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This Week You Need To Know

The Passion for Truth Is the Key to a Republic

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Mr. LaRouche gave this speech to a cadre school of the LaRouche Youth Movement in Pennsylvania on Nov. 1.

There are going to be some very significant changes in some of the ways we do politics. Our changes will be less, in some respects, than the changes we're going to impose upon the fools who are on the other side.

Now, the key thing here, as I said last night, is the question of emotion: that people view what they call "logic," which is generally meant by them, deductive or deductive/inductive argument, as logic and as rational. It may be, but it's often insane. The problem lies in an area called emotion, or passion. For example, did anyone ever say to you, something which you knew they were lying; you knew that what they were saying was a complete lie? And they were saying it very assertively, very aggressively.

And you say, "Well, that's a lie. Where do you get that misinformation from?"

"I get it from the press! Don't you believe in the news media?! I got it from a man who is very authoritative, very well informed. And I know he's sincere—therefore, *I have to believe him*." Even if you claim you know it's false.

Did you ever have such experiences? Does that tell you something about our society and our culture? It tells you, look for where the real problem lies.

Now, as I said last night, take the case of the so-called Euclidean geometry. I don't think they have the "New Math" now, which is not worth much, and probably some of you were exposed to that. Forget it—you didn't learn anything; *hope* you didn't learn anything, because it's damaging to your mind, if you did. In the former time, before the end of the 1950s, when this "New Math" was brought in—when they thought you weren't sufficiently stupid—they took away geometry and they gave you the New Math; and they succeeded in making a lot of people stupid. They say, "I *hate* mathematics." Well, good! You didn't like it, right? Good! So forget that.

But, the problem was, in the old days, when the Euclidean geometry, or a version of it, was taught as an integral part of a mathematics education in secondary school, or what you call today, middle school; at that time, you were told that there were certain self-evidence definitions, axioms, and postulates, and that everything in mathematics, or which involves the application of mathematics, can be, and must be explained in terms of deductive, or so-called inductive arguments, which never deviate from this set of arbitrary, so-called "self-evident," definitions, axioms, and postulates.

You get the impression, then, if you look at a mathematician, you think, "Well, you're a mathematician. Gee, how'd that happen? When did you die?" Because you get from formal mathematicians, when they're talking mathematically, or

arguing mathematically about science or anything else, you have the impression that you're talking to something who's dead! Particularly in these days, when you have computers; and you say, "My computer is more sexy—it responds, but much more affectionately, than this creep does!"

So, the problem lies in this question of emotion. And you have to understand the connection between definitions, axioms, and postulates, and emotion. Now, for example: "Look, the news media run the country. We have to go by the news media. If you can not influence the news media, nobody's going to accept you!" What is that saying about our country? If, for example, you accept the news media as the standard, what does that say? You are *told* that there was a real increase in the economy. How many of you people, did you feel that? Did you experience that? Did you look at the figures? Did you see how they're faked? Anyone knows they're faked. The European press is talking about how it was faked. The figures are faked! Even the leading press says, "Well, the economy is growing! (Although the jobs are decreasing.)"

The Case of Wal-Mart

I'll give you another case of this: In discussing the case of Wal-Mart. Now, Wal-Mart is not a company, it's an epidemic disease. Wal-Mart is one of the biggest factors in causing unemployment in the United States. What Wal-Mart does: When Wal-Mart sets up an operation in an area, they go to all the prospective vendors, whose goods are manufactured, processed, and delivered, to Wal-Mart to be put on the shelves, or whatever, where you have this, you know, 300 lb. person standing there with a blank stare. And you ask them, "Where is this? Where is that?" "I dunno." Right? This is called part of our employment picture: You get all the people who didn't know which way to the store, and they now employ them at Wal-Mart!

But, the order was: You can not sell to Wal-Mart, unless you eliminate *all U.S. vendors*, except vendors which bring in goods which are produced in countries which engage in cheap labor, such as China, or other countries. So therefore, when Wal-Mart gets a bigger impact in an area today, employment in that state and region *collapses*, because firms are shut down because Wal-Mart won't buy from them. Why? Because they're producing with U.S. labor. It's one of the big factors in unemployment.

If you look at the general pattern of unemployment in the United States, what happened to the factories and farms? The goods still come in, at least to some degree; where are they produced? What is a General Motors car? Well, don't ask General Motors—they don't know! Because General Motors assembles its cars from components from all over the world. They not only buy parts from various parts of the world; they buy *assemblies*, like a rear-end assembly or some other kind of assembly. The company that sells the assembly, does not inform General Motors, or Chrysler, or so forth, what the parts are! Or who made them! So, when you have a car to be fixed, in the old days, you would go and look for the part. You would go to a parts store; and you had a part of this manufacturer, or his subcontractor. The part was listed. You would get a copy on order, within a fairly short period of time. And you would replace the part in the car, according to prescription. But, the manufacturer doesn't know what the part is, any more! Because the manufacturer bid, on the basis of getting the assembly! And the specifications are designed to be attuned to the assembly, not the component parts of which the assembly is made.

You look at everything: You look at power, generation and distribution; water management; you look at the amount of time that people spend travelling on highways, between jobs and non-jobs. How many jobs do people have, who have households? How much commuting do they do, in the course of the day, particularly when they travel in high-traffic hours? And, in areas, where employment exists, the density of traffic is higher than ever before. So, people are out, for an hour, hour and a half, two hours, commuting to and from work. If they have two jobs in that day, they're probably commuting, again, another commuting cycle. What chance is there to have family life, under those conditions?

So, the society is being destroyed. Skilled employment is being wiped out. We are now like ancient Rome under the

emperors, under the Caesars. We are a "bread and circuses" society—get your entertainment from your neighbor; find out which sex he has this week, or she, whatever. Or the third sex, the fifth sex.

So, what we are, we're like the ancient Romans: where Rome conquered the world, or much of it, particularly from the end of the Second Punic War, before the Caesars came to power; and Rome, which used to be a productive society, based largely on agriculture and similar kinds of things, began to rely upon slavery. And the farmers were displaced. Returning veterans of the old Roman legions were thrown on the streets, with no place to go—no pensions, no nothing. So, you had a mass of Romans, who were called citizens, as in the United States, who were essentially wandering around, and living on what were called "bread and circuses," getting a dole, a handout, to live on. And now, we have handouts—not so many handouts, but you have jobs, which are handouts. Worthless jobs, which pay almost nothing, which are handouts. They keep you quiet.

Then, they tell you to have pleasure, as in ancient Rome: entertainment, bread and circuses. Well, television is supposed to be that. Hollywood is supposed to be that. A rave dance is that—the same thing. Gladiator contests. Large sports events. There's no difference between the decadence of ancient Rome, and the decadence which has crept up on the United States in the past 40 years. *We are a decadent, dying culture. A decadent, dying economy.*

Globalized Looting

How do we live? Well, in 1971-72, we collapsed the Bretton Woods monetary system, the system in which we had reorganized and rebuilt the world somewhat, in the post-war period. Then, we used that power, increasingly over the 1970s, to dictate to other countries what the value of their currency would be. It was done very simply: The London financial market, which was specialized in this kind of thing, would organize a run, like a George Soros-type game, against some country in particular, the way George Soros went at, particularly, Malaysia. They drive down the value on the international market—the trading value—in an orchestrated money market, like a rigged casino; they drive the value of the currency down on the international money-exchange market. Then, authorities go to the country and say, "Well, bring in the IMF! Bring in the World Bank, to advise you on how to deal with this problem." The IMF would come in, and give the "advice" (or the World Bank): "Devalue your currency! Twenty, 30, 40, 50%!" Say, "Okay, we'll do that, if that'll work."

"Oh, but don't think that you're going to pay off your debts in your currency! We don't let you pay off your debts in your currency any more! Now, you pay off in dollars. And since your currency is *less*, in value, than it was, you're going to have to pay *more* of your currency, in order to match the dollar requirements."

Now, therefore, you have to have an *additional* debt, which *you did not incur*, which is imposed upon you, through the orders of the IMF and World Bank. And the IMF and World Bank are doing this, under direction of the Anglo-American interests that dominate the world.

Therefore, we converted these countries into markets of cheap labor. We ordered them, through the IMF and World Bank, to *shut down* their industries, to shut down their infrastructure! We turned them into virtual slaves. We turned them into cheap labor. Now, we come in with a program—they would come in with "tourism": Give your body to a foreigner—that works when it has to—and similar kinds of things.

And then, take the case of Mexico: Mexico used to have infrastructure; it used to control its own petroleum industry, which it doesn't any more—so forth and so on. It lost its railroads, lost its transportation system, generally. And what happened? Well, the United States lives largely on Mexicans. We steal from them' we call it employment; we call it *maquiladoras*; we call it NAFTA, which was pushed through in the Clinton Administration, pushed through by Al Gore. Good guy, huh? We are exploiting people to the extent, that in one state in Mexico, the majority of the income of the state is remittances from Mexicans who are working *inside* the United States—particularly in the South and Southwest in the United States—and,

what they're sending home to their families, as part of the cheap wages they're getting as income, in California, Texas, and so forth, is the majority of the income of the entire state, within Mexico. If the U.S. were to collapse further, Mexico would be a disaster area. It's almost nothing. That was done in Mexico in 1982, before the raid on the Mexico peso had occurred, which I was involved in fighting against.

But, this is what we're doing throughout Argentina, Brazil, Peru, Colombia, Central America, Bolivia, and so forth. This is what we're doing!

We are also living on the Chinese: Now, the Chinese have a large population. And the Chinese take the view, that they can use up part of that population—use it up!—as cheap labor to produce things for the United States. It's not good, in China. I have a friend of ours, who is a European entrepreneur, who created a high-tech firm in China, which is producing things in China of significant value, applying what are called "nanotechnology" methods. He has a firm. He has an immediate group of Chinese partners, who run that firm. They have another group, under them, who are the key men and women of this firm. And the people who are the partners, treat the key people fine. But, the key people, the immediate executives and sub-executives of the place, treat the rest of the Chinese employees like shit. So, China is not really a country of great freedom: It's a country whose culture has not overcome a long history of the destruction of the poor of China, who are used up as human cattle for the benefit of those who are more privileged, who have a better standard of life.

So, China, like Europe before the Renaissance, has a great culture, a great cultural tradition at the top; but you have to look at the bottom: There are many poor. So, the Chinese are using up part of their labor force, like burning wood in a stove, in order to earn money from the United States; justifying this, on the fact that the sacrifice being made by these Chinese, who are being thrown like cord-wood into a stove, is building a future China. In a sense, that's true. But, if you think of the relationship of the United States to China, *that is* the relationship of the United States to China. China is a dumping ground for the United States, and China is a vast source of cheap labor, *for people like Wal-Mart*.

This is the ugly reality of the situation.

The Legacy of Truman

Now we're in a destroyed society, and it's worse: Look, since the end of the World War II, since that son-of-a-bitch Truman dropped two nuclear weapons—for no military, justified reason—on the civilian populations of Hiroshima and Nagasaki, the world has lived under *nuclear terror*. Now, the nuclear terror was invented by a guy who was called by many idiots a "pacifist": Bertrand Russell. Bertrand Russell is the single person, most directly responsible for the creation of nuclear warfare. He did so, stating that his purpose, and that of his sidekick—"animal man" H.G. Wells—their statement, of their policy, was to use forms of warfare which are so terrifying, that people would submit to world government—dictated by them—in order to avoid that kind of warfare. Bertrand Russell and Co. developed nuclear warfare, to create a weapon so terrible, that the world would submit to world government, by their design, in order to avoid that kind of warfare.

The United States policy under Truman, from about the time of the death of Roosevelt, until the present day, but especially up until the beginning of the 1950s—the policy was, to launch *preventive nuclear warfare against the Soviet Union*, as a way of bringing the entire world under world government, specified by Bertrand Russell. That was the policy of the Truman Administration. That is a policy *embedded* in the United States, from that period. That is a policy, which existed, which turned many of my friends, probably 90% of them in military service, into worms, morally. They were so afraid of the right-wing turn, inaugurated by Truman, with what was done with the so-called "strategic bombing" against populations, and capped by nuclear weapons bombing, against Hiroshima and Nagasaki. That was the policy of the United States: That was considered *patriotism*! "If yer not for it, buddy, you ain't a patriot—and maybe, yer a Commie bastard!" That was the policy.

Then, we got rid of Truman. Why did we get rid of Truman? Well, because traditionalists didn't like Truman—including me! I despised that fellow from before he was President. And, when Roosevelt died, people asked me what was going to happen; I said, "Our fate is horrible, under this little man. This little creature, not fully human. This haberdasher!" I was right.

But then, the Soviet Union developed a thermonuclear weapon, first. At that point, the United States—"Uh-uh! This preventive nuclear warfare ain't no good. They got a *thermonuclear* weapon!" So, we dumped Truman, and we brought in Eisenhower. And, Eisenhower was opposed to this kind of funny stuff, this fun and games. And we had about eight years of relative peace, under Eisenhower. It was not true peace, because the evil was still there. But, the evil was on the underside, and Eisenhower was on top.

Kennedy came in. Kennedy did *not* understand the story. And you see the Kennedy family *does* have problems, as you see in California, with this Schwarzenegger. And then, we have Schwarzenegger in California—a Hitlernegger in California—and we have "Katzenjammer" in Philadelphia: the kinds of evil we have to get rid of.

So, we had that situation. Then, because Kennedy did *not* understand the issue—and because of complications in the Kennedy family and so forth, and in the administration—the Democratic Party *had* tended to become the party of nuclear warfare. The Republicans were *not* the war-party, at that point. There were right-wingers in the Republican Party, who were the war-party; but the hard core of the nuclear war-party in the United States, was the Democratic Party. And it's still there. It's still there: They call themselves "liberal." They kill liberally—more people, that is.

So, don't have any illusions about the Democratic Party, as a party. The Democratic Party is an object we are going to *take over*, and transform. It is not a kingdom of virtue—or even good sentiment.

The Current Strategic Crisis

We are now, therefore, in the following situation: The fall of the Soviet system, was viewed by some people as the opportunity to establish an Anglo-American world government, and the fanatics in the United States, said it's going to be a U.S. empire. It's called "globalization": Globalization is imperialism. Globalization is the enemy of the United States, as you see in the case of Wal-Mart. Wal-Mart is your enemy! When you pass that store, you know, "That's my enemy." It's destroying our community, it represents globalization, it represents an institutionalization of the values which stink. Or, George Soros is your enemy. Other institutions of this type are your enemy. George Shultz, Bechtel, is your enemy. Halliburton is your enemy. Your personal enemy! Certain financial institutions and bankers are your enemy. They're destroying this country.

And, people say, "But they're powerful, therefore you have to respect them." Emotion, again. Passion, again. It's like the news media, "You gotta respect the news media." "You must respect these authorities! You must respect the Democratic Party. You must respect the Republican Party. You must respect the President." "No! You must respect the *Vice* President! You're going to attack the *Vice* President?! You're going to take our *Vice* away?" Anyway, so this is the kind of situation.

Now, what are we coming to? At this point, some of the wiser heads in the first Bush Administration, turned down Cheney's proposal to go to preventive nuclear warfare. And, the idea of the continuing the Iraqi war with an invasion at that time, was an attempt to go to *global, nuclear preventive warfare*. That was the intention.

Cheney has had that intention, since 1991-1992—no later. The neo-conservative faction, which is controlling the Bush Administration is that. The neo-conservatives are also a major factor in the Democratic Party. Marc Rich is part of that, and Marc Rich is the guy who was pardoned by Clinton, and Clinton got a lot of money for it. It was dropped in the coffers. Gore is part of it; others are part of it; Lieberman is part of it; same thing.

All right, so, what's the situation? We're now at a point where we have thermonuclear arsenals on this planet. If thermonuclear arsenals are fully deployed, in a full-scale war, it can destroy human civilization—wipe it out. Therefore, the argument has been, since the end of the 1950s, that with thermonuclear weapons and advanced methods of delivery of those weapons, you can not have a full-scale thermonuclear war. This was called the doctrine of "Mutual and Assured Destruction." You can not go to Mutual and Assured Destruction. The policy was, while the Soviet Union was still the number-two power, the policy was, that we would manage the superpower conflict. And therefore, the *threat* of Mutual and Assured Destruction would now be used to bring about a certain kind of one-world government, between chiefly two opposing powers: the United States and the Soviet Union. In other words, whatever they agreed to would become the fate of all the world.

So, you already had an empire, which is an empire of two opposing forces: the U.S. forces and the Soviet forces. This was brought together under Nikita Khrushchov, while he was General Secretary of the Soviet Communist Party. And, that was negotiated by: *Bertrand Russell*, personally! Negotiated, in implementation by Bertrand Russell's fellow running-dogs.

All right, so, now we still have that situation: We live in a world, in which thermonuclear weapons, and related things, define an environment of Mutual and Assured Destruction, really. Now, what is Cheney talking about, therefore? What's the problem we're living under? What Cheney is talking about, and others are talking about—the neo-cons—is: Let's have a *sub*-Mutual Assured Destruction regime. Let us conduct nuclear warfare, in such a way, that we never go to *full-scale* thermonuclear war, but that we use mini-nukes, and other kinds of weapons mass destruction, in order to find a level between what used to be called "conventional warfare"—pre-nuclear warfare—and thermonuclear warfare, generally. So therefore, to find a "middle area" to fight limited nuclear warfare, as *preventive* nuclear warfare: to establish a world empire; to eliminate all nation-states, and establish imperial control over the planet, by this method.

Now, what this means is—go back to another part of this story. Now, Truman was an idiot, and Truman was of the belief, and his administration was of the belief, that because the United States had a threat of a nuclear arsenal—we didn't have many nuclear weapons, then; but they were talking about having them, to use. That's why they didn't use them: They didn't have them, yet. We used up the last two nuclear weapons we had in Hiroshima and Nagasaki, and the production of further weapons of this type took some time. And, the development of delivery systems took some time. So, in this period, Truman believed that because of the United States' possession, or Anglo-American possession, of nuclear weapons, that they could do whatever they damn pleased, with the Russians and Chinese, and other countries. And therefore, Truman, in the late 1940s, began to experiment with operations against China, and also against the Soviet Union; but specifically focused on China, but as a *threat* to the Soviet Union, and China. "We have nuclear weapons; you don't. You won't have them in the near future, we will. Therefore, you do as we tell you, or else."

So, the Truman Administration believed that the Soviets would be so terrified, and the Chinese so terrified, they would do nothing about it. They would be scared into submission. What happened is, is the Soviet Union and China made an agreement—and North Korea overran South Korea. And, the United States was pushed down, into the Pusan perimeter, with no apparent chance of reconquering the territory. The South Korean army was wiped out—didn't exist. An American force, based in the Pusan perimeter, the tip of South Korea, was holding on, was based by support from Japan.

MacArthur was brought into this thing; it was made a United Nations issue. MacArthur, typical of this being a traditionalist, flanked the situation with the so-called Inchon landing, and changed the character of the process. And, things have not changed, in terms of the geography of the area, since that time, since the immediate effect of the Inchon landing by MacArthur.

Now, the point was: The Truman Administration had miscalculated. They had assumed that the threat that they were making, was so powerful, that *the world would submit, to the awesome power of the United States*. And, they found, and

the world found, that China and the Soviet Union *would fight warfare*, in a way beyond the belief of these planners in the United States—then.

Today, countries such as India, China, and Russia, are prepared, under the kind of threat coming from the Cheney crowd in the Bush Administration, are preparing to fight the kind of warfare, which fits the kind of threat, which Cheney and Co. represent. Therefore, we're looking in the near term, unless we get rid of Cheney, and get rid of what he represents; unless we get rid of Soros, also, and what he represents, which has taken over Bill Clinton and the Democratic Party: Unless we get rid of that, *we will be, in the coming years ahead, at some point, in this kind of warfare!* It will be nuclear warfare; limited thermonuclear weapons; submarines of a type which have not existed previously; nuclear bombs stuck in the mud along the Chesapeake and up the Delaware River and other places. And, this will be the kind of warfare, which you see in Iraq. They went into Iraq. What happened in Iraq? At a point, that the U.S. killing operation—air power, use of super-weapons; destroy whole territories—became severe, the Iraqi military disappeared. It vanished! It didn't vanish to nowhere—it still existed. What you're now seeing—a decision was made, within part of the Iraqi population, among the military: Since they could not defeat the strategic arsenal being deployed against them by the United States, what they would do is, they would take a lesson from Korea and Vietnam. And they would say, "We can't beat their weapons, but when we're close up to them, next to them, walking the same streets, in the same neighborhoods, and they have to deal with us man-to-man; if we're willing to take the brunt of doing that, we can win that war." And, the Iraqi military is in the process, now, of winning the war, against a U.S. invading force! This is not a mismanagement problem: The United States is losing the war! And, it's losing that war, in the same degree that it lost the war in Indo-China.

You see, warfare finally comes down to people to people. Weapons to weapons don't mean much. What counts in warfare, is what comes out of warfare: Who wins? Now, winning is based on survivors, so mass-killing is not winning warfare: It's extermination. It's madness. Winning in warfare, is winning it, man to man, person to person. In the final analysis, when you get to this area, you think about fighting war between *total* thermonuclear destruction, and what used to be called "conventional warfare"—in this middle area, which these idiots are playing with, *that's what the logic is*. You *force* a situation, where countries which are capable, and understand military and related problems, and populations that are willing to fight for their sovereignty, to fight for their independence, you're up against the factor of humanity, where people say, "I would rather die, then submit to this. If dying meant that we were going to defeat these guys."

And what you're seeing, is the defeat of the United States—a *military defeat of the United States*, created by the *stupidity* of an American people and leadership, which failed to recognize the lesson of even the past period, since the bomb was dropped on Hiroshima and Nagasaki. That is the logic of the situation.

So, what we're dealing with, again, is a question of passion. People are saying, "But, it's the United States. We have to defend the United States." *Against what?* How about defense of the soldiers who are not getting medical treatment, when they're injured? What about the trauma cases, the surviving trauma cases, piling up in hospitals, where they don't get care? What about the process of, they send these guys in, as reservists and National Guardsmen, without body armor? They don't give them body armor! They offer to *sell* it to them! For \$800-900 a shot! So, some people get body armor, others get joke-body armor—not serious body armor, it's something that adds some weight; you get on the scale, you weigh more. Maybe that's important. But in its effectiveness against these conditions of combat, it is not serious body armor. A Hummer: It may make Arnie Schwarzenegger rich, but it's not much use in this kind of situation. What you call a "Hummer," is called a "target." And, if somebody has to say, "what target?" "Well there's one!"

So, that's the situation we face.

A Passion for Truth

Now, overall, go back to the thing I started with, this question about passion: The problem of passion lies in these areas of

so-called axiomatic assumptions: definitions, axioms, and postulates. Or, generally accepted truisms; or, generally accepted public opinion; or, believing that sincerity, is truth. In other words, if a person lies, in terms of fact, but they're sincere, you can't call it a lie. "Well, he may be telling a lie, that it's not the truth, but he's sincere! Therefore, you can not call him a liar." Or, "He believes it, he heard it from somebody else, whom he sincerely believes is an authority."

"Look, he's a member of the Democratic Party. And his leadership of his party, says it's true; therefore, if you're a member of the party, you have to accept, that democratic decision, by that leadership of the party, and that has to be your opinion; and you have to act accordingly." "You have to believe in free trade. You have to believe in Adam Smith." You have to believe in these things—otherwise, there's something *wrong* with you.

Therefore, you find yourself living like a goldfish in a goldfish bowl, surrounded by all kinds of truisms. Some are like the truisms of definitions, and axioms, and postulates of mathematics. Others are these kinds of social shibboleths, that you have to believe. And your emotions are attached to that. So, if you are convinced—a bunch of you get together, and you discuss something. You go through it, you do an investigation. You are convinced that a certain thing is true. You state your evidence and state why you believe it's true. And someone says, "That doesn't make any difference. Because that's not the way things are going to happen. Things will happen, the way the news media believes; the way the party machine believes; the way my uncle believes—that's *how things are going to be!* I don't care what your evidence is, that's what it is!"

Therefore, *you* are now faced with a situation, where you are about to face social rejection—or lying. Because you *know* it's a lie! But you say, "Look, I've gotta go along. I've *got* to go along. I've got to go along! I've got to get along! Look, that's popular opinion! That's popular culture! You *can't* go against popular culture!" "I mean, the Nazi Party's has its culture. You gotta go along!" "Schwarzenegger has a culture." (I don't think he has any testicles any more—but he has a culture! That's why he went into politics.)

In any case, that's what you're up against. So, the problem of society, is the problem of emotion. People say, "Let's be objective. Let's *not be emotional*." The point is, you're being *controlled* by emotion. What they mean is, "Don't defy *my* emotions! If you disagree with me—."

For example, go to a professor of mathematics or mathematical physics, and raise the question of the Gauss Fundamental Theorem of Algebra, the question of the complex domain. You want to see an emotional display of fireworks? So therefore, you have met an axiom. You've met an assumption. This guy *assumes*—he's a radical positivist; he assumes certain things, which are not true, which are false. But he and his buddies have all sworn an oath to this kind of freemasonic code: They believe in this thing. You are questioning the authority of Lagrange and Cauchy, in particular. What your evidence is, is to them, *irrelevant*. "*We have already decided...*" that *this* is the way mathematics will be defined, that science will be defined. And, when you cross them, the dignified professor, you cross him effectively—you're presenting the actual evidence; and the so-called dignified professor, who has enough education to recognize that you've pinned him against the wall, that you've presented evidence that he shouldn't be able to overlook, he's got to consider it, and respond to it—he's not going to respond to it at that point, except one way: *Emotionally!* He has a freakout: "Get out of here! And, don't come back! You must be a Communist!" And, things like that. And you say, "Well, weren't you a Communist, once?" "Get out of here!!"

The problem that you are up against, and that you face, is that.

The Brainwashing of the Baby-Boomer Generation

Now, let's look at another dimension of this. What are you up against? You are up against a generation called the "Baby-Boomer generation," which was so terrified by several things, that they never came back; they went away some place, and never came back. They're still walking around; they've got bodies moving around there, but something inside them, which

had been living before, went away; became part of the counterculture. The first thing, the most immediate thing that turn adolescents or late adolescents, in the 1960s, into Baby-Boomers, was the fear of—number one: the Missile Crisis of 1962, and the effect it had on them, and their parents (they were old enough to be scared; they were not old enough to judge the situation); the assassination of Kennedy; and the beginning of the Indo-China War—a hopeless war, which they had no confidence in, no belief in.

As a result of that, they fled into what's called a "counterculture." Various kinds of counterculture. Now, the people who fled first, were university students. And, the idea was, could your university enrollment protect you from being drafted to be sent into Indo-China? It was a big deal; and the whole ideology. That was where the expression was coined, "*I don't go there.*" Typical Baby-Boomer expression: "I don't—. Don't bring it up! I don't go there!" "Don't talk about the economy; I don't go there." "Don't tell me about Adam Smith; I don't go there." "Don't tell me about Cheney; I don't go there." "Don't tell me the Democratic Party leadership is corrupt; I don't go there!" "I do not deal with those issues! I'm living in my goldfish bowl, and that's outside my goldfish bowl. That's not in my water!"

So therefore, you get this kind of situation with them. Now, what happened is, the concentration was like this problem we discussed in Sweden, where they go at castrating the minds of the boys, and they leave the girls alone. If you can make the males impotent, that was the purpose of this Gunnar Myrdal kind of operation, huh?

So, they concentrated on the college and entry layers in society, to brainwash them first. What they brought in, among the other things, very quickly, was LSD. Now, is LSD an essential part of your education? Can you understand the universe better with LSD? No? What was the slogan—the slogan of the London Tavistock Institute: "Drop in, and drop out." Drop in and drop out. You take LSD, with marijuana, cheap wine—and you're on a trip! So, the idea was to flee from society. The other thing was: "Technology is bad. Technology created the situation: We must get rid of technology. We must have new values. We must reject our parents' values."

So therefore, you had a fear-stricken generation, which had gone into a counterculture, a no-future society, and the older they got—when they got through their sexual enthusiasms; they couldn't do it quite as fast, and often as before, so they had to think about things, then. Before, when they had sex, in their youth, they didn't have to think any more; LSD and sex would get them through the day, more or less. And when they had to start to think about earning a living and raising a family, and so forth, they had to find new kinds of entertainment, new ways of amusing themselves, of keeping themselves happy; new kinds of social habits, conventions, fads, costumes, and so forth. And so, they became a no-future generation, in and of themselves, called the Baby-Boomers. They became a "pleasure society," a "post-industrial" culture. They became a dead culture: Because, under the influence, which was exerted partly through them, increasingly, the United States and Europe lost its ability to produce. The United States and Britain, first; Australia, and so forth, first, then other parts of the world, were destroyed. Destroyed in the ability to see a future in the society.

Today's Youth Demand a Change

And then, you guys were born. You came out of a generation, or the effects of a generation, which went through that experience; you went through a generation, which had gone through the transformation, into something like Rome under the Caesars: the "bread and circuses" culture. It's called a "sex and entertainment" culture, in which 80% of the family-income bracket population of the United States is living in desperate conditions, increasingly desperate conditions. Some people say, "The economy is prosperous. The economy is doing well." What's that, but a state of insane denial? If 80% of our population is suffering, and the lower 25% of family-income brackets is in *desperate conditions*; if we're killing off older people, because we want them dead, by our health-care policy; if we're killing off people with serious diseases, because we don't want to care for them, we want them *dead*, as soon as possible: What kind of a culture is this? *But that is the culture which the Baby-Boomer generation voted!* Step by step, in a state of withdrawal.

You come along—and you're not prepared to die. You're not prepared to accept no future. So, you find, again, a barrier, an emotional barrier—with the very emotions involved in the fact that *they*, during the early to middle 1960s, made a *choice*, a kind of axiomatic choice of definitions and so forth—social definitions; and they have been living out those choices, of that and subsequent times, over these periods. They have supported these kinds of changes. This has *destroyed* the United States' economy. It has destroyed much of the world; it has destroyed the basis for a decent expectation of life. But, they are *defending it*. For example, you've got Bill Clinton, who in 1996 and so forth, was running around the country, talking about the "Golden Generation"—his generation! *That* is the generation, which actually *delivered the disaster* which this nation is living through now; and he's still defending it. That's his problem. He's one of the brightest Presidents we've had, but he's still living out that delusion, the delusion of the so-called "Golden Generation." It was not gold, I'm telling you. It was something you generally flushed away.

But, this is what they're clinging to. So therefore, when *you* say, "I demand the right to a future. I demand that this society have a future. I demand that my life be meaningful, that I have access to being part of a society which has a future," you run up against the *emotion* of people, who made a choice—"We have *chosen to believe*": passion. So, don't look for what you call "objectivity." Don't accept the idea, that by arguing within the definitions, axioms, and postulates, of assumptions, without "getting emotional," that you're going to get anywhere. You're not going to change anything. Because, as long as you accept these axiomatic assumptions, *you are going to hell*, with the rest of society. You have no choice.

So therefore, you have to go directly against emotions.

Now, then we come back to the question: What about "rational" and "emotional"? Are these opposing categories? No. They are not. Irrational is a lack of sane emotion. A person who is emotionless is insane, it's a form of schizophrenia. So therefore, to be rational, is to be rational *in your emotions*, not to be unemotional.

What is the characteristic of our speech in society, today? What is the characteristic of speech, as you see it on television, as you see it in terms of news broadcasting, for example? In terms of ordinary speech in general? People-who-talk-like-ticker-tape. Who try to talk, as either one, as *unemotionally* as possible; or, realizing that that's awfully stupid, they try to color their speech by stylized methods of speaking. Sort of like rock music, it doesn't mean anything: You can just take and beat your head against the wall, and it achieves the same effect. But, you want to make it look it pretty, or something, so you develop a *style* of beating your head against the wall. Instead of saying, "I'm beating my head against the wall," you say, "I'm doing it with *style*!" We can have a little discussion about humor, these days, popular humor in your generation—you know, beating your head against the wall, or urinating on something, huh? This is called "high-quality humor"!

So, the issue here is, people don't even know how to speak. We have people who try to recite poetry, or sing music. It's horrible! They try to sing it, with a *style*, to impress people that they are masters of a style. But then, you sit back, and you say, "Wait a minute. What *idea* are you communicating? What idea are you communicating, and what is the *passion* which you are imparting, for that idea?"

Look at these actors. They can't act. Why? The function of an actor is to present, not himself, but an idea. An actor who is trying to sell himself on stage—get rid of him. He's useless. An actor who's conveying *an idea*, is useful. And therefore, when an actor is performing well, you don't see the performer; you see what he's doing, you see what he's representing. He's able to disguise himself, in a sense; to such a degree, that he becomes the *instrument* of conveying an idea. And then, you see him after the performance, and you have the impression to go up to him and say, "Thank you." Not because you liked his performance, as a physical performance, but you liked what he had done *to you*, in the conveying of an idea, by his performance. He was able to subordinate his ego, as such. He did not present his ego—he presented an idea. And the idea was important, and you were glad you got the idea. And then you say, "Hey! He did it!" Go up and thank him! Because he did it. Every great performance, is the same thing, conveying an idea.

So, the question we have before us, is, how do we bring passion, and what is called rationality, together? Because without passion, rationality is insanity. Therefore, the thing to look at, is what are the assumptions which are controlling the way we choose axioms.

Let's go back a bit—one last point on this. Go back in history: Mankind, until Europe's 15th Century, as far as we know, most humanity were kept as human cattle, not as people. They were kept as slaves and serfs and so forth, in forms of subjugation where they were used as cattle. The guild system is cattle: "Learn your trade! Do as your father, and grandfather, and great-grandfather did before you. Don't try to change anything." That is being an animal. You were not using that quality in you, which distinguishes you from a beast, an animal.

The difference is, in the 15th Century, the ideas which had accumulated about the nature of man, and in European civilization from the time of ancient Greece, the Pythagoreans, Thales, Solon, Plato, and so forth: These ideas were suddenly given an expression in the form of what became known as the nation-state, first in France under Louis XI, and in England under Henry VII. The law was the law of the general welfare, the concept of a constitution, the concept of natural law. It is a natural law of man which is based on the fact that man is different than any animal. Man is a creature of reason, not of sense-perception. Man is able to see through the paradoxes of sense-perception, as Gauss implies this with the Fundamental Theorem of Algebra, to discover principles, which actually run the universe; principles you can not directly "see" with your senses, but principles which you can know, through reason, and *prove* experimentally, to control the universe. Therefore, now you become a person, who has principles; you can change the universe, because these principles, once you discover them, you're able to change nature, because you have principles that control nature; you're now able to control it.

Now, you have knowledge. Without these principles, you have no knowledge, you're only an animal. You're just acting like a baboon, on the basis of your heredity, on your hereditary sense-perceptual powers. You play games and tricks, but they're all limited to those sense-perceptual powers, like a cat or a dog, or a monkey or a baboon. And there's no difference between that and the typical liberal. There are no ideas, there. The typical reductionist, the empiricist, is not human: They deny the existence of universal physical principles, and say, "What we call principles, is limited to things that we can *deduce*, deductively, or inductively, from sense-perception." That's empiricism. That's what it is; that's what's taught. That's the dominant culture.

The function of empiricism is to deny the existence of humanity. To deny the thing that makes you different from a beast, from a baboon: is this ability of the human mind to see beyond sense-perception, and to prove those discoveries, which you make through looking at the paradoxes, the ironies, the metaphors buried in sense-perception. "Look, it doesn't make sense." Discover the solution. And, as Kepler did, discover a principle, like universal gravitation. And now, the universe makes sense, because now you know a principle, which causes this aberrant behavior. And now, it's no longer an aberrant universe, an insane universe—it's a principle.

So, this is what makes us human.

Now, if people become human, are they going to accept being slaves; are they going to accept being serfs? Are they going to accept that kind of condition of being human cattle, who are moved out into the field, bred and culled, used up, and thrown away? Which is what is pretty much done, today, with our society. The lower 80% of our population, is essentially reduced to the category of human cattle. That's why the Democratic Party and others, go out to get, and spend, big money on mass media as a way of campaigning, rather than going out in the streets and dealing with the people. Because the people, the rightful citizens of the United States, are chiefly in the lower category of the 80% of lower family-income brackets. Now, if you're organizing the lower 80% of family-income brackets as a force, what is going to be prominent today? The issues of the general welfare: health care; a decent life, these kinds of things; the development of children. So, you don't go there. You go into the mass manipulation business: bread and circuses.

So, in this kind of society, the problem we have, is the following: We have a modern nation-state, which was created, as a form of institution, based on what humanity had discovered about mankind over thousands of years before then. The modern nation-state, based on the principle of general welfare, and commitment to posterity; that the state, the nation, as an institution, must be responsible for protecting and promoting the general welfare; that the state, the nation, as an institution, controlled by its people, must be accountable for the future condition of our posterity. The nation-state! And, the condition of posterity is based on man, as man. And man as man, is a creative creature, who discovers universal principles, who increases the species-power in the universe, who can fix things in the universe. We are a creative species: that to be man, to be human, means that these creative powers must be developed. They must be encouraged. They must be utilized. That is the general welfare. Without that, there is no future, except as for baboons—who have a questionable future, as baboons.

So therefore, that's the issue. The first time such a society came into existence, was then, in the 15th Century, with the idea of a nation-state, based on natural law; ideas which were expressed ecumenically by the Council of Florence, back then in the 15th Century, and were expressed in the outgrowth of that as Louis XI's France, and Henry VII's England.

Immediately, the forces which represented feudalism, represented the Middle Ages, fought back, and sought to destroy it. One of the products of this destruction was *to destroy the idea of man as a creative being*; of the individual as a creative being; one capable of creating discoveries of knowledge, beyond the veil of sense-perception, and using that knowledge as principles to improve the condition of man.

Now therefore, if you create such a citizenry, what happens? Well, you get the inspiration of the United States. So, you had people in the 18th Century, in particular, who looked at the colonization efforts in the Americas, and looked particularly at the option in English-speaking North America, especially from the middle of the 18th Century around Benjamin Franklin—from about the 1750s. And Franklin, at that point, was supported increasingly from the greatest minds of Europe, directly, to build around Franklin a set of ideas, which became the conception of this republic. And the purpose was of that effort, was not merely to create a republic, a utopia, in the United States: The purpose was to set an example, in the emergence of an American republic, which would then inspire Europe, which had given us these ideas—would inspire Europe, to do the same for itself.

So, against that, to prevent that, the British East India Company, headed by—at that point, actually, by Lord Shelburne—in 1763 moved with two stated objectives, of that period. He was the boss. He ran Barings Bank; he was the political boss of Barings Bank. He was the political boss of the British East India Company. He also was the paymaster for the British monarchy. The British King was paid—personally paid—by the British East India Company, through Shelburne. Most of the members of the British Parliament were *paid*, bought and sold, by the British East India Company.

So, the British East India Company, with a certain model, set out to prevent, first of all to attempt to prevent what became the United States from coming into existence; and to destroy France, because, among the intelligentsia in France—typified by Bailly, for example, and Lafayette, who were young people (Bailly was somewhat older). But, these were the people who formed a constitution for a French monarchy, which was presented in the Spring of 1789, to deal with the crisis in France. This intelligentsia, around Paris, which had been the leading force in supporting the struggle to create the United States, from Europe; this intelligentsia was determined to move in that direction, to take the American model, which was just being established under the draft Federal Constitution. And, to use that as a model, to spread into Europe, beginning with France, a system of republics—whether under monarchs or whatnot—which would represent this new conception of man, this new kind of society: to free man from the relics of feudalism, so to speak; and from the relics of what the British East India Company represented.

They were removed, immediately. It had been prepared by Shelburne. The French Revolution was run by Shelburne. It was run by the British East India Company. Philippe Égalité: British agent; Jacques Necker: British agent; Danton: British agent; Marat: British agent. The entire Jacobin Terror leadership: British agents. Napoleon: British agent.

So, what was set into motion, is what has been called in recent times, in the recent century: Synarchism. It was then called Martinism. This instrument, typified by the Jacobin Terror and Napoleon's tyranny, has been the curse of Europe from that time to the present day. Every time a financial crisis or a threat to this financial order occurs, these guys go into motion. And do, as they did in the 1920s: 1922, they created Mussolini; they created Adolf Hitler; they created the fascists of France; they created Franco of Spain; they created the Synarchist movement in Mexico, the Synarchist movements throughout the Americas. These are the people who are behind, in the United States, putting Hitler into power from here. These are the people who were prepared to run a coup—Morgan, DuPont, and Mellon, in 1933-34: A *military coup* against the President of the United States was planned by these guys, as reported by Smedley Butler, who had been approached to run this coup; he was a commanding Marine general, who had a few things to say about this.

These are the guys, who went against Hitler, only, because the British, and their American friends, decided they didn't want to be *run*, in a world *run by Hitler*! They didn't fight because they were opposed to what Hitler represented. They fought because *he was a continental European*. And the idea of a continental European power arising, to dominate the English-speaking world, was something they wouldn't accept. They would put Hitler into power to destroy Europe! But, not to conquer them.

And, the *minute* that the war was virtually won, in June-July 1944, these swine moved *immediately*, with a right turn, which included Russell's plan for preventive nuclear warfare. The conflict with the Soviet Union was created by these people, by this British-American influence, the same crowd, which had tried to assassinate President Roosevelt; which had then backed Roosevelt, against Hitler. And then, as soon as Hitler was defeated, moved to destroy Roosevelt's work, destroy the tradition.

So, what we're dealing with, is, we're dealing with a long history, which goes back into the medieval period; a long history of a struggle, out of the aftermath of the Roman Empire and feudalism, to develop a form of society which is committed to the welfare and promotion of the individual human being. The United States was the first such nation created on the basis of that principle, in a modern form, the Constitutional principle. We have been the victim of subversion, corruption, and so forth, typified by the present administration; typified by the present leadership of the Democratic Party, who are paid, by bankers, who get their money out of stealing, or running drugs, like Soros; who control the Democratic Party; who control the Republican Party at the top.

If you try to deal with the existing institutions at the top, you'll get no place. Do what we do: *Go to the people*. Go to two groups of people: One, the people in the lower 80% of family-income brackets. They are the ones who are aware, that their interest lies in a change. Go to people of conscience, among your parents' generation, who may not be, in a sense, of the lower brackets; go to them, and, as a matter of conscience, engage them in the idea, that we've got to think about what kind of future we're leaving for our people, and for the world. Go, with a clear image, to these people, those who understand some of this, of *what we are looking at*: We are now looking, in the fairly medium to short term—between this kind of warfare, which lies *between* thermonuclear destruction and so-called conventional warfare, which is being pushed. If this happens, within several years, there *will be* no civilization! And, we're the only ones who represent the opposition to that. Yes, there are many people, who are sympathetic to aspects of what we're trying to do; but they're not willing to do the job. You have to *eliminate* the influence of those institutions, which are responsible for getting us in this mess, and keeping us in this mess.

And, the only way you do it: *You've got to go to the people*. The poor, especially. As we're trying to do, in Philadelphia. What's happening in Philadelphia on the Street case: We're trying to mobilize the people of Philadelphia, the poor—the poor, the so-called African-American, the late trade unionists, and others, or people of conscience. To mobilize them as a people, to exercise their right to select their own government, to keep their own government accountable to certain principles, which are the general principles of our society.

There's no other force in society you can trust. None. Individuals, yes. But, there's no force in this society you can trust politically, except, those who sympathize, and are part of, the cause of the lower 80% of our family-income brackets. And therefore, the reason that you are effective as a youth movement, the key point, the potential you represent, lies in that direction.

The key thing here, is emotion. Emotion should not be treated as some irrational thing, contrary to reason, as reason is misdefined. But rather, we must look at emotion *critically*, to define what are sane, and insane, forms of emotion, and then judge the rest of the policy from that standpoint.

Thank you.

Latest From LaRouche

LaRouche: U.S. Is Losing War in Iraq, Like Indo-China

In a strategic briefing to the LaRouche Youth Movement on Nov. 1, Democratic Presidential primary candidate Lyndon LaRouche said, "the Iraqi military is in the process, now, of winning the war, against a U.S. invading force! This is not a mismanagement problem: The United States is losing the war! And, it's losing that war, in the same degree that it lost the war in Indo-China."

LaRouche explained, "What happened in Iraq? At a point, that the U.S. killing operation—air power use of super-weapon; destroy whole territories—became severe, the Iraqi military disappeared. It vanished! It didn't vanish to nowhere—it still existed. What you're now seeing—a decision was made, among within part of the Iraqi population, among the military: Since they could not defeat the strategic arsenal being deployed against them by the United States, what they would do is, they would take a lesson from Korea and Vietnam. And they would say, "We can't beat their weapons, but when we're close up to them, next to them ... and they have to deal with us man-to-man; if we're willing to take the brunt of that, we can win that war."

The past week of casualties suffered by the U.S. and forces working with the U.S. surpasses any tallies that occurred during the phase of "major combat" that President Bush declared to be ended as of May 1. On Nov. 2, a U.S. Chinook transport helicopter was shot down near Amiryah, south of Fallujah, killing 15 U.S. troops and wounding 21 others, according to early reports. The chopper, reportedly carrying troops to Baghdad Airport for R&R, was shot down by ground-fired missiles, according to witnesses. Another U.S. soldier was killed in Baghdad when an "improvised explosive device" detonated and struck his vehicle, and two American civilian contractors were killed and a third wounded when another improvised explosive device hit their convoy vehicle in Fallujah.

'Vote for Street: Defeat Ashcroft,' Says LaRouche

Lyndon LaRouche issued the following statement on Oct. 28, which was read at press conference held at State Senator Harold James and other legislators the same day. See this week's *EIW InDepth* for a report on the Philadelphia fight.

As in the case of the California recall election, the Republican Party, faced with the plunging loss of credibility of the Bush-Cheney government, has resorted to a pattern of unusual bureaucratic tricks to try to pre-rig the results of the 2004 Presidential election by capturing control of key positions of state and municipal government. The governorship of California, the key state for the next Presidential election, and the thuggish role of Attorney-General John Ashcroft's ham-fisted recklessness in the Philadelphia mayoralty campaign, are reflections of these dubious maneuvers.

There is much more than an election-result as such at stake in this. The U.S. today is gripped by a general financial-monetary collapse which is far more dangerous than the 1929-1933 depression dumped on us by foolish and cruel policies of the successive Coolidge and Hoover Presidencies. Unless we return now to the philosophy of government of President Franklin D. Roosevelt, the condition of our nation, especially the lower eighty percentile of family-income brackets, will be far worse than during the 1930s Depression.

We might wish that the administration of President George W. Bush, Jr. would change its ways; but, are you willing to gamble your family's, your community's life on that hope?

Let us make sure that in Philadelphia, we do not have a repeat of those shameful performances by my fellow Democrats, which allowed Ashcroft to become Attorney General in January 2001, and allowed Arnie 'Beast-man' Schwarzenegger to take over California earlier this month. Let us deliver a devastating blow to Ashcroft's gestapo methods, by a massive turnout to re-elect Mayor John Street. This election has taken on national and worldwide significance, as the result of John Ashcroft's filthy effort to steal an election through his all-too-familiar methods of terror, deceit, and brutal abuse of governmental power.

I call on all my fellow Democrats—including my rivals for the party's Presidential nomination—to join me in this effort to send John Ashcroft packing. This is not a partisan issue. The kind of Hitlerian gestapo tactics being employed by this Attorney General, in league with the Dick Cheney-led neo-conservative war party in Washington, cannot be tolerated if America is to remain a free society. Our Constitution, the greatest living document in modern history, was crafted in Philadelphia. Let us perform an act of grateful service to our Founding Fathers, by delivering a crushing blow to the Ashcrofts and Cheneys, who would trample on those sacred principles of the general welfare and the common good, which our Founders worked to establish on these shores.

LaRouche on Democratic Presidential Ballot in Missouri

Lyndon LaRouche, one of only two Democrats to qualify for federal matching funds for the 2004 Democratic primary elections is now officially on the Missouri Democratic Presidential primary ballot. LaRouche's name is posted on the State of Missouri website as a Democratic Party Presidential candidate.

Missouri, home state of U.S. Attorney General Ashcroft, is the first state in which LaRouche has filed.

According to the official records of the Federal Election Commission, LaRouche has a larger number of individual contributions in Missouri than any of the Democratic candidates, except Rep. Dick Gephardt, the Democratic Congressman from Missouri, and Howard Dean.

The high level of support from the population—as opposed to "the media"—in Missouri, is also true in Ohio, where LaRouche is ahead of Rep. Dennis Kucinich in his home state. On Oct. 28, *The Vindicator* of Youngstown, Ohio, reported on Oct. 28 that Presidential candidate Lyndon LaRouche is the third-highest fundraiser in the Mahoning Valley, only surpassed by John Edwards and John Kerry. "LaRouche ... has the third-highest amount of money raised from Valley contributors among Democrats running next year for the nation's highest office" the newspaper reported.

"LaRouche has raised a respectable amount statewide, from Ohio contributors compared to others running for President—\$57,810 compared with U.S. Rep Dennis Kucinich of Cleveland, who's raised \$55,975 in his home state, and Kerry, who raised \$63,900 in Ohio. None of the other Democratic candidates have raised more than \$1,000 from Valley contributors."

Feature:

The Geometry of the Henry Wallace Nomination

Lyndon H. LaRouche, Jr. pinpoints the reasons for the British-led campaign to prevent Henry A. Wallace's July 1944 Democratic Party nomination for a second term as President Franklin Roosevelt's Vice-President.

- **Henry Wallace Would Never Have Dropped the Bomb on Japan**
By Robert L. Baker

In 1944, Henry A. Wallace, Vice President of the United States, was, next to President Franklin Roosevelt, the most popular New Deal Democrat; the number-one promoter of FDR's New Deal programs; and was poised to become the post-war President to carry on FDR's anti-colonial world economic development vision.

Economics:

Manufacturing Workforce Dying, Amid Phony 'Recovery'

by Richard Freeman

A linked series of developments speak volumes about America: Between July 2000, and September 2003, the U.S. manufacturing workforce lost jobs each and every month, over 38 consecutive months. The most important sub-sector of the manufacturing workforce, the manufacturing production workforce—which directly alters nature to provide for man's existence—lost 18.3% of its workers.

U.S. Pension Funds Are Looted and Melting Down

by John Hoefle

With the soaring rise of the U.S. stock markets in the 1990s, came a boom in the values of pension funds. The sharp appreciation of the values of the stocks in America's pension portfolios made any corporate pension funds appear, then, to be temporarily overfunded. Observing this apparent surplus, many corporations began looking for ways to grab some of that cash.

SPD,CDU Both Go For Pension and Jobless Cuts

by Rainer Apel

Since the national party executive of the German Christian Democrats (CDU) adopted, at the beginning of October, the Herzog Commission's neoconservative proposals for abolition of the traditional public social insurance system the public debate on the issue has turned into a political divide through the middle of the parties and other institutions.

Interview: Antonino Galloni

'Face and Solve the Real Economic Problems'

Economist Antonino Galloni was the Director General of the Italian Labor Ministry during the 1990s. ... Galloni is the author of several books, the latest of which is dedicated to a critical analysis of 'sustainable development.'

French Economy

Are the Poor Still With Us? Off With Their Heads!

by Jacques Cheminade

While in foreign policy, the French President Jacques Chirac and his Prime Minister Jean-Pierre Raffarin continue to cleave to the notion of natural law—Jacques Chirac has yet again confronted the U.S. government, on the matter of Ariel Sharon's bombing of Palestinian camps in Syria—nevertheless, French domestic policy remains an unmitigated disaster.

International:

Soros Wins Bolivia Round; Area Slides Toward Drug Empire

by Dennis Small

...Are Bolivian developments of the recent period thus to be construed as yet another 'failure' for the IMF—as we are being told—having virtually handed the country over to the cocaleros? Absolutely not. This is precisely the intention of the IMF and the financial oligarchy that deploys it: Bolivia constitutes a success for their policy of promoting drug legalization, and creating social and economic institutional chaos on a global scale, in order to maintain political control.

- **Soros' Army of Legalizers**

'Many cocalero brothers . . . after what happened in Bolivia . . . are asking to take up arms,' Peru's leading cocalero Nelson Palomino told *Correo* daily Oct. 27. Palomino's Peruvian Federation of Coca Growers coordinates tightly with Evo Morales, the leader of the Bolivian uprising...

- **Now, Colombia Is Threatened by Debt Bomb**

by Javier Almarino

The increase of old taxes and creation of new ones; a brutal reduction of government expenditures; a wage freeze for public employees; ceilings and cutbacks of retirees' pensions; and other austerity measures contemplated by the Alvaro Uribe government in Colombia to be able to sustain payment on the growing foreign debt, could trigger unprecedented social explosions...

U.S., Israel Militaries Caution on Syria War

by Dean Andromidas

The escalation of tensions along the Lebanese-Israeli border signals that Syria is still in the crosshairs of Vice President Dick Cheney's war party in Washington and their 'hand grenade,' Israeli Prime Minister Ariel Sharon.

Russian President Backs Crackdown on Oil Magnate

by Rachel Douglas

Neither his monetary fortune, nor his status as darling of the Wall Street Journal and the London- and U.S.-based oil multis, could protect Yukos Oil CEO Mikhail Khodorkovsky from arrest by Russian authorities on Oct. 25.

National:

DEMS' NEW DISASTER:

Soros' Drug Money Funds a 'Protection Racket for Cheney'

by Michele Steinberg

At a two-day Washington conference, 'New American Strategies for Security and Peace,' held Oct. 28-29, drug pusher and offshore speculator George Soros unveiled his 'Center for American Progress' (CAP), a so-called progressive thinktank, created with \$10 million worth of Soros' blood-

and drug-money...

- **Why You Don't Want To Take George Soros's Money**

Recent reports that mega-speculator George Soros is putting millions of dollars into funding think-tanks for the Democratic Party (Center for American Progress, and America Coming Together are two notable recipients), in a not-soveiled effort to buy up the party, should raise the question: Just how does George Soros make his money?

Military Morale: Casualty of Iraq War

by Carl Osgood

Recent news stories have thrown a spotlight onto the suffering of U.S. soldiers participating in the U.S. occupation of Iraq. From collapsing morale to the growing numbers of injuries and deaths, the stories indicate a possible political problem for President Bush's re-election.

Cheney Coverup of Iraq Intelligence Fakery Unravels

by Edward Spannaus and Jeffrey Steinberg

Vice President Dick Cheney—whose heavy-handed pressure on intelligence analysts to 'cook the books' on the Iraq threat has already been widely exposed—has now been caught red-handed trying to orchestrate a coverup of his own role, by shifting the blame away from himself.

LaRouche Leads Fight vs. Ashcroft in Philadelphia

by EIR Staff

An Oct. 28 call from Lyndon LaRouche to 'deliver a devastating blow to [Attorney General John] Ashcroft's Gestapo methods, by a massive turn-out to re-elect Mayor John Street' of Philadelphia, led to a shock-wave mobilization which began the very next day against the Attorney General's blatant interference in that city's elections.

Rumsfeld vs. LaRouche: 'Military Transformation' Or Strategic Defense

by Carl Osgood

In July of 1942, Gen. Douglas MacArthur was faced with the task of preventing a Japanese invasion of Australia with almost no forces, and little promised in the way of reinforcements, such that many lower ranking officers in his own command felt that the invasion was inevitable. MacArthur decided that the only way to defend Australia was to attack the Japanese before they could consolidate a strong position...

A Note on Principles Of Strategic Defense

by Lyndon H. LaRouche, Jr.

Formally, the concept of strategic defense dates from Lazare Carnot's paper known as the 'Homage to Vauban.' This was developed from that point on by Carnot; and by the Gerhard Scharnhorst who was a graduate of Moses Mendelssohn's program for training of candidate officers...

U.S. Economic/Financial News

Will Fraudulent GDP Growth Promote New Housing Bubble?

Is the Bush Administration trying to create a new speculative housing bubble, like the one the burst in 1987? According to data released Oct. 30 by the Commerce Department, its fraudulent measure of U.S. gross domestic product jumped by a 7.2% annualized rate in the July-September period, led by a rise in "consumer spending" due to the mortgage-refinancing boom and tax cuts—even as jobs continued to disappear. The pace was the fastest since 1984—when Reagan Administration tax cuts helped inflate a speculative bubble that collapsed in 1987. Spending on housing shot up by nearly 20% (annualized), which means rents and mortgages soared—and possibly reflects an attempt to pump up a new housing bubble, on top of the existing one.

Personal Spending Fell in September; Is Mortgage Refi Boom Over?

The bulk of the economic "growth" touted by the Commerce Department in its third-quarter gross domestic product data, argues *New York Times* columnist Paul Krugman on Oct. 31, came from consumer spending and housing. Morgan Stanley's Stephen Roach says, the surge in spending was "borrowed" from the future in the form of housing refinancing, cash-out mortgages and tax-rebate checks, which is not likely to be repeated in future quarters.

Indeed, consumer purchases slid 0.3% in September compared to August—the first decline since February, led by a drop in auto sales, the Commerce Department said.

Michigan Bankruptcies Soar To Twice 2000 Rate

Michigan bankruptcies are nearly double the rate in 2000; liquidations represent a whopping 75% of total filings in 2003, the *Detroit Free Press* reported Oct. 31. During January-September, there have been a total of 46,550 bankruptcy filings by businesses and individuals in the U.S. Bankruptcy Courts for the Eastern and Western Districts of Michigan, as auto-parts companies, steelmakers, and machine-tool firms continue to go belly-up and more laid-off workers seek protection from creditors. Alarming, 33,296 businesses were forced to liquidate, i.e., shut down and sell off assets (under Chapter 7 of the bankruptcy code)—a staggering 75% of the total number of filings.

A comparison with the level of bankruptcies in 2000, reflects the decimation of what was once the manufacturing powerhouse state, as part of the nationwide industrial breakdown. Already in 2002, bankruptcy filings had soared by 67% from the level of 33,313 in 2000. This year's filings correspond to an annual rate of 62,068 — nearly double the level three years ago.

"My clients — many of them are auto suppliers — say they're bidding on work that's not really profitable, just to keep their people employed and so they can pay their bills or their banks," cautioned Barbara Rom, a Detroit bankruptcy lawyer for 31 years. "There are a lot of businesses struggling, which translates to cutting jobs and then to people filing bankruptcy," she said.

Top Tableware Maker Oneida To Close 100-Year-Old Plant

The world's leading maker and distributor of flatware and tableware, said it will close its Buffalo China dinnerware factory and decorating facility, eliminating 350 jobs, AP reported Oct. 31. The company was started in 1901 as Buffalo Pottery and was purchased by Oneida in 1983.

In addition, Oneida will shut down its dinnerware factory in Juarez, Mexico; its flatware factory in Toluca, Mexico; and its holloware factories in Shanghai, China, and Vercelli, Italy.

Baltimore Area Home Prices Drive Out Service Employees

The Oct. 26 *Baltimore Sun* reported—with human-interest stories appended to prove the point—a study showing that the Baltimore Metropolitan area is suffering the "housing boom" consequences that were common in northern and southern California since the 1990s. Service employees, including "first responders," such as police, fire, teachers, etc., are increasingly unable to live in any of the metropolitan area suburbs, because they cannot afford the housing costs. Those costs are being driven up rapidly by real-estate speculation, based on the infusion of masses of Federal (largely defense) spending in the entire area around the nation's capital.

The study, by Economy.com, based in Pennsylvania, reports that since mid-2000, Baltimore-area housing-price increases have left household income growth far behind. Over those three years, per-capita income has been flat, while the median prices of both existing and new homes, have risen by more than 30%.

Health-Care Costs Number-One Issue Fueling U.S. Strikes

The number-one issue fueling strikes nationally is skyrocketing health-care costs, according to the Kaiser Family Foundation, the Commonwealth Fund, and several recent press accounts. Currently, there are about 30 labor disputes from coast to coast, involving 98,000 U.S. workers—all fueled by the rising costs of health care. For the third year in a row, most health-care plans are expected to have double-digit increases in premiums in 2004. Premiums on average will rise about 22% in 2004 but, in some cases, are predicted to rise as much as 35%. Health insurers are raising deductibles as well as co-payments, meaning workers will have higher out-of-pocket spending for health care.

In addition, employers are shifting much of the raising costs of health-care plans to employees, or are cutting their health benefits and/or pay. In addition to strikes in California, where employers want to pass on increases in health-insurance premiums to workers, grocery workers are striking in West Virginia, Kentucky, Ohio, and Missouri. Similar strikes are expected in Arizona and Washington, D.C.

Southern California Grocery Strike Enters Third Week

The grocery-workers strike in California has entered its third week, and may soon spread to central part of state. The United Food and Commercial Workers Union (UFCW) strike against three major grocery chains—Vons, Albertson's, and Ralph's—is continuing, with no progress reported as of Oct. 29. The issue, from the beginning, has been the attempt by management to renegotiate the employer contribution to health care benefits of employees. Spokesmen for the grocery chains have taken a hard line, saying that the level of benefits demanded by the union is impossible in "today's competitive environment."

The *Los Angeles Times* reports Oct. 29, that the underlying concern of management is the entrance of Wal-Mart's cut-rate grocery operations in the region. Wal-Mart, which pays the lowest wages in the business, and offers virtually no benefits to employees (using "part-time" employment to avoid minimum payments), has announced plans to saturate southern California with stores in 2004.

The UFCW has escalated, announcing they may walk off the job in central California (Sacramento, Fresno, etc.) this week. The Teamsters are honoring the picket lines, and the stores have reported a significant drop in business, despite offering huge discounts.

The strike against the Metropolitan Transit Authority continues, and there is a report that L.A. County workers may begin a work stoppage in the next days. In these sectors, health benefits and pension cuts are the major issues.

Louisiana Food-Stamp Usage Jumped 38% Since July 2000

Because unemployment has risen in Louisiana, while more full-time workers and elderly are struggling to make ends meet, some 646,446 state residents each month rely on food stamps as of September 2003, a level that has increased steadily from 465,733 recipients in July 2000, the Louisiana Department of Social Services reported in October. Children up to age 17, represent more than half of food stamp recipients; non-white residents comprise 76% of recipients. Only 9% of food-stamp households receive welfare checks. In addition, an estimated 200,000 more people are eligible to receive benefits—many are senior citizens, according to the state Department of Social Services. Alarming, Louisiana now ranks in the top 10

food stamp expenditure states, even though it ranked 22nd in population (as of December 2000).

Beast-Man Backer Buffett Warns of Dollar Collapse

Warren Buffett, allegedly, the second-richest man in America, and economic adviser to California Gov.-elect Arnold "Beast-man" Schwarzenegger, warns of a collapse of the dollar, due to the soaring trade deficit. Mega-speculator Buffett says that since Spring 2002, his Berkshire Hathaway firm "has made significant investments in—and today holds—several [foreign] currencies," a shift from having "lived 72 years without purchasing a foreign currency."

"To hold other currencies, is to believe that the dollar will decline," he explains, as quoted in a Forbes press release previewing an article to appear in its Nov. 10 issue.

The U.S. trade deficit "has greatly worsened," Buffett is quoted as writing, "to the point that our country's 'net worth,' so to speak, is now being transferred abroad at an alarming rate." "A perpetuation of this transfer will lead to major trouble," the press release quotes Buffett as warning.

Bank of America No. 2, After FleetBoston Buyout

Bank of America, the Charlotte, N.C.-based bank, formerly known as NationsBank, has agreed to buy Boston-based FleetBoston for \$47 billion in stock, vaulting BofA to second place behind Citigroup. As of mid-2003, Citigroup had \$1.2 trillion in assets, followed by J.P. Morgan Chase with \$803 billion, Bank of America with \$769 billion, Wells Fargo with \$370 billion, and Wachovia with \$364 billion. FleetBoston, the union of Rhode Island's Fleet Financial with the Bank of Boston, had \$197 billion in assets, giving the combined BofA/FB some \$966 billion in assets.

FleetBoston has been in play for months, reportedly due to problems in its Third World portfolio. This is the second time around for the Bank of Boston, which was taken over by Fleet, circa 1999. Fleet had previously gobbled up Shawmut.

It is also worth noting that three of the top 12 U.S. banks are subsidiaries of foreign banks. Number seven is Taunus Corp., with \$298 billion in assets; Taunus, a subsidiary of Deutsche Bank (which owns Banque Worms), is the remnant of Bankers Trust. Number 10, ABN AMRO North America (\$149 billion), is owned by Holland's ABN AMRO, which also owns Banque de Neufilze Schlumberger Mallet Demachy and has a securities partnership with Rothschild. The 12th-largest bank in the U.S. is HSBC North America (\$121 billion), the U.S. subsidiary of Dope, Inc.'s Hongkong and Shanghai Bank.

World Economic News

It's Official: U.S. Treasury Says China Not Manipulating Currency

The U.S. Treasury has ruled, in an official finding, that China is not manipulating its currency to gain an unfair trade advantage, despite hysterical pressure from lawmakers and manufacturers, who are scapegoating China's currency policy, for the free-trade-induced loss of 2.7 million U.S. manufacturing jobs since July 2000. In its annual report to Congress evaluating the economic and currency policies of major U.S. trading partners, released Oct. 30, the U.S. Treasury Department said China's decision to keep its currency pegged to the U.S. dollar—and not permit the yuan to rise in value—did not meet the "technical requirements" specified in the Omnibus Trade and Competitiveness Act of 1988. Under this law, economic sanctions could be imposed for countries found to be in violation.

The ruling comes as China is expected to announce it has agreed to purchase billions of dollars of American goods, in order

to help reduce its \$103 billion trade surplus with the U.S.

Yet, the report urges China to drop its peg, and instead move to "flexible market-based" exchange rates, a contention repeated by Treasury Secretary John Snow in testimony to the Senate Banking Committee.

Anything But an Upswing in German Industry

The hard facts of economic depression are hitting the German workforce in several sectors: On Oct. 28, wage cuts for about 150,000 workers and employees were announced. These cuts are coming via reductions of working hours per week, in the following companies:

- * Opel, Ruesselsheim plant: 19,600 workers will have work for only 30 hours until the end of 2004, instead of the 35 hours which their working week has been, to date. As Opel will compensate some of the lost income, workers will lose only 7%-8% of their income;

- * Telekom will reduce the work week from 38 to 34 hours, which affects 120,000 workers and implies a cut of 10% in income;

- * EnBW, the biggest energy producer in Germany's southwest, will introduce a 4-day working week, which will affect close to 30,000 workers and even with compensation, implies a 10% cut in income, as well.

- * The ZVEI, the central association of electric engineering firms, announced Oct. 30, the "necessity" to axe another 10,000 jobs in the sector, and the VDMA, the association of German machine-builders, reported that year-on-year, September sales were down by 4 percent on export markets, and even by 11 percent domestically. If there hadn't been two-digit increases of sales during the past 12 months to China, Arab and Gulf states, that compensated for some of the losses, the situation of machine-builders would be very grim.

French Unemployment Reaches Nearly 10%; Will It Dump Maastricht?

With 2.435 million registered jobless in September, France reported, on Oct. 31, an unemployment rate of 9.7%. The figure is 25,000 above the August figure, and 130,000 above the figure for September 2002. France, therefore, has as much reason to liberate itself from the Maastricht rules, as does Germany, with its unemployment rate of 10.4%.

Foreign-Owned Utilities Give Argentina 'California' Treatment

More electricity blackouts occurred in Buenos Aires on Oct. 25, affecting 400 people, and on Oct. 27, affecting 3,000—further enraging both the population and the Kirchner government. According to Edenor, owned by Electricité de France, the blackouts were caused by a medium-tension wire going out of service, in the first case, and a faulty transformer in the second.

According to *Clarín*, the government and allied Congressmen are planning "a surprise" for the privatized utility companies. They are preparing a bill which would allow the government to rescind privatization contracts, in the event that utilities interrupt service without adequate technical justification. According to the privatization contracts signed with the Menem government in the 1990s, had the government even considered such a move, it could be sued by foreign utilities for violating "juridical security." But the legislation now under discussion, would allow President Nestor Kirchner to rescind the contracts, particularly if foreign companies haven't invested what they had originally promised—which is clearly the case.

Chavez's Venezuela: Half Live Below Poverty Level; One-Fourth Go Hungry

More than half of Venezuelan homes are living below the poverty level, an increase of more than 10% since Hugo Chavez assumed the Presidency in February 1999, *El Universal* reported Oct. 18. According to the latest figures released by the National Statistical Institute, 54% of Venezuelan households are considered poor, as compared to the 42.8% at the beginning of 1999. What that means, is that only 2.54 million of Venezuela's total 5.86 million households have an income sufficient to permit them to purchase the basic market basket of food, housing, clothing, services and transport.

Of those too poor to purchase the basic market basket, 25.1%, or 1.4 million households, live in extreme poverty, which means that they cannot afford to purchase even the minimum *food* basket. That's an increase of more than a half-million families than were in that situation in the second half of 1999—the first year of Chavez's government.

Italian Bondholders' Rep Says Blame IMF, Not Argentina

Mauro Sandri, of the Italian Committee of Argentine Creditors, proposes that Italian bondholders of Argentine debt, wage war against the IMF, not Argentina, *La Nacion* of Buenos Aires reported Oct. 28. Sandri was commenting on the fact that an Italian court embargoed 2 million euros of a loan that the Italian government had made to Argentina, in order to pay back some small investors holding bonds on which Argentina had defaulted in 2001.

Although Sandri was happy that some people would get their money back, he argued that Argentina in fact has a "limited responsibility," for its debt default. The real culprits, he said, are the banks that "constructed" and marketed Argentina's public debt, and the International Monetary Fund, which, after having imposed its policies on Argentina, sat and "watched its best pupil die." Sandri said "we don't want to kill Argentina ... we want to see it live."

As for the court's ruling on behalf of the bondholders he represents, he said "I cannot be happy if I win against Argentina." When Deputy Finance Minister Guillermo Nielsen was in Italy recently to discuss the Kirchner government's debt restructuring plan, Sandri said "he should have come to propose that we do battle together against the banks."

In Germany, a regional judge in the city of Muenster, has ruled against a group of banks, for having given bad advice to a client, by recommending that he purchase Argentine bonds as a "good investment." The Kirchner government has repeatedly denounced the role of banks in causing the extraordinary increase of Argentina's foreign debt, and expects a number of legal suits to be filed against banks, especially in Italy.

Sony To Close Plants; Lay Off 20,000 Workers

Sony announced plans to eliminate 20,000 jobs, or 13% of its workforce, over the next three years, and to shut down all cathode-ray television manufacturing plants in Japan by March 2004, as well as slashing the number of its suppliers, according to news reports Oct. 28. The measures are designed to cut costs by \$3 billion over the next three years. The world's second-largest consumer-electronics maker, has reported its second-quarter net income fell 25%, while operating profit dropped by 34%, sending its shares down by 22% this year. China is slated to become Sony's main manufacturing center in Asia, for cheaper mass-market goods. Japan would lose 7,000 jobs, mainly in manufacturing. The number of suppliers is to be slashed from 4,700 to 1,000 by March 2006.

United States News Digest

Straussian Intelligence Unit Targetted by LaRouche Is Now Under Investigation

In a major development, as of Oct. 31, the U.S. Senate has put the Defense Department's Office of Special Plans (OSP) on notice it is under investigation. Since May 2003, following the cessation of "major combat" in Iraq, Republicans have blocked repeated attempts by senior members of the House and Senate to investigate the OSP, a rogue intelligence group that was one of the centers of power for the followers of philosophy professor Leo Strauss, who taught that public servants have to lie to the "commoners" to keep them in line.

The Straussian operations in the OSP were exposed in the pamphlet, "The Children of Satan: Ignoble Liars Behind Bush's No-win War in Iraq," which was put out by the campaign of Democratic Party Presidential pre-candidate, Lyndon LaRouche.

As of Oct. 31, it appears that Republican Sen. Pat Roberts, Chairman of the powerful Senate Intelligence Committee, has conceded to Sen. Jay Rockefeller's (D-W.Va.) demands that the committee's probes be extended to the Defense Dept., Executive branch, and the "policy makers," as required by the mandate of the Committee.

On Oct. 30, the full Committee sent letters demanding documents from the National Security Council, and the Defense and State Departments. The scope of the investigation is now reported to include the Pentagon's OSP, run by Doug Feith and William Luti, as well as Cheney's agent-of-influence John Bolton in the State Department. The Niger yellow-cake uranium hoax is a specific focus of the committee's inquiry, two sources said, according to the *Los Angeles Times* on Oct. 31.

LaRouche Movement Leader Amelia Boynton Robinson Honored for Civil Rights Record

On Oct. 17, Amelia Boynton Robinson was honored in Washington, D.C., at an event sponsored by the National Visionary Leadership Project, co-founded by Camille Cosby and Renee Poussaint. Mrs. Robinson, the 92-year-old civil rights trail-blazer and vice chairwoman of the Schiller Institute, was among an elite group of civil rights leaders over the age of 70, who were recognized for their contributions to the civil rights struggle.

The National Visionary Leadership project had conducted a two-hour video-taped interview of Amelia earlier in the year. Video excerpts of the interview are on the organization's website (www.visionaryproject.com). The group's basic idea was to capture the experience of veteran civil rights leaders on videotape, and pass on that heritage to today's youth, by making the videotapes available to universities and public school systems. The plaques received by the recipients are reproductions of the webpage on which their interviews appear.

The day was filled with events honoring some of the greatest living contributors to civil rights in America. At a luncheon in the Library of Congress, Amelia, Dick Gregory, and Dorothy Height (president emeritus of the National Council of Negro Women) were awarded plaques for their visionary leadership.

After the luncheon, a summit was held on the state of black America, during which a few of the honorees, such as former Sen. Edward Brooke, former New York City Mayor David Dinkins, Dorothy Height, former Congresswoman Cardiss Collins, and historian Dr. John Hope Franklin fielded questions from young people in the audience.

In the evening, the event shifted location to the John F. Kennedy Center for the Performing Arts. There, a black-tie awards gala, hosted by Phylicia Rashad, the mistress of ceremony, who played Mrs. Bill Cosby in the comedian's long-running TV show, honored such performers as Ray Charles, Dick Gregory, Jimmy Heath, Geoffrey Holder, Ossie Davis, Ruby Dee, and Odetta.

Perhaps the most important thing about this event was the fact that its sponsors chose to honor Amelia for her historic

contribution to the passage of the Voting Rights Act, and for her continuing work in behalf of human and civil rights as vice chairwoman of the Schiller Institute, in association with Lyndon and Helga LaRouche.

Poor Treatment of Iraq Wounded a National Scandal

As reported in last week's *EIW InDepth*, the outrage of the families of Iraqi soldiers and veterans's groups is so great that both parties on Capitol Hill are planning an investigation to put an immediate *stop* to the scandalous mistreatment of U.S. soldiers wounded in Iraq. Following an Oct. 17 UPI wire story about the miserable conditions in Ft. Stewart, Ga., Steve Robinson, the executive director of the National Gulf War Resource Center, went into action. So did several U.S. Senators.

Two members of the U.S. Senate, Patrick Leahy (D-Vt) and Christopher Bond (R-Mo), the co-chairmen of the Senate National Guard Caucus, initiated a staff investigation of the conditions of the reservists at Fort Stewart, Ga. The investigation found that the soldiers were being kept in quarters designed for annual National Guard training, not for the housing and care of sick and wounded soldiers. The investigators also found that there was insufficient medical staff at Fort Stewart, "which has caused excessive delays in the delivery of care."

In a statement issued on Oct. 24, Bond said "The situation we have in Fort Stewart is totally unacceptable, and my first priority is to ensure our troops are receiving the health care they need." Leahy added "We need to take swift action to immediately get these soldiers into more appropriate living situations, but more importantly, we need to fix a system that lets these men and women down."

The day after the Leahy-Bond report was issued, Acting Secretary of the Army Les Brownlee went down to Fort Stewart to see for himself how the reservists were being treated. He vowed afterwards that the Army will "make those improvements" in the living conditions of the soldiers in medical status. He also declared that what had happened at Fort Stewart "is not just a Fort Stewart issue," but "an Army issue. The people at Fort Stewart did what they could with what they had, but the Army has more assets and we'll focus those assets to solve any problems we've found, here."

See *EIW* next week for more on this report.

J.D. Crouch, Neo-Con Underling, Resigns From DOD

A leading proponent of mini-nukes, Assistant Secretary of Defense J.D. Crouch, who is an intimate ally of the top DOD Straussians, Paul Wolfowitz and Douglas Feith, suddenly resigned, effective Oct. 31. In January 2003, Crouch briefed the press on the classified Nuclear Posture Review, which discussed the development of "mini-nukes" which the U.S. could use offensively—even against non-nuclear nations. Crouch has been part of the Cheney cabal since the early 1990s, when he worked for Cheney, then the Secretary of Defense.

According an article by liberal reporter Jim Lobe of InterPress Service, Oct. 31, Crouch has long-standing neo-con/Likudnik credentials. Lobe reports that Crouch worked with Wolfowitz (his superior at the time), Feith, and Lewis "Scooter" Libby (VP Cheney's National Security Advisor) on the infamous 1992 Defense Planning Guidance, which was the precursor to the 2002 preemptive war doctrine. Crouch is a former member of Frank Gaffney's Center for Security Policy, and is a protege of William van Cleave, who heads the Washington office of the Jerusalem-based Institute of Advance Strategic and Policy Studies (IASPS).

Lobe believes that Crouch's resignation shows that a "significant foreign-policy shift" is underway in the Bush Administration. He quotes a source who asserts that Crouch is "not being fired, but they're starting to move people around. It's all about reelection and how to get rid of the loonies without looking like they screwed up." Council on Foreign

Relations member Charles Kupchan told Lobe: "What's new is that Bush's poll numbers are nose-diving, and he's scared."

Elected officials and leading political figures nationwide have been demanding—and waiting for—President Bush to fire the Pentagon civilians responsible for the Iraq mess, but intelligence sources have told *EIR* that Cheney is protecting his "team."

New Pentagon Report Promotes Mini-Nukes

As reported first on Oct. 23, the Pentagon's Defense Science Board has produced a report advocating the development of a new generation of nuclear weapons. The report is entitled "Future Strategic Strike Forces" and was likely produced by the Task Force of that name, which has been meeting for many months. Although not mentioned in the press coverage, it seems likely that the report is also an outgrowth of the August conference on new nuclear weapons held at the U.S. Strategic Command headquarters at Offutt Air Force Base in Omaha.

The report was leaked to *Jane's Defense Weekly*, in advance of its January publication. It proposes steps to make U.S. nuclear weapons "relevant to the threat environment" in the era of the war on terrorism, and it argues that low-yield nuclear weapons would be a more "credible" threat to adversaries than traditional atomic weapons.

The report recommends resurrecting earlier, tested weapons, and modifying them for "greater precision, deep penetration [and] greatly reduced radioactivity," so that they pose a more credible threat to adversaries. The report also calls for the development of "enhanced" electromagnetic pulses weapons and neutron bombs.

EIR has reported that the call for a "new generation of nuclear weapons" goes back to the period when Dick Cheney was Secretary of Defense in the first Bush Administration. It is not known if the leak of the report is linked to the sudden resignation of J.D. Crouch, one of its architects, and the promoter of military strikes against North Korea (see report above).

Byrd Amendment: Make Iraq Overseer Accountable

On Oct. 27, Sen. Robert Byrd (D-W.Va.) challenged the Senate to hold the Bush Administration accountable for its war in Iraq, by passing an amendment to the Fiscal 2004 foreign operations appropriations bill to make the head of the Iraq Coalition Provisional Authority (CPA) a Presidential nominee, subject to confirmation by the Senate. He told the Senate that the House has already put such a provision into its version of the \$87 billion Iraq War Supplemental bill, in reaction to the news that President Bush had appointed National Security Advisor Condoleezza Rice to lead a task force that would assume the responsibility for rebuilding Iraq. He noted that the National Security Advisor traditionally does not testify before Congressional committees, except under extraordinary circumstances. "It is an unconfirmed position," he said, "and its actions are hidden from the view of the Congress, the media, and the public."

Likewise for the head of the CPA, Amb. Paul Bremer; Byrd has little confidence that Bremer will testify in front of Congress when he is not asking for money. "The Congress has a responsibility on behalf of the American people," said Byrd, "to ensure that whoever is running things in Iraq is answerable to the Congress and to the American people." Byrd pointed out that the CPA "is an entity that has not been sanctioned, which has not been approved by Congress.... It is operating without any mandate from the American public."

As he has done previously, Byrd contrasted the Bush Administration's Iraq policy with the post-World War II Marshall Plan. He noted that the Marshall Plan was only passed after seven weeks of public hearings, and the Congress specified that the head of the plan would be subject to Senate confirmation. "On the other hand," he said, "the Coalition Provisional

Authority and its administrator can claim none of that."

However, the amendment—strongly opposed by the White House—was defeated by a vote of 44-53 on Oct. 28.

Senators Blast Ashcroft for Ducking Questioning

Along with Vice President Dick Cheney and Defense Secretary Donald Rumsfeld, Attorney General John Ashcroft's days may also be numbered in the Bush Administration. All are coming under increasing attack, both from outside and inside their own agencies.

On Oct. 21, at a hearing of the Senate Judiciary Committee, Ashcroft came under fire for not showing up to be questioned about the USA/Patriot Act.

Kennedy objected to lower-level Department of Justice (DOJ) officials testifying, instead of the Attorney General, about "extreme measures, which may well threaten basic freedoms more than they prevent acts of terrorism."

"Only the Attorney General can supply adequate answers to our questions..." Kennedy continued. "He has not reported to the Committee since early March, yet he has the time to barnstorm the country in an exercise that's far more public relations" than law enforcement.

Sen. Joseph Biden (D-Del.) warned the DOJ officials that "the [Patriot] Act will be repealed if you don't get your act together," and start sharing information with Congress. "And the idea that the Attorney General of the United States has to be in Philadelphia ... or whatever the hell or heck he's doing, and not being willing to be here before this Committee, is outrageous. It's absolutely outrageous that he wouldn't be here."

Committee chairman Orrin Hatch (R-Ut.) defended Ashcroft's stalling, but faces opposition to the fascist DoJ measures within his own Republican Party.

Will Bush Veto Increase for Veterans' Health Care?

On Oct. 21, the House voted 277-139, in a nonbinding motion, to support an extra \$1.3 billion for veterans' health care, which is included in the Senate version of the \$87 billion Iraq War Supplemental appropriations bill. The extra funding would eliminate the \$250 deductible that some veterans are paying to use Veterans Administration hospitals, as well as allow them to get prescription drugs at lower rates. The motion also called for the House to support the Senate provision to convert \$10 billion of the \$20 billion Iraq reconstruction aid into loans.

Barbara Mikulski (D-Md.), who was a co-sponsor of the Senate amendment, told reporters on Oct. 22, "Our veterans need to know that America is with them and that we owe them a debt of gratitude.... [and] it's got to be with deeds and resources," including health care. She complained that the Bush Administration, whose proposals she described as "Spartan and skimpy," had the gall to object to the additional money. She vowed that "we're going to fight for this money because we believe that promises made" to veterans "should be promises kept."

Ibero-American News Digest

Election Results Revive Dope Inc.'s Prospects in Colombia

The Oct. 26 gubernatorial, mayoral, and municipal elections in Colombia swept in an unprecedented number of so-called political "independents," who rode the wave of popular disgust with President Alvaro Uribe's embrace of the IMF's neo-liberal policies. While many key cities in Colombia now have new mayors from neither of the two major political parties, the real earthquake is in the capital city of Bogota, where former Communist Party Central Committee member and trade union leader, Luis Eduardo Garzon, handily won what is considered the second most important political post in the country, after the Presidency itself, that of Bogota mayor.

Garzon's program is the same today as it was when he ran for President in the 2002 elections on a platform of negotiating with the narcoterrorist FARC. He was defeated in those elections, when Colombian voters instead gave a resounding mandate to Alvaro Uribe Velez, who campaigned on the necessity of using the full powers of the State to crush the narcoterrorists. Garzon achieved victory this time, by campaigning on the need for a more socially-oriented economic policy than Uribe's IMF policies, but he has already made clear he intends to use the Bogota mayoralty to establish a virtual parallel government to the national government. Garzon boasted to BBC-Brazil the day after the election, that under his reign, Bogota would even carry out its own foreign trade policy, independent of the central government.

Garzon also made clear in that interview, that he is part of a broader continental project. He vowed that he would work closely with his friends from the radical wing of the Brazilian Workers' Party (PT), whom he plans to have advise him on his government. In particular, he vowed to imitate the policies of former PT Mayor of Porto Alegre, Brazil, Tarso Genro, who turned Porto Alegre into the global capital of the Jacobin World Social Forum. Garzon said he plans to reorganize Bogota's finances and government along the lines of the "participatory budget" scheme which Genro implemented in Porto Alegre, a decentralization plan championed by the Chilean-Cuban structuralist Marta Harneker, widow of the infamous Manuel "Red Beard" Pinheiro who headed Cuban intelligence and networks in the Americas for decades. Garzon told BBC that Genro's budget model "will give neighborhoods the possibility of developing their *own* projects. I am committed to my PT friends, and they are committed to advising me on this project."

Garzon claimed he would be meeting with Brazilian President Lula da Silva within a week, because "now that we have a common agenda, we can work together." This could be disastrous for both Lula and for Brazil, strengthening the radical faction within the Lula government. Lula has created an untenable situation for himself at home, by allowing terrorist assets, such as the Landless Movement (MST) to operate inside his government. Associating himself with FARC asset Garzon, will both fuel terrorist operations inside Brazil, and provide ammunition to the neo-cons who want to paint him as an ally of crazy Hugo Chavez and the rest of the Ibero-America's left synarchists.

Colombians Defeat IMF Referendum

One day before the elections, on Oct. 25, Colombians refused to vote up a 15-point referendum authorizing the Uribe government to implement the even greater austerity Wall Street demands, so that Colombia can pay its debt. Much noise is being made internationally, that the referendum's defeat dangerously weakens the Colombian President's authority. In reality, it was the very act of calling a referendum to ask people whether they wished to have their living standards cut further, which undermined the government's political capital. The results were seen in the Bogota election results.

The same Wall Street and IMF crowds, who have consistently supported the drug trade, insisted President Uribe hold the referendum, come what may. When a lower court ruled many of the questions unconstitutional last May (a ruling later overturned by a higher court), the international rating agencies threatened to lower Colombia's credit rating, and speculators trashed the currency. "The referendum is seen by Wall Street as a key test of Mr. Uribe's 13-month-old presidency," BBC said on Oct. 1.

The claim was that the referendum measures would "save" the government \$7 billion over the next seven years, with which it could meet IMF budget-deficit conditionalities. The vast majority of those savings were to come from Question #14,

which asked voters to approve a two-year freeze on public-sector wages for all workers who earn more than \$240 a month, and also freeze public pension benefits for the same time period. They refused.

Andean Movement Raises 'Inca Empire' Banner

Our goal is to eliminate the nation-states of South America, and establish an "Inca International," Peruvian narco-terrorist Antauro Humala, told Bolivian daily, *El Deber*, in an interview published Oct. 28. The leader of the Peruvian Nationalist Movement, who describes himself as an "ethno-nationalist," declared that the Peruvian state has already collapsed, and that if the Indian populations of Peru, Ecuador, and Bolivia unite, they can replace the "creole state" with a new, "Inca international."

Humala, a former Army officer, who led an uprising against the Fujimori government in October 2000, is emerging as a key figure in the continental Jacobin apparatus being put together by the left synarchists. In the recent explosion in Bolivia, along with members of Peru's Shining Path, Humala sent his people in to support the coca producers in blockading highways and carrying out other violent acts.

The fascist Humala states that, "we recognize as our ancestral fatherland, the vast Inca territories, of what is today Bolivia, Ecuador, and Peru, northeastern Argentina and northern Chile. This is what [the leader of the Pachacutec Indian Movement] Felipe Quispe of Bolivia proposes, and the National Indigenous Confederation of Ecuador." As Venezuela's Hugo Chavez proposes, the plan is to unite all these groups, to serve as a continental narco-terrorist battering ram against targeted countries' national institutions.

As for Peru, members of Humala's movement propose to participate in the 2006 elections in Peru, or if that doesn't work out, becoming Marxist guerrillas. (See In-depth: [**"Soros Wins Bolivia Round; Area Slides Toward Drug Empire,"**](#) for background on Andean crisis.)

Brazil Offers Support to New Bolivian Government

Fearing the chaos that is radiating across South America from the ongoing disintegration of Bolivia, the Brazilian government is seeking to provide some economic breathing room for the new government of Carlos Mesa. Brazilian Foreign Minister Celso Amorim met with his Bolivian counterpart, Juan Ignacio Siles on Oct. 27 to underscore Brazil's offer to assist in Bolivia's internal development, and to insure it is also brought into the process of regional integration. In a joint press conference, Amorim also announced that Brazil would forgive the \$50 million debt Bolivia owed it, increase its investment in the country by \$600 million, and increase purchases of natural gas, from 11 to 18 mn. cubic meters daily. The latter is particularly important for Bolivia, as it would increase export revenue by \$200 million.

In a phone conversation with President Carlos Mesa, President Lula da Silva extended an invitation to him to visit Brazil. Amorim also met with President Carlos Mesa, and conveyed President Lula da Silva's offer to help Bolivia in any way he can, to insure the country's pacification and economic development.

Argentine Jacobins Plan Nationwide Mobilization vs. Kirchner Government

Charging that their protest actions are being "criminalized"—i.e., their leaders have been arrested—and insisting on more anti-poverty funds, factions of the so-called "*piqueteros*" groups, whose constant highway and bridge blockades wreak havoc in Buenos Aires and other cities, are working with Venezuelan President Hugo Chavez's "Bolivarian" beast-man apparatus to develop a plan of nationwide protests against the Argentine government. Representatives of one of the groups involved in the current protest, "Neighborhoods Arise!" attended the meeting in Caracas last August, in which Chavez's

"Bolivarian People's Congress" was founded.

On Oct. 22, *piqueteros* literally imprisoned Labor Minister Carlos Tomada inside his ministry for 12 hours, by chaining the doors to the building shut, and surrounding it. Using the fact that poverty levels remain unchanged, the *piqueteros* are demanding that President Nestor Kirchner increase the number of 150-peso government subsidies offered by the "heads of household" anti-poverty program, financed by the World Bank (thus, the World Bank is financing these Jacobin protests!). The government says it cannot increase the grants for budgetary reasons, and intends to file criminal charges against those responsible for the Oct. 22 actions, which will fuel further protest. Already the most radical group, the Classist and Combative Current (CCC), is organizing nationwide protest for Oct. 29, that will particularly target municipal, provincial and the federal governments.

Brazil Opens Talks with IMF on New Loan Package

Talks are underway between Brazil and the IMF, on a new loan program for Brazil, Finance Minister Antonio Palocci reported Oct. 28. No dollar figure has yet been mentioned publicly for the new loan package. Brazilian officials insist that Brazil doesn't really *need* a new accord, but that it would help strengthen market confidence. The facts belie the rhetoric. Consider:

* Brazil's public debt hit its highest level since 1999 in September, at R\$707.74 billion (over US\$235 billion), with 32% of that debt being short-term (less than a year). The debt keeps rising, despite the government paying off higher amounts, through the "savings" gouged out by reducing spending on everything but debt payments drastically. So far in 2003, the public debt has risen by almost R\$71 billion, an amount equal to 35% of the total revenue collected by the government in taxes and payments in the first nine months of the year.

* Foreign Direct Investment in Brazil in 2003 so far, is half of what it was in 2002, falling to a mere US\$6.5 billion.

* On Oct. 22, the Central Bank lowered its SELIC benchmark interest rate by 1%, to 19% a year, but industry immediately protested that this would not be sufficient to revive the economy. The average interest rate in September was 49.8%, *Tribuna da Imprensa* reported Oct. 29. Banks lowered their interest rates on loans to consumers and industry after the SELIC rate was dropped again, but the new rates are still in the stratosphere. For example, the lowered rates for one popular loan category are still 8.38% **a month** for consumers, and 7.5% **a month** for companies. *O Globo* reported Oct. 28, that while consumer indebtedness continues to grow, most of the new debt is not taken on for new purchases, but to get out of arrears on old debts. Consumer debt arrearages were 5.9% more in January to September 2003, over the same period the year before; corporate debt arrears rose by 4.7% in the same period.

* Unemployment in urban centers remained essentially unchanged nationwide in September, dropping a miniscule 0.1% to 12.9%, at a time when there should be a seasonal pick-up in employment. (Unemployment right before President Lula came in on Jan. 1, was 10.5%). In the Sao Paulo metropolitan region, Brazil's industrial heartland, unemployment rose back to 20.6% of the EAP [[?]] in September, the same as it was last April and May, which were and is its highest level since 1985.

* Average income was 14.6% less in September 2003, than in September 2002, as an increasing number workers lose stable salaried jobs, and are forced to take temporary jobs, become self-employed, etc. The drop in average income for self-employed workers was a whopping 19.8%, this year over last.

Brazil and Ukraine Expand Space Cooperation

At the same time that Brazil is deepening its ties with India and China, particularly in high-technology areas, aerospace

cooperation has become the center of Brazil's relations with Ukraine.

The Brazilian Foreign Ministry reported Oct. 21, that Ukrainian President Leonid Kutchma and Brazilian President Lula da Silva, meeting in Brasilia that day, had reviewed the broad possibilities for intensifying cooperation between the two countries, and "identified aerospace as that with the most potential. They agreed upon the strategic significance of the Brazilian and Ukrainian programs for the peaceful use of space, and the importance of cooperation in this field between the two countries." In particular, a treaty was signed, for the launching of Ukraine's Cyclone-4 rockets from Brazil's Alcantara launch site, as well as a "Memorandum of Understanding on Future Bilateral Projects in the Area of Space," the details of which were not spelled out.

Kutchma had been scheduled to visit the Alcantara launch site on Oct. 22, but since he was forced to cut his trip short because of an incipient border incident with Russia, it is not known if he actually made it or not.

The two countries also agreed to explore possible joint ventures in the construction of power plants, gas pipelines and systems of natural gas distribution in Brazil, in light of the commercial possibilities opened by recent discoveries of gas deposits along the Brazilian coast, in particular.

Brazil Offers To Join China's Manned Space Program

Science and Technology Minister Roberto Amaral sent a letter to China's space agency, raising the possibility that a Brazilian could join one of China's manned space flights. One of Brazil's astronauts, Marcos Pontes, who has participated in NASA's international space program for five years, told BBC that he was thrilled with Amaral's proposal. "Give me six months or a year of training on their ship, and I'm ready to go." Interviewed from Houston, Pontes reported that there is a general consensus in NASA's international space program, that "the planet is a single idea," and China's success made everyone happy, as one more possibility for man to get to space. Brazil should increase its participation in international space programs, he argued, as a way to speed up the development of its own space program, and provide opportunities for Brazilian industry and employment.

Western European News Digest

***Die Zeit* Exposes Cheney Inner Circle Role in Iraq War**

Germany's *Die Zeit* weekly ran a one-page article in its Oct. 30 issue, targetting Vice President Dick Cheney and his inner circle's role in orchestrating the Iraq war. The article, largely compiled on the basis of material already published on U.S. media during the past weeks, has been noticed with high interest among numerous senior analysts. Outside LaRouche's publications, the article has been the first, to date, to present the issue in more detail to a broader audience in Germany. It should be noted that former German Chancellor Helmut Schmidt is one of the co-publishers of the Hamburg-based weekly.

Spiced with interviews conducted by *Die Zeit's* Washington, D.C. office, with former officials of the Pentagon (Karen Kwiatkowski, Judith Yaphe), the CIA (Vincent Cannistrano), and State (Greg Thielmann), the article documents select phases of the development from the formation of the Office of Special Plans to the war. Beside Cheney, also Lewis "Scooter" Libby, William Luti, Paul Wolfowitz, and Richard Perle are named, in key roles.

One of the passages referring directly to Cheney, reads: "Politics finally usurps direct access to Langley. It is an unmistakable gesture, when Vice President Richard Cheney suddenly appears at the entrance to the CIA headquarters. He is meeting with section heads on the Iraq dossier, again and again. Does the man have an information deficit? Like the President, Cheney receives a personal CIA briefing six times a week. In case he has questions, they'll be answered the next day, at the latest.

The excursions of the Vice President into the world of agents, a CIA official said, had signalled *that specific statements were desired from here.*"

"Putting the blame on George Tenet alone, would mean to blame the water kettle for boiling over, rather than the people that turn the heat on," the article concludes.

Belgium Nixes Troops to Iraq, Turkey Has Yet To Decide

As of Oct. 26, Belgium will not send troops to Iraq, and Turkey has yet to commit. Belgian Defense Minister Andre Flahaut said the latest UN resolution does not give the UN sufficient control over peacekeeping, according to radio RVI, and therefore Belgium will send no troops. Instead it will send more troops to Afghanistan.

According to the Turkish *Daily News*, "Plans for Turkish troops to join a U.S.-led multination force in Iraq have stalled in the teeth of Iraqi objections, maybe for good." If troops do deploy, it would be for low-level jobs, like securing arms dumps, it reported. A U.S. diplomat confirmed what Prime Minister Erdogan stated last week, that the U.S. had asked for a break in talks about troop deployments. It is mooted that the Iraqi Governing Council, which rejects the Turkish troop idea, could delay any decision until after Ramadan.

Leading Business Paper Takes Note of LaRouche Youth

The Oct. 26 Sunday supplement of Frankfurt's leading business newspaper, *FAZ*, took notice of the LaRouche Youth Movement's leafleting campaign in Berlin, at a public event at which former U.S. Secretary of State Madeleine Albright spoke. *FAZ* reported: "Saturday morning. What looks like left-wing demonstrators in front of the Renaissance Theater, are just the leafletters of the weird Lyndon LaRouche, who warns the world against the fascistoid power-grab by Arnold Schwarzenegger in California."

Political Crises Far From Over in Britain

Revelations about Princess Diana, and the controversy surrounding Tory leader Iain Duncan Smith, are creating a highly dramatic situation in Britain, a high-level British political source told *EIR*. "It might appear this would be a diversion from the troubles of Prime Minister Tony Blair, but, you must remember that "this is the land of Shakespeare, and the powers-that-be know that such diversions will not really save Blair. If Blair's sins were on the front page every day, people would get bored with them," he said. But, towards the end of the year, the Hutton Inquiry report will come out, and attention will go back to Blair's troubles, with even greater effect, said the source, a lover of Shakespeare.

The source, who knows the Tory Party very well, thinks that Iain Duncan Smith could be out of his leadership position in 24-48 hours, and the newspapers all confirm that view. At this point, despite the shambles in the Tory Party, it will be better off without the hapless Duncan Smith. What could happen, is that Tory MPs would hold a no-confidence vote against him, and that would be the end. He has no support in Parliament, and his supporters in the regions would not be able to save him from the MPs.

On the latest developments regarding Princess Diana's death, the source said that the revelations of her butler Paul Burrell are "quite interesting," although most are matters which were either already known, or certainly suspected by a lot of people.

The source noted that on Oct. 24, an ITV television program, made a very cogent case for reopening the investigation of Princess Diana's death. However, that would be the last thing that the government wants to do. It will use the fact, that

various cases are still going on in France, as an excuse to further delay any British inquiry. Considering the degree of cooperation there has already been with the French, the British government may be able to hold things off this way, at least for now.

Iain Duncan Smith Out as Conservative Party Leader

In a vote of "no confidence," that was 90 against versus 75 for him, Smith was ousted as Tory leader on Oct. 29. He will remain in place, however, for possibly some time, due to the laborious job of finding a replacement. At present, shadow finance minister Michael Howard, who had been a minister in John Major's government is tipped to have an early lead, largely because the Conservative Party's shadow deputy prime minister David Davis said that he would not run and endorsed Howard. However, there are several other potential candidates.

Former Lover Calls for Full Inquiry into Diana's Death

Princess Diana's former lover James Hewitt has said he is not convinced that Diana's death was just an accident. Hewitt's statements were published in the British tabloid *News of the World* on Oct. 26.

In reaction to the letter that the Princess of Wales' butler Paul Burrell has published, Hewitt told the *News of the World* that the Princess "maintained that sort of suspicion all the time I knew her. She'd say, 'I think I'm being bugged. I think I'm being followed. I think I'm being tracked.'" It was something that was evidently on her mind."

Hewitt said that bugging devices had been found in his home in Devon, and that he had been "regularly followed" during his five-year affair with Diana.

He also said that the Princess had been convinced that British intelligence officers had already "arranged" the motorbike crash that killed her police bodyguard Barry Mannakee in 1987. "She was sure it wasn't an accident," said Hewitt. "She said he'd been getting too close to her."

German Intelligence Chief Says 9/11 Planned in Afghanistan

The chief of German domestic intelligence testified that the 9/11 attacks were planned in Afghanistan, not Hamburg. Appearing in a court in Hamburg on Oct. 24, Heinz Fromm, director of Germany's domestic intelligence agency, said that the "Hamburg cell" of Mohammad Atta did exist, but had no active leading role in the planning of the 9/11 attacks. Members of the group went to Afghanistan, where they originally thought they would be recruited and trained for missions in Chechnya, but instead, were recruited for the attacks on the U.S., in September 2001.

Fromm referred to "evidence" contained in two *Al Jazeera* interviews with the two al-Qaeda leaders, Kalif Sheikh Mohamad and Ramzi Binalshib (both now U.S. custody), as well as in the most recent U.S. Congressional report, 10 pages of which report are taken up in a 10-page cover story in Germany's *Der Spiegel* weekly.

Whereas the Fromm testimony does not call into question the official story of al-Qaeda as the mastermind behind 9/11, it does undermine a Hamburg court's sentencing, to occur on Feb. 15, of Mounir el Motassadeq, who is facing 15 years in prison for complicity in the killing of nearly 3,000 civilians in the World Trade Center. Motassadeq's lawyers had argued along the line that Fromm gave just now, that Motassadeq and others of the Hamburg group had been lured to Afghanistan, but that their "good faith" had been misused by bin Laden for a different operation, i.e., 9/11, which they were not fully aware of. In any case, Fromm's remarks will influence the ongoing trial against Abdelghani Mzoudi, another member of the "Hamburg Cell."

Italian Red Brigades Caught with Intelligence Pass

On Oct. 24, Italian police arrested seven alleged Red Brigades terrorists, suspected of participating in the assassination of Labor Minister adviser Massimo D'Antona in 1999. One of the suspects, Marco Mezzasalma, possessed a security pass released by CESIS, the coordinating body of both military and civilian intelligence agencies SISMI and SISDE. The putative reason why Mezzasalma had the pass is that he works in a defense-related electronics firm, supplying, among other things, radar systems for U.S. Blackhawk helicopters. Such passes are only issued after a thorough screening, including the individual's friends and acquaintances. At the time Mezzasalma's pass was issued, in 1995, Mezzasalma was already inserted in the terrorist structure. Investigators believe that with such a pass, terrorists could access government papers with information on D'Antona.

German Police Conduct Raids on Neo-Nazi Networks

German press reported raids on neo-nazi networks in northern Germany on Oct. 28. In a concerted operation in the three northern states of Schleswig-Holstein, Hamburg, and Lower Saxony, 300 policemen raided 50 flats and other sites, related to a network of neo-nazis linked to the British group Combat 18.

Material and equipment was seized in the raids, which shows the "dangerous potential" of the network, police said, adding that evidence of links to arms-dealing networks of the organized crime scene was found, as well. The raids were made in a follow-up operation to the arrests of pro-terrorist neo-nazis in the Munich region, in September.

Maastricht Budget Rules Must Be Modified

Widely covered in Oct. 27 press, French and German leaders have endorsed modifications of the Maastricht criteria. In separate interviews with the *Frankfurter Allgemeine Zeitung*, both French Prime Minister Jean Pierre Raffarin and German Finance Minister Hans Eichel, along with German Chancellor Gerhard Schroeder and EU Commissioner Guenter Verheugen, endorsed a discussion about modifications to the Maastricht rules. All of them insisted that the Maastricht system as such should not be abolished, but reformed in order to put greater emphasis on growth-promoting measures. The German Chancellor and the French Prime Minister are expected to deepen their discussion on the matter, at their Franco-German "regional economic cooperation" meeting in Poitiers, France.

Franco-German Poitiers Meeting Reiterates Calls for Maastricht Modifications

At the conclusion of the two-day "regional cooperation" conference in Poitiers, France, ending Oct. 28, German Chancellor Gerhard Schroeder said that it may be hoped that the upcoming EU Finance Ministers meeting would not pass unwise decisions concerning the present budgetary policies of the governments of France and Germany. The finance ministers should omit everything that could spark bigger conflicts in Europe, Schroeder said, without going into further details.

He said neither of the two governments wanted to abolish the Maastricht system, but both were fully aware of the crucial role that their national economies, being the two biggest ones in Europe, has to play for promoting growth in Europe. The Maastricht Pact is, after all, a "pact for stability and growth," he added, and emphasis had to be put on growth at present.

Germany Looks East for New Opportunities

Germany has a potentially leading role in Iran's petrochemical industry. In an exclusive interview with the *FAZ* on Oct. 30, Reza Nemazadeh, president of the national petroleum company, NPC, of Iran, says that by 2015, Iran wants to achieve the

status of an exporter of mainly petrochemical products, instead of crude oil as today. Iran has already invested \$11 billion dollars in the transformation in the past six years that he has headed the NPC, and will invest another \$15-20 billion during the next 10 years.

By 2015, 60 million tons of the 75 million that Iran will produce in the petrochemical sector, will be finished products and yield an export revenue of \$20 billion for Iran. This will be a share of 5% in the world market, and one-third of what the entire region will produce, in this sector, Nemazadeh says.

Germany is the biggest partner of Iran, at present, with a 50% share in foreign investments in the petrochemical sector.

Russia and Central Asia News Digest

Russia Brings Mideast Road Map to the UN

On Oct. 30, Russia introduced a resolution, asking the United Nations Security Council to endorse the "Road Map" peace plan for Israel and Palestine. The plan, neglected by the United States, in deference to ongoing Israeli policies, was drafted by the "Quartet" of Russia, the United States, the United Nations, and the European Union. U.S. Ambassador James Cunningham nixed the Russian proposal. "We don't think the timing is right now, since there's no Palestinian government in place." Russian Ambassador Sergei Lavrov said, on the contrary, that Russia wanted the Security Council to approve the resolution next week, to coincide with the formation of the new Palestinian government.

The *Washington Post* quoted an unnamed U.S. official, who said that the Russian complaints "'came as a surprise,' but probably reflected exasperation by European and UN officials at U.S. handling of Mideast policy."

Lavrov's initiative should be seen in the overall strategic context of Russian President Vladimir Putin's moves against the Russian oligarchs, and Russia's perceptions of the war aims of the Chickenhawks in Washington, commented Lyndon LaRouche.

Putin: Transport Is an Integrator for Eurasia

Addressing a special session of the State Council, dedicated to the development of means of transportation, Oct. 29, Russian President Vladimir Putin stressed that, "the modern transport sector is not just a significant sector of the economy. Its reliability and efficiency ensure the country's territorial and economic integrity, the development of inter-regional ties, the formation of a healthy domestic market, and the rational development of our natural riches."

Furthermore, he said, "Our country's political and economic weight also depends on access to global transport corridors.... Communication is the decisive factor of successful international integration projects in the CIS, in Europe, and in the Asia-Pacific region."

Khodorkovsky Case: Yukos Oil Stock Frozen

Russian prosecutors froze a controlling portion of Yukos Oil stock shares on Oct. 30, meaning that owners cannot sell the shares during the criminal investigation of Yukos CEO Mikhail Khodorkovsky and other company executives. The Prosecutor General's Office said that the shares—belonging to offshore companies Hully enterprises of Cyprus and Yukos International Limited on the Isle of Man—were frozen "as collateral against material damage," in the upcoming tax-evasion and embezzlement cases. (See InDepth, "Russian President Backs Crackdown on Oil Magnate.")

Chubais: Our Kind-of Crimes Are Not Crimes

In a television interview just after the arrest of Yukos Oil CEO Mikhail Khodorkovsky on Oct. 25, Anatoli Chubais—head of Russia's national power utility, but formerly in charge of privatization during the period when fortunes like Khodorkovsky's were made—said he did *not* think Khodorkovsky was falsely accused. But, he argued, "Just take a look at these charges.... These are all economic crimes. These are not the types of serious crimes," for which a suspect is usually arrested during an investigation. Khodorkovsky had failed to respond to a summons.

Glass Houses and Stones

"Not one of the G-8 countries would allow itself to behave in such a way with one of its leading businessmen," leading U.S. Chickenhawk Richard Perle said on Oct. 29. Perle was evidently struck by the fact that none of the Enron thieves, or his Halliburton pals, is in jail, despite the exposure of their crimes. As punishment for using the rule of law against the corporate criminals, Perle said he hoped that, "the U.S. Administration will not allow Russian companies to return" to Iraq, which the U.S. has "liberated from the monstrous regime of Saddam Hussein with which Russians had fruitfully cooperated for a long time."

Russian President Putin sees the Enron parallel differently. At an Oct. 31 roundtable meeting with Western and Russian investment bankers, Putin said that much of the criticism about the arrest of Yukos CEO Khodorkovsky was an overreaction. The Americans should understand what Russian law enforcement agencies are doing, he added, given their experience with the case of Enron, in which top executives were investigated, and several of them arrested, because they broke the law and damaged the general economy.

Russians Welcome European Efforts To Cool Iran Controversy

Russia's nuclear cooperation with Iran is fully transparent, stated State Duma Security Committee Deputy Chairman Victor Ilyukin on Oct. 27 in Moscow. He added, "Given that Iran is Russia's most significant partner in the region, Russia is not willing to witness any clashes in the country." In reference to the recent diplomatic mission of the three European foreign ministers, which led to a breakthrough on the nuclear issue, he said, "The visit of European ministers to Iran proved their reluctance to repeat Iraq's crisis in the international scene.

Professor Bondarevsky Commemorated at Russian Academy of Sciences

On Oct. 22, the Institute of Oriental Studies of the Russian Academy of Sciences, held a memorial meeting on the life and work of Prof. Grigori Bondarevsky, a beloved friend of many at *EIR*. The meeting was chaired by Prof. Anatoly Khazanov, Director of the Department of International Relations of the Institute. On Sept. 24, a commemorative meeting was held at the Indian Embassy in Moscow, and another will be held in Kuwait in February.

At all these meetings, *EIR*'s tribute to the professor, "Murder of a Legend," was distributed by the professor's daughter. The *EIR* articles, especially that by Mark Burdman, have brought great praise, she said, because of their appreciation of the very special qualities of Professor Bondarevsky's work. There is a request to reproduce the *EIR* articles in a book to be published by the Institute of Oriental Studies, and others are also interested in reproducing these articles.

Mideast News Digest

Sharon Suffers Big Setbacks in Local Elections

Prime Minister Ariel Sharon's Likud bloc has lost control of eight cities, in last week's Israeli local elections, most of them considered its strongholds previously, and covering some 2 million people altogether, *Ha'aretz* reported on Oct. 30. Of the 11 "big" cities (Jerusalem, Haifa, Tel Aviv, Be'er Sheva, Netanya, Ashdod, Ramat Gan, Petah Tikva, Holon, Rishon Letzion, and Rehovot), the Likud now controls only three—Netanya, Rehovot, and Ashdod, according to *Ha'aretz*. The Labor Party, for its part, lost control of five cities, apparently of lesser importance. No report was given on who gained from these major party losses.

Sharon Lashing Out at Ya'alon Criticisms

There are signs that Israel is imploding because of Ariel Sharon and his fascist gang. In one case, according to *Ha'aretz* Oct. 29, there is open criticism, by the IDF, of Sharon and the Shin Beth, Israel's domestic intelligence service; and, in another case, senior prosecuting attorneys are blasting the Attorney General, for trying to protect radical right-wing Cabinet Minister Avigdor Lieberman, who is embroiled in a corruption scandal.

The latest breakout of chaos, is a fight by the IDF—not just the Pilots or Reservists who are resisters—but the high command itself. Reporter Uzi Benziman writes in the Oct. 29 *Ha'aretz* that, "The high command of the Israel Defense Forces believes that Israel contributed to the collapse of former Palestinian Premier Mahmoud Abbas's government by making only stingy demonstrations of support, and is warning Israel not to repeat the mistake with Palestinian Premier Ahmed Qureia." Unnamed "senior military sources" have been speaking out to the press, to the effect that, "it is the dominant feeling in the IDF General Staff ... that Israel should have treated Abbas differently, by giving him control of every Palestinian city he asked for."

The other aspect of the sabotage of Abu Mazen (Mahmoud Abbas), say these sources, was Sharon's threats concerning the "fate of Yassir Arafat." The "army is disappointed," because the Sharon government has insisted on listening to the Shin Beth, instead of the military.

While *Ha'aretz* did not quote Gen. Moshe Ya'alon, the IDF Chief of Staff himself, he was the cause of Sharon's fury. Ya'alon's remarks were printed in a number of other press, based on a briefing he gave to reporters, to "explain the differences of opinion between the military and the government," about the easing of conditions for Palestinians in the West Bank and Gaza.

To deal with this, Sharon has turned to the butcher of the 2002 assault on Jenin and the West Bank, Defense Minister Shaul Mofaz, to discipline Ya'alon, though no action has been taken yet. An anonymous source in Sharon's office demanded that Ya'alon's head should roll. "Ya'alon never made his opinion known in any of the discussion that we held.... He chose to speak to the press. Beyond that, his claims are not correct."

However. IDF spokesmen and sources made clear on Oct. 30 that Ya'alon was speaking for the IDF, when he warned that something must be done to give hope to the Palestinians. Ariel Sharon was reported to have told Defense Minister Shaul Mofaz that Ya'alon either had to retract his statements, or resign. Ya'alon did neither. Instead, IDF spokesmen issued "clarifications," denying that Ya'alon had criticized the government, and then reiterated his essential point.

Senior IDF officials, remaining anonymous, told Israeli media (including Army radio), that Ya'alon was correct to raise the army's concern that the Occupied Territories are on the verge of a far worse explosion than seen so far, unless something is done to give the Palestinians some hope.

Ha'aretz commentator Aluf Benn wrote that "the army is looking for a 'strategic exit' from the Territories. Under pressure of the mounting snafus (unnecessary killing of civilians in Gaza; the six soldiers killed in Netzarim and Ein Yabrud, etc.),

Ya'alon is trying to kick responsibility upstairs to the Defense Minister, and sideways, to the Shin Beth, before the chaos breaks out in the Territories and the politicians blame the failure in the war on the IDF." Another wrote that the army is worried, that after three years of fighting the intifada, "the soldiers and their field officers are exhausted."

Seven-Hour Interrogation of Sharon By National Police

Israeli Prime Minister Ariel Sharon underwent a seven-hour police interrogation Oct. 30, in connection with financial scandals, involving foreign and covert money made available to Sharon, his family, and the Likud. The investigations, which could determine Sharon's political fate, and also have serious implications for his backers in the U.S. and other countries, have reached the point, that brawls within the Israeli police and judicial administration are again being highlighted in the press. The disputes concern whether Sharon should be indicted on bribery charges for six-digit cash flows to his son for a Greek Island resort; and also, recent charges by Police Major General Mizrahi that Sharon's Attorney General Elyakim Rubinstein had interfered in Mizrahi's investigation of Russian-Israeli organized-crime backers of Sharon's Finance Minister (former Prime Minister) Benjamin Netanyahu.

Sharon's AG Strikes Back Against Police Investigators

Israeli Attorney General Elyakim Rubinstein has written a report recommending that the police chief of investigations, Major General Moshe Mizrahi, be dismissed for allegedly mishandling material derived from official wiretaps, *Ha'aretz* reported on Oct. 27 and 28. Rubenstein made this charge, despite the fact that the chief prosecutor, who is his number two, and other prosecutors, totally supported Mizrahi.

The wire tapes involved, center on the investigation of none other than Michel Chernoy, the reputed Russian Mafia boss, who recently funded the notorious Jerusalem "Beast-man" Summit, where the likes of the swinish Richard Perle, and other neo-cons and Straussians spoke. Mizrahi was investigating, among other things, Chernoy's relationship to Avigdor Lieberman, the head of the fascist National Union "Transfer" Party and current Infrastructure Minister in the Sharon government.

Mizrahi is also in charge of the investigations against Sharon, his two sons, and Deputy Prime Minister Ehud Olmert, involving illegal campaign financing and bribe-taking.

Although Rubinstein's report will not necessarily lead to Mizrahi's dismissal, if he is dismissed it could set back all of these investigations, which have a great deal to do with whether Sharon's government will survive, or go down in a sea of criminal indictments.

Tensions Rising Along Lebanon-Israel Border

The situation along the Israel-Lebanon border heated up considerably last week. On the afternoon of Oct. 27, the Lebanese Hezbollah organization launched a mortar and Katyusha rockets against Israeli positions in the disputed Shaba farms sector along the border. The Israelis immediately responded with artillery shells across the border and air attacks, as well, near villages along the border.

These actions have been followed by escalating rhetoric on both sides. Israeli Northern Commander Major-Gen. Benny Ganz declared that the Hezbollah attack is a "dangerous factor, which may make a situation such that we may have to act with very, very strong force. In that case, I would assume that it would be preferable to be an Israeli citizen, rather than a Lebanese citizen."

This statement was followed within hours by Israeli Defense Minister Shaul Mofaz making claims that the Hezbollah was planning another, more serious attack along the border, requiring a more serious response.

The attack occurred while a Syrian military delegation, led by the Syrian Chief of Staff, Gen. Hassan Turkmani, was visiting Beirut. The Lebanese army released a statement saying that it and the Syrian army had looked into ways to "confront challenges and enemy threats to which both Lebanon and Syria would respond. A unified formula was reached on the issue."

U.S. Secretary State Colin Powell called on Syria and Israel to ease tension and tone down their rhetoric. "These sorts of statements do not assist us, do not assist any of the parties in the region to try to move forward, and just heighten tension. So I would encourage both sides to refrain from these kinds of rhetorical threats."

Arrest Warrant Issued Against General Michel Aoun

An arrest warrant was issued on Oct. 24 against Gen. Michel Aoun, a former army commander and leader of the anti-Syrian forces in Lebanon, currently in exile in Paris, the Beirut *Daily Star* reported Oct. 27. The warrant was issued after Aoun failed to appear in court three times on charges of slandering Syria. Aoun had made the charges in testimony before a U.S. Congressional subcommittee, to promote the passage of the Syria Accountability Act. The warrant was issued by chief Beirut investigating magistrate Hatem Madi.

If tried and convicted in absentia, says the paper, he could be banned from living in Lebanon, denied his civil rights, and face 15 years in prison. General Aoun is being promoted by the Hudson Institute, the American Enterprise Institute, and other U.S. neo-conservatives as the "Ahmed Chalabi" of Lebanon—a reference to the leader of the Iraqi National Congress, who has been a pet of the neo-cons for decades, and who is their choice to be put in charge of post-Saddam Hussein Iraq.

Wolfowitz Survives Assassination Attempt in Baghdad

At 6 a.m. Oct. 26, six-eight rockets hit the Al Rashid Hotel in Baghdad, where Deputy Defense Secretary Paul Wolfowitz was staying. There were numerous wounded, and one high-ranking Army colonel is dead.

Steve Marney, a journalist with Middle East Broadcasting based in Dubai, said the two ninth-floor rooms on either side of his were completely destroyed by the attack. The hotel is part of a compound on the west bank of the Tigris River used by the U.S.-led administration. It is in a fortified complex that includes palaces built by former leader Saddam Hussein.

The attack was made in a sophisticated, and bold manner: A truck drove up pulling a trailer, disguised as a generator, which had been refitted to carry a missile launcher. The truck was driven to a street which crosses the Tigris River at the 14th of July Bridge, and parked about 500 meters from the hotel. The bridge had been reopened only the day before, for the first time since the war began. Iraqi police said they tried to tell the driver of the truck to move it, but he fled. The rockets were then fired, presumably by a timing device, as security guards approached it.

Wolfowitz appeared before the press and TV cameras, unhurt, but visibly very shaken.

U.S. Army General Martin Dempsey nonetheless told reporters that the Baghdad attack was not targetted at Wolfowitz. But wires report that on Oct. 25, Iraqi guerrillas fired rocket-propelled grenades and destroyed a Black Hawk helicopter which was brought down near Tikrit, wounding one American soldier. Wolfowitz had left Tikrit by helicopter for Kirkuk just hours earlier.

UN and Red Cross Pulling Out of Iraq

The United Nations said on Oct. 29 that it was temporarily pulling its remaining international staff out of Baghdad, after the deadly suicide car bombing Oct 27, at the Baghdad headquarters of the Red Cross. Secretary General Kofi Annan told Associated Press that the UN wished to reassess the situation overall, as well as the UN's position in Iraq, given that, "we seem to be entering a new phase with the attacks of the last 72 hours."

The International Committee of the Red Cross and Doctors Without Borders, said they, too, were pulling their workers out of Baghdad. The Red Cross withdrawal of its personnel came despite a personal appeal from Secretary of State Colin Powell to remain in Baghdad, because "if they are driven out, then the terrorists win."

Asia News Digest

China and North Korea announced new six-party talks

Without setting a time frame, Chinese legislative head Wu Bangguo, on a three-day visit to North Korea, and his hosts, announced Oct. 30 that they were in agreement "in principle" to call a new round of the six-party talks. The agreement comes as the U.S. proposal for a five-party security guarantee for North Korea, and the setting of a mutually agreed schedule for dismantling North Korea's nuclear weapons capacities, has been accepted as the basis for discussions by Pyongyang. China's role in moving this forward is acknowledged as crucial by all parties.

In Washington, President Bush did a "drop-by" on a meeting between the visiting Chinese Defense Minister, Gen. Cao Gangchuan, and NSC Chief Condi Rice, thanking China for its role in the Korea crisis.

The U.S. Senate shot itself in the foot again, with a vote to cut aid to Malaysia

The U.S. Senate voted *without dissent* on Oct. 28 to cut \$1.2 million in military aid to Malaysia, until the Secretary of State determines that Malaysia "supports and promotes religious freedom, including tolerance for people of the Jewish faith." Malaysia is known as one of the world's most religiously tolerant nations. Malaysian Prime Minister Dr. Mahathir responded (with memories of Suharto's "Go to hell with your aid" still fresh in the minds of all Asians): "It doesn't make any difference to us. We don't really need that money."

The action was taken ostensibly in response to outgoing Prime Minister Mahathir Mohammed's speech to the Organization of the Islamic Conference on Oct. 16, where he included in his attack on Muslim irrationality and support for suicide bombing, a comment on "Jews running the world." This erroneous statement was then used as an excuse for an outpouring of the hostility which certain Western circles have toward the Prime Minister, due to his implementation of currency controls, and attacks on bloody speculator George Soros. (see last week's EIW)

In response to the vote, Dr. Mahathir joked about the hysteria: "They want to dictate to the world. We are all being run by the US Senate! It's no good having our own elections. We'd better vote in the US elections, and then we can be sure we get the right representatives."

Malaysia is the leading economic supporter for East Timor and Papua New Guinea

Some 18 months after East Timor (Timor L'este) celebrated its independence, Malaysian Prime Minister Dr. Mahathir bin Mohamad was the first head of government to visit the newest independent state, and to pledge support for the struggling

nation's success. In the course of a 60-hour visit Oct. 24, Dr. Mahathir laid the foundation stone for the future site of the Malaysian Embassy, held talks with his counterpart Mari Alkatiri, paid a courtesy call and had lunch with President Xanana Gusmao, addressed the Timor Leste Parliament, met the 200-odd Malaysians living and working here, held a dialogue with Malaysian and local businessmen, and launched a Malaysian initiated youth website.

President Gusmao, who has repeatedly said that Malaysia is the best model for its development, broke protocol to spend more time than planned with Dr. Mahathir.

Referring to Timor's potential petroleum resources, Dr. Mahathir cautioned: "Most developing countries do not have the means to extract their natural resources." Historically, he said, oil majors had cheated the poor countries by paying them less than \$1 for a barrel of oil. When a foreign reporter asked whether he was making a veiled reference to difficulties between the Timor Leste government and Australia over oil and gas reserves, Dr. Mahathir's immediate response was: "We say in Malay, he who bites the chile, will feel its heat. So if you feel the heat, maybe it's because you are involved. As far as Malaysia and its national petroleum company Petronas, I've given assurance that it is not Petronas' intention to come here and take the oil for itself. We have come here to provide some advice, based on our experience in dealing with multinationals who enter into production sharing agreements."

From East Timor, Dr. Mahathir travelled to Papua New Guinea, his third trip to this "Land of Paradise" where Malaysian firms are the leading Asian investor.

Thai/Myanmar military-to-military exchange

In apparent defiance of U.S. demands for isolating and confronting Myanmar, fifty Thai Army generals holding inactive posts planned to tour Myanmar between Oct. 28-30, to get to know the top brass. Army advisory chairman Gen. Vichit Yathip was expected to lead the group of 50 major-generals, lieutenant-generals, and full generals holding advisory and specialist posts, in one of the largest official foreign trips involving generals.

Myanmar's director of strategic intelligence, Major-General Kyaw Win, was to be in charge of the visitors. The intent, Gen. Vichit said, was for Thai and Myanmarese military leaders to get to know one another better, and to forge closer military ties and improve bilateral links. Gen. Vichit said Prime Minister Thaksin Shinawatra would pay a visit to Myanmar next month to meet his counterpart, Gen. Khin Nyunt, to follow up on progress on cooperation against illicit drugs.

Thailand may withdraw its troops from Iraq

Defense Minister Thammarak Isarangkura na Ayudhya told the Thai Senate foreign affairs panel Oct 29 that, "We won't risk the lives of our forces if the security situation in Iraq gets worse." Most of the 447 Thai troops in Iraq are in Karbala, where Thammarak says they are safe. The Thai units are mostly engineers and medics.

Col. Boonchu Kerdchok, commander of the Thai troops in Iraq, remained yesterday about the situation in Karbala, but admitted the situation was tense after last week's killing of three U.S. and Polish soldiers in Karbala. He said local Iraqis were friendly and cooperating with the Thai troops, who were receiving cooperation from local religious leaders, in areas otherwise deemed unsafe. The Thai unit is launching a school-building project.

Thailand considers huge rail and urban rapid transit project

The infrastructure projects are estimated to cost \$25-50 billion, which could be funded in part through the creation of mutual funds, one of which might be called the Rail Mass Transit Fund, according to Thai officials. The immediate

infrastructure targets are a nationwide double-track rail system, integrated mass transit for vehicle-clogged Bangkok, along with coastal roads and bridges in southern Thailand.

The Finance Ministry said Oct. 29 it could raise enough money from private investment and state and local budgets, to finance massive infrastructure projects worth almost \$25 billion over the next six years. The ministry was responding to questions following the announcement by Prime Minister Thaksin Shinawatra Oct. 28 that the government was planning to set up mutual funds worth between \$2.5-\$5 billion, to partly fund these infrastructure projects.

Prime Minister Thaksin was also asked if the government would pursue legalizing gambling, which has been a long-standing political hot potato in the country. Thaksin answered firmly, not now.

This Week in History

November 3 - 9

On November 4, we mark the eighth anniversary of the assassination of Israeli Prime Minister and statesman Yitzhak Rabin, which occurred in 1995, two years after the consummation of the Oslo Accords. This was a murder from which the Middle East, and emphatically Israel, has not yet recovered, as the cycle of revenge killings has proceeded with increasing violence, since at least the fall of 2000.

There are two significant features to keep in our minds, as we commemorate the life of Rabin. First, there is the quality of leadership which he showed, in turning to peace-making after decades of wars. Such leadership, which Rabin described as a "changing of axioms" during a toast in July of 1995, is sorely needed today. Second, there is the constellation of political forces, both within Israel and the United States, which conspired successfully to murder him—forces which still must be defeated today.

Rabin's Courageous Leadership

Yitzhak Rabin was no "peacenik." Born in Jerusalem in 1922, he had fought for the independence of Israel from Great Britain in 1947-48, and played a commanding role in the 1967 war. During his tenure as Prime Minister, between 1984 and 1988, the Israeli government fought bitterly against the Palestinian Intifada; and over those years and those that followed, he showed no sign of softening toward the recognition of a Palestinian state. He became Prime Minister again in 1992.

Yet in 1993, Rabin braved the wrath of the fanatics of his country, among others, in order to forge the Oslo Accords with the Palestinian Authority, and to sign a treaty with Yasser Arafat. His words at the signing ceremony, held under the eyes of President Clinton, deserve to be etched in our memories: "Let me say to you, the Palestinians, we are destined to live together on the same soil in the same land. We, the soldiers who have returned from battles stained with blood; we who have seen our relatives and friends killed before our eyes; we who have attended their funerals and cannot look into the eyes of their parents; we who have come from a land where parents bury their children; we who have fought against you, the Palestinians; we say to you today in a loud and a clear voice, enough of blood and tears. Enough!

"We have no desire for revenge, we harbor no hatred towards you. We, like you, are people—people who want to build a home, to plant a tree, to love, live side by side with you in dignity, in affinity, as human beings, as free men. We are today giving peace a chance and saying to you, and saying *again* to you, 'Enough.' Let us pray that a day will come when we all will say farewell to arms. We wish to open a new chapter in the sad book of our lives together, a chapter of mutual recognition, of good neighborliness, of mutual respect, of understanding. We hope to embark on a new era in the history of

the Middle East."

Two years later, when Oslo was under increased assault by those he called the Israeli "ayatollahs," Rabin encapsulated his thoughts on the change that was required to reach a peace. In a toast to President Clinton and King Hussein at the conclusion of the negotiations on Middle East peace on July 25, 1995, Rabin said: "If I raise my toast, I will raise it for those who have the courage to change axioms, to overcome prejudices, to change realities, and those who make it possible to them—for you, Your Majesty (King Hussein of Jordan); to you, President Clinton; to all those who believe and support and are ready to assist the continuation of peace in the region. Le Chaim. Le Chaim."

Rabin, basically a military man, had changed axioms, and he was leading his nation, along with others, toward building the peace.

The Fanatics

But, less than four months after Rabin made that toast, he was murdered, by a representative of the fanatical "Jewish underground," which was committed to preventing any peace. Profiles of the networks within which Rabin's assassin, Yigal Amir, operated, reveal that they were, and are, linked to Prime Minister Ariel Sharon's Likud party, the National Religious Party, and an international protection racket, which spans the Likudnik wing of the international Zionist movement, to the rabid Christian Zionists, and neo-conservatives.

According to a prime source on the Rabin murder, entitled *Murder in the Name of God: The Plot to Kill Yitzhak Rabin*,* the network of rabbis, settlers, political operatives, and their supporters in the United States, who conspired to kill Rabin, were very public, and well-known. One of the most prominent "respectables" was none other than Benjamin Netanyahu, a man who holds office in the Sharon Administration to this day. This network brazenly targeted Prime Minister Rabin as a "Nazi dog," put a curse on him, and killed him—in hopes of killing the peace process as well. But the sickest part, is those in the Israeli establishment, and in the international political arena, who simply sat back and allowed it to happen, virtually without repercussions.

Today, as a new peace initiative surfaces on the Israeli side, and leading Israeli institutions are starting to revolt against Sharon's perpetual war and genocide policy against the Palestinians, it is all the more crucial that those in high places in Israel who condoned, and organized, the murder of Yitzhak Rabin, be exposed and rejected. It's past time his advice be taken: "Enough of blood and tears, enough!"

* For a full review of this book, see Michele Steinberg, "Can Israel Save Itself from Fascism?", *EIR*, March 8, 2002. review by Michele Steinberg.

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