

At an Oct. 15 conference, Juan Manuel Santos, formerly finance minister to Colombian President Andrés Pastrana (1998-2002), stated that Colombia's agreements with the IMF have been good, but that "the architecture of the international financial system is perverse," because financing of countries depends too much on the arbitrary and subjective perception of "the market."

The Pastrana government signed an agreement with the IMF in 1999, an agreement which today's Uribe government has inherited. The official text of the agreement with the Fund only contains cold figures on the deficit, the balance of payments, inflation goals, and so forth. But it is clear that in order to meet these goals, the government has been obliged to comply with a series of non-stated agreements represented by the approval of at least 14 pieces of legislation that the government has submitted to Congress—including tax and pension reform, a law of fiscal responsibility, labor reform, and changes in the transfer of resources from federal to municipal and provincial governments.

As part of these implicit agreements, the Colombian government assumed the cost of bailing out the bankrupt Colombian financial system. The system collapsed because the physical economy hasn't the wherewithal to pay its debts. The government spent some \$10 billion to salvage the banks, and then offered the budget to these banks as a profitable resource of last resort. The rescued banks had no one to lend to, because no one was deemed "worthy of credit"; and so they lent to the government, which provided acceptable profitability without their having to go out and seek clients. The banks continue to earn interest merely by recycling the money they lend to the Bank of the Republic, or to the Guaranty Fund of Financial Institutions.

What is strange about this "free market" subsidized by the state is that each time the IMF, the bankers, and the government technicians analyze the figures, they conclude that state expenses are too "inflexible." Somehow, it never occurs to them that the only state expense which is really growing, and which therefore should be drastically cut back, is the expenditure on serving a debt which is devouring the national budget like a malignant cancer.

The recently approved budget allocates \$3.5 billion for payment of interest. That sum could fall short, however, if the "markets" determine a greater devaluation of the Colombian peso (experts think that the additional cost could be as much as \$6 billion). How nice, to give Colombia a further opportunity to subsidize the national and international banking systems by making the enormous sacrifice of reducing Colombia's defense budget (in a nation ravaged by narco-terrorism), along with its health, education, and investment budgets; looting the pensions of the elderly through new taxes; looting the labor force by increasing the age of retirement; and firing public workers! If this parasitization of the national budget is not addressed, Colombia will continue down the road to disintegration as a nation.

## U.S., Israel Militaries Caution on Syria War

by Dean Andromidas

The escalation of tensions along the Lebanese-Israeli border signals that Syria is still in the crosshairs of Vice President Dick Cheney's war party in Washington and their "hand grenade," Israeli Prime Minister Ariel Sharon. Nonetheless, signs of unease at the prospect of wider Mideast war are surfacing within the professional military establishments of the United States and Israel.

U.S. Presidential candidate Lyndon H. LaRouche warned that the refusal of Cheney's faction to change policy, in the face of the growing Vietnam-type resistance war they face in Iraq, is a clear sign that they will unleash Sharon against Syria and Lebanon—in order, they think, to shift and widen the battlefield. LaRouche warned that great wars are started in such situations, when someone starts a bonfire, and it gets out of control and becomes unstoppable. That is the great danger of the current Middle East strategic situation.

A senior British intelligence source indicated that Sharon, because of his own failure to crush the Palestinians, would also want to expand the war. "You have to see, Sharon is losing this war," the source said. "That's what makes him so dangerous, [Sharon and his generals] will tend to kick out when in this position." A senior European strategist told *EIR* that Israeli military action against Syria is likely in the near term; a military attack against Syria would proceed in coordination between the United States and Israel, and Turkey has also been approached for overt or covert participation. Syria is being discussed, the strategist said, as an "easy target," a country with weak military capabilities where a quick victory seems guaranteed, with which one could deflect from the Iraq fiasco.

### Build-Up for War

On the afternoon of Oct. 27, the southern Lebanese militant forces of Hezbollah fired dozens of mortar shells and Katyusha rockets against Israeli positions in the disputed Shaba Farms sector along the Lebanese-Israeli border. The Israelis immediately responded, firing hundreds of artillery shells across the border and launching air attacks near villages along the border. The Hezbollah attack was more than predictable, following Israel's Oct. 5 attack on a Palestinian camp in Syria, the first Israeli attack against Syria since the cease-fire agreement ended the 1973 war, and a clear opening shot for war against Syria. That attack was tacitly supported by the Bush Administration and openly praised and encouraged by

neo-conservative mouthpiece Richard Perle, senior advisor to Secretary of Defense Donald Rumsfeld. In Jerusalem on Oct. 12, Perle declared he was “happy to see” that Israel was “responding to acts of terror that originate in Lebanese territory by going to the rulers of Lebanon in Damascus.”

Following the attack on Syria, Israel began a troop and artillery build-up precisely in the Shaba Farms sector. It then deployed jet fighter bombers on a daily basis to conduct low-level overflights the full length of Lebanon, causing sonic booms over Beirut and other cities.

When the predetermined Hezbollah attack occurred, Sharon’s generals escalated; Northern Commander Maj. Gen. Benny Ganz called the Hezbollah attack a “dangerous factor, which may make a situation such that we may have to act with very, very strong force. In that case, I would assume that it would be preferable to be an Israeli citizen rather than a Lebanese citizen.” This statement was followed within hours by Israeli Defense Minister Shaul Mofaz claiming, “We have a very, very deep understanding that on the northern border they are planning a more significant attack than artillery and anti-tank fire at Israeli soldiers. The northern command is prepared for this.”

On Oct. 29, “security sources” quoted by the Israeli daily *Ha’aretz* signaled that Israel was prepared to attack Syria again, by claiming Syrian involvement in the Hezbollah Oct. 27 acts. The attack occurred while a Syrian military delegation, led by Chief of Staff Gen. Hassan Turkmani, was visiting Beirut. The Lebanese Army released a statement saying that it and the Syrian Army had looked into ways to “confront challenges and enemy threats to which both Lebanon and Syria would respond. A unified formula was reached on the issue.”

Parallel to these border tensions, the chicken-hawks in Washington have relaunched the baseless claim that Saddam Hussein hid all his weapons of mass destruction, never found in Iraq, in Syria. On Oct. 28, James Clapper, Jr., head of the U.S. National Imagery and Mapping Agency, who was appointed to that position personally by Rumsfeld, held a “breakfast with reporters.” Speaking Rumsfeldian English, Clapper said, “I think people below the Saddam Hussein-and-his-sons level saw what was coming, and decided the best thing to do was to destroy and disperse.” He said that the study of satellite imagery had “inferentially” and “unquestionably” convinced him that the heavy pre-war vehicular traffic entering Syria was filled with Iraq’s forbidden weapons.

After the bloody attacks in Baghdad of the week of Oct. 26 which killed over 50 people, the war party also made much of the capture of one attacker with a Syrian passport, although the man was, in fact, Iraqi.

### **Local American Commanders Disagree**

U.S. military commanders who are closer to the ground in Iraq, especially those involved in patrolling its borders, are openly contradicting the reports of the Bush Administration.

The U.S. military command has an extensive border control operation involving thousands of American and Iraqi troops and border guards. This is supported by “Operation Chamberland,” which utilizes the sophisticated Joint Surveillance Target Attack Radar System (JSTARS) planes. The planes in turn are backed by ground forces which have been gathering information about vehicle movement along the border.

Commanders from the 101st Airborne Division ruled out any significant infiltration from Syria. “If somebody is saying the Ho Chi Minh Trail runs through my area of operations, I’m going to tell them they’re wrong,” Lt. Col. Joseph Bush, commander of the 3rd Brigade of the 101st Airborne’s 3rd Battalion, told the *Washington Post* on Oct. 29. These commanders report that traffic across the border is primarily commercial. It is thoroughly inspected and is vital for the reconstruction of Iraq.

Within Israel, plans for war on Syria are creating growing unease within the upper echelons of the Israeli Defense Forces (IDF). On Oct. 30, public criticism of Sharon’s Palestinian policies by Lt. Gen. Moshe Ya’alon, the IDF chief of staff, in an interview with Israel’s three main dailies, rocked Israel. Sharon reportedly told Defense Minister Mofaz that Ya’alon must retract his statements, or resign. Instead, IDF spokesmen issued “clarifications” denying that the chief of staff had criticized the government; but then reiterated his essential point.

Amir Oren wrote in *Ha’aretz* on Oct. 17, that Sharon and Defense Minister Mofaz, along with the “hawks in the Bush Administration,” favor a “quick” war against Syria, while the IDF general staff as well as ground forces commanders disagree: “The IDF, in an approach that subverts Mofaz right under his nose, has already expressed doubts about the logic of the next war with Syria. . . . Out of politeness, at the General Staff they have not dared to say explicitly that this will be a superfluous war, and have only spoken about the necessity of avoiding ‘an intolerable price for the people of Israel and the IDF.’ ”

Most unusually, Oren named top IDF commanders who are reported to have expressed this position: Gershon Hachen, Tal Russo, Yitzhak Harel, and Yair Golan. But, “The Pentagon, in both its civilian and military elements, is itching for battle with Damascus and at the usually moderate State Department, the most belligerent official, John Bolton, heads the Bureau of Nonproliferation and the interface between unconventional weapons and regimes that support terror.”

Oren then revealed a scenario of how a war against Syria would unfold: “Spurred by Bolton, and after months during which marines and sailors of the Sixth Fleet have been practicing taking over ships carrying suspicious cargoes, an American-Syrian confrontation is approaching, which will begin with the interception of prohibited equipment on its way by air or by sea, from North Korea or Iran. The Syrian countermove will be a strengthening of its alliance with Iran, which is ahead of Syria in the sights of the administration of George W. Bush.”