Latin American-Caribbean nations," this grouping's agenda is clear: to prevent any sane solution to Ibero-America's financial crisis, such as Lyndon LaRouche's programmatic initiatives, sowing political chaos and violence instead. The assault on Bolivia today by the Soros-financed cocalero movement is an example of what to expect. In fact, Evo Morales' defense of coca producers' "rights" has become a rallying cry of these groups continentally.

Following a series of national meetings in the first half of October, the CBP will hold the "First Bolivarian People's Congress," in Caracas on Nov. 20-23. Organization Secretary Fernando Bossi said in a recent interview that the CBP will be promoting "participatory, protagonistic democracy against those merely representative democracies which haven't offered solutions to the issue of the people's decision-making power." This implies something like Venezuela's Constituent Assembly which replaced the national Congress in order to ram through Hugo Chavez's Jacobin agenda.

Coincidentally, the CBP will celebrate as a continental holiday, April 13, the date in 2002 on which Chavez was returned to power following a failed coup against him. The group is laying the groundwork to act as a unified continental strike force, should their forces be threatened. Bossi warned future Ibero-American coup plotters that they "will not only have to face the people of their own country, but also all the Latin American and Caribbean peoples who, simultaneously, will take to the streets of the largest cities to express our solidarity with the offended population."

Chavez Government Moves Against Opposition Media

The Venezuelan government seized transmission equipment from the leading private all-news TV station, Globovision, on Oct. 3, dispersing protesting supporters of the station with tear gas and rubber bullets as it did so. The equipment seizure did not force the opposition-run station off the air, but it blocks its ability to receive signals from reporters outside the studio, and prevents broadcasts from repeater stations beyond Caracas.

This marks the first step by the Chavez regime to implement its threats to shut down the opposition media. President Hugo Chavez specified on Oct. 3, that any station which airs statements from dissident military officers will be shut.

The U.S. Embassy sent an official note, requesting an explanation, and Assistant Secretary of State Roger Noriega suggested the seizure might be a violation of the Democratic Charter of the Organization of American States—the which could lead to the imposition of collective sanctions against Venezuela.

Defiant, Chavez lashed out at the United States during his Sunday "Hello, President" broadcast Oct. 4, suggesting "Mr.

Bush ... busy himself with the United States' problems," and not mess with Venezuela. He also announced that he would militarize the cities again in November, by sending out the National Guard (which he controls at this point) on patrols next to the police, whom he does not trust.

Bush Administration Neo-Cons Revive Bio-Terror Charge Against Cuba

Roger Noriega, the Cuban-American ideologue sworn in as Assistant Secretary of State for Western Hemisphere Affairs in September, told a Senate Foreign Relations Committee hearing on Cuba Oct. 2, that U.S. officials "believe that Cuba has at least a limited, developmental, offensive biological weapons research and development effort."

The Cuban Foreign Ministry issued a statement on Oct. 6, in response, denying the bio-warfare charges, and again demanding U.S. officials come up with some proof of the charge. "It's embarrassing that high-ranking figures in the United States government have to lie before Congress to try to justify their discredited anti-Cuban policies," the Foreign Ministry statement said, adding that Noriega "acts like a fanatical member of the terrorist groups of Miami."

In May 2002, another Chickenhawk, Undersecretary of State John Bolton, had charged that Cuba's world-class vaccine and pharmaceutical industries were essentially covers for a bio-warfare capability, but no proof was ever provided. U.S. Presidential pre-candidate Lyndon LaRouche issued a memorable release on that charge on May 13, 2002, under the title: "Bolton Threatens to Satisfy All the Whores of Havana: LaRouche."

Vulture Funds Prepare to Pick Argentina's Bones

Encouraged by the mid-September ruling by Judge Thomas Griesa in New York, by which Argentina must pay \$700 million to the Dart Co.'s offshore EM Ltd., many other holders of bonds on which Argentina has defaulted, have gone to court to ask Griesa to make a summary judgment on their behalf, ordering Argentina to pay them back, and setting the stage for asset seizures.

The predators are so aggressive, that President Kirchner cancelled this week's scheduled trips to both Germany and Italy, because neither of those governments could guarantee that the Presidential plane—the Tango-01—would not be seized by judicial authorities, acting on behalf of creditors in those countries. For the same reason, the Argentine Navy frigate *Libertad* recently cancelled its scheduled stopover in German ports. (See EIW #40 InDepth section for background.)

Will the Free Trade Accord Be Buried With the WTO?

"It seems that the Free Trade Accord of the Americas (FTAA) is dead, and now the dispute is over who will be left with the responsibility for having thrown in the towel," a well-connected lobbyist in Washington, with access to both the Brazilian and U.S. negotiating teams, commented to Brazilian daily *Valor Online*. *Valor's* Oct. 2 story on the FTAA noted that this view is gaining ground among those involved in the negotiations.

At last week's meeting in Trinidad-Tobago, representatives of the U.S., Brazil, and 32 other countries, failed to reach agreement on the key question of lowering tariffs, in the framework of the FTAA. Provoking U.S. anger, Brazil proposed that the FTAA be far less ambitious than the Bush Administration wants, excluding such issues as uniformity in foreign investment laws, competition policies, government bidding processes, etc. Senior U.S. negotiator Ross Wilson charged that by refusing to discuss "substantive" issues, Brazil was "isolating" itself.

Inside Brazil, Wilson found some allies. Agriculture Minister Roberto Rodrigues told a conference Oct. 7 that he was "embarrassed" by the Brazilian negotiators' "intransigence," and called on the Finance Ministry—run by the IMF's friend

Antonio Palocci—to become more actively involved. A similar response came from the powerful Sao Paulo Industrialists Federation (Fiesp), who argued that Brazil's diplomats should act in a more "civilized" fashion in these negotiations.

Brazil's diplomatic corps, known as Itamaraty, has led the fight for Brazil to maintain an independent foreign policy, by building alliances with such other key developing sector nations as India, China, and South Africa. It was an alliance led by those nations, which shut down the World Trade Organization (WTO) negotiations in Cancun, Mexico, in September, by refusing to buckle to the Bush Administration's pressure.

Itamaraty remains firm on the FTAA. Brazilian Foreign Minister Celso Amorim told *Valor* on Oct. 8, that while Brazil didn't intend to obstruct the FTAA, it had no intention of being pressured into accepting the "single vision" that the U.S. wishes to impose on the negotiations. He said that, for example, among the things he objected to at the Trinidad-Tobago meeting, was a U.S. proposal that American companies be allowed to legally challenge (in court) domestic decisions of the Brazilian government—an obvious violation of Brazilian sovereignty.

Brazil Advances Plans To Export Enriched Uranium

Brazil will commence industrial-scale production of enriched uranium, with an eye to becoming an exporter of nuclear technology, Science and Technology Minister Roberto Amaral announced Oct. 6. Production had previously been projected to begin in July 2002, under the Cardoso government, but apparently is just now going ahead. The industrial production of enriched uranium demonstrates the country's scientific development, and guarantees that the technology will be at the service of national sovereignty, Amaral stated. He said the goal is to produce 60% of the material used in the nation's two functioning nuclear plants, Angra 1 & 2, by 2010, and to export its projected surplus of enriched uranium by 2014.

The technological apartheid crowd will not be happy with this. The director of Nuclear Fuels Production at the Nuclear Industries of Brazil (INB), Samuel Faiad, commented: "We are taking a step to show the nuclear technology export potential of Brazil, in addition to substituting imports."

Brazil is only the seventh country worldwide which has commercial-scale production of enriched uranium. The advanced centrifuge technology employed by the Brazilians was developed in the country, as a spin-off of the Navy's ongoing work in building a nuclear submarine with national technology. The INB which will run the enrichment plant, is a state-owned company.

Western European News Digest

London *Times* Main Editorial Looks Into 'The Fascist Spectre That Stands Behind Arnie'

In words unheard of in the press outside the LaRouche campaign versus Arnold Schwarzenegger, William Rees-Mogg, chief commentator of the London *Times*, wrote on Oct. 6 that a "more immediate issue" than Tony Blair's fate "is that Arnold Schwarzenegger is asking the people of California to trust him in tomorrow's vote. They would be foolish to do so.... If I were a Californian, I would vote tomorrow against the recall of the Democratic Governor Gray Davis.... If I were a Californian, I would vote for a governor I did not trust, belonging to a party to which I would not belong, rather than vote to elect Mr. Schwarzenegger as governor in his place."

Arnie's past remarks on Hitler do not worry him, Rees-Mogg wrote. "What worries me is that Arnold Schwarzenegger is relying on the appeal of fascism, whether or not he is personally a fascist." Arnie's campaign exists outside reality, in the "world of celebrity and sensation. The politics of mass emotion are the politics of fascism," he added.

"The core of all fascist movements is the direct relationship between the leader and the masses, not mediated through institutions of democracy. What does the leader do? He provides leadership. What allows him to provide leadership? The strength of his will. What is the evidence of the leader's will? The exciting feeling he creates of ultimate ruthlessness. How does Arnold Schwarzenegger demonstrate this ruthlessness? By having played a machine — not even a man — which killed hundreds of people."

The California recall move, Rees-Mogg wrote, has provoked "straight conflict between the democratic principle and the Fuehrer Prinzip [leadership principle], the issue of 1933."

***Junge Welt*: Arnold Resembles Von Papen**

A leftist German daily likens Arnold Schwarzenegger's California victory to 1932 pro-Nazi conservative coup in the German state of Saxonia. In an editorial headlined, "Preussenschlag," the *Junge Welt* daily of Berlin wrote Oct. 9 that nobody should miss the fact that the storming of the formerly Democratic bastion of California by Arnie is part of the Republicans' national agenda. The editorial is, however, rather pessimistic that it will be possible to ground that agenda.

Arnie's job is that of a "frontman in an operation standing in the broader context of Bush's America after Sept. 11: rebuilding the U.S.A. towards a show-democratic de-facto dictatorship," the *JW* editorial noted. "We have witnessed a new, dramatic setback for the progressive America," *JW* wrote. "Looking back one future day, it could turn out to be a stepping stone on the way toward dictatorship. A *Preussenschlag*, Californian way."

The *Preussenschlag* was the decision by Weimar Republic State President Paul Hindenburg on July 20, 1932, to dismiss the Social Democratic government in the State of Saxonia, installing Franz von Papen as governor on the basis of emergency laws, instead. The Saxonian government had been paralyzed, before, by an alliance of oppositional interests between the Communists and the Nazis.

German Chancellor Denounces Israeli Violation of Syrian Sovereignty

At a press conference in Cairo on the first stop of his Middle East tour, German Chancellor Gerhard Schroeder said acts of terrorism like the Oct. 4 Haifa suicide bombing are unacceptable, but that the Israeli retaliation strike into Syria was equally unacceptable, because the "process becomes even more complicated, if, as has now occurred, the sovereignty of another country is violated." He added that steps have to urgently be taken to de-escalate and "break this circle of violence," with the Quartet proposals, by the UN, U.S., Russia, and EU, on the Road Map serving as a reference point.

Concerning Iraq, Schroeder said that "what is being discussed in New York [at the UN] right now, is not yet sufficient. We agree with the Secretary General of the United Nations that especially the role of the UN has to be visibly strengthened, if one wants a process leading to stability and democracy." The transfer of sovereignty back to the Iraqi people is an essential aspect, that still needs to be defined in the ongoing talks at the UN Security Council, Schroeder added.

Schroeder also told the *Gulf News* that "In my opinion, the task of the international community lies above all in providing Iraq with a perspective for the stabilization and democratization of the country. In order to bring peace to Iraq, the role of the United Nations must be further enhanced. Iraq needs a real prospect of regaining its sovereignty and having political responsibility transferred to a legitimate Iraqi authority.

"It is additionally important to restore the ruined infrastructure and improve the living conditions of the people," Schroeder said. "We believe that security in Iraq cannot be restored through military action and increasing the number of soldiers alone. Rather, a political strategy is required which will allow the people of Iraq to look forward to taking their fate into

their own hands once again."

Chirac Fears a General Blowout of the Middle East

According to this week's *Le Canard Enchaîné*, even prior to the Israeli raid on Syria, French President Jacques Chirac was telling people he feared a general explosion in the Middle East.

One of those to whom Chirac spoke, summed up his concern in the following terms: "Chirac is expecting the worst, especially in November. He said he expected Israeli raids against Syria and Lebanon, accused of supporting the Hamas and the Islamic Jihad. He affirmed also that, according to him, the murder of Arafat is in Sharon's program. And that he is envisaging the launching of preventive raids against Iran."

The *Canard* quotes a diplomat who said he was not astonished by this analysis: "The Israelis accuse Teheran of developing nuclear weapons and the Shahab-3 missiles, which can reach Tel Aviv. The diplomat added, if Sharon decides to launch a raid over Iran, he would not do it without first consulting Washington. Just as he did, despite American UN Ambassador Negroponte's denial, before launching planes over Syria.

Even though he is worried about Iran's nuclear ambitions, Chirac does not trust the Bush/Sharon duo: "The Israelis want to be Washington's *armed hand* in the region," stated Chirac confidentially, "Because Bush himself cannot allow himself to act militarily in all directions and to bombard here and there." The *Canard* further reports on a note by the French secret services—which is probably the cause of Chirac's pessimism—in which they point to an increase of Israeli air raids over Lebanon and Syria, and the possibility of a coming raid against nuclear installations in Teheran.

'France Opens Up Legal Case Against Cheney's Halliburton'

The French daily *Le Figaro* announced on Oct. 10, that France has opened up a legal investigation into Halliburton in the context of \$180 million in secret commissions given to a Halliburton subsidiary, Kellogg, Brown and Root (KBR), at a time when Cheney was still Halliburton's head.

The article reports that a member of the French magistrate's financial division stated, "We are potentially in front of the equivalent of a worldwide Elf affair." The reference to Elf concerns the massive scandal, that rocked the entire political class of France, when it was uncovered that Elf, the national oil company, had all the political parties on its payroll.

The Halliburton affair goes back to 1995, when the decision was made to build the largest gas-liquification unit in Niger's eastern Delta, Bonny Island. The initiator of this project was Nigeria Liquefied Natural Gas (NLNG), which pulled together four main stock holders: the national company of Nigerian oil, Shell, Totalfina, and Agip International. This conglomerate then hired four companies to build the project: the French Technip, the Italian Snamprogetti, the Japanese JGC and the American KBR. "However, according to the investigations by the police," states *Le Figaro*, "KBR was, without doubt, the leader" of this group.

This joint venture established itself in Madera, a Portuguese island having an interesting fiscal status. An earlier investigation into the French firm Technip, in the context of the Elf affair revealed that a "mysterious contract of assistance" had been signed by the joint venture, of which the beneficiary is well identified and known. It is this company that received \$180 million in secret commissions, which were then redistributed into secret accounts.

These secret accounts are what have captured the interest of the French authorities, whose legal pursuit is being carried out in the context of an OECD convention signed in 1997, which authorizes pursuits dealing with "the struggle against

corruption of foreign public agents in commercial negotiations." Ironically, this convention was only adopted by the French after enormous pressure have been exerted by then U.S. Secretary of State Madeleine Albright, who made a special trip to Paris to get the convention through.

Though the investigation is of Halliburton and Technip, *Le Figaro* reports that, in reality, only Halliburton is really targetted since "preliminary investigations have established that it had the main role in the construction of the Bonny Island factory and related company operations."

The investigation is also described as a "tit for tat" response by the French to U.S. demands for extradition of three French CEO's — Jean François Henin, Francois Pinault, and Pierre Yves Haberer — in the context of dirty dealings connected to these individuals' purchase of the Executive Life portfolio a few years ago.

Germany and Saudi Arabia To Cooperate in Economics, Counter-Terrorism

An agreement to cooperate against terrorism was signed during German Chancellor's talks with Saudi leaders in Riyadh, at the conclusion of his two-day visit to Saudi Arabia. Schroeder visited Saudi Arabia, Egypt, and the United Emirates from Oct. 4-7.

To coordinate the anti-terrorism efforts, Germany's Director of the BundesKriminalAmt (Federal Criminal Office), Ulrich Kersten, will soon visit Riyadh. In addition, Germany and Saudi Arabia will cooperate in the training of Iraqi policemen, and maybe also military, in the context of a U.N.-controlled re-transfer of sovereignty and civilian rule to Iraq.

During his tour, Schroeder also endorsed plans for a profound reform of the United Nations, so as to grant more say to Arab and Islamic nations.

Concerning economic cooperation, German Economics Minister Wolfgang Clement will visit Saudi Arabia next spring with a big delegation of industrial managers, to sign deals in three main spheres — communications, transport, environmental (e.g., water supply) affairs. Schroeder called on the Saudis to invest in the German economy, notably in Germany's eastern regions.

Blair Knew Iraq Had No Weapons of Mass Destruction Before War on Iraq Began

Former British Foreign Minister Robin Cook revealed from a diary that he kept, that Prime Minister Tony Blair conceded two weeks before the Second Persian Gulf War that Saddam Hussein did not have any weapons of mass destruction (WMD), reported the *Sunday Times* of London on Oct. 5. Cook also said John Scarlett, chairman of the joint intelligence committee (JIC), also "assented" that Saddam had no such weapons. This shatters the myth perpetrated by the British Government that Iraq presented "a real and present danger" to Britain.

Cook, who resigned shortly before the invasion of Iraq, also reveals there was a near mutiny in the cabinet, triggered by David Blunkett, the Home Secretary, when it first discussed military action against Iraq. The Prime Minister ignored the "large number of ministers who spoke up against the war," according to Cook. Blair also "deliberately crafted a suggestive phrasing" to mislead the public into thinking there was a link between Iraq and Al-Qaeda, and he did not want United Nations weapons inspections to be successful, writes the former Cabinet Minister.

Cook suggests that the government misled the House of Commons and asked MPs to vote for war on a "false prospectus." Cook's long-awaited diaries, published in book form as *Point of Departure*, are the first memoir of any member of Blair's Cabinet. His disclosures are likely to lead to renewed calls for a judicial inquiry into the legitimacy of the war.

Also, this revelation may have a potentially devastating impact in the U.S., where Vice-President Dick Cheney et al. have frequently cited the British "dodgy dossier" as proof of the imminent WMD threat. Did Blair or some other Cabinet member tell the Bush Administration the truth? Did Cheney get briefed, and, if so, what did he do about it?

German Christian Democrats Adopt Drastic Cuts in Social Welfare

On Oct. 6, leaders of the German Christian Democratic Union (CDU) adopted the drastic cuts in social welfare and pension programs, as recommended by the Roland Herzog commission. With intense personal input by CDU national chairwoman Angela Merkel, the party leaders voted for the Herzog Report. Only two members of the party executive, including Hermann Josef Arentz, chairman of the CDU labor affairs commission, voted against. The Bavarian Christian Social Union (CSU), the sister-party of the CDU, also opposes the project. Former CDU Labor Minister Norbert Blum called the project "simply incompatible with what the German Christian democracy has stood for, so far," and announced a revolt at the party base.

The Herzog Report endorses deep cuts like:

- * increasing the standard retirement age from 65 to 67 years, which would imply that regular pensions could not be received before reaching that age;

- * replacing the public health and social security insurance system with a basically privatized system based on a standard insurance fee of 264 euros to be paid by every citizen, plus an unidentified co-funding by the state to "guarantee" a minimum care and pension. Everything above that level should be paid by an extra private insurance system;

- * making dental treatment a service no longer covered by the general health insurance system as before, but through an extra private insurance;

- * sick-pay shall be shouldered by the workers only, with some co-funding by the state, whereas employers would be relieved from their mandatory share in the present system.

Russia and Central Asia News Digest

Putin Floats Idea of Pricing Russian Oil In Euros

At a joint news conference on Oct. 9, with German Chancellor Gerhard Schroeder, in the Ural city of Yekaterinburg, Russian President Vladimir Putin commented on rumors that Russia will soon start to denominate its oil exports in euros, rather than dollars. "We do not rule out that it is possible," he said. "That would be interesting for our European partners." He then noted that the decision wouldn't depend solely on the government, because the main Russian oil companies are privately run. A German government source stated on the same day in Yekaterinburg, "The question is taking on increasing significance."

The *Moscow Times* noted that back in 1999, just after Putin became Prime Minister, he laid out a proposal to move Russia's trade out of dollars and into euros. The paper adds, "A switch into euros by Russia, the second-biggest oil exporter behind Saudi Arabia, and holder of the world's largest natural gas reserves, would represent a major shift in the balance of currencies behind the world's most traded commodity."

Currently, Russian oil exports create a daily demand for dollars in the volume of about \$170 million. Michael Lewis, head of Deutsche Bank's commodity research, commented, "If Russia makes this move, it will be a reorientation of its economy towards Europe."

Three-Year Industrial Cooperation Agreement Between France and Russia

The Moscow visit of French Prime Minister Jean-Pierre Raffarin achieved a commitment, between France and Russia, to visibly increase bilateral trade over the coming three years, beyond the 6 billion euros expected for 2003. According to announcements made Oct. 7 at the conclusion of the three-day visit, French cooperation projects will focus on three main areas: energy, aerospace, agriculture.

Aerospace/aircraft: Here, France will contribute 50% of the EU's 340-million-euro share in the construction of a new launching site at Kourou; France will contribute to the Russian development of a new generation of fighter aircraft; France will purchase Russian BE-200 firefighting aircraft.

Energy: Gaz de France may join the German-Russian project of building a new gas pipeline, either via Ukraine or along the southern Baltic coast; EDF and Russia's Interros signed an agreement on petrochemical cooperation; a letter of intent is signed by BNP on cooperation with Russian banks.

According to Russian news wires, nuclear technology cooperation also featured prominently in the Franco-Russian talks. The AREVA firm signed a letter of intent with the Russian nuclear industry, for cooperation in the development of improved nuclear technologies. AREVA is the main promoter of the EPR, a new generation of nuclear-power plants that has been developed through Franco-German cooperation (Framatome and Siemens).

Furthermore, the two energy ministries reached agreement to cooperate closely in the development of thermonuclear-fusion technologies, for example, in the context of ITER, the planned International Thermonuclear Experimental Reactor project, which is scheduled to be commissioned at the end of this year. Both France and Russia are offering sites for the construction of ITER.

German-Russian Talks Center on Energy and Rail

In the economic sphere, five agreements classified as "strategic" and eight other agreements were on the agenda as German Chancellor Gerhard Schroeder visited the Ural city of Yekaterinburg for two days of talks with Russian President Vladimir Putin, beginning Oct. 8. In all, 14 agreements, totalling 1.5 billion euros, were signed. Included were the construction of a big, natural gas-fueled power plant near St. Petersburg, with investments of 500 million euros; construction of a big fertilizer plant (location not made known); a pilot project for development of smaller-sized units for heating systems in densely-populated urban areas—starting in the Russian city of Samara; and an agreement to ship 6 million tons in containerized freight from Asia to Germany via the Transsiberian Railway, beginning in 2004.

Another agreement concerns transfer of equipment and other supplies from Germany to the German ISAF troop contingent in Afghanistan, via Russian airspace and (mainly) railway grid, plus transfer via Uzbekistan. A Russian official is quoted, saying that the agreement is open also for transfer of civilian freight, for the economic reconstruction in Afghanistan, later on.

There will also be preferential visa regulations for Russians in science, research, economics, and culture, to promote intensified exchange with Germany. There are, furthermore, statements from Russia that it hopes to modernize its industrial machinery stocks with the help of Germany, in coming years. Russian media emphasized, on the eve of the Yekaterinburg

Summit, that at 11 billion euros, Germany accounts for 22% of total foreign investment in Russia, being Russia's number one investment partner.

The planned signing of a letter of intent concerning the construction of a new gas pipeline from Russia to Germany, has been frozen, because of an acute conflict between the Russian natural gas giant Gazprom and the EU Commission in Brussels. Brussels' demand that Russia open its domestic gas-pricing market to international standards, for reasons of "unhindered competition in line with WTO rules," is overshadowing all of Gazprom's planned projects with Germany and other EU countries like France and Italy. Putin denounced the EU Commission request as "implying ruinous consequences for the Russian economy and society." The planned pipeline project between Russia, Germany, and France would involve investments of 6 billion euros, alone. In case that pipeline ran along the bottom of the Baltic Sea, it would connect Vyborg with Greifswald, over a distance of 1,200 km.

Joint Opposition to War Opened Door to Economic Cooperation

Germany's and Russia's joint opposition to the American war drive in Iraq, has created a favorable environment for economic cooperation, the German daily *Frankfurter Allgemeine* wrote in an Oct. 10 backgrounder to the Yekaterinburg Summit. As close aides to the German Chancellor told the daily on the sidelines of the summit, it was not at all a guaranteed perspective, months ago, that the anti-war three—Chirac, Schroeder, Putin—would hold firm: "There was always fear that at this stage of confrontation with America, one of them would retreat."

The fact that this did not occur, and that neither Putin nor Schroeder give in to the massive pressure from the U.S. side, has "improved the personal relationship of trust between these two politicians even more."

Nominally, the economic deals signed in Yekaterinburg have a volume of 1.5 billion euros, but seen as developing over the next years, they imply a volume of 7 billion euros, the article noted.

While the economic deals have received more coverage in the German and Russian media, the non-economic agreements are no less important, because they signal the level of trust, as well: German specialists are allowed to enter the otherwise sealed-off naval base at Murmansk, to help Russia decommission 120 nuclear submarines, at a level of 300 million euros of funding from Germany; the two heads of the German and Russian foreign intelligence agencies met in Yekaterinburg as well, talking about intensified cooperation in Afghanistan and Central Asia; also the transit agreement that allows Germany to supply its troops in Afghanistan via Russian rail grids and airspace, is the first ever of this kind signed between Russia and a NATO member country.

Putin Confirms Exxon/Mobil in Negotiations for Yukos Oil

Rumors are swirling in Moscow about a possible acquisition of Mikhail Khodorkovsky's Yukos Oil company by Exxon/Mobil. Yukos has just merged with Sibneft, making it Russia's largest oil company. The popular view in Russia has been that the sale of a controlling stake in Yukos would not be allowed before next year's Russian Presidential election, but *Izvestia* of Oct. 8 reported that government officials have been pressuring Yukos to sell its stock, "in exchange for [U.S.] guarantees respecting other matters." *Izvestia* wrote, "Recently, a government source said the government 'did not see any obstacles' to such a deal. The source admitted that the US partner may be Exxon/Mobil. Last Friday, Leroy Raymond, Exxon's head of board, personally informed Prime Minister Mikhail Kasyanov that his company is in negotiations with Yukos. The fact of the negotiations was earlier confirmed by President Vladimir Putin.... Pushing the company to merge with a U.S. partner, the government may be trying to use it to secure guarantees of its interests in other regions—in particular, in Iraq."

In the meantime, *Izvestia* analyst Maria Ignatova observed that the investigation of Yukos by law enforcement officials is

making the company easier to acquire. "The more frequently the company's offices are searched, the lower its stock price goes."

President Putin was asked about "Exxon buying 40 percent of Yukos," in his *New York Times* interview, published Oct. 6. Putin replied, "To the best of my knowledge, this deal has not yet been concluded. It is under discussion. You know what was our attitude to the purchase by British Petroleum of 50 percent of another major company of ours, TNK. We favor foreign capital involvement in Russia's economy. ExxonMobil is operating in the Far East, in Sakhalin, it is involved in investing a lot of money there, and we will support their further activities there. As regards purchasing part of the Yukos company, again this is a corporate matter, but once again we are talking about a possible major deal here, and I think it would be the right thing to do to have preliminary consultations with the Russian government on this matter."

Chubais Campaigns For 'Liberal Empire'

Anatoli Chubais, who oversaw the fire-sale privatization of ex-Soviet industry that created today's "oligarchs" in Russia, has presented his view of Russia's mission for the 21st Century: Become a "liberal empire." Currently head of UES, the national electric power utility, Chubais is campaigning for the State Duma as the third candidate on the Union of Right Forces slate.

Chubais spelled out his scheme in a Sept. 25 speech in St. Petersburg, a nationally televised interview on TV Channel 1 on Sept. 28, and an Oct. 1 article in *Nezavisimaya Gazeta*. "Liberal imperialism must become Russia's ideology, and the creation of a liberal empire must become Russia's mission," he wrote. This would mean Russia's having economic control—for Chubais' type of liberal economics policies—in the area of the former Soviet Union. "It's high time to call things by their names," said Chubais, "Russia is the sole and unique leader in the CIS, regarding the size of its economy.... Russia is not just the leader; it can and must increase and strengthen its leading positions in this part of the planet within the next 50 years." Such an "empire" would not "challenge the principle of territorial integrity of neighboring states," but in the realm of economy and business, "The Russian state can and must contribute to the expansion of Russian business to neighboring countries."

Thus, "empire" should not be a curse-word, according to Chubais. There should be "a strategic ring of great democracies in the northern hemisphere during the 21st Century: the United States, united Europe, Japan and the Russian liberal empire."

Call for New Investigation of Bloody October 1993

On Oct. 6, Russian State Duma deputies Sergei Glazyev and Dmitri Rogozin introduced a bill calling for a new investigation into the October 1993 confrontation between then-President Boris Yeltsin and the elected Parliament of that time, the Russian Supreme Soviet. It would mandate identification of who was responsible and assess the legality of actions taken.

On Sept. 21, 1993, Yeltsin abolished the Constitution and the Supreme Soviet, which had been refusing to rubber-stamp radical economic liberalization measures. When members of parliament would not disband, and were joined by Vice President Alexander Rutskoy, Yeltsin ultimately ordered the Russian Armed Forces to take the Supreme Soviet building by force, and it was shelled by tanks. At that time, Rogozin was a consultant at the Supreme Soviet. Glazyev resigned from Yeltsin's Cabinet immediately after the Sept. 21 decree.

Mideast News Digest

"Breakaway Ally": Cheney Giving Green Light To Israel To Hit Iran

Over the 48 hours, beginning Oct. 11, three major international publications: Germany's *Der Spiegel*, the *Los Angeles Times*, and the Israeli *Ha'aretz* have put out major articles, warning that Israel (1) has the capability to hit Iranian nuclear reactor sites, including with nuclear weapons fired from submarines; (2) that the Mossad is formulating a plan to carry out the Israeli hit against the Iranian installations in six locations; and (3) that there is backing from Washington for Israel's plans.

There is no question that the Vice President Dick Cheney's "Beastmen" are not only fully behind this policy — they are *counting on it*. The latest developments in U.S. Middle East policy show that "Clean Break" policy, written for Benjamin Netanyahu by Richard Perle, Doug Feith, David Wurmser, and others, *is* the policy of the Bush Administration — as long as Dick Cheney remains in office.

A full analysis of how Clean Break's call for attacks on Syria and Iran is being implemented is contained in the International Lead of this week's *EIR* and *EIW*, complete with excerpts from the original "Clean Break" document. The article, by Jeffrey Steinberg, points out that Wurmser, the second most important co-author (after Richard Perle), was moved over to take a key post Cheney's office, in the recent few weeks. Before that, Wurmser was an assistant to warmonger John Bolton at the State Department.

Ha'aretz's Washington Correspondent Nathan Guttman reports, under the title "IDF Planning To Attack Nuclear Sites in Iran," that the German weekly *Der Spiegel* reported that "Israel is prepared to launch an attack on Iran's nuclear sites in order to prevent them from being operational." He also cited the *Los Angeles Times* report that "Israel has the capability to fire nuclear warheads from submarines."

Guttman further reports that "a special Mossad unit has been ordered to formulate an attack plan against the nuclear weapons program sites in Iran," and that "Israel has information on six nuclear sites in Iran, three of them previously unknown in the world." Guttman writes that the Israeli plans is "to have F16 fighter planes attack the sites simultaneously."

The *Los Angeles Times* article cited "two U.S. officials" who said that they "leaked the information [about Israel's submarine-launched nuclear capability] as a caution to Israel's enemies, particularly Iran."

Inside Israel, the press is reportedly exulting the Israeli plan to hit Iran, according to Al Jazeera news online. It says that "Maariv published a map of Iran, complete with aerial shots of the suspected nuclear sites," and that *Yediot Aharonot* ran a photo of the Israeli Dauphin submarine, with graphics to explain how it could "sneak up" and fire its nuclear warheads.

Yediot also quotes Israeli military experts saying that such an attack on Iran — with its 1300 km distance from Israel — is far riskier than the 1981 attack on the Iraqi Osirak reactor.

Inside Washington, among the neo-con warmongers, the 1981 preemptive strike on the Osirak reactor, is hailed as the example of what the U.S. should do. And, it should be noted that reports continue that Cheney's mafia in the Department of Defense continues to pursue a plan to topple the Iran regime and destabilize the country. Last week, it was reported that Undersecretary of Defense Doug Feith had been meeting with a grandson of the late Ayatollah Khomeini, who opposes the current Iran government. Feith has previous been exposed for meeting with Iran-Contra swindler, Manushir Ghorbanifar, as part of the "Office of Special Plans" coup plots.

Deja' Vu: Bolton Sneers At Iran/IAEA Attempts At Resolution

A sign of the Cheney cabal's support for the Israeli threats against Iran came with Undersecretary of State for Arms Control

John Bolton's statements to the *International Herald Tribune*, Oct. 10, where he said that the Iranians "will try and throw sand in our eyes, and use a modest level of cooperation [with the IAEA] to hide some level of obfuscation and lack of cooperation, to conceal as much as they can, to delay, to fight for time, and to avoid having the issue referred to the Security Council."

Asked why Washington is not so militant regarding Israel's known nuclear capability, Bolton stated, "The issue for the US is what poses a threat to us and to our allies. We are not platonic guardians, we are representing American interests." Other U.S. officials claim that Israel's renegade nuclear arsenal is in the same category as those of "allies," France and Britain.

Khatami Says Iran Showing Successful Cooperation With IAEA

Iranian President Mohammad Khatami said on Oct. 8, Iran was showing successful cooperation with the International Atomic Energy Agency (IAEA), but vowed Iran would never accept a protocol that could threaten its sovereignty.

"We have never said that we will not sign the additional protocol of the nuclear Non-Proliferation Treaty (NPT). But we will never accept a commitment that may jeopardize the security and national sovereignty of the country," Khatami told reporters after the Majlis (parliament) open session.

"This is a condition that other countries have also set. Even the US set its own conditions for signing the NPT protocol. We have a right to determine conditions."

The IAEA is refusing to provide Iran with the nuclear expertise that under the agency's regulations it is entitled to receive, arguing that Tehran must first sign the NPT protocol that allows snap inspections.

Meanwhile, on Oct. 8, Volker Ruhe, the Chairman of the Bundestag Foreign Policy Committee, supported Iran's right to nuclear energy during a visit to Teheran. Ruhe conferred with the Secretary of Supreme National Security Council (SNSC) Hassan Rowhani on expansion of relations between Germany and Iran.

At the meeting, Rowhani referred to historical ties between the Islamic Republic of Iran and Germany. Iran's nuclear activities are within the framework of international conventions and regulations, Rowhani said, adding that the Islamic Republic of Iran was among the first signatories to the Non-Proliferation Treaty and has been fully committed to its obligations. It is not acceptable that advanced and industrial countries have the exclusive right to such technology while they deprive other countries of such privilege.

Ruhe called for extensive talks between Teheran and Berlin on issues of common concern, and highlighted that it is useless for Iran to be isolated by major powers.

On Iran's nuclear program, he said although Germany has decided to close its nuclear power plants [an irony from pursuing a Green policy], it believes that it is the legitimate right of the Islamic Republic of Iran to have nuclear power plants.

German Foreign Minister Denounces Israeli Strike on Syria

Germany's Foreign Minister has warned that a repetition of the Israeli air strike on Syria will lead to devastating consequences. At a press conference on the Road Map issue, in Berlin Oct. 7, Foreign Minister Joschka Fischer criticized the Israeli air strike against a target on Syrian territory on Oct. 6. Fischer said it was "unacceptable," not just because of concern for Syrian sovereignty as such, but because of concern about the "consequences for peace and stability in the entire region." Fischer called on Israel to show "maximum restraint," or risk triggering "grave consequences not intended."

German Chancellor Gerhard Schroeder also criticized Israel's actions during his visit to the Middle East (see Europe Digest). The Oct. 11 article in Germany's *Der Spiegel* has blown up the Israeli plan to attack Iran — possibly with nuclear weapons — into a worldwide scandal.

"Swiss Agreement" Being Forged By Israelis and Palestinians

Officials of the Israeli Knesset, and the Palestinian Legislative Council are meeting over the weekend of Oct. 11-12 in Jordan to attempt to finalize a peace proposal known as the "Swiss Agreement." This initiative is the effort of Oslo leader, Yossi Beilin, the former Labor Party member, now with the Meretz Party, who has been negotiating with Palestinian Legislative Council member Yasser Abed Rabbo, a proposal for final settlement of the conflict.

In addition to Beilin, Labor Party Knesset members Amram Mitzna and Avraham Burg are participating, and also travelling to Jordan. Shinui Party Knesset member Etti Livni has also joined in these talks, but will not be going to Jordan.

Israel Prime Minister Ariel Sharon has denounced these talks as a "cynical attempt" to topple his government, especially since the Shinui Party, is the largest coalition partner in his government.

Mitzna told Israel's Channel 1 TV, "Both sides have a more mature and better understanding today of the need to return to the negotiating table. The will and the intention is there." He added that an agreement will dispel the misconception that the other side is only interested in war. In response to Sharon's attacks on the effort, Mitzna said, "Maybe he is nervous we will burst the illusion that there is no one to talk with and nothing to talk about. There is no doubt that there is someone to talk with and something to talk about."

In supporting this effort, Livni said, "It is a very serious attempt to bring before the public the possibility of a final contract with the Palestinians.... There are solutions we can live with concerning issues like borders, water and transportation."

Turkey Bows To U.S. Pressure To Send Troops to Iraq; Opposition Surges

Turkey's decision to send troops to Iraq has caused alarm bells to go off in the region. The decision of the Erdogan government, ratified by parliament on Oct. 7, is opposed by most of the Turkish population, and — ironically — by the Iraqi Governing Council (IGC), which is defying the U.S. occupiers on this issue.

The IGC members fear the destabilizing effect of the move, but this is not limited only to the Kurdish members, IGC members of other ethnic/religious groups also reject any Turkish presence — or any further foreign presence at all. "Sending these troops would delay our regaining sovereignty," said IGC member Nasser Chaderchi. He reported that Turkish authorities had told the IGC recently that they would *not* send troops, without their approval.

Both Turkish Ambassador to Iraq Osman Paksut, and Turkish Prime Minister Erdogan, said the troops would not be occupiers, but a force to reconstruct and stabilize the country. Erdogan said, "Turkish soldiers will not go there as a police or gendarmerie force. They will go there for peace and tranquility for the Iraqi people," he told Anatolia news agency. However, he added, "Hostile approaches towards soldiers ... will be unacceptable."

Washington reportedly has promised to convince the IGC to accept the Turkish troops. But the bitter truth is that *no one* wants Turkish troops in Iraq, except the U.S. and some Turks. Interviewed by the *Financial Times* in London, Oct. 10, some pro-US tribal leaders in northern Iraq said that, recalling the 400 years of Ottoman rule, they did not trust the Turks, and suspect them of revanchist proclivities. One tribal leader said he thought the Turks would be "butchered" by the Iraqi

resistance forces. Another voiced concern that, if the Turks move in, other neighboring countries will follow suit, and it would be the beginning of the partitioning of Iraq.

Outside the region, other forces have also opposed the deployment. Malaysian Foreign Minister Syed Hamid Albar said Turkish peacekeepers would be unacceptable, and that no Muslim countries would deploy as long as the U.S. were the occupying power. Malaysia is to host a meeting of the Organization of Islamic Conference (OIC), now going on. The Secretary General of the OIC has already denounced the foreign occupation of Iraq.

Australian Prime Minister Censured Over Iraq War

Prime Minister John Howard, who along with Britain's Tony Blair and George W. Bush, have most vociferously led the charge on Iraq's alleged weapons of mass destruction, suffered a rare setback Oct. 7, when the Australian Senate censured him for misleading the public in his justification for sending Australia to war with Iraq. The vote was only the fourth time in more than three decades that a sitting prime minister has been censured, and the second in Howard's 7-1/2 years in office.

The motion attacked Howard for failing to adequately inform Australians that intelligence agency warnings about a war with Iraq would increase the likelihood of a terrorist attack. It also noted that no evidence had yet been produced by Howard to justify his claims that in March this year, Iraq possessed stockpiles of completed biological chemical weapons that justified going to war.

The Opposition, comprised of the Greens and Australian Democrats, voted together to defeat the Government by 33 votes to 30. Greens' Senator Bob Brown said Howard was involved in an unprecedented deceit of the nation and deserved censure. "It has become abundantly clear that the Prime Minister was not just a bit wrong. He was totally wrong," Brown told parliament. Defence Minister Robert Hill limply said Australian and other governments believed Saddam Hussein's weapons programs posed a very real danger.

Shi'ite Leader Calls for U.S. to Withdraw From Iraq

The new leader of the SCIRI has called for the United States to withdraw from Iraq. Abdel Aziz al-Hakim, brother of the former SCIRI leader, who was assassinated, was in Teheran for ceremonies commemorating 40 days after the death. In an interview with AFP, reported by the *Tehran Times* on Oct. 10, he said: "There is international pressure on the US to withdraw its forces from Iraq, and there are demands for the US to be clear on a withdrawal date. So of course we are with the international community to shorten the occupation in Iraq. We hope they leave as soon as possible," he said.

Abdel Aziz is also a member of the Iraqi Governing Council. He went on: "The Iraqi people can do the job. There is no need for foreign countries to send their troops, but they can help in Iraq's reconstruction. The US is making a mistake in the way it is trying to solve the profound security problem in Iraq, and so has trapped itself and the Iraqi people in a quagmire. Therefore, it should change its security policy," he concluded. He said the same applied to the Spanish troops now around Najaf, and Polish troops as well.

Asia News Digest

ASEAN and China adopt an 'Early Harvest' Trade Accord

The Association of Southeast Asian Nations (ASEAN) and China agreed Oct. 6 on a special tariff program in anticipation of their plan to set up the world's largest free-trade area (FTA). Trade ministers from ASEAN and China adopted a protocol

paving the way for the implementation from Jan. 1, 2004 of a three-year program which gives early benefits to the ASEAN states through tariff reductions on a host of agricultural and manufactured goods, while the actual implementation of the FTA begins on Jan. 1, 2005, officials said from the preliminary ASEAN+3 meetings in Bali. The ASEAN states reciprocated by giving tariff concessions to China under a so-called tariff harmonized system for agricultural products like meat, fish, fruit, vegetables, and milk, officials said.

India: Growing Cooperation with ASEAN Not a Counter to China

In an interview with the *Jakarta Post's* Kornelius Purba on Oct. 6, ahead of the ASEAN/India Summit in Bali, taking place at the same time as the ASEAN+3 Summit, Indian Ambassador to Indonesia Hemant Krishan Singh was asked: "There are fears here over the growing rivalries between regional superpowers like India, China and Japan."

Singh responded: "As far as we are concerned, we view this not as a situation of emerging rivalries, but a situation of emerging partnerships. These partnerships are emerging between ASEAN and Japan, between China and ASEAN, and now also the partnership between ASEAN and India.... We look at it, therefore, as a much more wholesome package of regional partnerships.

"As far as related countries are concerned, we enjoy excellent relations with China—our relationship is growing both in terms of political understanding and in terms of our economic relationship. Both of us are quite clear how important our relationship is for the prosperity, stability, and peace of our Asian continent and beyond. Similarly, India has a long-standing economic relationship with Japan."

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The motion attacked Howard for failing to adequately inform Australians that intelligence agency warnings about a war with Iraq would increase the likelihood of a terrorist attack. It also noted that the Prime Minister had so far failed to produce evidence to justify his claims that in March this year, Iraq possessed stockpiles of completed biological chemical weapons that justified going to war.

The Opposition Labor Party, the Greens, and the Australian Democrats voted together to defeat the government by 33 votes to 30. Greens Senator Bob Brown said Howard was involved in an unprecedented deceit of the nation and deserved censure; that Howard had argued that Iraq's weapons of mass destruction and support of international terrorism threatened Australia. "It has become abundantly clear that the Prime Minister was not just a bit wrong. He was totally wrong," Brown told Parliament. Defense Minister Robert Hill limply said Australian and other governments believed Saddam Hussein's weapons programs posed a very real danger.

Mahathir To Bush and Blair: 'In Japan, They Commit Harakiri'

In an Oct. 4 interview with *New Straits Times*, Malaysian Prime Minister Dr. Mahathir Mohamad said the CIA's failure to find weapons of mass destruction in Iraq proved that the United States and Britain had concocted a big lie in order to attack Iraq. "I don't believe that they didn't know that Iraq had no WMD," Dr. Mahathir told a press conference. "Even if they had suspected something to that effect they should have allowed UN chief weapons inspector Hans Blix to carry out a full investigation. First they said Iraq could attack them in 45 minutes, then they confirmed that Iraq had WMD. So they

attacked Iraq and destroyed the country, killing thousands of innocent people, but now there is no trace of anything at all."

Asked whether the U.S. and Britain should end their occupation of Iraq since all their allegations had been proven wrong, Dr. Mahathir said: "Even when they are wrong they are not going to say that they are wrong. In Japan, normally when they are wrong, they commit *harakiri*, but Westerners have a different attitude. We are saddened by the fact that leaders who are supposed to be the guardians of world peace are willing to destroy a country and kill its people based on very flimsy evidence, which has now been proven to be untrue."

Asked if the people of Iraq or the world community should initiate action against President George W. Bush and Prime Minister Tony Blair, he said any decision could not be enforced.

China Says Blackouts in West Show Need for Regulation

China is going to amend its electricity law, adopted eight years ago, to make sure that power supplies are stable and to regulate the market. The government also wants to establish an emergency-response procedure for dealing with possible power problems. "One of the lessons we learned from the blackouts in foreign countries, is that we should reinforce the supervision of the system to keep uniformed control over transmission and distribution," said Shao Binren, vice chairman of the State Electricity Regulatory Commission. China has a "fragile" power system, and could suffer black-outs.

NATO To Expand Its Role in Afghanistan

Deputy Secretary of State Richard Armitage assured Afghan interim President Hamid Karzai of more aid and security assistance, in a visit to Kabul Oct. 6. Armitage told Karzai that the U.S.-Afghan-Pakistan commission on security will be meeting in a few days. By way of emphasizing Washington's will to take on the Taliban, Armitage visited Kandahar—considered as the power base of the Taliban and the unofficial capital of the Taliban-led forces—for a few hours.

Almost simultaneously, NATO responded to a German proposal, by agreeing on a limited expansion of its international peace-keeping mission in Afghanistan beyond the Kabul area to the provinces for the first time. A senior NATO diplomat said the 19-nation alliance agreed in principle that it might support other Provincial Reconstruction Teams (PRTs)—international aid workers under military protection—in the light of growing violence against the aid workers by the anti-Kabul Afghan forces.

Opposition to Karzai Is Growing Within the Cabinet

There are indications that Afghan Interim President Hamid Karzai and the U.S. policy towards Afghanistan will face new pressures from within. As of now, Karzai has announced himself a Presidential candidate for the general elections, which Afghanistan, with the help of the United States and NATO, expects to hold next summer. But, within the Northern Alliance, rumblings have become audible. It is likely that either former President Burhanuddin Rabbani, or the Defense Minister Mohammad Qassym Fahim, could also throw in his hat in the ring.

This division within the Kabul government came to light following an editorial in the Tajik-Afghan-run newspaper *Payum-e-Mujahid* on Oct. 6, which said: "Karzai's government has failed to rebuild this country. We are looking for another candidate to run in his place." Reports indicate that leaders of the Northern Alliance, the mainly ethnic Tajik minority militia leaders, some of whom are members of the Karzai government, have met recently a number of times to discuss the matter. For all practical purposes, this move by the Tajiks will be construed in Afghanistan as an effort to keep the Pushtuns out of power.

According to the United States plan, the newly-written Afghan constitution will be adopted through a 500-member *loya jirga* (grand council), which will convene for at least 10 days in December. Besides adopting the constitution, the package would include holding general elections, to elect members of parliament and a President. Washington has made known that such an election would be held in June 2004.

South Korea Urges Washington To Be Conciliatory with North Korea

In an Oct. 1 meeting with South Korean correspondents in Washington, S.K. Unification Minister Jeong Se-hyun stressed that U.S. pressure on North Korea would not solve the nuclear dispute, and urged the United States to allow the North a way out of the 11-month-long standoff. Jeong was in Washington for a week to promote South Korea's position with U.S. experts and officials, and with Korean residents. He called on the United States to avoid sending conflicting messages to the North over a security guarantee, and to have a more progressive attitude, by assuring the North that efforts would be made to further detente.

Jeong further cautioned that the U.S.-led Proliferation Security Initiative (PSI) to halt ships at sea, would only invite a much stronger opposition from Pyongyang. "The harder the U.S. pushes ahead with the PSI, the stronger the backlash it will face from the North. The U.S. needs to assure the North that it will do its best to sustain the North's regime stability, rather than present ambiguous positions over the security issue," he said.

'Line 1' Road Between Seoul and Pyongyang Now Open

The opening ceremony of the Chung Ju-yung Gymnasium, named for the founder of Hyundai, took place on Oct. 6 in Pyongyang. Some 1,100 South Koreans were to visit the North to participate in the opening, Hyundai Asan officials said, including relatives of Hyundai Asan's recently deceased chairman Chung Mong-hun (son of the founder), Korean citizens, media, and athletes. For the first time in history, South Korean visitors will enter the North via the just opened overland road on the western Seoul-Pyongyang "Line #1" through the Demilitarized Zone.

UN Envoy: North Korea Will Drop Nuclear Ambitions

The UN Envoy to North Korea, Maurice Strong, said the North would abandon nuclear ambitions if the U.S. addressed its security concerns. Strong spoke Oct. 2 after a meeting with North Korea's Vice Foreign Minister Choe Su-hun at UN headquarters in New York. Strong quoted Choe saying that his government has made it clear, that it is willing to abandon its nuclear weapons program, and abide by internationally agreed inspections. But, Choe reiterated, thus far, Washington's hostile policy has given Pyongyang no choice but to continue nuclear weapons development.

The Bush Administration has set a "red line" that it would not accept North Korea's export of bombs or of its bomb-making abilities, and Choe said his nation would not cross that line. "We have no intention of transferring any means of that nuclear deterrence to other countries," Choe told reporters at the North's mission in New York, New China News Agency reported Oct. 2.

Africa News Digest

U.S. Asst. Secretary of State for Africa Kansteiner Is Out

U.S. Assistant Secretary of State for Africa Walter Kansteiner has resigned. He "confirmed that he has informed Secretary of State Colin Powell of his intention to leave within the next few weeks," according to Reed Kramer, writing in

allAfrica.com Oct. 1. But it looks like he was either fired or forced out: His reason for leaving is that "my two children need a father in their lives." And, his departure coincides with a change of ambassadors to Pretoria and Abuja.

Stephen Hayes, president of the Corporate Council on Africa, would "like to see increased focus on seeking better relations with two of the continent's big powers, Nigeria and South Africa," Kramer writes.

EIR notes that Kansteiner has strong ties with the neocon/synarchist crowd, and tension between him and Powell was visible at the time of President Bush's July visit to Africa: Powell was at first not scheduled to go, leaving Kansteiner as Bush's chief adviser.

Charles Snyder, Principal Deputy Assistant Secretary, is considered a leading candidate to replace Kansteiner, says Kramer. Snyder was an African specialist in the Army, and apparently later in the CIA. Snyder is "one of the few officials in the Bureau of African Affairs to have sound training in military and intelligence affairs," says *Africaintelligence.com*, a French firm catering to business. In contrast, Kansteiner came to his post from Tate and Lyle, the international sugar firm, and had been advising speculators in negotiations to buy up privatized, formerly state-run firms in Africa, *EIR* files show.

Kansteiner told Kramer he was proud of "how we've been able to help African countries court the private sector," thus convicting himself of playing a role like Halliburton's Dick Cheney is doing in Iraq, in Africa.

Zambian Government: Abandon World Bank and Turn to Asia

The only way out of poverty and exploitation is to get away from World Bank prescriptions, and try dialogue with the Asian economies that have thrived on private partnership projects (PPP), said Dipak Patel, Zambian Commerce, Trade, and Industry Minister, in an interview with *The Post* (Lusaka) Oct. 2. The economies to which he referred were Japan, Malaysia, Indonesia, China, and India. Patel made this observation in Tokyo after his address at the third Tokyo International Conference on African Development (TICAD), which ended Oct. 1.

"The only window we have for cheap money for infrastructural development in the world is the World Bank, but from their pledge today, the World Bank's US \$1.6 billion for 48 African countries is insignificant, and the World Bank cannot match money with their rhetoric," he said.

The Post continues, "Patel said most delegates applauded when the World Bank's vice-president for Africa Pamela Cox made the announcement, in a closed-door discussion with African ministers, without putting reality to the figure. 'But I put it to Pamela that if we divide that amount, it would be insignificant. It cannot even build a road from Kabulonga to the city center [of Lusaka],' he said."

Patel added that there had to be regulatory mechanisms for the private partners that should be fixed, competent, and strengthened.

World Bank Is Not the Place to Look for Help for Africa, Japanese Grant Shows

The World Bank can only offer Africa new loan money of US \$1.6 billion, but Japan, by itself, is offering Africa a \$1 billion grant and \$3 billion in debt relief. Japanese Prime Minister Junichiro Koizumi announced the grant to Africa at the third Tokyo International Conference on African Development. Japan has also promised to cancel debts of African Highly Indebted Poor Countries in the amount of US \$3 billion. In Tokyo, Zambian President Levy Mwanawasa told the *Times of Zambia* (Ndola) Oct. 1, "I am particularly pleased to note that the money will also promote investment through the enhancement of Asia-Africa cooperation, to which I am very keen that Zambia participates." The *Times* added, "The

President said he would continue to fight the plunder of the country's resources."

Zambia Invites Kubota to Open a Tractor Plant in Africa

Zambian President Mwanawasa has invited Kubota Tractor Corporation to carry out a market study in Zambia with an eye to establishing a plant to serve Africa, according to the *Times of Zambia* (Ndola) Oct. 2. Kubota Corporation Machinery International's Operations General Manager Makoto Ooka and two of his senior officials paid a courtesy call on Mwanawasa at his Tokyo hotel room. Mwanawasa said investment by Kubota in Zambia, or any other place in Africa, would promote the South-South cooperation advocated by the New Partnership for Africa's Development (NEPAD).

Mr. Ooka said his company currently has no plans for a plant in Africa because there would have to be a minimum demand of 50,000 tractors per year, which does not exist in Africa at present. Kubota at present only has one plant in Japan and one in the United States.

President Mwanawasa said that if companies such as Kubota declined to invest in Africa, it would be difficult for the continent to develop.

Mwanawasa also had meetings with officials of the Japan Bank for International Cooperation and of Direct Action for African Development.

EIR notes that mechanizing agriculture in Africa is the obvious way to break the cycle of AIDS deaths, leading to fewer agricultural workers, leading to less food production and more malnutrition, leading to more AIDS deaths.

Kenyan President Feted in Washington, Gets Carrot and Stick

Kenyan President Mwai Kibaki is the first African head of state to be honored with a state dinner by the Bush Administration, but the honor is a dubious one. Kibaki met Bush, Rumsfeld and other officials Oct. 6 in the Oval Office. Later he met U.S. Trade Representative Robert Zoellick and USAID Administrator Andrew Natsios. He had separate meetings with Treasury Secretary John Snow and Colin Powell. The state dinner took place that evening.

The carrot: Kenya will get most of the \$100 million earmarked for the East Africa counter-terrorism initiative. The stick: Despite all of the ceremony, Bush informed Kibaki that his Administration is not ready to lift the advisory against travel to Kenya (even though an independent security rating service gives Kenya a much higher score than many countries for which no travel advisory exists: is there a travel advisory against Israel?). Bush cited the Mombasa bombing of almost a year ago! For Kenya, tourism is a major source of foreign exchange.

No doubt, the travel advisory will remain until Kenya does the bidding of the Cheneyacs: What happened to the Kibaki government's bill for tearing up due process for those suspected of terrorism? Is it stuck in Parliament? A regular feature of Anglo-American wire stories on this theme is the line that, "Kenya has yet to convict anyone for the terrorist incident of last November or the 1998 bombing of the U.S. Embassy."

Kenyan editorials have sometimes made the point that Kenya doesn't have a terrorism problem: The U.S., by its choice of policies, has made itself a target for terrorists, and is now trying to use countries like Kenya as human shields.

Congolese Patriot Throws Light on Kagame's Game in Congo

An interview with Mueller Ruhimbika, published by Digitalcongo Aug. 15, helps to put recent alarms and excursions in

Congo in perspective. Ruhimbika leads the Forces Republicaines et Federalistes (FRF), an organization of Rwandan-speaking Tutsi who have lived in eastern Congo for 100 years, see themselves as Congolese, and wish to expel Rwandan forces and influence. Excerpts, translated from French, follow.

Q: How do you see the situation in Congo...?

MR: Kagame has succeeded in getting his pawns accepted as Congolese rebels, who will be at the head of an armed force that is properly Congolese. These pawns will be able to play Kigali's game at the highest level of the government.... We must attempt, by debate, to break up the alliance between the people in the Congolese Rally for Democracy (RCD — the Kagame organization in the Congo) and Kagame's Rwanda.

Kagame and his men are in charge in the Congo, and at the same time, he retains his military potential intact in the Congo. His military men are still at work in the East of our country. So, a question arises: Can the RCD, the political movement, really direct its "militia" to integrate into the national army? Remember that nearly 40% of RCD officers [are] at the same time, officially recognized as officers of the Rwandan Army (APR).

Q: Some people suggest the possibility of a coup by Kagame's men in Kinshasa.

MR: ...I believe that strategy has been abandoned.... I think the RCD is going to raise the maximum number of questions that it thinks have no answer, to prevent us from having a normal transition.... They hope that eventually Congolese are going to become resigned to expecting nothing from this government. This, they hope, will create a situation leading to an implosion. Kagame has a strategy for chaos in the Congo.

Does Congo have the economic and political capacity to enable a governmental machine with 56 ministers and more than 500 parliamentarians to function? Does our country have the capacity to integrate the numerous armed groups? How are we going to avoid having groups of bandits on the payroll of other countries? I think that Kagame is counting on the decay of political and economic conditions for achieving his coup. He wants a chaotic situation to prevent the authority of the government from making itself felt on the ground. With the same end in view, Kagame can revive ethnic conflicts in Kivu, follow an ethnic and divisive policy, as we are already seeing in Ituri.

LM: Could Kagame attempt to assassinate President Joseph Kabila?

MR: If that were done, it would be the shortest route to the breakup of Congo. Because it must be said: Joseph Kabila is the man of the hour. He did not eat at the Zairian table [i.e., he was not a creation of Mobutu]. It is he who has protected a unified Congo. And he enjoys the sympathy of the international community. The Congolese—above all those of the East—treasure Joseph Kabila in their hearts. In this context, his assassination would be too easily identified as the work of Kagame. I think that the strategy of Kagame is to let the situation rot, to prevent Kabila from bringing about a successful transition, and thus to destroy the large fund of sympathy for him in the population that he currently enjoys.

LM: Recently there was a big offensive of the RCD's army and of the Rwandan army, at Uvira and on the high and intermediate plateaus of Minembwe. You have an abundance of information from the field. What happened?

MR: There was actually a big attack of two brigades of 1,500 men each. According to the commanders of the forces resisting them, they were using arms that have never before been seen in this war. Commander Aron told us that two helicopters were brought in on two occasions. Only the Rwandan army has helicopters. The attack began at Bibokoboko, an isolated ensemble of 30 villages.

This was undoubtedly a message to the political leaders of rebel movements in [the government in] Kinshasa. Rwanda's message was, Don't forget that we still have a military presence! At first, [RCD president Azarias] Ruberwa said that these were actions of "autonomous" brigades of the RCD, and so not bound by the Global Accord... Later, the same Ruberwa declared that the RCD had to defeat some Mai-Mai groups who are not signatories of the Accord that had undertaken some operations. Ruberwa said on another occasion that RCD troops must finish off negative forces, the Interahamwe and the Mai-Mai. It is clear that Kagame's objective is to liquidate all forms of resistance in the East. Then there will be no remaining obstacle to relaunching his aggression.

LM: Should Ruberwa be seen as the principal instrument of Kagame in Congo?

MR: I would not say that. I think that Ruberwa is actually the essential *political* instrument of Kagame in our country. Bizima [Bizima Karaha, Laurent Kabila's Foreign Minister, now a Deputy] has fallen into disgrace because he stole too much and because he is too unpopular in the Congo.... But in the military domain, Kagame relies on other RCD figures. And it was Kigali, not Goma, that decided to set up another militia, that of Mudundu 40.

Kagame has created a number of parallel political and military forces that are relatively independent of each other and whose strings are pulled from Kigali. Moreover, Kagame created the militias of Serufuli [Prof. Eugene Serufuli, RCD Governor of North Kivu Province] outside of the RCD.... Serufuli has 20,000 men under arms, of which a good number are Rwandan Hutus. A week ago, Serufuli received very sophisticated communications equipment. The person who sold it told one of our contacts, "These devices can only be intended for military use."

This Week in History

October 13 - 19, 1962

One of the leading shocks, which the utopian faction of the Anglo-American Establishment applied to the world, but especially, U.S. population in the postwar period, was the Cuban Missile crisis of 1962. This crisis took off in earnest on Oct. 14 of that year, when U.S. reconnaissance flights over Cuba, got photographic evidence of the Soviet construction of intermediate-range-missile sites being constructed on the island, 90 miles off the shores of the continental United States. Coming in the wake of the crisis over Berlin in 1961, and ongoing tensions, this discovery precipitated a confrontation which brought the two superpowers to the brink of nuclear war.

Unlike other confrontations which occurred between the two nuclear powers, this one unfolded before the eyes of the world, and terrorized many peoples, including that of the United States. The standoff was publicly announced on Oct. 22, and did not officially come to an end until Oct. 28-29, when Soviet Premier Nikita Khrushchev's letter, promising to dismantle the missiles, was made available to the U.S. press. In the intervening week, or more, school children all around the U.S. went through nuclear air-raid drills, where they were told to duck under their desks, and the churches and synagogues were filled with those who suddenly "found religion" in the face of a mortal threat. Yet, even when the crisis formally "ended," it lived on in the psyches of those children and their parents—and was reinforced with the ongoing U.S.-Soviet confrontation, and the assassinations of leading American politicians over the next few years.

The message of this crisis to many was: The world is irrational and terrifying, and there's *nothing* you can do about it. Have fun while you can, because a nuclear bomb could definitely arrive at any time to destroy you and your country. *There is nothing you can do to protect yourself or your future*, so don't even try.

This is precisely the paradigm, resurrected today under the threat of nuclear war, from the coterie of Vice-President Dick Cheney, which has to be reversed.

'Thirteen Days'

The chronology of the emergence of the Missile Crisis makes for chilling reading and viewing, even today, as did the famous book and movie *Thirteen Days*. We review here the highlights:

Oct. 14—U.S. reconnaissance planes pick up evidence of construction of Soviet missile sites, which could hold intermediate-range ballistic missiles.

Oct. 16—After the military and NSC have confirmed their findings, President Kennedy is briefed on this development, and forms a special "Ex-Committee" of the NSC to deal with it.

During this time, discussions and debate with Soviet representatives begin.

Oct. 18—President Kennedy and Russian Ambassador Andrei Gromyko meet, but fail to reach an agreement, as Gromyko asserts that the missiles are simply for "defensive" purposes.

Oct. 21—President Kennedy opposes proposals made for an immediate strike, but approves, at a National Security Council meeting, the drawing up of a plan for quarantine of Cuba, against any Soviet ships with military supplies.

Oct. 22—The U.S. announces the quarantine plan, privately to governments, and publicly, with an address to the nation by President Kennedy. Kennedy declares, in a terse 17-minute speech, that there will be a strict quarantine, beginning in 48 hours, against all offensive military equipment. At the same time, the U.S. government prepares to go on a nuclear alert, with all planes loaded with nuclear weapons—a state of alert called DEFCON-1.

Oct. 23—Premier Khrushchev declares that the missiles are only defensive. On the same day, President Kennedy holds a public ceremony signing the quarantine order.

Oct. 24—UN Secretary General U Thant intervenes with an appeal to both sides to put a hold on both construction, and the quarantine. At this point over a dozen Soviet ships are steaming toward Cuba, with no indication that they are going to honor the quarantine. But finally, that evening, there are signs that the ships have stopped. At the same time, Premier Khrushchev issues a statement denying that the Soviets will comply, and the U.S. orders an even higher military alert, called DEFCON-2.

Oct. 25—President Kennedy responds with a hard line, but discussions of a possible trade-off of the U.S. removing Jupiter missiles from Turkey, in exchange for the dismantling of the missiles in Cuba are going on heavily behind the scenes.

Oct. 26—Khrushchev sends a letter proposing the above trade-off, and Attorney General Robert Kennedy and Ambassador Dobrynin meet.

Oct. 27—The CIA reports that the Cuban sites are now operational, and Khrushchev issues a public message on the desire for joint withdrawal from Turkey and Cuba, with UN inspections to verify both. A U.S. reconnaissance plane is shot down over Cuba.

Kennedy refuses to accept a public trade-off on Turkey and Cuba, but indicates privately that a Soviet backdown would ensure both no invasion of Cuba, and the eventual dismantling of the Turkish weapons.

Oct. 28—Premier Khrushchev publicly declares that he has ordered the dismantling of the Soviet missiles on Cuba.

It's a close call, for which both President Kennedy and Premier Khrushchev take a lot of flak from their respective oppositions. While the ultimate damage was not done, the psychological impact took its toll for decades to come.

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