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This Week You Need To Know

Iran Showdown Is the Fuse for a Global Monetary Bomb

by Jeffrey Steinberg

In a pointed warning to those pushing a near-term military confrontation with Iran, Lyndon LaRouche declared, on Feb. 3: "An Iran confrontation or even a more limited military strike against Syria, would be merely a fuse. The bomb, that would be detonated by any such action, is the blowout of the entire global financial and monetary system."

LaRouche further warned that, while leading provocateurs for such confrontation inside the Bush Administration, led by Vice President Dick Cheney, are wholly ignorant of the "monetary bomb" that they are dangerously close to detonating, "no such naïveté is to be found among the London-centered Synarchist circles who are orchestrating this showdown." "The same City of London-centered Synarchists who are promoting a one-world fascist 'post-Westphalia' bankers' dictatorship," LaRouche added, "have been pulling the strings of certain radical Islamists since the time of the Sykes-Picot Treaty and the 1920s British Intelligence sponsorship of the Muslim Brotherhood.

"We are staring at a confrontation," LaRouche warned, "more hideous than World War I, because the global financial and monetary system is already on the verge of vaporization, and any new military confrontation in the world's oil patch, particularly one involving the possible pre-emptive use of nuclear weapons, will trigger global war, chaos, and the unleashing of a full-scale new dark age. The fools in Washington, typified by Vice President Cheney, have no idea what they are detonating. They just blindly follow the orders of Synarchists like George Shultz.

"Nevertheless," LaRouche concluded, "the actions of Cheney and company, who are pushing a military showdown with Iran in the immediate weeks ahead, threaten to destroy the United States as a sovereign Republic, just as their recent antics to install Samuel Alito on the United States Supreme Court represented a large step towards ripping up the U.S. Constitution as a living document. Such actions border on treason."

LaRouche emphasized that London financial circles are operating off a long-standing "Venetian *modus operandi*" of orchestrated conflict. "In the history of the British Empire, which was launched with the orchestration of the Seven Years' War (1756-1763)," he explained, "London has persistently employed the Venetian method of orchestrating wars across Eurasia, as a means of maintaining the British Empire against challenges from continental rivals.

"Study the history," LaRouche said, "and you see the recurring pattern: The Seven Years' War, the British East India Company-orchestrated French Revolution, the Napoleonic Wars, the Crimean War, the British-manipulated U.S. Civil War, the British-backed French invasion of Mexico, then World War I and World War II, the Winston Churchill-orchestrated Cold War, the Indochina War. The British start wars in which they induce two parties to fight it out."

"Sometimes, as in World Wars I and II, the British participate, and suffer heavy casualties, too; but, that is the price they pay for manipulating their rivals and others alike into the waves of ruinous conflict in which the London-centered

imperialist financier faction comes out on top, sooner or later. Right now, in the matter of Iran, Jack Straw and other British figures are playing the present government of Iran, the U.S. institutions, even many in the Democratic party, and others, for fools, once again."

"At present," LaRouche continued, "the City of London-centered financier circles know that if the present global financial and monetary system collapses, as the result of a new Persian Gulf-centered confrontation, the financier crowd, through their offshore hedge-fund operations, which hold nominal ownership over much of the planet's raw material wealth, will seize control over the world. Under the present system of laws, these London circles will claim ownership over the raw-material and productive capacities of the planet, and we will have total globalization, global Synarchist dictatorship."

British Orchestration

On Saturday, Feb. 4, the 35-member board of the International Atomic Energy Agency (IAEA) voted 27-3, with five abstentions, to report Iran's nuclear program to the United Nations Security Council. The action came after last-ditch efforts by the Non-Aligned Movement to stall the vote were stymied by a compromise, orchestrated by the British government. Within moments, the Iranian government announced that all diplomatic negotiations were closed, and that Iran would resume all aspects of its nuclear reprocessing program, which had been stalled during two years of negotiations, and had been partially resumed on Jan. 10, 2006, thus offering the pretext for the current showdown.

The Iranian government had further helped fuel the British-orchestrated showdown by repudiating its support for a compromise solution put forward by the Russian government, through which Russia and Iran would jointly provide enriched material for Iran's nuclear power plants on Russian soil, thus providing assurances that Iran would not be able to develop its own weapons-grade material for building a nuclear bomb. After Iranian Supreme National Security Council Secretary General Ali Larijani had visited Moscow in late January 2006, and signalled his support for the Russian offer, that support was abruptly rescinded once Larijani returned to Tehran. And to make matters worse, Iran intervened in a dispute between Russia and Georgia over oil and gas supplies, by announcing, on the eve of the meetings of the five Security Council permanent members, that they would guarantee Georgia's energy supplies. Russian President Vladimir Putin read the Iranian action as a slap in the face to Moscow, and as a clear signal that Iran was not prepared to reach a deal on the nuclear enrichment and reprocessing protocol.

These actions by the Khamenei-Ahmadinejad leadership in Tehran merely served to demonstrate that they are nothing but half-witted pawns in the greater British game—like the Shultz-steered Cheney crowd in Washington.

The clock is now ticking towards a March 6 IAEA session, at which Dr. Mohammed ElBaradei will deliver his report on Iran's nuclear program. But the Feb. 4 vote virtually assures that, regardless of the content of the IAEA report, Iran will be referred to the Security Council for action, including sanctions or even military strikes.

To fully comprehend the events now unfolding and to appreciate the Venetian intrigues being orchestrated out of London, through the Blair government, one needs to have a grasp of history. Although in the past, the British Foreign Office's infamous Arab Bureau pulled the strings of Islamic potentates and radicals, through the hands-on presence of British "advisors" and proconsuls, much of today's orchestrated "crisis" has been managed through in-depth psychological profiling of key players and institutions on both sides of the looming confrontation.

According to numerous media accounts, the confrontation over Iran's nuclear program was locked in on Jan. 31, at a private ministerial dinner in London at the home of British Foreign Secretary Jack Straw. Straw proposed to his counterparts from the United States, France, Russia, and China—the five permanent members, along with Great Britain, of the United Nations Security Council—that the Iranians be immediately referred to the Council for action "backing up the IAEA."

Public accounts of the private dinner are sparse, but it is clear that Straw put the sanctions issue on the table, and then mediated between the "extremes" presented by Washington, on the one side, and Russia and China, on the other. According to news accounts, U.S. Secretary of State Condoleezza Rice pressed for an immediate Security Council referral and sanctions, while Russia and China insisted that the IAEA process be allowed to play out through March, while continued negotiations between Russia and Iran, with backup from Beijing, sought to head off a Security Council showdown.

Rice had gotten her cue from longtime mentor and leading Synarchist figure George Shultz. Shultz and R. James Woolsey, former CIA Director and leading neo-conservative, are now co-chairs of the Committee on the Present Danger, a notorious Cold War-era Anglo-American imperial front group, which issued a Jan. 23, 2006 white paper, demanding regime change in Tehran, and emergency action to shut down Iran's nuclear program. Beyond the demand for immediate UN and American sanctions, the paper also demanded: an embargo of petroleum products to Iran; the convening of an international tribunal, to prosecute Iran's Grand Ayatollah Khamenei and President Mahmoud Ahmadinejad; and an aggressive campaign of covert and overt aid to anti-regime "dissidents" inside Iran.

Keep Your Eyes on London

The recent Iranian elections, in which Ahmadinejad won a majority of the estimated 25% of the Iranian eligible voters who turned out, set the Iranians on a confrontation course perfectly in sync with Britain's global game. Sources familiar with the ongoing internal power struggle in Tehran report that the Revolutionary Guard and militia circles behind Ahmadinejad, are out to provoke what they presume will be a "limited" military strike against the Islamic Republic, a strike that will enable them to consolidate power.

The essentials of the Washington/Tehran showdown were fully set as early as August 2005. At that time, LaRouche exposed Dick Cheney's "Guns of August," which were already aimed for a pre-emptive strike against Iran's purported nuclear weapons program. But the U.S. military institutions then intervened to leak details of the Administration's plans for a Strategic Command aerial attack on Iran, with a possible use of nuclear weapons, to knock out "hardened" targets. LaRouche's intervention at the time prevented such an attack while the U.S. Congress was in recess.

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International:

[**Iran Showdown Is The Fuse For A Global Monetary Bomb**](#)

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Shades of Sykes-Picot Accord Are Cast Over Southwest Asia

by Muriel Mirak-Weissbach

Why should French President Jacques Chirac launch a crusade for regime change in Syria, after having successfully guided an international campaign to expel Syrian troops from Lebanon, and to reorganize the political landscape in Beirut? Is it due to his grief over the February 2005 killing of former Lebanese Prime Minister Rafiq Hariri, who was his close associate for years? Is it because he believes Damascus was involved in the murder, and therefore should be punished?

Palestinian Elections

Honest, Fair, Safe And Without Violence

by Dean Andromidas

'The elections were completely honest, completely fair, completely safe, and without violence,' declared former U.S. President Jimmy Carter about the Palestinian elections. Carter led a team of international observers at the elections on Jan. 26, where Hamas won 76 of the 135 seats in the Palestinian Parliament. 'My hope is that [when] Hamas assumes a major role in the next government, whatever it might be, it will take a position on international standards of responsibility,' said Carter, who has long supported Hamas participation in the Palestinian government. Carter also called on international donors to continue to support the Palestinian National Authority.

Germany Youth Candidate:

Renew Leipzig's Heritage

by Rainer Apel

The candidacy of Karsten Werner, a 21-year-old member of the LaRouche Youth Movement in Germany, for the office of mayor in Leipzig, is important far beyond the boundaries of the city of Leipzig itself, and also beyond the election date, Feb. 5.

National:

After Alito Fight, The War Continues

by Edward Spannaus

In a capitulation which moves the United States closer to the possibility of the imposition of a fascist dictatorship, the United States Senate confirmed the nomination of Federalist Society Nazi Samuel Alito to the United States Supreme Court on Jan. 31, by a vote of 58-42. That shameful confirmation vote could only take place, because of the earlier 72-25 vote in the Senate, on Monday, Jan. 30, which defeated the effort by Massachusetts Senators John Kerry (D) and Edward Kennedy (D) to organize a filibuster to block the Alito nomination. After that vote, which cleared the way for the confirmation vote, Democrat Lyndon LaRouche issued the following statement...

LaRouche Dialogue With Youth

The General Welfare Is The Constitution's Core

Lyndon LaRouche addressed a cadre school of the LaRouche Youth Movement in Los Angeles, Calif. on Jan. 28, 2006. The following is his answer to one of the questions after his presentation...

Congress To Fight On Patriot Act, Spying

by Edward Spannaus

On Dec. 16, the United States Senate blocked, by filibuster, the renewal of the USA/Patriot Act, in what was universally described as a 'stinging rebuke' to the Bush-Cheney Administration. Four Republican Senators joined with 43 Democrats in a successful vote against cutting off debate. That December morning, the Senate, and the whole nation, had been shocked by the New York Times revelation that the Administration had been using the National Security Agency (NSA) for a program of warrantless electronic surveillance of Americans, in clear violation of laws passed by

Schmitt Set Precedent, Leader Can Change Law

by Steve Douglas

The precedent—if not the specific model and inspiration—for the Federalist Society-championed, unconstitutional practice of Presidential signing statements, is to be found in the legal doctrine that Nazi 'Crown Jurist' Carl Schmitt espoused on behalf of the government of German Chancellor Heinrich Brüning in 1930. While the parliamentary Reichstag which Schmitt confronted differed from the U.S. Congress in obvious ways, nonetheless, the Schmittian drives for the arrogation of all power into the hands of a 'unitary executive' Presidential dictatorship in both cases are, essentially, identical.

Carl Schmitt's Hobbesian State

by Anno and Elisabeth Hellenbroich

Worried commentaries about the U.S. turn toward policies based on the philosophy of Hitler's 'Crown Jurist' Carl Schmitt, have appeared recently in German newspapers. For example, one in the Frankfurter Allgemeine Zeitung, with the headline 'Boomerang: America Unmasks Itself with Its Criticism of the BND [German intelligence service],' begins by discussing the Iraq War, undertaken against 'international law.'

Cheneyacs Militarize U.S.-Mexican Border

by Valerie Rush

The Bush/Cheney Administration has plans to set up concentration camps right inside the United States, and in a grotesque parallel to the Krupp/IG Farben-sponsored 'work camps' in Hitler's Germany. The contract to build and run the U.S. camps has already been granted to Cheney's old firm Halliburton, already made infamous for its corrupt looting practices in war-ravaged Iraq. And plans are already afoot to provoke precisely the kind of border chaos that will supply the inmates for those camps.

Science and Technology:

South Africa's PBMR: World's Most Versatile Nuclear System

Jonathan Tennenbaum reports on an international conference in London to discuss the fantastic economic potential worldwide of South Africa's Pebble Bed Nuclear Reactor.

- **Interviews:**
Alex Erwin, Dieter Matzner, Dr. Regis Matzie.

Economics:

West Virginia Coal Crisis: A Matter of Criminal Negligence?

by Paul Gallagher and Mark Bender

With far less public notice and comment by policy-makers, the same process of replacement of union by non-union work, which is threatening the U.S. auto and auto parts industries, has hit the nation's coal mines since the 1990s—especially during the reign of 'Energy Task Force Cheney.' In the country's new strip-mining center, the Powder River Basin of Cheney's Wyoming and Montana, the mine workforce—largely never unionized—has paid with the lack of health care and pension benefits, and often with lower wages. But in the older, largely deep-mining Appalachian center from West Virginia and Kentucky down to Alabama—where 'distressed' mines are being acquired and stripped of their unions along with their coal—miners are paying with their lives.

British Reconsider New Nuclear Plants

by Marsha Freeman

After 30 years of insanity and anti-science folly, some leading governments, including both Britain and the United States, are 'going nuclear.' On

Jan. 19, the leader of the Amicus union in Great Britain, representing more than 1 million public and private sector workers, issued a statement urging the British government to deal with the impending energy crisis, or 'the UK could face blackouts, job losses, and rocketing household fuel bills over the next five years.'

Russia's Putin Charts Nuclear Power Revival

by Rachel Douglas

Addressing Russia's Security Council Dec. 22, 2005 on 'Russia's role in world energy security,' President Vladimir Putin boasted about his country's position as the world's number one natural gas exporter and number two crude oil exporter— a status that fills Russian coffers, but is hardly the sign of a healthy economy, for a nation of 143 million people. But Putin also called attention to the prospects for renewed development of nuclear power, something that could mark a major shift within the Russian economy and have big implications for countries that would buy nuclear plants from Russia.

The Real Danish Model: Building Infrastructure

by Poul E. Rasmussen

During the past year, a strange ghost has haunted the discussions about how to revive the depression-stricken European economies. It has appeared on many occasions in the political debates in France, and it moved across the stage during the Bundestag elections in Germany last Fall. It was presented to the public as the Wunderwaffen to end all economic woes in a 'humane way'—that is, not through the brutal and bloody austerity which is usually administered to ailing economies, as dictated by the gospel of Anglo-Saxon liberal economics.

Editorial:

Lessons of The Alito Fight

Why should anyone be surprised that the Bush Administration is now moving hellbent for leather toward military confrontation with Iran? This was the lawful, and widely forecast, result of the U.S. Senate's decision not to fight effectively to stop the Alito confirmation. It was a grave mistake for leading Senate Democrats not to follow LaRouche's advice and call the Federalist Society's Alito the fascist that he is. Now, the Administration is coming forward with its fascist, imperial war policy—and the gauntlet has been thrown down once more.

U.S. Economic/Financial News

Manufacturers Say Innovation Is at Risk

The National Association of Manufacturers (NAM) released a report Feb. 1 in Washington titled, "U.S. Manufacturing Innovation at Risk." The report describes five "clear warning signs" that U.S. manufacturing faces the loss of innovative competitiveness, including the lack of federal funding for R&D; the shortage of skilled workers, technicians, and engineers; the fall in the U.S. share of manufacturing trade to 10% from 13% in the 1990s; and the fact that industrial capacity is underutilized, so there is little capital investment. The report recommends an increase in Federal support for basic R&D, encouraging improvement of transportation and communications infrastructure, encouraging corporate investment in R&D, increased capital expenditures, education, and worker training. The NAM has advised the Democratic Party on its innovation agenda, and along with the Chamber of Commerce and other business associations and engineering societies, has been lobbying for needed economic initiatives.

College of Physicians: 'Primary-Care Doctors Vanishing'

More primary-care doctors are retiring than are graduating from medical schools, the American College of Physicians warned in a reported dated Jan. 30, 2006.

Soaring bills, insurer policies that encourage rushed office visits, and falling incomes, in part due to smaller Medicare

reimbursements, are cited for this downturn. "Medicare will pay tens of thousands of dollars ... for a limb amputation on a diabetic patient, but virtually nothing to the primary care physician for keeping the patient's diabetes under control," said Bob Doherty, an ACP vice president.

"Primary care is on the verge of collapse," the ACP reports. "Very few young physicians are going into primary care, and those already in practice are under such stress that they are looking for an exit strategy." Dr. Kevin Lutz, a solo practitioner, said "A drop in Medicare payments will not only force me to stop taking Medicare patients, but could force me out of business."

Real Wages Keep Falling; Now Productivity Dropping Also

Bureau of Labor Statistics reports show that "real wages" in the United States, even when corrected only by the absurdly low Consumer Price Index of inflation, were, at the end of 2005, below their level of July 2003, and were 1.4% below their level of July 2001. Total wage and benefit compensation rose, in the last six months from July-December 2005, by only 1.4%, without even correcting for the growth of the workforce during that time.

Moreover, an Economic Policy Institute study, dated Feb. 3, of incomes in the largest U.S. states, over the period 1980-2003, found that average income of the top 5% rose 132% over that time, an increase of \$80,000; incomes of the bottom 20% rose 24% in the same decades, by \$4,000. Overall, 32 U.S. states now have a top-20% average income which is seven times, or more, that of the lowest 20%. Back in 1980, no state had that high a ratio.

But, in the past six months, a new and unexpected factor has worsened the situation: falling productivity, as crudely measured by output per manhour. The U.S. economy's productivity is reported to have stagnated in the third quarter of 2005, and then fallen by 0.6% in the fourth quarter. Because of that, the U.S. economy's unit labor costs are rising at 3.5% a year, even though weekly wages are increasing at only about 2.1% annually. Shrieks of "inflation warning" are going up from Wall Street "analysts."

House Ways and Means Axes High-Speed Rail Funds

The Bush Administration's and the GOP's actual intentions for rail development are shown by the party-line vote on Feb. 1 in the House Ways and Means Committee, in which a tax-bonding provision in a high-speed rail corridor funding bill (H.R. 1631) was stripped from the bill. Committee chair Bill Thomas (R-Calif)—by White House direction, a source told *EIR*—moved to remove the funding provision using the lame excuse that "not every region of the country would benefit by the development of high-speed passenger rail service," as quoted by Congressional Quarterly Feb. 2.

Meanwhile, Sen. Trent Lott (R-Miss) continues to press for adoption of the Lott-Lautenberg Passenger Rail Investment and Improvement Act of 2005 (S. 1516), which passed the Senate Committee on Commerce, Science and Transportation last July. At a Jan. 17 press conference to announce his re-election campaign, Lott said, "Part of my goal is to put a little pressure on the administration, because I don't think their [passenger rail] proposal has any credibility at all, and on the House to go ahead to address this issue." There is not yet a companion House bill to Lott's Senate bill, but *EIR* was told that Lott is working to get one introduced.

Globalization's Toll Growing

According to the *Detroit News* and the *Detroit FreePress* Jan. 31:

* *Kraft*, the giant food cartel company, announced Jan. 30 that it would lay off 8,000 workers and close 20 factories by the

end of 2008. Combining the latest moves with deep cuts announced in January 2004, Kraft will have closed 40 production facilities by 2008, and slashed its workforce from 102,000 to 88,000 workers. Kraft CEO Roger Deromedi stated, "We're finding ways to more efficiently manufacture on a global scale."

* *Tower*, the auto parts producer of assemblies and suspensions, which is in bankruptcy, has asked its workers, who are paid only \$13 to \$15 per hour, to take a 10% to 20% cut in wages, and a one-third reduction in health benefits. On Jan. 29 and 30, UAW workers at Tower's plants in Michigan, Indiana, and Illinois voted to strike, were Tower, at its Feb. 27 Bankruptcy Court hearing, to use bankruptcy as the pretext to cancel outright its contract with the UAW.

World Economic News

Hyperinflation Shockwave Continue To Hit Commodities

More wild inflation is reported across the board in industrial commodities, and would explode with the aid of another war. In every case, the details of these sharp increases involve hedge funds pouring into commodity sale and trading companies, and also hedge funds getting "caught short" in speculations, further driving the prices up as they unwind those short positions.

Aluminum is at an all-time record, nearing \$2,600/ton, a 55% increase from the \$1,700/ton price one year ago, at the beginning of 2005. This is another case, like copper, where it is as clear as day that *if* free-trade supply-and-demand were real, this price would be going down, not shooting up. "Nick Moore, base metals strategist at ABN Amro, said the rise in the aluminium price did not fully reflect the fundamentals," the *London Times* drolly noted Feb. 1. "He pointed out that stockpiles of the metal had been rising, with LME aluminium inventories at a 13-month high of 710,000 tonnes following three months of strong rises. Global aluminium output was a record 31.5 million tonnes in 2005, up 6.8 per cent. World demand has been flat."

Other examples: Copper: the three-month London Metals Exchange price touched a record \$4,881.50 a ton, up another 25% in two months. Zinc: hit a new record of \$2,353 a ton. Tin: up 20% in January alone at a record \$7,875 a ton. Coal: up from \$35/ton in early 2004 to \$65/ton now. Iron: global price rose 71% in 2005. Steel prices have been rising steadily since late 2004.

Not to mention gold.

France, Luxembourg Move To Block Mittal Hostile Takeover

On Jan. 27, Mittal Steel, the company owned by asset-stripper Lakshmi Mittal, launched a \$22.8 billion (18.6 billion euro) hostile takeover bid for the Luxembourg-based Arcelor, the world's second-largest steel producer (formed formed years ago by the merger of three steel companies: Luxembourg's Arbed, Spain's Aceralia, and France's Usinor). On Jan. 29, Arcelor's board of directors rejected Mittal's hostile offer.

On Jan. 31, Jean-Claude Juncker, Luxembourg's Prime Minister, told his country's Parliament, "I am determined—as is the government—to do everything to preserve everything that we have worked for and that we believe in ... by using all necessary means to fend off the hostile takeover." Arcelor is Luxembourg's largest private employer, employing 6,000 workers in four different locations. Mittal is notorious for firing workers and looting, and this takeover would be a leading feature of an effort to rationalize world steel production.

Arcelor CEO Guy Dolle asserted, "We are solid; we are in it for the long haul, and we've been preparing for this attack since last spring." He added that Mittal's French steel plants suffer ten times the number of accidents as Arcelor's.

French Finance Minister Guy Bretton informed the French Parliament Jan. 31, "I have seen many operations like these in my life. I would like to tell you that it is the first time I have seen one that appears to be so badly prepared."

UN Development Program Offers New Plan for Third World Looting

Presented at the World Economic Summit in Davos, Switzerland at the end of January by UN Development Program chief Kemal Davis, a book titled *New Public Finance* offers new ideas for enslaving and looting developing nations as a means of extracting the proverbial blood from a stone—all posed as a means to "break the cycle of underfunded and inadequate responses to global problems." Example: sell hedging instruments to developing nations against speculators; set up "pollution permits" which can be traded, so poor countries can sell their pollution allotment to the rich countries; securitize remittances from the growing armies of overseas workers (which are now being wasted by the workers' starving families buying food and the like) to guarantee new national debt, and securing new debts "against the income from stable parts of their economies."

Former World Bank chief economist Joseph Stiglitz, who presents himself as the defender of poor nations against globalization, said that the "landmark text provides the important beginnings of a field that will be tilled for years to come." Gordon Brown, British Chancellor of the Exchequer, praised the scheme as an extension of his International Financing Facility.

United States News Digest

Texas Prosecutor Issues Subpoenas on DeLay Golf Trip

Austin prosecutor Ronnie Earle has issued multiple subpoenas for information about deposed House Majority Leader Tom DeLay's golfing trip to Scotland in 2000, and its connection to his vote against a ban on Internet gambling, according to the *Austin American-Statesman* and NBC News Feb. 2. Prosecutors are looking for ties between former lobbyist Jack Abramoff's gambling clients, and DeLay's opposition to the bill. Among those subpoenaed were DeLay's wife Christine, former aides Tony Rudy and Edwin Buckham (all of whom accompanied Tom DeLay on the trip) for travel itineraries, bills, and other paperwork relating to the trip. Subpoenas were also issued to Abramoff's former law firm, and to British Airways, Continental Airways, and American Express, for all statements and information about the trip. Other subpoenaed material includes correspondence between DeLay's entourage and Abramoff's clients, specifically the Mississippi Band of Choctaw Indians, and e-Lottery.

It is as yet unknown whether the prosecutors have focussed on the ties to Internet gambling of Abramoff partners Grover Norquist and now-indicted GSA official David Safavian.

Senate Dems Call for Special Counsel To Probe Abramoff

On Feb. 2, Democratic Senators Harry Reid (Nev), Charles Schumer (NY), and Ken Salazar (Colo), called on President Bush to appoint a special counsel to investigate the Abramoff scandal. Schumer said they had sent a letter to President Bush, signed by 38 Democratic Senators. While indicating that they didn't think they would get a quick response on the matter, Schumer stated, "I had the experience from the Valerie Plame affair when I also asked for a Special Counsel. It took a lot of time to get a response." But he ultimately got it. Schumer also indicated that it would be totally inappropriate for the investigation to be conducted by the Justice Department, especially since Alberto Gonzales had been the Counsel to

the President during the period when Abramoff had his meetings with White House staff, and would therefore be involved in a clear conflict of interest. This is especially important as the FBI had indicated that the Abramoff affair involved "systematic corruption at the highest levels of government," said Salazar, a former state attorney general.

During hearings today with Paul McNulty, Bush's appointee for the Deputy Attorney General position, Schumer had asked if he would be willing to appoint a Special Counsel to lead the Abramoff investigation. McNulty had indicated that that would be an option.

Murtha Again Calls for Iraq Withdrawal Plan

Representative John Murtha (D-Pa) again went on the warpath in a press conference Feb. 1, calling on the President to put forward a concrete plan for withdrawal of the troops from Iraq. Murtha's original proposal last November, which called for a U.S. military withdrawal from Iraq on a six-month timetable, triggered a national debate on a viable exit strategy. When asked how much support his bill had received, he said that it now had 90-95 supporters, and more would be forthcoming. But he was unfazed that there were not more who had signed on. "The public is way ahead of them on this," he said. "I meet the support wherever I go."

Murtha also warned that the military was entirely overstretched and would not be capable of a sustained deployment if a crisis broke out anywhere in the world, including any major domestic natural or other crisis within the United States. Murtha has written a letter to President Bush, in which he encourages Bush to fire those responsible for the policy. "I believe," Murtha writes, "in order to restore our credibility, you must hold accountable those responsible for so many missteps, and install a fresh team that demonstrates true diplomatic skill, knowledge of cultural difference, and a willingness to earnestly engage other leaders in a respectful and constructive." He also expressed concern that with the cuts now being proposed in defense spending, the Pentagon will have to choose between weapons systems and health care. He was very concerned that the health care would suffer the biggest cuts.

In response to a question from *EIR* on the murmurings in certain circles about a "military option," with respect to Iran. Murtha replied that "Iran is three times as big as Iraq. They have a radical government. I can understand that the President won't say take the military option off the table, nobody expects him to say that. But it is hard for anybody to imagine that we would consider making military moves against Iran."

House Democrats Push Relief for Medicare Beneficiaries

On Jan. 30, House Democrats announced emergency legislation to provide emergency relief for seniors and the disabled who are having trouble with President Bush's new Medicare prescription drug plan. The plan, which went into effect last month, left thousands unable to get their prescription drugs previously paid for by Medicare and Medicaid. House Minority Leader Nancy Pelosi (D-Calif) said, "A culture of corruption between Congressional Republicans and drug companies' lobbyists produced the confusing, special interest-driven Medicare prescription drug bill that put seniors last. This is an emergency measure...."

The legislation, "The Medicare Prescription Emergency Guarantee Act":

- * Ensures the receipt of medications.

- * Guarantees recipients will receive their medicine at an affordable price, despite being told their prescription is not covered by the plan, until they can complete an appeal.

* Prohibits private plans from removing needed medications from their formulary.

* Requires Medicare to pay pharmacies and reimburse anyone that made payments on behalf of a Medicare recipient.

GAO Chief Denounces Poor Response to Hurricane Katrina

Comptroller General David Walker, the head of the Government Accountability Office, said, on Feb. 1, that Homeland Security Secretary Michael Chertoff should have appointed an official to oversee the Federal response before the storm hit Aug. 29. "No one was designated in advance to lead the overall Federal response ... despite clear warnings from the National Hurricane Center," insisted Walker in prepared testimony to a select bipartisan Congressional committee. Federal officials, Walker charged, "did not act decisively or quickly enough to determine the catastrophic nature of the incident." They failed to label it a "catastrophic event," which would have required a faster and more comprehensive Federal effort. Instead, the Federal posture was to wait for affected states to request assistance. Citing "disjointed" efforts of all Federal agencies, Walker denounced the Administration's "absence of timely and decisive action and clear leadership responsibility and accountability."

Senate Panel Targets FEMA Criminal Negligence

On Nov. 7, 2005, Assistant Interior Department Secretary P. Lynn Scarlett wrote a response to an investigative questionnaire, which response was made public, on Jan. 30, at a hearing of the Senate Homeland Security and Governmental Affairs Committee, chaired by Sen. Susan Collins (R-Me). Scarlett wrote that just a few days before Hurricane Katrina struck the Gulf Coast last Aug. 29, the Interior Department offered to provide to FEMA, hundreds of its expert search-and-rescue workers, a sizeable contingent of 300 flat-bottom boats, 11 aircraft, and 119 pieces of heavy equipment—all for flood protection and post-storm rescue. But FEMA never used much of the personnel and equipment; what it did deploy, it used ineffectively. It was further disclosed that before the storm hit, Amtrak had offered to carry out New Orleans residents, but its train was barely used.

Collins reported an internal Sept. 1 FEMA e-mail, in which FEMA reported it put a halt to rescue operations in New Orleans—only three days after the storm—for "security concerns."

At the same time, this past week, the Cheney-Bush Administration rejected a proposed bill by Rep. Richard Baker (R-La), which would have established a U.S. government corporation to buy back the mortgages of storm-damaged homes in the New Orleans area; most of the residents holding these mortgages did not have flood insurance—most could not get it because, technically, they did not live in the flood plain.

Five months after Katrina, only 37% of the "officially" estimated 90,000 displaced Louisiana families have been provided with trailers; the price of a trailer ballooned from \$19,000 to \$75,000 apiece.

Bush Administration Expanding Targetted Assassinations

The *Los Angeles Times* reported on Jan. 29 that the Bush-Cheney Administration is expanding the use of Israeli-style targetted assassinations against "suspected terrorists" overseas, using Predator drone aircraft firing Hellfire missiles. These "extra-judicial killings" have been carried out in Afghanistan, Pakistan, Yemen, Iraq, and other countries.

"We have the plans in place to do them globally," admitted a former U.S. counterterrorism official to the *L.A. Times* "In most cases we need the approval of the host country to do them. However, there are a few countries where the President has decided that we can whack someone without the approval or knowledge of the host government."

There are disagreements within the intelligence community as to the legality and the wisdom of the program, but the Administration claims the right to do targetted killings under the same "Commander in Chief" argument that it has used for torture and the NSA wiretap program.

Ibero-American News Digest

Mexico Wants To Return to Nuclear Power

Sources at Mexico City's Polytechnic Institute told LaRouche organizers that Mexico is revisiting the whole nuclear question—feasibility studies, financing, sites, etc.—because they know there is serious talk in the United States of returning to nuclear power, and should that happen, Mexico wants to be in a position to follow suit. Energy Ministry representatives held a meeting at the Polytechnic Institute a few days ago on the matter, our sources reported.

Energy Minister Fernando Canales announced at the World Economic Forum in Davos on Jan. 28, that Mexico's Vicente Fox government is discussing building a new nuclear plant, in addition to Mexico's one existing plant in Laguna Verde, Veracruz. Canales' remarks were made as a trial balloon to see the reaction, the Polytechnic sources report. The government is keeping nuclear power in the news, as on Feb. 1, Canales opened an International Forum on Renewable Energy Policies in Mexico City with the announcement that the government planned to invest \$800 million in upgrading the 25-year-old Laguna Verde plant, which currently produces 2% of the nation's energy, and at the lowest comparative costs of any energy source, Canales pointed out. Last December, General Electric, which designed the LV plant, won the contract for its "second phase," which is to increase its generating capacity by 20% by the year 2009-2010.

Rumsfeld Seeks Confrontation with Venezuela; Chávez Complies

War with one major oil producer is apparently not enough for the Cheney crew in Washington. One day after President Bush surprised Bolivia's new President Evo Morales by calling to congratulate him, and even as Tom Shannon, Assistant Secretary for Western Hemisphere Affairs, was reiterating on Feb. 2 that the U.S. did not want a quarrel with Venezuela, Defense Secretary Donald Rumsfeld was at the National Press Club calling Venezuela's Hugo Chávez a new Hitler, and Evo Morales "worrisome."

Asked about South America, Rumsfeld compared Chávez to Hitler, stating that "was elected legally—just as Adolf Hitler was elected legally—and then consolidated power and now is, of course, working closely with Fidel Castro and Mr. Morales and others."

As Rumsfeld was rampaging, the Chávez government announced the expulsion of the U.S. Navy attaché in Caracas for spying, as he had been caught fomenting opposition in the ranks of the retired military. The next step will be to expel the entire 22-person U.S. military delegation, Chávez announced.

The next day, at the State Department briefing, spokesman Sean McCormack announced that the Bush government had declared the second-highest official at the Venezuelan embassy in Washington *persona non grata*, and given her 72 hours to leave the United States. There are no charges against her, McCormack said, but "they initiated this."

Andean Free-Trade Talks Could Go Down the Drain

Although Colombia, Ecuador, and Peru entered into negotiations for a free-trade agreement (FTA) with the United States

in early 2004, by the end of 2005, only Peru's President Alejandro Toledo had agreed to the conditions demanded by the U.S., and was "rewarded" with a signed FTA. Now, however, Peruvian agro-economists are denouncing the "asymmetric" terms of that agreement, which they insist will destroy Peru's national production, and CONVEAGRO, the national farmers federation in Peru, is demanding that the negotiated terms of the FTA be submitted to a national referendum *before* the Presidential elections in April.

Peruvians are not the only ones waking up to the fact that a free-trade agreement with the Bush-Cheney Administration and a disintegrating U.S. economy would mean national suicide. Washington's demand that the six Central American signatories to their free-trade accord, CAFTA, make significant legislative changes before the treaty can be implemented has led one Central American government after another to stall on ratification. And, despite the decision to renew bilateral FTA talks with Washington, negotiators for the governments of Colombia and Ecuador are hanging tough against "asymmetric" U.S. demands in such critical areas as agricultural production, intellectual property rights, pharmaceuticals, sanitation issues, and textiles. In late January, Ecuador's chief negotiator returned from pre-negotiation talks in Washington to advise the Palacio government against signing, and the Colombians suspended the FTA talks for two weeks after their negotiators were repeatedly given the cold shoulder by their U.S. counterparts in Washington.

Latest reports are, however, that Colombian President Alvaro Uribe and Ecuadoran President Alfredo Palacio are considering flying up together to Washington in the immediate period ahead, to meet with Bush and try to salvage a free-trade agreement which, at least in the imagination of Colombia's Uribe, is needed to bolster his reelection bid in this year's elections.

Spanish Bank Profits, Big Time, Off Mexican Poverty

The Banco Bilbao Vizcaya Argentaria (BBVA), one of the filthiest international looting operations calling itself a bank, released a report at the end of January revealing that 1.192 billion euros, constituting nearly one-third of its worldwide profits in 2005, came from Mexico. BBVA's global earnings were up by 30% in 2005, but the profits earned from their Mexican subsidiary, the old Bancomer, rose by a whopping 56% last year.

BBVA reports that the majority of its earnings in Mexico came from "expanding banking operations in consumer, small and medium business needs, and in mortgage loans." In fact, that "expansion" is directly proportional to its heavy involvement in "securitization"—i.e. looting—of the approximately \$20 billion in remittances sent back home from Mexican laborers in the United States.

Offensive Against Pinochetismo To Accelerate in Chile

Chilean President-elect Michelle Bachelet announced Jan. 31 that immediately after her inauguration in March, she will propose reforms to, or do away altogether with, the binomial election system, which was enshrined in the Chilean Constitution by the Pinochet regime in 1980, and only slightly amended since. The extreme limitations the binomial system imposes make it impossible for anyone from a third party or smaller political coalition to win a seat in Congress. This change will be fiercely resisted by the right wing, but it has long been a demand of the labor movement and others excluded under the restricted "democracy" which George Shultz's Pinochet project imposed, in an effort to secure its free-trade model long after Gen. Augusto Pinochet himself had to step aside.

The incoming President's efforts may be aided by the difficulties the Cheney-Bush crowd have at the moment in defending the Pinochet family, which is facing multiple trials on charges ranging from embezzlement and money-laundering, to torture and genocide. On Jan. 25, Lucia Pinochet Hiriart, the eldest daughter of Augusto Pinochet, flew into Washington's Dulles International Airport, requesting political asylum in the United States on the grounds that she and her family are victims of "political persecution." Chilean Foreign Minister Ignacio Walker, on Jan. 26, called the pleas of "persecution"

by the former Nazi dictator's family "surreal," with "zero credibility": "To say: 'I am being persecuted politically.' By whom? By Chile? Please! What on earth are we talking about?"

Facing a nadir in relations with South America nations already, and with the LaRouche movement's year-long saturation of the United States with pamphlets detailing the Bush-Cheney-Hitler-Pinochet ties as one Synarchist project, the Bush Administration could ill afford to defend its assets. On Jan. 27, after being held in a jail cell while her asylum case was being heard, Pinochet's daughter withdrew her asylum request, and was packed on a plane back to South America. Once back in Chile, she was arrested on tax fraud and evasion charges. The rest of her family is already under house arrest on the same charges, related to the more than \$27 million the family had illegally squirreled away in a Riggs Bank account.

Chilean Labor Mobilizes Against Private Pension System

In a message to President-elect Michelle Bachelet, Chile's CUT labor federation has joined with other trade union and social organizations to create a broad front to radically reform the private pension system, known as the AFPs. Launching the "Pro-Reform Committee" Jan. 29 in Santiago, CUT Secretary General Arturo Martinez stated that "the existing non-transparent system, which is an oligopoly, has led to high levels of poverty" and can no longer exist in its current form. It is time to put an end to the "unacceptable injustices in social security repeated daily in our country," Martinez said, "which in the end only create enormous social unrest."

The new movement intends to hold Bachelet to her word to reform the private system imposed in 1981 by Pinochet's fascist Labor Minister José Piñera. Among the proposals being made is the demand that the private sector and the state contribute to a tripartite fund to cover pension costs—currently private employers pay nothing, and the state in any case has been forced to take up the slack where the private system has failed. Labor leaders also want coverage to extend to all workers—only about 50% of the workforce now receives any pension at all—with pensions that are enough to live on. The head of the teachers' federation, Jorge Pavez, made the correct point that the private system is totally illegitimate because it was imposed by a dictatorship, and has never fulfilled the promises made in 1981.

Western European News Digest

Anti-Islam 'Cartoons' Provoke Explosive Crisis

Although it remains unclear why the crisis erupted four months after the Danish newspaper *Jyllands-Posten* published, in September 2005, a series of provocative cartoons depicting Muslims, including the Prophet Mohammed, in a very derogatory way, the crisis has now grown to explosive proportions. Recall that a year before the cartoons appeared, in November 2004, Dutch filmmaker Theo van Gogh was murdered in Amsterdam by one Mohammed Bouyeri, after van Gogh had made a film harshly critical of Muslims.

Just before Christmas 2005, a group of 20 former Danish diplomats to the Middle East called on the Danish government to intervene to prevent the situation from escalating. They were denounced for interfering in politics. Now, after enormous pressure from sections of Danish industry and the political establishment, the government is finally acting.

Since Jan. 30, an economic boycott by many Islamic nations has been paralyzing Danish exports to Southwest Asia, leading to production stoppages and layoffs. Ambassadors have been called home, and small groups of militants in Gaza and elsewhere have burned Danish flags and threatened Danish personnel. Even former U.S. President Bill Clinton denounced the cartoons. In Denmark, there is a right-wing backlash. The crisis was also discussed on the EU level.

On Jan. 31, things escalated, with a bomb threat against *Jyllands-Posten*, which was forced to evacuate their offices. In

addition, the Danish defense forces in Iraq received intelligence that a *Fatwa* (its nature currently unknown) had been issued by an Iraqi religious leader against the Danish military presence in the Basra area. Danish TV and the newspapers' front pages showed photos of Prime Minister Anders Fogh Rasmussen's picture being burned during a demonstration by Islamic Jihad in Palestine.

On Feb. 1, the French daily *France-Soir* reprinted the cartoons, with a disclaimer that it did not approve of them, but wanted its readers to see what had started the crisis, which may provoke a reaction in France. Germany's *Die Welt* and an Icelandic newspaper have also reprinted the most offensive cartoon, showing the Prophet Mohammed wearing a turban in the form of a bomb. "Mainstream" media, such as *Le Monde*, and BBC, are expected to print the pictures, as well as outlets in Italy and Spain. The editor of *France Soir* has since been fired by the paper's owner, who is French-Egyptian.

There has been an escalation of threats of terrorism against especially Denmark, and also other countries where the cartoons have been printed, both by Hezbollah and by Al-Bakri's radical Islamic group in London. The spokesman for the latter is quoted as saying that the punishment for blasphemy against the Prophet is death, and he points to van Gogh as an example. Threats also came from an Egyptian terrorist group, reportedly related to al-Qaeda.

The reaction of imams during Friday prayers Feb. 3 in the Middle East and Europe can also either escalate or dampen the situation. The Grand Mufti of Jerusalem has called for Nordic citizens living in the Middle East not to be threatened.

The Danish government is belatedly accelerating its diplomatic and media effort. On Feb. 1, Prime Minister Anders Fogh Rasmussen was to meet with all the ambassadors stationed in Denmark, and was interviewed by the Arabic satellite TV station Al Arabia. (See this week's Southwest Asia Digest for an update on this crisis, which has included the burning of Danish and other European embassies in Damascus and Beirut.)

German Paper Warns Against Alito Confirmation

Starting on Jan. 30, for two days running, the *Frankfurter Allgemeine Zeitung* began to inform its readers of the explosiveness of the Alito issue in the U.S. (see this week's InDepth: "After Alito Fight, the War Continues"). The articles were the first to date in Germany which have gone into detail on this issue, and came in the context of the paper's regular review of American publications.

Quoting at length from an article by Thomas Woods in the *American Conservative*, the *FAZ* emphasized that the danger is so real, that even supposedly like-minded conservatives in Washington are worried about "The President who would be King." They reference coverage by the *Washington Post* and the *New York Times* that has described "how the Vice President admitted to having worked from the start of the Bush term towards the goal of giving the Presidency new power. And they [conservatives] share the view of the left-wing liberal journal [*New York Review of Books*], that Bush's lawyers are committed to replace constitutional rights with 'something like the divine right of the kings.' "

Then, in an article on Jan. 31, the day of the Alito vote in the U.S., the *FAZ* recalled what Justice Department lawyer Jon Yoo wrote, only two weeks after Sept. 11, 2001, on the alleged necessity of centralizing power at the White House. They note that he played a key role, not as the original inventor of the "unitary executive theory," but as the architect of the legal construction for the legitimization of Bush's anti-terror policy.

The paper referenced "the conservative expert in state law," Steven Calabresi of Northwestern University, who recently told the *Wall Street Journal* that without the "unitary executive" there would be no way of justifying measures like the NSA phone-tapping operations. "The voice of Calabresi has weight," the *FAZ* wrote. "He is, after all, as co-founder and co-chairman of the influential conservative jurists' association the Federalist Society, one of the minds behind the unitary executive theory. Calabresi once worked under President [Ronald] Reagan, at the breeding-ground of the controversial

theory, the Office of Legal Counsel at the Department of Justice."

The *FAZ* quoted Judge Alito himself, from a speech at the Federalist Society, saying, "The President not only has some powers, but the executive power—all of it." The paper added, "Alito also worked at the Justice Department of the Reagan Administration, when the fine-tuning work on the unitary executive theory was done there. Then, as today," *FAZ* said, "he is convinced that the theory of the unitary executive is the best interpretation of what the Constitution wants." Because of that, "the political left fears that at the Supreme Court, Alito would insist on giving the President as much of a free hand as possible."

"Prominent American experts in constitutional law, like Laurence Tribe of Harvard University, have criticized this variant of the unitary executive theory as a barely veiled attempt to undermine the principles of power-sharing," the *FAZ* wrote, adding that even Calabresi has certain doubts.

Strasbourg Conference Features Ideas of Nazi Carl Schmitt

A conference on "Carl Schmitt: A Nazi Way of Thinking" was held in Strasbourg, France from Jan. 27-29. The Académie Européenne in Strasbourg organized the three-day event, with leading figures including Thomas Hobbes expert Yves Charles Zarka, who works for France's Centre National de la Recherche Scientifique (CNRS) and has authored two books on Schmitt.

The Strasbourg conference obviously had the official support of the city's authorities. To quote the conference invitation, "Recent publications opened up a vigorous debate concerning the relation between Schmitt's thinking and his involvement on behalf of the Nazi regime. Texts, certain of which had not been republished since the '30s, attest to the radical quality of the positions defended by Schmitt...." The top specialists have been invited to evaluate the different interpretations of his thinking, they say, in order to "attempt to define the critical relation one must have today with respect to this seductive but dangerous thinking."

All of this has special significance inasmuch as Lyndon LaRouche and the LaRouche movement in the United States and worldwide have been stressing Schmitt's role, not just as a "crown jurist" for Adolf Hitler, but as the author of the concept of executive power that underlies the worldview of the Federalist Society and jurists like Samuel Alito.

French Ties to U.S. Neo-Cons

Washington Post intelligence insider David Ignatius wrote in his op-ed column Feb. 1 that a top advisor to French President Jacques Chirac, Maurice Gourdault-Montagne, flies to Washington every five or six weeks, and talks by phone weekly with President Bush's National Security Advisor Steven Hadley.

Ignatius noted that the French have become a U.S. intermediary, and are now key players in Syria/Iran policy. Gourdault-Montagne's trips to Washington began in August 2004 to coordinate French-American efforts on UN Resolution 1559 for Syrian withdrawal from Lebanon. Gourdault-Montagne visited Syrian President Bashar Assad in November 2003, and made a secret visit to Tehran in February 2005 to advise Hezbollah to play it cool around moves for Syrian withdrawal from Lebanon after the murder of former Lebanese Prime Minister Hariri.

Russia and the CIS News Digest

Russian Representatives Oppose Sanctions Against Iran

Russian government spokesmen have emphasized that putting the Iran issue on the UN Security Council agenda, if that happens, does not imply automatic sanctions. Indeed, sanctions can be decided only with the support of the Russians, and Russia views any discussion about sanctions as ill-placed, as long as there are still options for diplomacy. Related current Russian diplomacy: a fact-finding team led by Russian Deputy Foreign Minister Kislyak visited Tehran the week of Jan. 30; and Russian-Iranian talks about the Russian enrichment proposal are to be held in Moscow on Feb. 16.

Whereas Russian government representatives talk mainly about the diplomatic process, senior politicians of other Russian institutions, like Konstantin Kosachev, chairman of the State Duma's Foreign Relations Committee, have used a harsher tone. Kosachev pointed out that many countries have economic interests in Iran, involving substantial investments, that have to be taken into account. Among such nations are Russia and Germany, which has three times the economic exchange with Iran that does Russia.

Murky 'Euro-Atlantic Energy Strategy' Tries To Exclude Russia

Against the background of recent frictions emerging in Russia's role as a crucial energy supplier to Europe, remarks made by Gela Bezhuazhvili, Foreign Minister of Georgia, at a mid-January event of the Friedrich Ebert Foundation in Berlin, deserve special attention. Bezhuazhvili said that the question of energy security was "more pressing than ever before," adding the announcement that a "Euro-Atlantic Strategy for the Security of Energy Supplies" was already under discussion, with Georgia and other Caucasus countries, Poland, and Turkmenistan taking part—but no mention of Russia. Many in the audience were puzzled, not only at the exclusion of Russia, but also because none of the named countries lies on the Atlantic.

Bezhuazhvili said that "in February, the foreign and energy ministers of these countries will meet in Tbilisi, and they will invite their colleagues from the European Union, from the countries of Central Asia, and from Turkey." Again, no mention of Russia. The agenda of the conference is to discuss guarantees for the safe transport of crude oil and natural gas from the Caspian Sea during the coming decade.

Already at the end of January, Georgian President Michael Saakashvili had announced that Tbilisi will try to replace Russian natural-gas supplies, which were disrupted Jan. 22 by explosions on a pipeline in North Ossetia, with gas imported from Iran.

Bezhuazhvili also said in his Berlin speech that Georgia wants full NATO membership as soon as possible, a plan of action for which would be presented before the end of 2006. Membership in NATO had priority even over a membership in the European Union, he added, "although we consider ourselves a genuine liberal and democratic European state."

Southwest Asia News Digest

Tribunal Finds Bush, Blair, Sharon Guilty of War Crimes

On Feb. 4, the Egyptian Bar Association and the Arab Federation of Lawyers held a war crimes tribunal in Cairo, charging President George W. Bush, British Prime Minister Tony Blair, and Israeli Prime Minister Ariel Sharon with war crimes in the cases of Iraq, Afghanistan, and the Palestinian Authority. The two-day session was chaired by former Malaysian Prime Minister Dr. Mahathir Mohamad, and a full report will be provided by *EIR*, whose correspondent Muriel Mirak-Weissbach attended.

Bills of indictment for war crimes based on the Geneva Convention and the Nuremberg criteria were drawn up for Bush,

Blair, and Sharon. Testimony from Iraqis, Egyptian lawyers defending detainees at the U.S. military prison at Guantanamo Bay, Cuba, Palestinians, and others gave eyewitness accounts of the multiple crimes of the three accused. Since the three did not attend or send lawyers, as they were invited to do, court-appointed lawyers argued in their defense, using the arguments used by the three in their public pronouncements.

The event was packed, and was played live on at least one TV station, with prominent government officials attending. The trial occurred against the backdrop of major disturbances in the Muslim world over a series of cartoons published in major Danish newspapers, ridiculing the Prophet Mohammed and Islam. Participants in the Cairo tribunal planned to join in a demonstration over the cartoons in the following days.

'Clash of Civilizations' Warfare Explodes Against European Offices in Muslim Countries

On Friday, Feb. 3, violence exploded in Muslim countries, after a week of heightened tensions over the continued publication in Danish newspapers of anti-Muslim cartoons that ridicule the Prophet Mohammed. (See this week's Europe Digest for background.) U.S. Democratic Party leader Lyndon LaRouche has pointed to the British Empire, and its anti-American system, both in the U.S. and in Europe, as the architects of the dirty operation which is now destabilizing Europe.

In Damascus, the Danish and Swedish embassies were burned to the ground, together with the Chilean embassy, which is located in the same building, when thousands of demonstrators took to the streets protesting the Danish newspapers. No one was in the building at the time of the fire. The Norwegian embassy, which was at a different location, was also burned down.

The violence was triggered by the rumor, spread by e-mails and television broadcasts, that right-wing groups in Copenhagen were planning a demonstration in which the Koran would be burned.

According to the Danish government, the Syrian police did not attempt to stop the demonstrators. It is reported that small groupings within the larger demonstration were responsible for the attacks.

The Danish Foreign Ministry has now called for all Danish citizens to leave Syria. Only the Danish Ambassador will stay, to help ensure a safe evacuation. The Foreign Ministry is considering calling the Ambassador home in protest, or taking other measures against the failure of the Syrian police to protect the building. The Syrian Foreign Minister has apologized for the events.

The Danish Foreign Minister Per Stig Moeller said that the problem is that the Muslim masses are now being manipulated to promote a clash of civilizations, when the opposite is what is needed. No one can be served by continuing in this way that can result in blood and fire. The situation is now out of control, he said.

But now the attacks in Syria are being used to feed the propaganda for U.S. fascist Vice President Dick Cheney's "long war" of imperial attacks. On Feb. 4, several Danish journalists and political figures stated that the Syrian state bears responsibility, as it is a "dictatorship," where no demonstration is allowed without approval of the authorities.

On the same day, the Danish embassy in Indonesia was attacked by demonstrators, who threw objects, and got into the building, but were removed by the police. Things cooled down when the Danish Ambassador met with three representatives of the demonstrators for discussions.

The European Union has strongly condemned the burning of the embassies in Damascus. The protests and unrest are by no

means limited to Syria, and continued into Saturday, Feb. 4 and Sunday, Feb. 5, when the Danish embassy in Beirut was burned down.

Also Feb. 4, protesters ransacked the EU office in Gaza. On the same day, Iranian President Mahmoud Ahmadinejad ordered the cancellation of all contracts with Danish companies, and companies from other countries that have printed the Mohammed cartoons.

In Jordan, a newspaper editor who had been fired for reprinting the cartoons was arrested.

In Holland, there was a bomb threat against a newspaper that printed the cartoons.

The Vatican responded to the conflict by stating that freedom of the press does not include the right to insult religions.

In Denmark, there is continuing social unrest. There was fighting between police and young Muslims who wanted to board a train to the city where right-wingers who are anti-Muslim were demonstrating. This was the demonstration that had led to the rumors that they would burn the Koran. The 30 demonstrators who showed up did not burn the Koran, and had previously denied the reports that they had planned to do so. But rumors apparently spread by television reports were taking on a life of their own.

During and after the demonstration, 160 people were arrested, mostly young anti-fascist activists who had come to protest the right-wing demo. The police also used tear gas.

U.S. Admits Iraqi Reconstruction Will Be Left Unfinished

The United States admits that hundreds of Iraq reconstruction projects will be left unfinished or scrapped, according to the Special Inspector for Iraq Reconstruction, Stuart W. Bowen, Jr., in a new report, released Jan. 26, 2006. According to the report, only 49 of 136 projects in the water and sanitation sector will be completed, and only 300 of 425 projects in the electricity sector. This is the result of \$5.6 billion, of the \$18.2 billion allocated for reconstruction, being shifted to other projects, mostly unexpected security costs, which increased the costs of projects by an average of 16 to 22%.

Clinton Says U.S. Must Talk to Hamas

Former President Bill Clinton, while attending the World Economic Forum in Davos, Switzerland in late January, urged the U.S. to establish a dialogue with Hamas, the Palestinian victors in the Jan. 25 election, reported the online Newsmax, on Jan. 31. "One of the politically correct things in American politics," Clinton said, "is, we just don't talk to some people that we don't like, particularly if they ever killed anybody in a way that we hate." Clinton, who worked hard during his Presidency for peace between the Israelis and Palestinians, and between Catholics and Protestants in Ireland, noted that Hamas "may wind up like the IRA or Sinn Fein," which agreed to a ceasefire after decades of fighting.

Financial Times Says No Confrontation With Hamas

"The U.S. Faces a Real Dilemma Over Hamas," headlined the Jan. 31, *Financial Times'* lead editorial, in which the editors attempt to apply the brakes on those crazies who would escalate the Hamas victory in Palestine into a confrontation. The *FT* observes the failure of the Bush Administration's push for democratic elections throughout the Middle East to achieve pro-U.S. governments: More Islamic fundamentalists have been elected than "Abu Jeffersons."

The *FT* then notes, "The response to [Hamas] should emphasize that democracy is not just about voting, but about seeking institutional responses and upholding the rule of law. If they are pragmatic, so should we be. It may be easier for the Europeans than the Americans to take the lead on this, as they have done on Iran. Short-term, Hamas must extend its truce. It must also formally forswear attacks on civilians. It is not essential it recognizes Israel: the Irish constitution did not recognize British jurisdiction over Northern Ireland for 60 years. What is essential is that Hamas behaves as a responsible government.

"By the same token, the U.S. and close allies such as the U.K. should stop deferring to unilateralism whereby Israel is setting new borders to an enlarged state. That voided Fatah's last plausible claim to power."

Asia News Digest

'Christian' Democracy Takes 'Third Way' to Fascism

Proving that the "Christian" has been fully removed from the Centrist Democracy International (CDI, formerly called the Christian Democracy International), the 110 nations with CDI parties held a three-day conference in Manila, with the European side being led by synarchist asset Jose Maria Aznar, the former Prime Minister of Spain and the neo-con darling of Europe. On the Asia side, the conference was chaired by Jose de Venecia, the Philippine Speaker of the House, who, as the protégé of Fidel Ramos, is leading the effort to end the Presidential system in the Philippines, impose a dictatorship, and sell out the nation's remaining wealth to international speculators (called "debt for equity" in Synarchese).

The event was billed as the founding of the "first regional political organization in Asia," with the CDI described as the "third alternative," the "centrist political force" between capitalism and socialism (they didn't try to say where fascism fit into this equation).

Before the closing ceremonies Jan. 29, Pier Ferdinando Casini, the head of the Italian Chamber of Deputies, took over as the new CDI international president, succeeding Aznar.

Rainsy Issues Apology from Paris to Hun Sen

Sam Rainsy, the Cambodian opposition figure who is fully owned by the International Republican Institute (IRI), issued an apology to Prime Minister Hun Sen for his lies and slanders against him, Agence France Presse reported Feb. 4. Rainsy is currently in Paris, having fled Cambodia when his parliamentary immunity was stripped after he accused the Prime Minister of plotting a grenade attack against a rally held by the Sam Rainsy Party, at which 16 people were killed. He was convicted in absentia to 18 months, to screaming and hollering from the human rights mafia.

Rainsy issued a statement from Paris, read on Cambodian radio and television, that he "regretted having acted improperly against the Prime Minister, the accusations that the Prime Minister was behind the grenade attack. From now on I will change my attitude in order to end this issue and avoid it from happening again." Hun Sen accepted the apology, and called on Rainsy to "return to political life in Cambodia very soon."

U.S. Assistant Secretary of State Chris Hill played a hand in this development, when he visited Cambodia last month and expressed U.S. support for Hun Sen and his government, despite hysteria emanating from the likes of Sen. Mitch McConnell (R-Ky).

Thailand Ready To Construct Economic Zones in Myanmar

Despite continuing pressure from Washington for ASEAN to isolate Myanmar (Bush included Myanmar as one of the five nations targetted for subversion as "undemocratic"), Thailand has finalized a feasibility study on the establishment of three economic and industrial zones in Myanmar near the Thai border, the *Bangkok Post* reported Jan. 31 from Yangon.

The study on the zones, in Myawaddy and Hpa-an in southeastern Kayin state and Mawlamyine in southern Mon state, was jointly conducted by the Industrial Estate Authority of Thailand and the Ministry of Industry in Myanmar. They are part of an economic cooperation strategy agreed upon at a summit of Cambodia, Laos, Myanmar, and Thailand held in Myanmar's ancient city of Pagan in November 2003.

Thailand and Myanmar also opened a new "friendship bridge" on Jan. 22, across the Sai River, which Thailand hopes will boost trade with its neighbor and with nearby China (see last week's Asia Digest).

Asia Scholar Admits to U.S.-Run Coup vs. Philippines' Marcos

Theodore Friend, who has authored many books on Southeast Asia, spoke in Washington Feb. 2, releasing a new book *Religion and Religiosity in the Philippines and Indonesia*, for which he is the editor and contributor to a collection of essays. In his presentation, he admitted to his participation in the 1986 U.S.-run "regime change" against former President Ferdinand Marcos—a story only reported in the pages of *EIR* over the past 20 years. Professor Friend explained that after his friend Ninoy Aquino, a leading opposition figure to Marcos, was killed in 1983, then-Assistant Secretary of State Paul Wolfowitz, "a serious, balanced thinker—although I think he's lost his balance since that time," called him and five other Philippines scholars to Washington, to consult on what to do about Marcos. "Four of us," said Friend, "concluded that Marcos was vulnerable—the other two resisted. We didn't use the term 'regime change' at that time, but we decided that if we unleashed indigenous forces, Marcos could be brought down, and we pointed ourselves in that direction. With George Shultz there as Secretary of State, we did it just right, timing the intervention so as to make things happen."

EIR asked the good professor if, in reflecting on the nationalist development programs of Marcos vs. the economic basket case that the Philippines has become since his overthrow, if he didn't sometimes think that he and Wolfowitz had made a terrible mistake. Friend nervously tried to defend the subversion, only to be cut off by the sponsor of the event, from Johns Hopkins School for Advanced International Studies, saying both Friend and *EIR* were wrong, that the U.S. didn't do it, it was the heroic Filipino people, through "people's power," etc. But by then, it was too late—the truth was out.

S. Korean Railway To Run Through N. Korea to Germany, for World Cup

Former South Korean President Kim Dae-jung told the German daily *Frankfurter Allgemeine Zeitung* Jan. 31 that he plans to visit North Korea by train this spring, and will be accompanied by a delegation of Seoul government officials. Kim had earlier reported his train trip plans in a Jan. 1 meeting with ruling Uri Party legislators. KORAIL then announced, on Feb. 1, the plan to run the "Landbridge" train across the DMZ and on to Berlin in time for the June World Cup of soccer.

KORAIL said plans to put the "World Cup train" into action could help inter-Korean relations make another quantum leap forward. KORAIL said it expected to be mobbed by South Korean soccer supporters eager to buy the tickets to reach Berlin by train shortly before the World Cup opens on June 9. In fact this is a brilliant way to slice past the conundrum of whether the first train should run South-North, or North-South. Now everyone's going to the ballgame.

Africa News Digest

HIV Vaccine Trial Underway in South Africa

A Phase II clinical trial of an HIV vaccine is underway in South Africa. The trial, which will follow 78 volunteers over 18 months, comes after Phase I trials in Belgium, Germany, and India established preliminary safety data. Phase II began in mid-November 2005, according to its sponsors, the New York-based International AIDS Vaccine Initiative (IAVI) and Targeted Genetics Corporation of Seattle, and will be extended to Zambia and Uganda if regulatory approval is received from their respective governments.

The vaccine candidate, tgAAC09, "consists of an artificially made copy of the HIV virus and cannot cause HIV infection," according to the IAVI press release of Nov. 14. It "uses a recombinant adeno-associated viral vector (rAAV)." The vaccine will be administered in a placebo-controlled, double-blind trial to healthy men and women to see if it elicits an antibody response and a cell-mediated response.

IAVA estimates that there are 30 preventive HIV vaccine candidates in human trials on six continents.

IAVI is funded by foundations including the Bill & Melinda Gates Foundation and the Rockefeller Foundation; several European governments, the EU, and the government of Canada; and the World Bank.

Rumsfeld To Visit Algeria To Enlist Aid in 'War on Terror'

U.S. Defense Secretary Donald Rumsfeld is to make an official visit to Algeria Feb. 12, to promote cooperation in the so-called "war on terrorism," according to the Algiers daily *Echourouk El Yaoumi* Jan. 31, quoting diplomatic sources. He will meet senior figures of the defense ministry and armed forces, according to *ADN Chronos International*.

A U.S. Presidential delegation—led by Richard Lugar (R-Ind), chairman Senate Foreign Relations Committee—visited Algeria in August, and included Gen. James Jones, Commander of U.S. EUCOM and Supreme Allied Commander, Europe. Jones returned to Algeria for a two-day visit in December. Algeria has recently been invited to take part in numerous joint maneuvers by U.S. EUCOM and NATO.

"The old project of the U.S. [since 2001 —ed.] to confer on Algeria the status of pivot for Maghreb and sub-Saharan stability seems to have been reactivated by the White House," the Algiers daily *El Watan* wrote Dec. 19, apropos of Jones' December visit.

This Week in History

February 7 — 13, 1809

On Lincoln's Birthday: Recalling His Efforts To Unite the Republican Party Around a Moral Principle

There is no better way to mark Abraham Lincoln's birthday on Feb. 12 than to look at a lesser-known phase of his life, after his 1858 defeat in the campaign to win the U.S. Senate seat held by Stephen A. Douglas. Lincoln had won the popular vote, but the Illinois Legislature cast its majority vote for Douglas. Rather than withdraw from politics at a time when a great crisis faced the nation, Lincoln dedicated himself to inspiring the Republican Party to face that crisis.

"The cause of civil liberty must not be surrendered at the end of one or even 100 defeats." "Never forget that we have before us this whole matter of right or wrong." Driving, often alone, in an open buggy across the prairies and plains, Abraham Lincoln made these statements, and others like them, to audiences in Iowa, Kansas, Wisconsin, Indiana, and

Ohio. It was the late winter and spring of 1859, and Lincoln was rallying Republicans in particular, and Americans in general, to keep fighting against the doctrine of "popular sovereignty," a term coined to mask the extension of slavery into every corner of the nation.

What worried Lincoln and others around him was that some members of the new Republican Party had become discouraged and were tempted to grasp at the coattails of Douglas, who was the leading national advocate of "popular sovereignty." Some Republicans were even speaking of supporting Douglas in the upcoming 1860 Presidential election, and had previously even considered backing him for the Senate against their own candidate, Abraham Lincoln.

The slippery Douglas, who was losing the support of Southern Democrats, was attempting to attract Republicans by telling them that he had opposed enacting a slave code that would protect slavery in the national territories. He also reminded them that he had fought against the reopening of the African slave trade. Lincoln feared that Douglas was positioning himself so that if he lost the Democratic nomination, he would "bolt at once, turn upon us, as in the case of Lecompton, and claim that all Northern men shall make common cause in electing him President as the best means of breaking down the Slave power."

Disputes over secondary issues were also erupting in the Republican Party, setting one potential candidate or state grouping against another. Lincoln set out to stop this bickering in its tracks, and to remind everyone of the overriding principles for which they were fighting. And although he was trying to establish party harmony, Lincoln did not hesitate to oppose sections of the party when their moral compass became clouded.

There was a strong nativist movement in Massachusetts, and when that state's Republicans endorsed a constitutional provision requiring a two-year waiting period before naturalized citizens could vote, Lincoln opposed it forcefully. "I have some little notoriety for commiserating the oppressed condition of the Negro," said Lincoln, "and I should be strangely inconsistent if I could favor any project for curtailing the existing rights of white men, even though born in different lands, and speaking different languages from myself."

Lincoln began his task of reminding the Republicans that they must unite to save the nation, by delivering a major speech in Chicago on March 1, 1859, his first political speech since the end of his Senatorial campaign. After thanking his fellow Republicans for supporting his campaign, he referred to events during that contest which he wanted them to consider carefully:

"I understand that in some speeches I made I said something, or was supposed to have said something, that some very good people, as I really believe them to be, commented upon unfavorably, and said that rather than support one holding such sentiments as I had expressed, the real friends of liberty could afford to wait awhile.

"I don't want to say anything that shall excite unkind feeling, and I mention this simply to suggest that I am afraid of the effect of that sort of argument. I do not doubt that it comes from good men, but I am afraid of the result upon organized action where great results are in view, if any of us allow ourselves to seek out minor or separate points on which there may be difference of views as to policy and right, and let them keep us from uniting in action upon a great principle in a cause on which we all agree; or are deluded into the belief that all can be brought to consider alike and agree upon every minor point before we unite and press forward in organization, asking the cooperation of all good men in that resistance to the extension of slavery upon which we all agree.

"I am afraid that such methods would result in keeping the friends of liberty waiting longer than we ought. I say this for the purpose of suggesting that we consider whether it would not be better and wiser, so long as we all agree that this matter of slavery is a moral, political and social wrong, and ought to be treated as a wrong, not to let anything minor or subsidiary to that main principle and purpose make us fail to cooperate.

"There was a question amongst Republicans all the time of the canvass of last year, and it has not quite ceased yet, whether it was not the true and better policy for the Republicans to make it their chief object to re-elect Judge Douglas to the Senate of the United States. I have believed, that in the Republican situation in Illinois, if we, the Republicans of this State, had made Judge Douglas our candidate for the Senate of the United States last year, and had elected him, there would today be no Republican Party in this Union. I believed that the principles around which we have rallied and organized that party would live; they will live under all circumstances, while we will die. They would reproduce another party in the future. But in the meantime all the labor that has been done to build up the present Republican Party would be entirely lost, and perhaps 20 years of time, before we would again have formed around that principle as solid, extensive, and formidable an organization as we have, standing shoulder to shoulder tonight in harmony and strength around the Republican banner.

"Let the Republican Party of Illinois dally with Judge Douglas; let them fall in behind him and make him their candidate, and they do not absorb him; he absorbs them. They would come out at the end all Douglas men, all claimed by him as having endorsed every one of his doctrines upon the great subject with which the whole nation is engaged at this hour—that the question of Negro slavery is simply a question of dollars and cents; that the Almighty has drawn a line across the continent, on one side of which labor—the cultivation of the soil—must always be performed by slaves. It would be claimed that we, like him, do not care whether slavery is voted up or voted down. Had we made him our candidate and given him a great majority, we should have never heard an end of declarations by him that we had indorsed all these dogmas.

"Whenever, in any compromise or arrangement or combination that may promise some temporary advantage, we are led upon that ground, then and there the great living principle upon which we have organized as a party is surrendered. The proposition now in our minds that this thing is wrong being once driven out and surrendered, then the institution of slavery necessarily becomes national. Our only serious danger is that we shall be led upon this ground of Judge Douglas, on the delusive assumption that it is a good way of whipping our opponents, when in fact, it is a way that leads straight to final surrender.

"If we do not allow ourselves to be allured from the strict path of our duty by such a device as shifting our ground and throwing ourselves into the rear of a leader who denies our first principle, denies that there is an absolute wrong in the institution of slavery, then the future of the Republican cause is safe and victory is assured. You Republicans of Illinois have deliberately taken your ground; you have heard the whole subject discussed again and again; you have stated your faith, in platforms laid down in a State Convention, and in a National Convention; you have heard and talked over and considered it until you are now all of opinion that you are on a ground of unquestionable right. All you have to do is to keep the faith, to remain steadfast to the right, to stand by your banner. Nothing should lead you to leave your guns. Stand together, ready, with match in hand. Allow nothing to turn you to the right or to the left. Remember how long you have been in setting out on the true course; how long you have been in getting your neighbors to understand and believe as you now do. Stand by your principles; stand by your guns; and victory complete and permanent is sure at the last."

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