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This Week You Need To Know

LaRouche Berlin Webcast

World Crisis on the Eve of the U.S. General Election

Lyndon LaRouche addressed a LaRouche PAC webcast in Berlin, Germany on Oct. 31, 2006. The event was videoconferenced to an audience in Washington, D.C., and was watched by "satellite" audiences around the world, including 220 people at universities in Colombia alone. The moderators in Berlin were LaRouche Youth Movement leader Jessica Tremblay and Mr. LaRouche's science advisor, Jonathan Tennenbaum; the moderator in Washington was Mr. LaRouche's U.S. national spokeswoman, Debra Freeman. We publish here the full transcript.

You know the worst and best moments in history come to most people, most of the time, as a surprise. And that is going to be the case with what's happening in the world now. We are now at the end of an entire period of history. During the middle of September, in the U.S. and other parts of the world affected directly by the U.S., there was the beginning of a new downturn in the world economy. This is somewhat complicated by the fact that there is an election campaign, so-called midterm election, now occurring inside the United States. The party in power is losing power, that is, losing power in terms of support from the people. It is preparing to commit great electoral fraud in the United States, to try to keep some of that power. It is prepared to *go to war*, to try to preempt the situation, the political situation, to retain power. But it also has long-term intentions to establish world dictatorship, called globalization, which would mean a disaster for all humanity.

Now, these events are coming rapidly. There are some good things happening in the world, as well as these bad things: but they're coming together, as often, at the same time. As in war: A terrible war breaks out, and people are prepared for war, but they don't know what war is. Then suddenly, they get a taste of it, and it wasn't what they expected. And sometimes the war goes against the offender, and that's a good thing. That also comes suddenly, as surprising developments and mobilization of people and institutions, mobilizes people to resist evil. The same is true of great economic depressions. Everybody is surprised by a great economic depression, even those who predicted it. Because it doesn't come exactly as they thought it would, when it comes....

[...full coverage, PDF](#)

Latest From The Worldwide LaRouche Youth Movement

Fascists Cower as LaRouche Youth Sing

by Niko D. Paulson, LaRouche Youth Movement

On the eve of a Congressional election that rivals in importance any of the recent Presidential contests, Lyndon LaRouche

and his youth movement have orchestrated a national campaign strategy that has hit the enemies of the United States where they are weakest, creating the possibility for the nation to change its suicidal course at the proverbial eleventh hour.

Amidst the mounting disasters of war and economic collapse, the United States political establishment has become increasingly discredited in the eyes of people from the lower 80% of income brackets, or what FDR termed the "forgotten man." Not only is confidence in the U.S. President and Vice President in a depressed state, but also popular support for both Democrats and Republicans in Congress has reached an all-time low. This Congress's indifference to, or support for, policies which are destroying the conditions of life for the forgotten man, identifies the lack of legitimacy of the current government; no population would voluntarily support for long, an elected government whose policies disregard the welfare of its own citizens. The lack of truly patriotic leadership in Congress today, has matched, step for step, the Cheney-Bush Administration's aggressive moves toward fascism and world war; as the foot soldiers of this existential crisis march unceasingly forward, what is really at stake Nov. 7 begins to come into view. The issue is not merely a Democratic Congressional victory, nor even the immediate impeachment of Cheney and Bush. While there is a necessity for both of these tactical goals to be achieved, what ultimately must be accomplished, is a transformation in the ideas that govern the United States. A return to the actually modern tradition of Franklin Roosevelt is requisite for this country to defeat the threat of a self-inflicted new dark age today....

[...full article, PDF](#)

InDepth Coverage

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Feature:

[**LAROCHE BERLIN WEBCAST**](#)

[**World Crisis on The Eve of the U.S. General Election**](#)

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[**International E-Mail Dialogue with LaRouche**](#)

In the days following Lyndon LaRouche's Sept. 6 international webcasts from Berlin, and leading up to his Oct. 31 webcast from the same city, scores of e-mails continued the dialogue. Here is a selection...

Economics:

[**LAROCHE ADDRESSES BERLIN SEMINAR**](#)

Fixing a Bankrupt Economy Requires Morals , Not Money

After the Berlin-Washington webcast (see Feature in this issue), Lyndon LaRouche met in Berlin on Nov. 1 with a number of prominent individuals for a private seminar. Here is his answer to a question that concerned how to create a new financial-monetary system, under conditions of global crisis.

Globalization, FDA Cutbacks Lead To Increased U.S. Food Poisoning

by Marcia Merry Baker

A fact sheet, 'Weaknesses in FDA's Food Safety System,' was released Oct. 30 by Rep. Henry A. Waxman (D-Calif.), the ranking minority member of the Committee on Government Reform of the House of Representatives. As the five-page document explained, 'The growing incidence of contamination in fresh produce is a symptom of weaknesses in the federal food safety system' of the United States. The fact sheet, excerpted below, gives dramatic summary documentation of what is lacking in the Food and Drug Administration's ability to inspect fruits and vegetables, and enforce their safety.

National:

Fascists Cower as LaRouche Youth Sing

by Niko D. Paulson, LaRouche Youth Movement

On the eve of a Congressional election that rivals in importance any of the recent Presidential contests, Lyndon LaRouche and his youth movement have orchestrated a national campaign strategy that has hit the enemies of the United States where they are weakest, creating the possibility for the nation to change its suicidal course at the proverbial eleventh hour.

Creating Brownshirts: The Ayn Rand Institute

by Benjamin Deniston, LaRouche Youth Movement

Ayn Rand Institute (ARI), 2121 Alton Parkway, Suite 250, Irvine, California, 92606-4926, www.AynRand.org.

The Ayn Rand Institute was founded in 1985 by Leonard Peikoff, and received its tax-exempt status in 1987. Wildly anti-government, and spreading a 'survival-of-the-fittest,' beast-man philosophy, the ARI focusses largely on brainwashing youth to be the brownshirts in the movement for the destruction of the nation-state. They call it 'education,' 'to cultivate a generation of intellectuals who will be effective advocates for the fundamentals of reason, rational self-interest, individual rights and capitalism.'

International:

Why London Should Be Worried About Lula's Re-election

by Gretchen Small

London financiers are already nervous over what direction Brazilian President Lula da Silva's second term might take, after he was re-elected with a record 58 million votes (60%) in the Oct. 29 run-off vote against the bankers' favorite, the right-wing proponent of free trade/neo-liberalism, Geraldo Alckmin. Their fears are warranted, but not particularly because of anything Lula or some of his top advisors have said, nor even what they are thinking at the moment. The two reasons they have cause to worry about what Brazil might do in the months ahead, lie outside Brazil: the President of Argentina, Ne´stor Kirchner, and global economic disintegration.

Conference Highlights Arab Break With Bush-Cheney Madness

by Jeffrey Steinberg

The annual conference of the National Council on U.S.-Arab Relations (NCUSAR) took place in Washington Oct. 30-31, and provided a forum for an unusually blunt discussion about the absolute failure of the Bush Administration's Middle East policy.

The Janus face of The Swedish Model

by Tore Fredin

National elections on Sept. 17 installed a new government in Sweden. Called the Alliance, it is a victorious four-party coalition led by the

Conservative Party (known as the Moderates). The leader of the new government is a fairly new and young conservative, Fredrik Reinfeldt, who, in the two years leading up to the election, changed the party line, from a policy of tax-cutting and austerity, to a policy of defending the welfare state.

Lieberman Democrats Confronted in Berlin

by Malene Sørensen and Tezira OloboLalobo, LaRouche Youth Movement

Just as Lyndon LaRouche, the voice of the real America, was opening the second historic Berlin-Washington webcast Oct. 31, two minutes up the road were four members of the LaRouche Youth Movement (LYM) at the Friedrich Ebert Foundation, where the U.S. Embassy and Brownshirt Democrats were hosting their counter-operation against LaRouche.

Editorial:

Cheney in the Bunker

The scene is legendary: It's 1945, and there is Hitler, ensconced in his bunker and standing in front of a huge map of the battlefield, barking orders for non-existent armies to redeploy to confront the enemy on the Eastern front. He was totally out of touch with reality—and even top military figures who had kowtowed to his calamitous orders before, shook their heads and refused to pass the orders on. The end was only weeks away.

U.S. Economic/Financial News

U.S. Debt Depends Upon 'Kindness of Strangers'

A new study by Democrats on the Joint Economic Committee (JEC) and the House Committee on Financial Services asserts that, "The Bush Administration has allowed the United States to become increasingly dependent on foreign purchases of U.S. Treasury securities to finance the federal budget deficit, and future U.S. national income will be depressed by payments to foreign holders of U.S. debt.

"If the United States does not begin to take steps to reduce its unsustainable dependence on foreign borrowing in an orderly way, there could be a run on the dollar and that could precipitate an international financial crisis and a sharp increase in interest rates," the report warned.

The report, "Relying on the Kindness of Strangers: Foreign Purchases of U.S. Treasury Debt," was released by Sen. Jack Reed (D-RI), Ranking Democrat on the JEC, Rep. Carolyn Maloney (D-NY), Senior House Democrat on the JEC, and Rep. Barney Frank (D-Mass), Ranking Democrat on the House Financial Services Committee.

Other key findings from the study:

* "At the end of fiscal year 2005, 42.1 percent of the public debt of the United States was held by foreigners, including foreign governments. That foreign ownership share rose by 11.8 percentage points just since 2001 and will be higher still when the data for 2006 are released.

* "Foreign ownership of Treasury securities more than doubled from \$1.0 trillion in January 2001 to \$2.2 trillion in August 2006. ChinaUs holdings rose 450 percent, from \$61.5 billion to \$339 billion. The OPEC nations have doubled their holdings to over \$100 billion in the past two years.

* "The fiscal discipline of the 1990s put a halt to rising federal debt and rising foreign-ownership, but both have grown since 2001, with foreign holdings growing faster than the overall public debt.

* "Since 2001, foreign purchases of U.S. Treasury debt have almost certainly contributed to keeping interest rates lower than they otherwise would have been in the face of large federal budget deficits, but the United States must reduce its heavy dependence on foreign borrowing in order to avoid a run on the dollar and a steep rise in interest rates.

* "Even without a run on the dollar, the need to pay interest of \$100 billion or more per year on foreign holdings of Treasury securities will reduce U.S. national income."

"Our reliance on China and other nations to finance our debt is the result of a deliberate policy by the Bush administration, one that reversed course from the Clinton administration and has favored deficit financing of tax cuts and federal spending over a prudent fiscal policy. It will take years of sound fiscal policy to reduce our reliance on foreign lenders and return the federal debt to a prudent level," the report concludes.

Plunge Protection Team: Market Surge Is 'Suckers' Rally'

Ambrose Evans-Pritchard, writing in the London *Daily Telegraph* Oct. 30, reported on the reactivation of the Plunge Protection Team (PPT), which was first leaked to the *Wall Street Journal* a week earlier and picked up in some U.S. press. Evans-Pritchard writes that the actions of U.S. financial authorities, including the reactivation of the secret PPT (aka the President's Working Group on Capital Markets), indicates that "U.S. authorities believe the roaring bull market this autumn is just a suckers' rally before the inevitable storm hits."

The *Telegraph* quotes former Clinton White House communications director George Stephanopoulos, now an ABC News anchor, describing how the PPT worked under Clinton: "They have an informal agreement among major banks to come in and start to buy stock if there appears to be a problem. In 1998, there was the Long Term Capital crisis, a global currency crisis. At the guidance of the Fed, all of the banks got together and propped up the currency markets. And they have plans in place to consider that if the stock markets start to fall."

In this context, Evans-Pritchard cites the SEC move to slash margin requirements for institutions and hedge funds on stocks, options, and futures to as low as 15%, down from a range of 25% to 50%. He writes, "Conspiracy buffs are already accusing SEC chief Chris Cox of juicing the markets to help stop the implosion of the Bush Presidency." He then asks whether "Paulson and Mr. Cox know something that we do not: whether other hedge funds are in the same sinking boat as Amaranth Advisers and Vega Asset Management, keel-hauled by bets on natural gas and bonds?"

Third-Quarter Foreclosures Jump 43% Over 2005

RealtyTrac reported at the end of October that more than 318,000 properties entered some stage of foreclosure nationwide during July-September, up 17% from the second quarter, and a 43% yearly increase from 2005. It was described as the impact of interest rate increases in the "first wave of adjustable rate mortgages," combined with jobs losses and falling home prices.

In California, foreclosures soared 171% from last year; they also more than doubled in Michigan, surging 109%; in Florida, they rose 26%, making it the state with the most foreclosure filings.

Housing Bubble Meltdown Drags Down Construction

Construction spending fell in September as home building dropped for the sixth month in a row, according to the National Association of Realtors Nov. 1. Spending on private residential construction was down 1.1% in September, the sixth consecutive decline of 1% or more, the Commerce Department reported; overall spending on all construction projects

declined 0.3%.

Helping to drive the fall in construction spending, pending sales of existing homes in September fell 1.1% from August, and were down 13.6% from September 2005, according to an index calculated by the National Association of Realtors.

Bellwether Loudoun County (Va.) Real Estate Continues To Unravel

September cancellations for new-home contracts skyrocketed to 15%, over last year's September rate of 2.4%, reported the *Loudoun Times Mirror* on Nov. 1. The county, in Northern Virginia, reportedly has the highest per-capita median income in the nation. Fueling the cancellations is the fact that people are unable to sell their current homes and so do not have the required cash to complete the purchase of a new home. In many cases, they must forfeit their deposits, some as high as five figures, as they back out of the contracts. In the larger Washington-area market, new-home contract cancellation rates have tripled to 17%.

Derivatives Allow Profits Despite Mortgage Defaults

The *Wall Street Journal* Oct. 30 ran an extensive description of how "investors" are now purchasing derivatives, betting that the rate of loan defaults will rise. It used to be that you made money when people paid off their loans. Now, with expectations that the rate of defaults will rise, derivatives are sold that "pay off" when a critical number of subprime borrowers default. As one mortgage bond manager in Los Angeles is quoted: "You can profit from any scenario." Currently about \$1 trillion in subprime U.S. mortgages are held by financial institutions, domestic and foreign.

Vultures Eye Ford and GM

Ford and GM are beginning to get their act together with drastic cost-cutting measures, according to the *Financial Times* Oct. 30, but the London paper warns that they'll be taken over or thrown into bankruptcy if they don't continue along "the recovery road."

Ford and GM's rejection of a tie-up with Renault's Carlos Ghosn, and their deciding to go it alone, carries big risks, says the *FT*: "Failure to produce meaningful improvements in the near future could leave the companies with no option other than a slide into financial distress or a cut-price sale to private equity funds."

"Ford and GM were sinking ships and they have been stabilized, but that is not enough," says a senior Wall Street banker. "Markets, creditors and shareholders will want to see some positive changes in the operations, or they will quickly become candidates for bankruptcy or a takeover."

More Bad News for Big Three Automakers

A second auto dealership chain is cutting orders to Detroit's Big Three automakers by 30-40%, the *Detroit News* reported Nov. 1. Joining Auto Nation, Group 1 Automotive said the reduction in orders for 2007 model-year vehicles, is in order to reduce bloated inventory from 100 days' worth to a targetted 75 days' supply. This move will force still more production cuts by General Motors, Ford, and Chrysler.

World Economic News

Lula's Reelection Triggers War Behind Closed Doors

The war behind closed doors over the economic policy of the second Lula Administration in Brazil has begun. So commented former National Development Bank (BNDES) chief Carlos Lessa, in response to the Oct. 29 declaration by Lula's Institutional Relations Minister Tarso Genro, that the "Palocci era" was over, and "low growth rates and a neurotic concern over inflation, without consideration of income distribution—this has ended." (Wall Street lackey Antonio Palocci was the much-despised Treasury Minister for most of the first Lula Administration.)

To say the Palocci era is over, is "a very strong declaration by one wing" of the administration, and it will produce "an enormous uproar," Lessa predicted. The government has a "devastating" financial load, however, and won't be able to begin a new era without "violently compacting it," Lessa said. I've gotten hoarse repeating this, but it is impossible to control inflation and return to a growth policy while maintaining "this stupid" policy of no exchange controls, he added.

The City of London's *Financial Times* (Oct. 30) didn't like Genro's "end of an era" declaration, and, even less, did they like press leaks that the Central Bank would no longer report directly to the President, but instead be subordinated to the Finance Minister. This "suggests a weakening of the Central Bank and a setback for those who advocate its formal independence from ministerial oversight," the *FT* complained. (For more on this, see InDepth, "Why London Should Be Worried About Lula's Re-Election," by Gretchen Small.)

India IT Sector Turns to 'Near-Sourcing'

The Indian IT sector has expanded so fast it has run short of qualified labor, and is beginning to "near-source" jobs, the *Financial Times* reported Nov. 2. In other words, such companies are moving operations to Ibero-America and other foreign locations, and increasingly using foreign labor to staff their companies. Tata Consultancy Services, one of India's biggest IT companies, now has 8.3% foreign labor, but will up it to 15% by next year. "De-risking" of operations (by not concentrating out-sourcing jobs in India alone) is cited as a major reason for increasing foreign operations. Another is acquisitions of foreign companies, which is on the rise.

Mittal Steel Announces More Shutdowns, Now in Europe

Continuing its pattern of shutting down steel capacity in the advanced sector, Arcelor Mittal has announced it will reduce its European production of flat rolled steel by "delaying" the restart of a blast furnace in Dunkirk, France and idling a furnace in Aviles, Spain, financial express.com reported Nov. 1. These shutdowns follow Mittal's Oct. 5 announcement that it is indefinitely idling blast furnaces in Ohio and Indiana. Mittal is currently defending itself against charges levelled by a member of the Parliament of Kazakhstan that its unsafe labor practices were responsible for the death of over 80 coal miners in Mittal-owned mines in Kazakhstan over the past three years.

United States News Digest

Hersh Slams Bush Administration for Iraq War

In a lecture at McGill University in Canada on Nov. 2, investigative reporter Seymour Hersh, who writes for *The New Yorker* magazine, described video footage depicting U.S. atrocities in Iraq, which he had viewed but not yet published a story about. The video that he described has not been allowed to be shown in the United States. According to Hersh, the video shows American soldiers massacring a group of people playing soccer, and then dragging bodies together, and dropping weapons there; they reported that 20 to 30 insurgents were killed that day.

Hersh commented that there has never been an American army as violent and murderous as our army in Iraq.

Hersh also came out hard against President Bush for his involvement in the Middle East. "In Washington you can't expect any rationality. I don't know if he's in Iraq because God told him to [be there], because his father didn't do it, or because it's the next step in his 12-step Alcoholics Anonymous program," said Hersh. He described post-Sept. 11 foreign policy as being allowed by a collapsed Congress and a collapsed press.

In an interview prior to the lecture, Hersh was asked about an exit from Iraq. "We have two options. We can get out by midnight tonight or get out by midnight tomorrow." He described the U.S. presence in Iraq as the 200-octane fuel driving the insurgency. Before the U.S. was on the scene, he noted, Sunni and Shi'a were intermarrying and even the Saddam Hussein, by the mid-1990s, had begun placing Shi'ites into senior officer corps.

Cheney-Bush Crossing the GOP on Iraq, Rumsfeld

White House strategists clearly made the decision on Oct. 31 to spend at least 48-72 hours—including major campaign speeches by both Cheney and Bush—attacking Sen. John Kerry for what everyone knows was a verbal slip on troops "stuck in Iraq." But that strategy has Cheney and Bush bringing the Iraq issue, currently more of a chaotic disaster than ever, back into the center of the public campaign debate, the *New York Times* reported Nov. 1. Ironically, as Karl Rove's geniuses were launching this campaign, a national parade of Republican candidates and incumbents was in the process of "cutting and running" from the Administration with campaign ads calling for Donald Rumsfeld's ouster. These included Sen. Kay Bailey Hutchison of Texas, Senate candidate Thomas Kean, Jr. in New Jersey, Senate candidate Bob Corker in Tennessee, senior Republican Rep. Richard Hostettler of Indiana, Rep. Anne Northup of Kentucky, Senate candidate Mike McGavick in Washington State, and Sen. Lincoln Chafee of Rhode Island. RNC money may even be paying for some of these anti-Rumsfeld ads!

In response to this GOP parade, George W. Bush on Nov. 1, in Iowa, stated unequivocally that he wants and intends Dick Cheney to remain Vice President and Don Rumsfeld to remain Defense Secretary for the remainder of Bush's Presidential term.

Lynne Cheney Exposed Again on CNN

After Lynne Cheney denied in her interview with Wolf Blitzer on Oct. 27, that she had ever "written anything sexually explicit," or that her novel *Sisters* had lesbian characters in it, CNN managed to obtain a copy of Sister Cheney's 1981 book, and read passages from it on the air Oct. 29.

The passages, about "Eve and Eve" embracing, kissing, and going to bed, seem pretty clear as to what Sister Cheney's own lesbian fantasies, put in print, consist of.

Lynne Cheney also labelled as "absolutely not true" and "lies" a Democratic Senate Campaign Committee description of the book as being about brothels and attempted rapes. But the CNN correspondent who was assigned to read the book, said the book does indeed reference prostitution and two rapes.

More Vote Suppression Underway in Ohio

"Ohio's electoral process is thus once again sinking into a fog of confusion, disenfranchisement, and theft perfectly designed to prolong the GOP control of the government," write Bob Fittrakis and Harvey Wasserman in the *Free Press* of Columbus, Ohio. They cite a recent decision from the 6th Circuit Court of Appeals which has thrown the whole voting system into disarray; this involves the requirement in a 2005 law that a driver's license ID number, or equivalent, be put on

absentee ballots; however, Ohio driver's licenses have two such numbers, and up to 10% of absentee ballots sent in have the wrong number.

Additionally, the state has quadrupled the fees required for a recount, making it almost financially impossible. And, since 2005, nearly 500,000 voters have been purged from the voting rolls in heavily-Democratic districts.

Padilla Charges He Was Tortured While in U.S. Custody

Jose Padilla, an American citizen who was arrested in Chicago in 2002 and thrown into a military prison as an "enemy combatant," is asking a Federal court to throw out the indictment against him on the grounds that he was "tortured by the United States government without cause or justification," the McClatchy Newspapers reported Oct. 30. Padilla charges that he was isolated in a tiny cell around the clock, deprived of sleep on a steel bunk with no mattress, shackled and manacled for hours on end, and threatened with being cut with a knife, and with having alcohol poured on the wounds. Padilla also claims that he was given drugs against his will—believed to be LSD or PCP—"to act as a sort of truth serum during his interrogations."

A Federal judge in Miami gave the Justice Department until Nov. 13 to respond to Padilla's allegations.

New Voting Systems Could Mean Chaos at the Polls

The introduction of new voting system mandated by the ill-conceived HAVA (Help America Vote Act) could result in major problems at the polls this Election Day, a new report by the non-partisan Electionline.org says. The report estimates that one-third of all voters will cast ballots on voting systems which have never been used in a general election.

"Any time you have new procedures, new voting systems that many poll workers and voters might not be familiar with, and combine that with an election that could decide the fate of one or both branches of Congress, the potential is there for a messy Nov. 7," said Electionline director Doug Chapin. "The steps that have been taken to improve and modernize elections as part of HAVA could make things worse this year, before it makes voting better in the future."

The report identifies ten states in particular that bear watching, because of changes in procedures, legal challenges to state policies, close races, and new equipment, or in some cases, a combination of all of these. These states are: Arizona, Colorado, Connecticut, Florida, Indiana, Maryland, New York, Ohio, Pennsylvania, and Washington State. A *New York Times* gridding of potential problem states lists South Dakota in addition to most of those above.

It should be recalled that the chief promoter of HAVA in Congress was Rep. Bob Ney (R-Ohio), who's now on his way to jail.

Washington Post Displays Fiasco of Iraq Adventure

The Oct. 29 Sunday *Washington Post* featured a prominent front-page story by Thomas Ricks and Peter Baker, and a lead Outlook section story by Anthony Shadid, both illustrating that the Iraq situation has reached a point of no return. The front-page Ricks-Baker story identified Sen. John Warner's (R-Va) early-October fact-finding trip to Iraq as a tipping point. Warner came back deeply pessimistic about the U.S. strategy in Iraq and the deteriorating situation on the ground, and his call for a change in policy opened the floodgates of Republican criticism of the Bush-Cheney failures, which had been simmering below the surface for a long time. Even such hard-core Bush backers as the two Texas Republican Senators John Cornyn and Kay Bailey Hutchison came out demanding a change in course, once the Warner remarks registered. As Ricks and Baker reported, "October 2006 may be remembered as the month that the U.S. experience in Iraq hit a tipping

point, when the violence flared and shook both the military command in Iraq and the political establishment back in Washington." The article noted that the addition of 12,000 American troops to the contingent in Baghdad did little to stabilize the situation in the capital, and led to the biggest one-month toll of American deaths since January 2005.

The lead Outlook story featured a quote from George Bush, "Absolutely, we're winning," from Oct. 25, 2006, above a large color photograph of a decimated Baghdad street, and the bold letter headline, "This is Baghdad. What could be worse?" The article summarized what author Anthony Shadid, a Pulitzer Prize-winning foreign correspondent, found on his recent return to Baghdad. "It had been almost a year since I was in the Iraqi capital, where I worked as a reporter in the days of Saddam Hussein, the U.S.-led invasion in 2003, and the occupation, guerilla-war, and religious resurgence that followed. On my return, it was difficult to grasp how atomized and violent the 1,250-year-old city has become. Even on the worst days, I had always found Baghdad's most redeeming quality to be its resilience, a tenacious refusal among people I met over three years to surrender to the chaos unleashed when the Americans arrived. That resilience is gone, overwhelmed by civil war, anarchy, or whatever term could possibly fit. Baghdad now is convulsed by hatred, paralyzed by suspicion; fear has forced many to leave. Carnage its rhythm and despair its mantra, the capital, it seems, no longer embraces life. 'A city of ghosts,' a friend told me, her tone almost funereal."

The long feature story highlighted Shadid's encounters with friends from his earlier postings in Baghdad, filling out the picture of a nation-state in total collapse.

Ibero-American News Digest

LaRouche Webcast Heard Around Ibero-America

Citizens from many different Ibero-American nations listened to Lyndon LaRouche's historic Oct. 31 webcast, transmitted from Berlin. Audiences in Argentina, Mexico, Bolivia, Colombia, Peru, El Salvador, and Venezuela were among the international groupings who listened to LaRouche's powerful presentation, and participated in the dialogue that followed. A surgeon from San Miguél, El Salvador, who is part of a group of intellectuals and professionals who have been reading LaRouche's writings for a number of years, summed up the sentiments of many others: "I heard it, I heard it, we heard LaRouche!"

Other highlights include:

Argentina: The Berlin conference was shown at two locations in Buenos Aires, and scheduled to be retransmitted at one of them, the Lomas de Zamora University in Buenos Aires, where LaRouche's writings are studied and very well known thanks to Professor Julio González. On the morning of the webcast, LaRouche Youth Movement (LYM) leader Emiliano Andino was interviewed live on a radio station in his native Neuquén province, in which he also invited people to listen to the webcast.

Eighteen people attended the second Buenos Aires showing, held at a downtown Buenos Aires restaurant, many of them attending after receiving one of the 20,000 leaflets distributed by the LYM in an outreach campaign that hit the capital's subways, streets, and universities. Seven people, including three youth and four members of the media, had either received or found the leaflet on the subway, and were profoundly moved by LaRouche's speech.

In the industrial city of Córdoba, a radio talk show host who has interviewed LaRouche on three previous occasions, organized a group of 50 people—professionals, businessmen, politicians, and two reporters—to listen to the webcast at a downtown hotel. He reported that people "embraced LaRouche ... they were completely moved, because he spoke with such passion.... This was an absolutely important speech." Two media representatives were also present.

Mexico: In Hermosillo, in the northern state of Sonora, LaRouche's speech was taped in its entirety by Radio Bemba 95.5 FM, and broadcast the same day from 8-9 p.m., prime listening time. Radio Bemba is a station that was founded by the students of the University of Sonora, and is listened to as well along the West Coast of the United States.

In addition to Hermosillo, in the U.S., Los Angeles, San Francisco, Arizona, New Mexico, and the Midwest have a number of university audiences, as well as trade union and political circles who listen to Radio Bemba, which became famous for transmitting all of former Presidential candidate Andrés Manuel López Obrador's speeches when his supporters were camped out at Mexico City's main plaza, the *Zócalo*) *earlier this year. The directors of the station have been following the LaRouche movement for years. The Radio Bemba broadcast was especially important because many contacts who otherwise have no Internet access were able to listen in, thus multiplying the effect of the transmission.*

Colombia: At three universities that showed the webcast, 200 people attended, with 80 at the INCCA University, 70 at the ECCI, and 70 at the Universidad del Llano, in Villavicencio, Meta (100 kilometers from the capital Bogotá). The webcast was also recorded and retransmitted at the Universidad Colegio Mayor of Cundinamarca on Nov. 3, attended by 20 law and political science students. Four other universities are scheduled to retransmit the webcast next week, including the Universidad Republicana, Corporación Universitaria Iberoamericana, and the Colegio Cafam.

Bolivia: The webcast was broadcast at four different sites, the Universidad Franz Tamayo (Unifranz), Universidad Mayor San Simón (UMSS), Unión Bolivariana universities, and the Bolivian-German Technological Institute. At the Unifranz in La Paz, there were approximately 30 people, including professors and students. This was the first time they had heard LaRouche, and they sent him questions during the webcast. University campuses in Santa Cruz and Cochabamba were also scheduled to show the webcast.

This was the third time that students and teachers at the UMSS in Cochabamba had watched a LaRouche webcast, and some 80 people attended. At the Bolivian-German Technological Institute, 20 students watched the entire broadcast, and responded enthusiastically, particularly to the youth chorus at the end. This institute has its own Schiller College of Music, and the idea that Classical music is a crucial part of educating youth is widespread.

Also in Bolivia, on the evening of the webcast, La Paz's Channel 13 interviewed *EIR* Ibero-America editor Dennis Small for one hour. Host Aníbal Aguilar, who has interviewed Small on three earlier occasions, touched on four themes: the global economic crisis; the political situation in the U.S.; Ibero-American developments; and what Bolivia can do. At the end, he asked on the air to have a follow-up program on Nov. 7 (Election Day in the U.S.). Small agreed, but made it contingent on Aguilar's agreement that he and other Bolivian leaders will actively participate in LaRouche's next webcast, to be held on Nov. 16, sending in questions, discussion documents, and comments. Aguilar agreed.

Bolivia Consolidates its Oil/Gas Nationalization

On Oct. 29, the Evo Morales government signed a last-minute agreement with Bolivia's top ten oil and gas multinationals, including Brazil's Petrobras, which had been threatening to pull out of the country, arguing that conditions set down by the government were unacceptable.

The foreign multis agreed to fork over 50-82% of their revenues to the Bolivian government in exchange for being allowed to remain in the country and operate as service providers to the national energy company YPFB. While the fine print of the new contracts has not been revealed yet, the signing is universally seen as a boost to President Morales, who urgently needed the breathing space the agreement provides. The support of Argentine President Néstor Kirchner, who agreed to pay significantly higher prices for Bolivian gas, and who recently signed a \$17 billion industrialization package with Morales, helped to strengthen Morales' hand in dealing with the multis.

Brazil to Bolivia: Become Full Mercosur Member

On Oct. 31, Brazilian Foreign Minister Celso Amorim extended an invitation to Bolivian President Evo Morales to become a "full member" of the Common Market of the South (Mercosur), the customs union which currently includes Argentina, Brazil, Uruguay, Paraguay, and Venezuela as full members, and Chile and Bolivia as associate members. Becoming a full member of Mercosur "could only bring benefits to Bolivia," Amorim told Morales.

Integrating Bolivia more fully into Mercosur would also help ease regional tensions which friends of U.S. Vice President Dick Cheney inside neighboring Paraguay are attempting to intensify, with Bolivia as the target. Responding to the alleged "threat" that Bolivia's military cooperation agreement with Venezuela represents, and warning of a Bolivian "arms race," Paraguay's Foreign Minister Rubén Ramírez said Oct. 31 that his government is contemplating signing a military agreement with the Bush Administration to counter this. Gen. José Kanazawa, head of Paraguay's Armed Forces, added that more troops would also be sent to the border with Bolivia.

Chilean Judge: Pinochet a 'Security Threat'

In explaining why he refused to grant provisional freedom to 90-year-old former Chilean dictator Augusto Pinochet, who is charged with multiple crimes of human rights violations and financial wrongdoing, Judge Alejandro Solís stated Oct. 30 that the retired general "is a threat to the safety of society." Pinochet, whose 17 years of dictatorship had the full backing of George P. Shultz and economic "hit man" John Train, was indicted Oct. 27 for 35 cases of kidnapping, 23 cases of torture, and one murder at the infamous Villa Grimaldi detention center run by his secret police, the DINA, during the 1970s and 1980s. He will remain under house arrest, and has been declared mentally fit for trial in several cases.

As for charges by Pinochet's defense team that the Bachelet government "invented" the report that Pinochet illegally held nine tons of gold at the Hong Kong & Shanghai Bank, Interior Minister Belisario Velasco told Radio Cooperativa, "We don't have to invent anything.... Pinochet had \$27 million in banks abroad," as legal authorities have proven. "We don't have to invent gold ingots or anything else to explain his government's corruption." Velasco pointed out that many of the right-wingers who are screaming about corruption today in the case of the government agency Chiledeportes, are the same ones who supported Pinochet while he was engaged in his sordid and illegal financial activities—not to mention torture and murder. "And they never said anything."

Ethanol-Crazed USA Gobbling Up Brazil's Ethanol

Brazil's ethanol exports increased by 91% over the past year, boosted mainly by sales to the ethanol-crazed United States. This is part of the U.S. and cartel offensive to develop more cheap, sugar-based ethanol sources in the Caribbean and Ibero-America. The Dominican Republic and Cuba are also in their sights. Only the \$.54 tariff on such imports stands in the way of a complete flood of such sugar and sugar products to the U.S. in the future.

Western European News Digest

Support for Darfur Intervention Lacking in Germany

An aide to a senior member of the German parliament, the Bundestag, said in a discussion with *EIR* Nov. 2, that should the Bush Administration really intend to go for an intervention in Darfur/Sudan, they would have to go it alone, since the UN Security Council would never give any support to that. Nobody in Germany would state support for a U.S. intervention in Sudan; it would promote more opposition to the Americans.

As for Germany, recent scandals involving German soldiers in Afghanistan—for example, shocking photos of German soldiers posing with human skulls—have eroded public support for military interventions abroad; support for ongoing missions can be expected to crumble rapidly.

Franco-Chinese Relations 'Have Never Been So Close'

French President Jacques Chirac's four-day visit to China Oct. 25-28—the fourth since 1995—illustrates the exceptional quality of diplomatic relations between the two countries. Relations have "never been so close" in the political and economic fields, stated Chirac.

While political dialogue has always been at a high level, economic relations have lagged far behind. With only 1.4% of the Chinese market, as compared to Germany's 4%, and a large trade deficit—French exports covering only 40% of imports from China—France has still a long way to go. Establishing much closer collaboration with this Asian giant whom the French believe will represent between 14% and 18% of the world economy in 2020 against 4.5% today, was one of the main aims of the trip, as well as improving Chirac's political position prior to the 2007 Presidential elections.

In terms of actual economic deals and letters of intent for upcoming deals, the trip, which included a delegation of 30 banking, manufacturing, and energy captains of industry, was a big success. Ten months after having bought 150 A320 Airbuses, China signed a new surprise agreement to purchase another 150 A320s for a total of 8 billion euros. This deal was facilitated by the decision by new Airbus CEO Louis Gallois, to install an A320 assembly line in China.

A 1.2-billion-euro agreement was signed with Alstom for the delivery of 500 freight locomotives in partnership with the Chinese Datong. A letter of intent was signed between the shipbuilder CMA CGM and China's container transport company CRCTC, to construct 18 container railway stations, a deal evaluated also at 1.2 billion euros. The public company Electricité de France (EDF) will take shares of 100 million euros in some of the main Chinese power stations. Suez will build two drinking water plants at Macao and Tianjin, and a plant for treatment of wastewater for a Chinese steel producer in Tianjin as well. Finally, Chirac laid the cornerstone for a new Peugeot-Citroen plant being built in Wuhan. The French auto company produced 150,000 cars in China last year.

Italian Ministers Join Demo: Will 'Regime Change' Follow?

At least ten deputy ministers and undersecretaries of state of the Italian government will join a mass demonstration organized by trade union circles and leftist parties on Nov. 4, to call for a change in labor policies. The demonstration calls for an end to the so-called "Precariato"—that is, precarious conditions of workers who in Italy are currently hired almost exclusively on a fixed-term contract, low pay, and without pension or health insurance benefits, as a consequence of deregulation laws passed in the last two legislatures. The abolition of "Precariato" was part of Prime Minister Romano Prodi's election program.

The government is at the same time facing the threat of a "regime change" operation typical of Anglo-Dutch-Venetian parliamentary government systems. Neoliberal and financial circles are demanding that Prodi dump the left wing of his coalition and make a deal with sections of the opposition. Social Policies Minister Paolo Ferrero exposed a plan for such a "regime change" being plotted by circles led by Luca Cordero di Montezemolo, the aristocratic head of the so-called "industrialist" association Confindustria. Montezemolo's Confindustria, Ferrero said, wants more money from the government and wants to "put their feet in the dish, in view of the pension reform."

Defence Ministry Leak Continues British Disengagement

A British Defence Ministry briefing document, published by the *Independent* Oct. 9, tells Parliament the Army is "critically weakened" by fighting on two fronts, and it is "almost impossible" to fulfill commitments in Iraq and Afghanistan. The topic is intended for debate in the House of Commons Defense Committee next week, to coincide with the House of Commons debate on the government's role in Iraq.

It is still unclear how this document and the upcoming two debates may play into the British policy of "leave the U.S. in the Iraqi mess," that Britain did so much to help create, which policy was first announced by Gen. Sir Richard Dannatt's talk last week.

Blair, Bush, Cheney Share Weekly Conference Call

The author of the book *American Ally: Tony Blair and the War on Terror*, Con Coughlin, wrote a commentary in the *Daily Telegraph* Oct. 28 revealing that President George Bush and British Prime Minister Tony Blair have a weekly conference call, joined by Vice President Dick Cheney. "Once a week Tony Blair and his closest aides gather in a room in the back of Downing Street for the Prime Minister's weekly video conference with his close friend and ally, President George W. Bush," Coughlin wrote. "It is a select gathering. Apart from Blair himself, the only other regular attendees are Jonathan Powell, his long serving chief of staff, and Sir Nigel Sheinwald, his highly experienced foreign policy adviser. At the White House the President is usually accompanied by the brooding presence of Vice President Dick Cheney, who sits on a sofa listening in on the conversation, but rarely contributes anything of note."

Italians Seek Access to Documents on CIA Kidnappings

Lawyers for Niccolo Pollari, head of SISMI, the Italian military intelligence service, have requested that Milan prosecutors seize papers documenting Italian-U.S. agreements on illegal CIA operations on Italian soil. The papers are in the hands of the Italian government and are covered by state secret, guaranteed both by the Berlusconi and the Prodi governments. In a statement delivered to prosecutors on Nov. 11, 2005, then-Prime Minister Silvio Berlusconi mentioned that, regarding investigations of the 2003 kidnapping of Egyptian citizen Abu Omar, "relations with other states" could be endangered, and knowledge of facts "oblige anyone to secrecy, except someone is exempted by the Prime Minister."

The classified papers could also unearth the truth about the famous "Niger yellowcake" dossier and the role of Michael Ledeen. Before coming to trial, Pollari's request will be answered by the state attorney and, in case of a negative answer, by a judge.

ADL Surfaces in Germany

For several months, the Anti-Defamation League has been increasing its activity throughout Europe, with Germany being a focus of its activity. On Oct. 19, an official ADL delegation led by Abe Foxman visited Berlin, where they met German Interior Minister Wolfgang Schaueble. Schaueble told the delegation that he is very "concerned about rising extremism and anti-Semitism in Germany and we confront this danger with the greatest sense of urgency." Foxman said: "We are confident of the commitment of the Minister to use all resources at his disposal to fight extremism and anti-Semitism and confront the dangers facing democracy." Schaueble and Foxman agreed that their organizations would cooperate in various ways, including training and education programs for law enforcement, working with NGOs, and extremism on the Internet.

It was also reported that during this same period former Interior Minister Otto Schily received the ADL's "Paul Ehrlich Gunther K. Schwerin Human Rights Award," honoring Europe's most distinguished leaders in the fight against intolerance. In what turns out to be an ADL link to Lynne Cheney's Campus Watch operation, it was reported that on Oct. 24, members of the Washington, D.C. Bias Crimes Task Force, a partnership between community groups and law enforcement founded

by the ADL, led a hate-crimes training session for 25 campus police. The training, conducted by ADL in conjunction with the U.S. Attorney's Office and the Washington Metropolitan Police Department, took place on the campus of Howard University.

Kaczynski Visit Is Important Step for Germany, Poland

The first official visit of Polish Prime Minister Jaroslaw Kaczynski to Germany at the end of October was—despite remaining differences—an important step in improving Polish/German relations. As Chancellor Angela Merkel commented after a four-hour meeting with the Polish leader, both sides "want to have good, friendly bilateral relations." Kaczynski spoke of a "constructive" dialogue. The visit in Germany was characterized by him as "a good experience," and that he could "build up good personal relations." The meeting, which took place after months of irritations, was described as friendly.

Differences persisted on the question of the Baltic Pipeline and the restitution claims. While Poland was referring to its worries concerning Russia, namely that Russia could blockade its gas deliveries, Merkel promised Kaczynski, that Germany, in its capacity as the chairman of the EU in the first half of 2007, would actively promote the idea of creating a common European gas market, through which Poland and the Baltic countries—if need be—could have access to the gas deliveries from Western Europe.

Russia and the CIS News Digest

Egypt and Russia Talk High-Tech Trade

Egypt desires to build a nuclear plant, said President Hosni Mubarak in an Oct. 30 interview with the Russian daily *Vremya Novostei*, on the eve of his visit to Moscow for talks with President Vladimir Putin. He told the daily that as soon as a final decision is made on building the plant, a date for bidding on the project will be announced. On Nov. 1, Mubarak began his tour of Russia, China, and Kazakhstan, during which the issue of nuclear energy development was on the agenda. He indicated to *Vremya Novostei* that the U.S. has no reason to be concerned about Egypt's nuclear ambitions, since "Egypt acts primarily according to its interests.... The United States has its own interests, so does Russia, and we have our interests. We are not hiding anything but working openly, and we definitely need nuclear energy despite its high cost.... Industrial development necessitates finding alternative energy sources." Mubarak said he was also interested in buying advanced Russian air defense systems.

Russia Wins Bulgarian Nuclear Plant Contract

The Russian government announced Oct. 30 that its Atomstroieexport agency had won the tender to build two 1,000 MW nuclear reactors in Bulgaria. Other bidders were Westinghouse and Czech-based Skoda. The plants will be operational in 2011 and 2013, 150 miles from Sofia, in Belene. Russia's on-going construction of five nuclear plants, in Iran, China, and India, have kept its nuclear power industry in business.

Russia's Federal Nuclear Power Agency, Rosatom, announced Oct. 31 that it will team up with the Canadian company Cameco to develop part of the Elkon uranium ore field, in Russia's Arctic Far East. Canada, which is the world's largest supplier of uranium, mines natural resources in climatic conditions similar to those in Russia. In September, Russia signed an agreement with Japan's Mitsui for a feasibility study to develop another uranium mining project, which was the first foreign involvement in this key sector. Russia has 615,000 tons of uranium reserves.

Rosatom head, Sergei Kiriyenko, also told an Oct. 31 conference in Moscow, that Russia is considering creating a joint

venture to build a plant in Russia to manufacture turbines for nuclear reactors. Rosatom is in discussions with General Electric Siemens, and Westinghouse/Toshiba on the project.

Russia Rejects EU-Authored Resolution on Iran

Russian Foreign Minister Sergei Lavrov warned Oct. 30 that the draft European resolution on Iran, being debated in the UN Security Council, did not reflect the position agreed upon earlier by the six governments that were mediating in the nuclear dispute—the permanent five members of the UNSC, plus Germany. The draft presented by France, Germany, and Britain would ban the sale of missile and nuclear technologies to Iran, freeze military bank accounts, and impose visa restrictions on Iranian officials working in the nuclear industry. However, there is no agreement in the UNSC on the resolution, which both Russia and China say is too onerous.

Three days later, on Nov. 2, Russia and China reiterated this position. Russian Foreign Minister Sergey Lavrov said, "We cannot support measures that in essence are aimed at isolating Iran from the outside world, including isolating people who are called upon to conduct negotiations on the nuclear program." Chinese UN Ambassador Wang Guangya said, "There are still different views on what kind of actions the Council needs to take under the current circumstances, and the major concern is that some members want tough sanctions like those in the resolution that the council passed on Oct. 14 to punish North Korea for conducting a nuclear test."

LaRouche Featured in Russian Documentary

An event called "Russian Week in Corfu" was held on the Greek island in early October. According to an Oct. 10 release on Pravoslavie.ru, a Russian Orthodox Church-linked website, the Russian delegation included members of the State Duma, cosmonauts, military men, historians, businessmen, and sponsors from the Russky Predprinimatel (Russian Entrepreneur) Foundation. During the event, there was a "pre-premiere" screening of a documentary film called "The Global Change," dealing with the effects of globalization around the world. Sources who have seen the film report that it contrasts an interview with American economist Lyndon LaRouche, who warns that globalization will be the death of civilization, with praise for globalization from Kakha Bendukidze, the early post-Soviet "oligarch" who made a fortune from acquiring, and then selling, the giant Uralmash machine-tool factory, before emigrating to Georgia, where he is Minister of Economics in the Saakashvili government. Also included is footage of the devastation of industry in Detroit, Michigan, part of it narrated by Bob Bowen of *EIR*.

Opposition Demands that Kyrgyzstan PM Step Down

As many as 15,000 demonstrators protested in Kyrgyzstan's capital city of Bishkek on Nov. 2, demanding the ouster of Prime Minister Felix Kulov for delaying constitutional reform and failure to stop corruption. Many of the opposition leaders are the same figures who were involved in last year's attempt at a Project Democracy "colored revolution" in Kyrgyzstan, which ended with an alliance between (now President) Kurmanbek Bakiyev and the security services-linked Kulov in power. Kulov has said he has no intention of stepping down. As of Nov. 4, the number of street protestors had dwindled to 1,000, while the authorities announced that opposition leaders would be investigated for plotting a coup.

Southwest Asia News Digest

Fatah, Hamas Factions Reported To Reach Agreement

A report given to *EIR* by a Lebanese political figure Nov. 4 says that the Fatah and Hamas factions of the Palestinians have reached an agreement to form a national unity government. The Lebanese political figure was present over the past days, at

talks in Qatar between Khaled Meshal of the Hamas, who is based in Damascus, and a high representative of Palestinian National Authority President Abu Mazen. The talks, sponsored by the first deputy foreign minister of Qatar (a UN Security Council member), led to a compromise agreement. When the deal will be made public is not clear. Condoleezza Rice was reportedly informed of the negotiations, and had to accept the outcome.

If this report is true, it could break the political impasse among the Palestinians. It may also help explain why the Israelis have been in such a mad dog assault mode in Gaza over the past days, killing dozens of Palestinian civilians, including women and children, and why the Cheney-Bush White House is trying to foment Palestinian civil war.

Is Cheney Behind Plans To Provoke Civil War Among Palestinians and Lebanese?

A well-placed U.S. intelligence source warned *EIR* on Nov. 3 that a major eruption of violence on the West Bank is being instigated by the Cheney circles in the Bush Administration. According to the source, there are several U.S. intelligence operatives on the ground in the West Bank, weapons are being smuggled from Jordan into Fatah militia factions, and some kind of confrontation with Hamas is being orchestrated, with the direct complicity of Dick Cheney and Elliott Abrams.

Fighting could erupt as soon as Nov. 5, 6, or 7, the source reported. A second U.S. intelligence source confirmed that there are flows of arms to the Fatah in the West Bank, coming from Jordan.

A close, well-placed Arab contact, based in Egypt, warned that a similar effort to provoke a bloody confrontation among rival factions is also being stirred by the Cheney crowd inside Lebanon. All of these leads are being actively pursued by *EIR*.

Iraq War: 'Operation Enduring Chaos'

On Oct. 29, the London *Independent's* Kim Sengupta summarized the situation in Iraq, calling it "Operation Enduring Chaos." The gist of her article was an exposé that "the death squads to which much of the sectarian killing is attributed, were the result of U.S. policy in the first place," what she called the "Salvador Option" for Iraq: support for the death squads as an effort to rein in the Shi'ite militias, after the U.S. "de-Baathification" policy put them in business.

Events and other commentaries this past week show that she chose the perfect title for the failed operation:

* Dr. Juan Cole of the University of Michigan, in an interview with *Time* magazine posted Oct. 27, identified the rift between the U.S. and the elected Iraq government. Prime Minister Nouri al-Maliki "is protecting himself by being feisty, showing Iraqis that he is not taking orders from Washington. But he also has a serious policy dispute with the U.S. and a sense of betrayal." The feud was confirmed dramatically this week.

* On Oct. 31, Maliki ordered the U.S. to remove the barricades which had virtually shut down Baghdad's Shi'ite enclave, Sadr City, for a week. Maliki met with the U.S. ambassador and the U.S. forces commander on Oct. 31, and delivered his order with a deadline of 5:00 p.m. The order was carried out, with celebrations in the streets of Sadr City, a center of support for Shi'ite leader Moqtada al-Sadr. The barricades had been set up after the kidnapping of an American soldier, but Sadr's people called that a cover for a general clampdown on Sadr's Mahdi Army. Previous "anti-militia" operations involving combined U.S.-new Iraq army forces have involved mass killings of Shi'ite civilians.

Sunni Vice President Tariq al-Hashemi denounced Maliki's order, saying, the "lifting of the siege sent the wrong message to those who stand behind terrorism in Iraq. It says the iron fist will loosen and they can move freely." Shia Deputy Speaker Khaled al-Attiyya responded, saying that the militias are not the problem, but the "Ba'athists and Saddamists who

want to destroy the political process."

* The U.S. Army's Central Command's own characterization of the situation in Iraq is nearing "chaos." In a Nov. 1, front-page article, the *New York Times* printed a picture of a color-coded bar chart produced by CENTCOM, which grids the level of chaos in Iraq. Called "Index of Civil Conflict (Assessed)," the bar shows a spectrum from green (peace) to red (chaos). Before the bombing of a Shiite shrine in Samarra in February, the index was in the middle at orange. Now it is at a bright red, more than three-quarters of the way to total chaos.

The chart was revealed on a slide at an Oct. 18 briefing by the U.S. military. An intelligence summary at the bottom of the slide reads "Urban areas experiencing 'ethnic cleansing' campaigns to consolidate control ... violence at all-time high, spreading geographically."

* FOIA documents revealed that a female U.S. soldier in Iraq killed herself after objecting to interrogation techniques—i.e., torture, reported the Columbia University publication *Editor & Publisher* Nov. 2. Alyssa Peterson, 27, who served in a military intelligence unit in Iraq killed herself in September 2003 after objecting to the techniques being used on prisoners at Tal Afar airbase. The truth about her death was only revealed after reporters obtained records under FOIA; before that, the Army classified her death as the result "non-hostile discharge of a weapon." Peterson spoke Arabic, and had been trained in interrogation at Fort Huachuca, Arizona. Her suicide occurred shortly after Gen. Geoffrey Miller, commander of the Guantanamo prison, had been sent to Iraq to implement "Gitmo" methods in Iraq.

300 Palestinians Killed by Israel in Last Three Months

Israeli Prime Minister Ehud Olmert proudly said that military operations in the Gaza Strip will be increased. Speaking to the Knesset Foreign Affairs and Defense Committee on Oct. 29, he added that in the last three months alone, 300 Palestinians have been killed in the Gaza Strip and West Bank. The body count was not enough for Knesset members Effie Eitam, a fascist from the National Religious-National Union party, and Limor Livnat and Dan Neveh of the Likud, who charged that the Israeli Defense Forces are not aggressive enough.

Israel Accused of Using Uranium, Other Special Weapons

While Israel has denied that its forces used uranium-tipped weapons in Southern Lebanon last summer, an allegation which appeared in the British *Guardian* newspaper on Oct. 28, a new accusation has surfaced that it is using a new weapon that causes especially horrendous injuries to anyone who is unfortunate enough to be caught within range of its detonation. Doctors in Gaza had reported an exceptionally large number of wounded who lost legs, suffered completely burned bodies, and have injuries unaccompanied by the usual metal shrapnel. One doctor told an Italian investigative team that the legs of the injured were sliced from their bodies "as if a saw was used to cut through the bone." He said there were signs of heat and burns near the point of amputation, but no signs of the dismemberment caused by metal fragments. Another doctor in Gaza City reported that doctors found small entry wounds on the bodies of the wounded and the dead and a powder was found on the victims' bodies and in their internal organs. "The powder was like microscopic shrapnel and these are what likely caused the injuries," he said.

The Italian team, in a TV documentary aired in Italy at the end of October, raised the possibility that the Israelis are using a weapon similar to the U.S.-developed Dense Inert Metal Explosive (DIME), which the U.S. military describes as a "focused lethality" weapon, designed to destroy the intended target while minimizing collateral damage. The weapon is comprised of a carbon-fiber casing filled with tungsten particles and explosives. According to one defense website, the result is that the destructive power of the mixture causes far more damage than pure explosive. An Italian laboratory that tested samples of the particles found in the wounds in Gaza reported findings consistent with the hypothesis that the Israeli weapon is DIME. NGO Physicians for Human Rights has written to Israeli Defense Minister Amir Peretz asking for an

explanation of the aforementioned weapons, and according to his office, Peretz is supposed to meet with the group in the near future.

Iranian Minister: SCO Should Promote Regional Cooperation

The Shanghai Cooperation Organization (SCO) should encourage its members to intensify their cooperation with other regional bodies, said Iranian Foreign Minister Manochehr Mottaki Oct. 30. Speaking at the opening session of the 14th International Central Asia and Caucasus Conference, Mottaki said that member states are well situated to promote regional economic growth, and embark on transportation, infrastructure and energy development projects.

"One of Iran's major foreign policy strategies is based on cooperation with regional states to resolve a major part of the problems facing the region, and promote security, welfare, and economic development," he said. Mottaki added that as an SCO member, Iran seeks to establish relations among "the real peace-seeking Islam and regional populations, and to warn the region's governments against the unreasonable hard-line approach toward Muslims" that is part of the so-called war on terror. Central Asia has a crucial role to play also, he said, between East and West.

Asia News Digest

U.S. Pushing for Confrontation with North Korea

The U.S. is pressuring South Korea and others in the region into a military confrontation with North Korea. U.S. Ambassador to Seoul Alexander Vershbow, speaking at Yonsei University in late October, lectured South Korea to join in the PSI (Proliferation Security Initiative, John Bolton's piracy concoction aimed at a blockade of North Korea), and to end the Sunshine policy. "Bear in mind," said Vershbow, "that the UN resolution asked all member states to look at any programs that may be providing direct or indirect support to North Korea's nuclear weapons program." Seoul has rejected both requests, although it sent observers to the current PSI exercises in the Persian Gulf.

Meanwhile, U.S. Assistant Secretary of State Chris Hill is in Australia, where "U.S. Deputy Sheriff" John Howard has already pledged an Aussie warship to join the blockade (which was *not* approved by the UN resolution calling for sanctions). Hill praised the Australian role, and said that "what we really want to have is a trans-Pacific approach more than just a pan-Asian approach."

U.S. General: No Plan for Preemptive War vs. N. Korea

Gen. B.B. Bell, the four-star chief of USFK (U.S. Forces in Korea), responded to press reports that quoted an unnamed Pentagon official saying that the U.S. and South Korea had agreed on developing a contingency plan for military action against the North, even without an invasion from the North, the *Korea Times* reported Oct. 30. Bell said that the mission of the Combined Forces Command (which Bell also heads) "is to train combined forces and develop joint war plans appropriately to deter aggression from North Korea. Our business is not developing a war plan to conduct a preemptive strike on North Korea."

However, as the world has learned, the lunatics in the White House listen to their flag officers very selectively, if at all.

Korea Hand Attempts To Stop New War

A former State Department Korea hand who served as a backchannel to the North for the past five years has gone public to

stop a new war. Kenneth Quinones, who headed the Korea Desk at State in 1994 when the "Agreed Framework" was worked out, was called upon by the North Koreans in 2001, after the Bush Administration scrapped the engagement policy, to be a go-between to revive negotiations. Speaking at an event sponsored by the U.S.-Korea Institute at the Johns Hopkins School for Advanced International Studies in Washington, D.C. Nov. 2, Quinones described three different times that a tentative deal was set up between his North Korean contacts and the State Department (under Colin Powell). Each was sabotaged: The first time, Bush called Kim Jong-il a tyrant; then Rumsfeld sent Stealth fighters and pulled U.S. troops out of the North (where they were working with the North to find the remains of U.S. soldiers); and then, after the Sept. 19, 2005 deal, the Administration retracted a major part of the deal (the North's access to nuclear reactors) 48 hours after the agreement was signed. "This Administration sabotaged every effort, even from its own people, to achieve a peaceful settlement," he said.

Quinones said he decided to go public to "give diplomacy a chance," since it is either diplomacy, or another war. "If there is another war, it will not be contained within the Peninsula, and there will be a global economic crisis, as Japan and South Korea, two of the world's largest economies, will be in crisis."

He added that "regime change does not bring stability, but aggravates problems, as abundantly shown in Iraq, Panama and elsewhere."

Quinones pointed out that it is not a partisan issue, since the Clinton Administration, when it came into office, signed off completely on the Bush 41 policy for engagement with North Korea, a plan developed by Brent Scowcroft. But as soon as this administration came in, they refused to meet the North Koreans, saying "the policy is under review."

He also noted that there is no way to be absolutely certain that any country is not developing nuclear weapons, but, through engagement, they are no longer a threat—as shown with both Russia and China, which still have their weapons."

Neo-Con Paper: U.S. Speeds Attack Plan vs. N. Korea

The pro-Bush *Washington Times* Nov. 3 headlined its coverage of the Korean crisis, "The U.S. Speeds Attack Plan for North Korea." Authored by Bill Gertz, a regular outlet for leaks (often manufactured) from the neo-con set at the Pentagon, the article quotes "sources" who say that the plans have been speeded up since the North Korean nuclear test Oct. 9, and could include Tomahawk cruise missiles and a commando raid to take out the Yongbyon nuclear plant and reprocessing facilities. The U.S. Pacific Command is shifting forces to the region. The source said that the use of nuclear weapons would be "excessive," but that "we will resort to whatever force levels we need to have."

While the report can not be confirmed, printing the threat could be aimed at provoking North Korea to retract their agreement to rejoin the Six Party Talks, worked out between China, North Korea, and State Department representative Chris Hill on Oct. 31. This would not be the first time the administration sabotaged moves toward negotiations with North Korea immediately after progress was made by the State Department.

Taiwan Resists U.S. Pressure on Arms Deal

The director of the American Institute in Taiwan, Stephen Young, blasted Taiwan for again failing to approve a \$13 billion arms purchase from the U.S., *The Australian* reported Oct. 31. President Chen Shui-bian has been trying for five years to get the bill passed, playing on the "threat from the mainland." After the most recent rejection of the purchase by the opposition KMT-controlled parliament, Young blustered that "the five years that have gone wasting have not seen the PRC sit idly.... Taiwan cannot continue to allow critical security issues to be held hostage to domestic concerns.... U.S. support for Taiwan is not something to fool around with. Once it is gone, it will be difficult to regain." These threats have backfired, as the opposition is openly denouncing the U.S. intervention in Taiwan's internal affairs.

Myanmar Overcomes Effects of U.S./EU Sanctions

Myanmar, with help from China, India, and Thailand, has burst out of the confines of U.S.- and EU-imposed sanctions, according to Shawn Crispin writing in the *Asia Times* Nov. 2. Figures released in Myanmar, covered by Shawn Crispin of *Asia Times*, show that foreign investment into Myanmar surged to a record high \$6 billion in the fiscal 2005-06 year that ended in March, up from the paltry \$158.3 million recorded the previous year. Myanmar has opened up certain sectors, especially energy (they are rich in oil and gas), but only to friendly nations. China, in particular, has long been the protector and key investor in Myanmar, but India and Thailand have recently massively increased trade and investment, snubbing their nose at the neo-con "outpost of tyranny" rhetoric and Western economic sanctions.

Myanmar has essentially ignored the IMF and the World Bank, which, under Paul Wolfowitz, has been an enforcer of U.S. hostility.

Africa News Digest

LaRouche PAC Demands: No Bush-Cheney War in Sudan

During his Oct. 31 webcast, leading Democrat and statesman Lyndon LaRouche was asked a number of questions on why he doesn't support military action against the nation of Sudan over the Darfur crisis. LaRouche responded with a clear warning that the Bush-Cheney regime, and their Anglo-Dutch imperial allies, simply are planning a new Iraq in Darfur. LaRouche's response was issued on Nov. 2 as a mass leaflet entitled, "Bush-Cheney Plan New Iraq in Darfur," by the LaRouche Political Action Committee, LPAC, which is distributing hundreds of thousands of copies of this statement.

LaRouche's full statement is printed in this week's InDepth report on the Oct. 31 webcast. LPAC announced on its website, www.larouchepac.com, that a PDF copy of the leaflet is available for downloading and printing.

China Opens Unprecedented Summit of African Leaders

Leaders from 48 of Africa's 53 nations arrived in Beijing Nov. 3 for what the Chinese have called an "historic event." The other five countries, which recognize Taiwan, had been urged to send representatives.

The main focus of the Forum on China-Africa Cooperation (FOCAC) is on trade, which is expected to exceed \$50 billion this year, a near tenfold increase since 1995. More than 2,500 business deals will be under discussion at the two-day summit beginning Nov. 4, according to Chinese Vice Commerce Minister Wei Jianguo. A declaration is to be issued Nov. 5. "The Beijing Declaration will aim to establish a new type of strategic partnership between China and Africa based on equality, mutual trust, economic win-win cooperation and cultural exchanges," an envoy from summit co-chair Ethiopia was quoted as saying Nov. 3.

China has also promised to make new pledges of aid and debt reduction to Africa during the summit. The event is being described in China as the most important international gathering since the founding of the Communist regime in 1949.

Also present will be Sudanese President Omar al-Beshir, who, at a press conference Nov. 3, thanked China for helping to stop a 20,000-strong UN peacekeeping force from entering Darfur, which he said would have led to an Iraq-style debacle. "We do appreciate the support that China has given Sudan in the UN Security Council," said Beshir, who had met Chinese President Hu Jintao Nov. 2.

China-Africa Summit Launches Development Plans

At a ministerial meeting Nov. 3, an action plan was passed, which lays out cooperative programs between China and Africa from 2007 to 2009 under the framework of the Forum on China-Africa Cooperation (FOCAC), chinanews reported.

The meeting was jointly presided over by Chinese Foreign Minister Li Zhaoxing, Ethiopia's Foreign Minister Seyoum Mesfin, and Ethiopia's Minister of Finance and Economic Development Sufian Ahmed. Ethiopia is the FOCAC's co-chair country. Addressing the opening ceremony, Seyoum said China has given Africa a lot of support in the fight against colonialism and for independence and scrupulously observed principles of international law governing inter-state relations. He said that is the reason "why this forum has made such progress, and why on the African side there are full commitments to making the process a resounding success."

Trade volume between Africa and China hit \$39.7 billion in 2005 after breaking the mark of \$10 billion in 2000. Under the framework of the Forum, China has cancelled debt of 10.5 billion yuan (\$1.3 billion) incurred by 31 Heavily Indebted Poor Countries and least developed countries in Africa, and has given zero-tariff treatment to 190 categories of import commodities from 29 African countries. During the second ministerial conference in Addis Ababa three years ago, China pledged to help train 10,000 professionals for Africa, in a program to be completed this year. The fourth ministerial meeting of the FOCAC will be held in 2009 in Egypt.

Bush Extends Sanctions vs. Sudan; LaRouche Says 'Assume the Worst'

On Nov. 1, President George W. Bush extended for another year sanctions against Sudan, and declared the country to constitute "an extraordinary threat to the national security and foreign policy" of the U.S., said a White House press release. A "national emergency" regarding Sudan has been in effect since Nov. 3, 1997, and the sanctions were last extended on April 3, 2006. In his statement, there was no mention of the deployment of troops by the United Nations, but in a stump speech last week, Bush called for an "effective" international military force to intervene in the Darfur region.

Referring to his statement on Sudan during the Oct. 31, 2006 webcast from Berlin, Lyndon LaRouche said, "assume the worst," about Bush's intentions, given the White House policy of war against Sudan.

The extension of sanction by Executive Order on Nov. 1, follows Bush's Oct. 13 signing of sanctions imposed by the U.S. Congress in the "Darfur Peace and Accountability Act," which freezes the assets of anyone deemed complicit in atrocities in Darfur and denies them entry into the United States. The executive order excludes some areas of Southern Sudan and makes exceptions for humanitarian aid to Darfur.

Meanwhile, on Oct. 14, U.S. envoy Andrew Natsios landed in Khartoum with a visa that would enable him to travel anywhere in the country. His mission was to demand that the Sudanese government accept a larger UN peacekeeping force of 20,000 troops—mandated by a UN Security Council resolution passed in July 2006—to replace the current African Union force of 7,000.

Adding to the danger that an Anglo-American invasion could be forced, Central African Republic's President François Bozize charged Nov. 1, that armed men from Sudan crossed into the Central Africa Republic, and seized the remote town of Birao, Reuters reported Oct. 14. Bozize has called for UN peacekeepers to come to save them from further attacks.

But the authenticity of Bozize's charges is disputed. Sudan denies any role in the incursion into CAR, or even that the event occurred. And an earlier report from Associated Press said that the armed men who seized Birao, which is about 500 miles away from the CAR capital Bangui, were not foreign, but were rebels against Bozize from inside the CAR itself. By Nov.

1, the United Nations announced that it was sending fact-finders to CAR to investigate the charges by Bozize that the Darfur fighting had spilled over to CAR.

When imperial war is in the air, invasions have occurred on far less dramatic reports.

Synarchy's IRC a Major Factor Inside Sudan

The International Rescue Committee (IRC) website boasts of its operations inside war-torn Sudan since 1981, "active throughout the country, working with over 2.2 million people ... in three regions: West Sudan [Darfur], North and East Sudan." Sudanese government leaders have accused the IRC of smuggling arms into the country to aid the rebels. On the official level, "aid" money coming into Sudan from Israel is conduited through the Committee.

The International Rescue Committee was the instrument of the Leo Cherne/James J. Angleton/Allen Dulles pro-fascist wing of the intelligence world from the end of World War II, the milieu that bred John Train's career. John Train, Felix Rohatyn, and Henry Kissinger are among the IRC's overseers today.

This Week in American History

Nov. 7-13, 1935

Armistice Day 1935: FDR on Permanently Ending the Threat of War

On Nov. 11, 1935, President Roosevelt gave an address at the Tomb of the Unknown Soldier in Arlington National Cemetery. In 1935, that day was known as "Armistice Day," and it marked the anniversary of the end of World War I in 1918, a war which had claimed 10 million dead. By 1921, plans were underway to build a memorial to the unknown dead of World War I, and that year President Warren Harding participated in the first burial ceremony on the site. In 1932, the finished memorial was dedicated by the Secretary of War.

President Roosevelt used the occasion of Armistice Day, now called Veterans Day, to present a perspective on what must be done to permanently end the threat of war. Just months before, the Fascist government of Italy had invaded Ethiopia, and the Japanese Army was making a further advance into Chinese territory, after invading Manchuria in 1931.

Roosevelt began his speech by saying: "The living memory of the World War is close to each and every one of us today. Our thoughts return to great objectives of the past, even as the minds of older men go back to their boyhood's ideals.

"We Americans were so placed in those days that we gained a perspective of the great world conflict that was perhaps clearer than that of our fellow men who were closer to the scene of battle. For most of the first three years of the conflict, we were not participants; but during the final phase, we ourselves engaged on many fronts.

"For that reason perhaps we understood, as well as any, the cries that went up—that the world conflict should be made a war to end wars. We were not invaded, nor were we threatened with invasion then or later; but the very distance of our view led us to perceive the dire results of war through days of following peace.

"The primary purpose of the United States of America is to avoid being drawn into war. We seek also in every practicable way to promote peace and to discourage war. Except for those few who have placed or who place temporary, selfish gain

ahead of national and world peace, the overwhelming mass of American citizens are in hearty accord with these basic policies of our government, as they are also entirely sympathetic with the efforts of other nations to avoid and to end war.

"That is why we too have striven with great consistency to approve steps to remove the causes of war and to disapprove steps taken by others to commit acts of aggression. We have either led or performed our full part in every important attempt to limit and to reduce world armaments. We have sought by definite act and solemn commitment to establish the United States as a good neighbor among nations. We are acting to simplify definitions and facts by calling war 'war' when armed invasion and a resulting killing of human beings take place.

"But though our course is consistent and clear, it is with disappointment and sorrow that most Americans confess that the world's gain thus far has been small.

"I would not be frank with you if I did not tell you that the dangers that confront the future of mankind as a whole are greater to the world and therefore to us than the dangers which confront the people of the United States by and in themselves alone.

"Jealousies between nations continue; armaments increase; national ambitions that disturb the world's peace are thrust forward. Most serious of all, international confidence in the sacredness of international contracts is on the wane.

"The memory of our hopes of 1917 and 1918 dies with the death of those of us who took part. It is, therefore, your sacred obligation and mine, by conscious, definite effort, to pass that memory on to succeeding generations. A new generation, even in its cradle or still unborn, is coming to the fore. The children in our schools, the young men and women passing through our colleges into productive life have, unlike us, no direct knowledge of the meaning of war. They are not immune to the glamour of war, to the opportunities to escape from the drabness and worry of hard times at home in the glory and heroism of the arms factory and the battlefield.

"Fortunately, there is evidence on every hand that the youth of America, as a whole, is not trapped by that delusion. They know that elation and prosperity which may come from a new war must lead—for those who survive it—to economic and social collapse more sweeping than any we have experienced in the past. While, therefore, we cannot and must not hide our concern for grave world dangers, and while, at the same time, we cannot and must not build walls around ourselves and hide our heads in the sand, we must go forward with all our strength to stress and strive for international peace.

"In this effort, America must and will protect herself. Under no circumstances will this policy of self-protection go to lengths beyond self-protection. Aggression on the part of the United States is an impossibility insofar as the present administration of your government is concerned. Defense against aggression by others—adequate defense on land, on sea and in air—is our accepted policy; and the measure of that defense is and will be solely the amount necessary to safeguard us against the armaments of others. The more greatly they decrease their armaments, the more quickly and surely shall we decrease ours.

"In many other fields, by word and by deed, we are giving example to the world by removing or lowering barriers which impede friendly intercourse. Our soldier and sailor dead call to us across the years to make our lives effective in building constructively for peace. It is fitting that on this Armistice Day, seventeen years later, I am privileged to tell you that between us and a great neighbor, another act cementing our historic friendship has been agreed upon and is being consummated. Between Canada and the United States exists a neighborliness, a genuine friendship which for over a century has dispelled every passing rift."

President Roosevelt was referring to the joint statement issued by himself and Prime Minister W. Mackenzie King of Canada, dealing with increased trade relations. The document had been issued on Nov. 9, and ended by stating, "It is

recognized that such an increase would be beneficially felt in all activities, because trade is but another word for increased employment, transportation and consumption."

"I am, therefore," said President Roosevelt, "happy to be able to tell you almost in celebration of this Armistice Day that the Canadian Prime Minister and I, after thoughtful discussion of our national problems, have reached a definite agreement which will eliminate disagreements and unreasonable restrictions, and thus work to the advantage of both Canada and the United States.

"I hope that this good example will reach around the world some day, for the power of good example is the strongest force in the world. It surpasses preachments; it excels good resolutions; it is far better than agreements unfulfilled.

"If we as a nation, by our good example, can contribute to the peaceful well-being of the fellowship of nations, our course through the years will not have been in vain.

"We who survive have profited by the good example of our fellow Americans who gave their lives in war. On these surrounding hills of Virginia they rest—thousands upon thousands—in the last bivouac of the dead. Below us, across the river, we see a great capital of a great Nation.

"The past and the present unite in prayer that America will ever seek the ways of peace, and by her example at home and abroad speed the return of good-will among men."

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