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THIS WEEK YOU NEED TO KNOW

A Decision To Stop War — From Which LaRouche Did Not Shrink

The recent behavior of President George W. Bush and Vice President Dick Cheney—specifically, the formulations presented by the two, in draft resolutions before the U.S. Congress and the United Nations Security Council, on the pending preemptive war on Iraq—manifest clinical insanity. This judgment was stated urgently on Oct. 3 by Presidential candidate Lyndon LaRouche, who challenged any other explanation for what the President and the Vice President are doing. Bush and Cheney are launching a war of aggression, in violation of the U.S. Constitution, and in violation of post-World War II codes of international law, including the Nuremberg precedents, the London Charter of 1945, and the United Nations Charter.

The type of preemptive invasion of Iraq being advocated by Bush and Cheney is precisely the kind of war crime, for which 12 defendants were convicted at the Nuremberg Trials of 1945-46. The principles of law, recognized in the judgments of that first Nuremberg Tribunal, were adopted by the United Nations General Assembly in 1950. This is the cornerstone of the post-World War II order, centered around relations among sovereign nation-states.

Could a President of the United States, LaRouche asked, who was not insane, proceed with such reckless abandon, to violate these principles of law which have been the foundation of the postwar international order? Never! He concluded that the United Nations Security Council must recognize this reality. It should suspend the current debate over the insane formulations included in the Anglo-American draft resolution—which carries the implied threat to assassinate Saddam Hussein, and any number of Iraqi scientists and engineers, in a sick replay of the Jacobin Terror in 1790s France. The Security Council should instead declare that the President and Vice President of the United States, by virtue of their actions before the U.S. Congress and the United Nations, have demonstrated that they are mad, and proceed from that standpoint, hoping that the insanity is temporary, and that such bold actions by the Security Council might serve as a shock of reality, bringing the President and Vice President back to their senses.

The Courage of a Wartime Decision-Maker

This harsh but honest assessment coming from Lyndon LaRouche, is of special significance. Unless leading policy-makers in the United States and around the world are willing to face up to the reality, that the President and Vice President of the United States, by their actions, are judged insane, no adequate mobilization to avoid impending war can be accomplished. There are few statesmen alive today who demonstrate the courage of a wartime decision-maker: To state the truth, because nothing short of the truth can secure victory—in this case, a war-avoidance victory over the Bush and Cheney insanity, and the neo-conservative and Christian Zionist looney-bin dominating U.S. foreign policy and national security deliberations.

This was a decision from which Lyndon LaRouche did not shrink.

Many leading policy-makers in Washington and around the world will agree that LaRouche's assessment is both fair and

urgent. Some have already weighed in. The fact that most among them lack the personal courage to state this reality—which, admittedly, is not a good career move—is of secondary importance. In every crisis of war and peace, it only requires a small handful of individuals with unique leadership qualities, to step forward and inspire others to act above their own self-estimates. All great military leaders, in time of war, brought forth those qualities of courage and creativity-under-fire in the men and women under their command. LaRouche has taken the bold step, making it possible for others to act. This may be the last best hope to avoid a needless and devastating U.S. attack on Iraq, triggering a perpetual war and the likely early onset of a global New Dark Age.

Byrd Says 'Blind and Improvident'

Some of those same wartime leadership qualities were, happily, on display on the floor of the United States Senate on Oct. 3, where Robert Byrd, the 84-year-old West Virginia Democratic Senator and Constitutional scholar, delivered his own courageous and compassionate attack against the Bush Administration's doctrine of preemptive war. Byrd did not go so far; yet, he presented the evidence supporting LaRouche's diagnosis. LaRouche in turn commended Sen. Byrd for his actions, urging that the Bush Administration show the intelligence to listen to the senior Senator's cogent arguments.

Senator Byrd delivered a statement entitled "Rush to War Ignores U.S. Constitution," as debate opened on Senate Joint Resolution 46—introduced into the Senate by Joseph Lieberman (D-Conn.) and John McCain (R-Ariz.)—authorizing the President to use whatever force he may deem necessary in Iraq or elsewhere. Byrd began: "The great Roman historian, Titus Livius, said, 'All things will be clear and distinct to the man who does not hurry; haste is blind and improvident.' 'Blind and improvident,' Mr. President.... Congress would be wise to heed those words today, for as sure as the sun rises in the east, we are embarking on a course of action with regard to Iraq that, in its haste, is both blind and improvident. We are rushing into war without fully discussing why, without thoroughly considering the consequences, or without making any attempt to explore what steps we might take to avert conflict."

The heart of the issue, seized on by Byrd, is that the resolution violates the Constitution and international law. "The resolution before us today is not only a product of haste; it is also a product of Presidential hubris. This resolution is breathtaking in its scope. It redefines the nature of defense, and reinterprets the Constitution to suit the will of the Executive Branch. It would give the President blanket authority to launch a unilateral preemptive attack on a sovereign nation that is perceived to be a threat to the United States. This is an unprecedented and unfounded interpretation of the President's authority under the Constitution, not to mention the fact that it stands the Charter of the United Nations on its head."

Byrd quoted from a letter of then-Congressman Abraham Lincoln, who warned: "Allow the President to invade a neighboring nation whenever he shall deem it necessary to repel an invasion ... and you allow him to make war at pleasure. The provision of the Constitution giving the war-making power to Congress was dictated, as I understand it, by the following reasons. Kings had always been involving and impoverishing their people in wars, pretending generally, if not always, that the good of the people was the object. This, our Convention understood to be the most oppressive of all Kingly oppressions; and they resolved to so frame the Constitution that no one man should hold the power of bringing this oppression upon us. But your view destroys the whole matter, and places our President where kings have always stood."

Byrd challenged his fellow Members of Congress: "If he could speak to us today, what would Lincoln say of the Bush doctrine concerning preemptive strikes?"

War Without End in Sight

"Think for a moment," Byrd asked the Senate, "of the precedent that this resolution will set, not just for this President but

for future Presidents. From this day forward, American Presidents will be able to invoke Senate Joint Resolution 46 as justification for launching preemptive military strikes against any sovereign nations that they perceive to be a threat. Other nations will be able to hold up the United States as the model to justify their military adventures. Do you not think that India and Pakistan, China and Taiwan, Russia and Georgia are closely watching the outcome of this debate? Do you not think that future adversaries will look to this moment to rationalize the use of military force to achieve who knows what ends? ... To be sure, weapons of mass destruction are a 20th-century horror that the Framers of the Constitution had no way of foreseeing. But they did foresee the frailty of human nature and the inherent danger of concentrating too much power in one individual. That is why the Framers bestowed on Congress, not the President, the power to declare war."

Byrd warned that the United States, under the Bush doctrine, would become a rogue state: "The principle of one government deciding to eliminate another government, using force to do so, and taking that action in spite of world disapproval, is a very disquieting thing. I am concerned that it has the effect of destabilizing the world community of nations. I am concerned that it fosters a climate of suspicion and mistrust in U.S. relations with other nations. The United States is not a rogue nation, given to unilateral action in the face of worldwide opprobrium."

Unless the President has gone mad.

U.S. ECONOMIC/FINANCIAL NEWS

U.S. Stocks Tumble for Sixth Straight Week

Continuing the crash begun in March 2000, that just accelerated with the worst quarter since 1987, the Dow Jones Industrial Average fell nearly 189 points to 7,528 Oct. 4, the lowest level since November 1997; the S&P 500 dropped to 800, just above the five-year low reached in July; and the Nasdaq declined to its lowest level since September 1996. Some 1.82 billion shares traded on the Big Board, 20% more than the three-month daily average, probably showing intervention by the Plunge Protection Team in addition to massive selling, as the Dow was down by 220 points in the early afternoon, before jumping to minus 100 points, then falling again. For the week, the S&P dropped 3.2%, the Dow lost 2.3%, and the Nasdaq fell 4.9%.

'A Tombstone, Not a Milestone'

"This is a tombstone, not a milestone," stated an analyst for A.G. Edwards to the *Washington Post* Oct. 1, when commenting on the performance of the stocks markets in the third quarter. This has been the worst quarter for Wall Street since the "Crash of 1987"; the October crash that only Lyndon LaRouche had forecast.

If You Think September Was Hellish, Just Wait for Hallowe'en!

"Beware! October Is a Very Bad Month for the Stock Market," headlined John Crudele's *New York Post* column Oct. 1, forecasting a deeper collapse than we saw in the third quarter just ended Sept. 30. He debunked the media stories about the stock-market jumps on Sept. 25 and Sept. 26; in reality, the rally was manufactured, and had to do with technical factors as the end of the third quarter neared.

As bad as the past few weeks have been, warns Crudele, October will be worse. "October has historically been crash month—even when times are better than these," Crudele writes. Some retail companies whose profit projections were not lowered are now facing the big fall, including Harley Davidson. "This market is very dangerous, even if things look like they couldn't get any worse," he concludes.

Echoing these warnings, Lawrence Kudlow, writing in the *New York Post* Oct. 2, described the stock market jump on Oct. 1 as "just a sucker's rally," adding that it doesn't mean that the bottom is behind us. The only "explanation" for the Dow rise was the expectation that things are so bad, that the Federal Reserve's Open Market Committee (FOMC) will have to cut interest rates at its next meeting on Nov. 6. Bruce Steinberg, chief economist at Merrill Lynch, noted that "There is an economic slowdown going into the fourth quarter."

U.S. Faces Japanese-Style Deflation

Continuing the metaphor that October is the witching month, the *New York Times* titled a lead business section article, "Japan and U.S.: Bubble, Bubble, Toil and Trouble," and warned that the American economy faces the threat of deflation, which would set off a dangerous series of events similar to those suffered by Japan in recent years. Neither consumers, businesses, nor the U.S. government, appear ready to turn the economy around. The Federal Reserve, "clearly concerned that it is flirting with danger," has cut interest rates 11 times—but hasn't ended the downward spiral.

A sharp rise in mortgage defaults (which have recently hit a record), perhaps caused by an oil price spike, would trigger deflation, the *Times* said.

IT Blowout 'Brutal'; Not a 'Cyclical Downturn'

"This is a brutal slowdown, the worst in the history of America's IT industry," moaned Larry Ellison, chairman and chief executive of the world's second biggest software producer Oracle. Ellison's statement appeared as the headline of a full-page feature on the dissolution of Silicon Valley in London's *Financial Times* Sept. 30.

According to the National Science Foundation, 2002 will be the first year in which U.S. corporate investments in information technology (IT) show a decline, since the agency began reporting data in 1960. The slowdown in U.S. corporate R&D spending, according to Dan Wilson, economist at the San Francisco Federal Reserve Bank, is much deeper than it was in 1991. Venture capital investments in technology start-ups have plummeted by 85% in the last two years. While these events are taking place across the U.S., notes the article, the San Francisco Bay Area has lost more than 110,000 jobs since the end of 2000 alone, and unemployment in nearby Santa Clara County, the heart of Silicon Valley, shot up to 7.6%, "the highest of any urban county in California."

"Nearly every sector—telecommunications equipment, enterprise hardware and software, semiconductors, servers and dot.coms—is suffering," Wilson said.

In the interview, which is part of the *Financial Times* feature, Oracle's Ellison states, "Silicon Valley will never be the same," adding, "Those who believe this is merely a cyclical downturn are mad. They cannot see what is happening in front of their eyes."

Tech Meltdown: More To Come

"Think the tech meltdown is over? Think again," warns the *Washington Post* technology column Oct. 3, forecasting that things are about to get worse—more IT companies could shut down in the near future, than have so far gone out of business. More than 5,800 IT companies still exist, of the more than 10,000 that were funded with venture capital since 1992. Those left are about to run out of money.

Manufacturing Employment Skids for 25th Straight Month

During September, U.S. manufacturing employment fell for the 25th straight month: The official level of unemployment dropped to 8.092 million workers, compared to 8.142 million workers in August, a decrease of 50,000, while the official U.S. unemployment rate dropped to 5.6%, compared to 5.7% in August, the Bureau of Labor Statistics of the U.S. Department of Labor announced Oct. 4. However, the **real** unemployment rate and level, as determined by *EIR*, are actually double the BLS official figures.

The number of workers on non-agricultural payrolls, as measured by the BLS's "establishment survey," fell by 43,000 in September. The BLS did not revise downward the previous month's gain of non-agricultural payroll employment, but instead, actually increased the reported gain in August's level to a positive 107,000. During September, manufacturing employment fell by 35,000, while service-sector employment rose by 23,000; both indicate unhealthy developments in the underlying economy.

September marks the 25th consecutive month of a decline in manufacturing employment. Since August 2000, some 1.907 million manufacturing payroll jobs have been eliminated from the U.S. economy. Of these workers, since the end of August 2000, some 1.511 million *production manufacturing* workers' jobs have been eliminated, which means eliminating those workers whose scientific transformation of nature, advances human existence. This deep continuous fall in manufacturing employment represents the devastation of the manufacturing sector.

At the same time, new claims for unemployment benefits rose the last week in September to 417,000, the sixth week above 400,000, the Labor Department reported Oct. 3; the four-week average of new claims rose to 423,000, the highest level in five months. Continuing jobless claims increased to 3.68 million for the week ending Sept. 21.

Cracks Found in Foundation of Housing Boom

In its lead, page-one story Oct. 3, the *Wall Street Journal* warned, "Cracks are spreading in the foundation of the U.S. housing boom, as evidence that the long run-up in housing prices can't be sustained." The *Journal* pointed to job losses as undermining real-estate markets, and called the real-estate market "speculative." To picture that home mortgages exceed many households' ability to finance them, the *Journal* reported on the results of a study that it commissioned, that determined for 100 of America's large cities, since 1998: (a) the percentage increase of the median household income; (b) the percentage increase of the median home price; and, subtracting (b) from (a), the percentage by which the increase in the median home price surpassed the increase in the median household income.

*****		*****TABLE
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		Percentage by which Increase in Median Home Price Surpasses Increase in Median Household Income
Boston	66.1%	
Portland, Maine	61.3	
San Diego	59.8	
Fort Myers	59.4	
New York	51.3	
San Francisco	39.8	
Denver	33.9	
Washington, D.C.	29.7	

Minneapolis	28.3
Santa Fe	21.1
Houston	20.8
Tucson	20.7
Chicago	20.1

[Source: Economy.com for *Wall Street Journal*]

In the case of San Diego, the median price of a home has jumped to \$362,000, not merely outstripping the increase in median household income since 1998, but reaching a price that is the greater than the income that two-thirds of American households could afford. The *Journal* documented the past fall of home prices: In Los Angeles, after home prices rose during the 1980s, they fell by 24% over a five-year period in the 1990s.

But, after convincingly showing that there is insufficient real income behind sky-high prices of homes and the mortgages attached to them, the *Journal* attempted to draw back, and reassure, at least its own readers, that everything will turn out okay. It spread the fairy tale that unlike the "high-tech" stock market, real estate cannot experience a depression, "because real estate is such a local phenomenon."

The *Journal* article showed that the *Journal* itself and Wall Street are broadly aware in outline, but unwilling to publicly acknowledge, that the Fannie-Mae/Freddie Mac housing bubble is set to blow.

West Coast Port Lockout Continues; Cost to Economy \$2 Billion a Day

The lockout of West Coast dockworkers continued last week with growing economic effects as 1,500 International Longshore and Warehouse Union (ILWU) members and supports rallied in Southern California. Spokesmen for the Boeing Company have warned that, if the lockout of 29 West Coast ports continues into next week, Boeing production plants in Everett and Renton, where 727s and 737s are produced, could be affected. Boeing attempted to have ships diverted to Vancouver, Canada, but found that ILWU members there are refusing to unload any ships diverted from West Coast ports, according to the *Seattle Times* Oct. 4.

Last week, the San Francisco Federal Reserve estimated that the lockout will cost the economy \$2 billion a day.

Spokesmen for Ford Motor Co. have also indicated that Ford plants will begin to feel some impact next week. A Mitsubishi auto plant as far away as Normal, Illinois has scaled back production of autos (so far, only slightly), because of inventory shortages, and the auto plant in Fremont, Calif. remains shut down, although management is attempting to have some shipments come in through costly air freight. Grain shipments via Burlington Northern Santa Fe line remain halted since Wednesday, because of a lack of storage facilities; and California almond growers report they face major losses of holiday sales to Asian markets, unless the lockout ends promptly.

States Take Wrong-Headed Approach to Budget Woes

"Budget Axe Fells State Programs," was the headline on the Oct. 1 *Boston Herald* report on the self-defeating approach states are taking, as they faced collapsed revenues, even before the first quarter ended, on Sept. 30. "Programs to prevent youth violence in Colorado cancelled. Two-thirds of school bus stops in Tulsa, Oklahoma eliminated. Stockpiles of flu vaccines ... purchased by the Massachusetts Department of Public Health reduced by 19%," was the bleak news as of mid-September. With the news of 1Q FY 2003 revenue shortfalls coming in, more deadly cuts are coming.

Massachusetts, for example, which cut \$900 million from programs, hiked taxes by \$1.2 billion, and drained nearly all of its \$1.8 billion "rainy day" fund, to balance last year's budget, will see \$200 million slashed "from state programs—mostly in human services—within this week." Its 1Q revenue data "showed an anemic \$47 million" tax gain, not enough to halt the snowballing, now projected, \$350-million deficit. Acting Governor Jane Swift will use emergency powers to cut public health, child care, and home care for elderly citizens' programs, among others. State budget drafters, foolishly, planned for a quick recovery and built this year's budget on expectations that the state would have a 75,000-job gain, when instead it has lost 66,000 jobs since the spring! Hundreds of state workers are expected to lose their jobs, while those still employed will be asked to pay more for health insurance.

The public-health cuts show the potentially deadly nature of this approach. The flu vaccine program cuts will mean triaging broad vaccination, and limiting shots to the elderly and infirm. "The younger and healthier you are, the longer you may have to wait for your shot," the public affairs director of the state's Public Health Department was quoted.

More than 40 Million Americans Lack Health Insurance

The number of Americans lacking health insurance rose by 1.4 million, in 2001, to 41.2 million, as unemployment increased and companies cut benefits amid the economic breakdown. About 14.6% of the U.S. population had no health insurance coverage during all of 2001, an increase from 14.2% in 2000, according to a report released Sept. 30 by the Commerce Department's Census Bureau. The share of the population covered under private, employment-based plans dropped from 63.6% in 2000, to 62.6% in 2001.

Rates of uninsured rose across all income levels, among full- and part-time workers, and among U.S.-born residents and immigrants.

The percentage of people covered under Medicaid, rose from 10.6% (29.5 million) to 11.2% (31.6 million).

About 30.7% of people living below the poverty level, or 10.1 million, had no health insurance in 2001.

Roughly 23% of people earning less than \$25,000 per year lacked health insurance, roughly three times the percentage of those earning \$75,000 and above.

WALL STREET POLICE BLOTTER

***Andrew Fastow**, former **Enron** chief financial officer, was charged Oct. 2 with fraud, money laundering, and conspiring to hide debts, inflate profits, and enrich himself at the expense of the now-bankrupt energy pirate. The criminal complaint, filed in U.S. District Court in Houston, alleges that Fastow and others, created a scheme to defraud Enron and its shareholders through transactions with off-the-books partnerships that hid some \$1 billion in debt, making the company look more profitable than it was. The charges include securities, wire, and mail fraud.

Justice Department officials said the case would be brought before a grand jury within the next 30 days. The DOJ also asked the court to freeze an additional \$11 million of Fastow's assets, bringing the total to \$37 million, and will seek their forfeiture.

"We aim to put the bad guys in prison and take away their money," Deputy Attorney General Larry Thompson told a Justice Department news conference in Washington, D.C.

Fastow is alleged to have stolen \$30 million from the various transactions for his benefit and the benefit of his friends and co-conspirators.

He faces up to 20 years for money laundering, 10 years for security fraud, and five years each on the mail fraud and conspiracy charges.

The Securities and Exchange Commission filed a civil lawsuit against Fastow, alleging that he defrauded investors and violated securities laws. The SEC seeks monetary penalties and repayment of "ill-gotten gains."

***Douglas Faneuil**, an assistant to **Martha Stewart's** stockbroker at **Merrill Lynch**, pleaded guilty Oct. 2 to a misdemeanor charge that he was paid off to keep secret about an insider stock tip allegedly given to Stewart. Faneuil entered the plea in Manhattan Federal court, as part of a deal to testify against Stewart and others who could be charged in connection with sales of **ImClone** stock last December, just before the stock price plunged on news that its cancer drug was denied approval by the Food and Drug Administration.

***John Rigas**, founder and former chairman of Adelphia Communications, along with his two sons and two other former Adelphia executives, pleaded not guilty Oct. 2 to Federal conspiracy charges that they looted the cable television firm of \$252 million and hid \$2.3 billion in loans to themselves. Each defendant, if convicted of conspiring to commit securities and bank fraud, could face prison sentences of 15-20 years.

WORLD ECONOMIC NEWS

German DAX Finishes Worst Quarter Since 1959

German stock prices nosedived in 2000; they slid further in 2001. Then came the first half of 2002, which proved to be one of the worst half-years in the history of German markets. Now, the third quarter has finished, and the DAX index has lost another 37%, wiping out \$186 billion in market value. For the DAX, which was established late 1987, this was the worst quarter ever. If its predecessors are included, the third quarter of 2002 was the worst for German stock markets since 1959. What will the fourth quarter bring? Meanwhile, as reported last week in *EIW*, the German high-tech Nemax, decimated by the global meltdown in tech stocks, will close altogether early next year.

European Bank and Insurance Sectors on the Brink

The risk premiums on the debt of German banks exploded in the last week of September, as the creditworthiness of the German banking sector is questioned by international markets. Worst hit was Commerzbank, where rumors of mounting problems due to loan defaults and plunging stock prices sent the risk premium up from 98 to 150 basis points in one week. Bank worries also included Dresdner Bank and HypoVereinsbank. On Sept. 30, Commerzbank admitted that it will have to set aside more money than planned for loan loss reserves. Commerzbank chief executive officer Klaus-Peter Mueller attempted to calm things down in an interview Sept. 29 by insisting that "We have our problems under control," and "no one should be questioning the existence of the bank." However, he added, "Banks are facing the stiffest headwind in 30 or 40 years." The bank's stocks plunged another 10% Sept. 30.

Reuters reported that, in spite of the usual nonsense statements from the recent G-7/IMF gatherings, one of the key topics discussed in Washington was "the nightmare possibility of systemic banking defaults."

The biggest French reinsurer Scor is the latest European insurance company to announce it will sell stock in order to

survive the coming weeks. Selling stock under present depressed market conditions is seen by everybody as an act of desperation by a company that is close to insolvency. Following this announcement Sept. 30, the stock price of Scor, already down 83% since January, fell 31%.

More 'Hellish' Financial Reports in Europe's Dailies

"This is a crash," admitted Deutsche Bank chief economist Norbert Walter Sept. 30, commenting on recent developments on world stock markets. Leading European dailies ran front-page headlines Oct. 1, such as: "World markets sent into tailspin—Renewed fears over global economy, corporate profits and war in Middle East cause sell-off"; "Losses to continue after worst quarter in 15 years" (*Financial Times*); "Grim data unnerve markets worldwide" (*International Herald Tribune*); "DAX crashes to Six-Year-Low" (*Financial Times Deutschland*); "DAX crash eliminates 200 billion Euro—Biggest quarterly loss on German stock market since 1959" (*Frankfurter Allgemeine Zeitung*). A *Reuters* wire notes that shocked investors are "turning to professionals who have followed stocks for decades to help them put declines in perspective. The problem is, the old-timers are as stunned as everyone else." They quote a stock trader, who went through the 1973-74 disaster period, but now says, "It's as bad as I've ever seen it." The *FT* quotes Thomas McManus, chief strategist at Bank of America Securities: "This is the worst we've seen in years. But you can always go lower. The only thing that will stop you is zero."

The German economic daily *Handelsblatt* featured a cartoon Oct. 1 showing distressed brokers in an elevator, which has just stopped after a painful ride downward. The door of the elevator opens and the Devil appears, surrounded by fire. The devil says: "Oh, it's you, the stock exchange guys. Sorry, you don't belong here. You have to go down much further."

State Budget Deficits Explode in Germany

While Germany's Red-Green government coalition fights over how to cover the budget deficit—which, as presently admitted, will need cuts or tax increases of at least another 10 billion euros, in order to comply with the insane "Maastricht" criteria—the (really not so new) news is hitting the headlines, that there are similar problems among the state and local budgets.

Handelsblatt's front-page article Oct. 4 is headlined "States Eye Corporate Cashiers," with a large graph depicting the budget deficit run-up by the 16 German states, in the first eight months of this year. The graph is headlined: "State Budgets Face Collapse." The paper cites Federal Finance Ministry statistics, showing that in the first eight months of this year, the 16 states have run up a total deficit of 24 billion euros, while they projected a deficit of 19.9 billion euros for the *entire* year. At an average of 3 billion euros a month, these deficits will reach 36 billion euros, at least—80% higher than projected.

Hardest hit is Germany's capital Berlin, with a deficit of 4.12 billion euros, followed by North Rhine-Westphalia (2.98 billion), Lower Saxony (2.13 billion), Baden-Wuerttemberg (2 billion), and Rhineland Palatinate (1.66 billion). While states' expenses rose by 1.4% compared to last year, their income shrank by 4.3%.

At the same time, the German Cities' Association (DST) reported, according to the *Sueddeutsche Zeitung* Oct. 4, that Germany's cities have run up a deficit of 5 billion euros in 2001. This is a 50% rise, compared to 2000, and, given the rising unemployment, will most certainly be surpassed again this year. The DST's general manager Stephan Articus reported: "The cities are not in a phase of economic weakness, but rather, they are in their most severe financial crisis in the postwar period." The DST demands financial relief from the state and Federal governments, for the cities—which, given the facts reported above, is highly unlikely, as long as the Maastricht insanity prevails.

Venezuela's Economy Heads into Argentina-Like Tailspin

Against the backdrop of political upheaval, Venezuela's national economy is unravelling at astonishing speed. On Sept. 24, Standard & Poor's lowered the credit rating on both long- and short-term foreign currency bonds citing "the worsening of Venezuela's tense political stalemate and deepening economic crisis." It also warned that payment of foreign debt obligations in 2003 might be "difficult." Venezuela needed \$4 billion in financing this year, but is having increasing difficulty in obtaining foreign loans and selling its bonds.

For the first half of the year, the economy shrank by 7.1%, with a stunning 9.9% drop in the second quarter. Unemployment stands at 16.2%, which one analyst warns "is very close to what you had in Argentina." High oil prices can't offset the effects of the global financial crisis, combined with domestic political instability and the Chavez government's insane economic policies. Moreover, due to lack of investment, the state oil company PdVSA doesn't have the capacity to produce more oil quickly. In the second quarter, the oil industry's economic output fell by one-sixth. During the same period, manufacturing fell by 9%, the construction industry by more than 30%, and financial institutions saw an 8.5% decline. The decline in the construction industry is particularly striking. The number of workers in the sector has dropped from 1.1 million to 440,000.

Capital flight is also increasingly significantly. Venezuelans took out between \$5-10 billion in 2001, and the trend has continued, especially since last February's lifting of strict exchange controls and the floating of the national currency, the bolivar. It has lost 46% of its value since that time.

South Korean Government Propping Up Crashing Markets

The Seoul government on Oct. 2 decided to arrange for the national pension and other state-run funds to put about 6 trillion won (US\$4.6 billion) into the stock markets in 2003 to boost the KOSPI index, which is crashing along with the Dow and the Nikkei. Japan announced last week that the government would purchase stock held by the banking system, to support both the market and the banks. Due to the steep fall in the U.S. stock markets, the Seoul index has plunged 25% since May to 646 on Monday, the lowest level since Dec. 21, 2001.

International investors went on a selling spree of Seoul stocks in September for the eighth month in a row, making net sales of over \$3 billion, the Korea Stock Exchange (KSE) said Oct. 1. So much for trying to live on hot money after promoting IMF policies.

UNITED STATES NEWS DIGEST

Republican Congressman Opposes War with Iraq

Freshman Congressman Bob Simmons (R-Conn), who won two bronze stars during a 19-month tour as an Army officer in Vietnam, told *Associated Press* in a telephone interview Oct. 4 that "I'm painfully aware of the waste of war—waste of human life—and destruction of property."

Perhaps in an attempt to buy him off earlier this week, Vice President Dick Cheney held a \$150,000 fundraiser for Simmons' re-election campaign. Cheney used the opportunity to peddle the Administration's spin that the U.S. must "take whatever steps necessary to defend our freedom and our country."

Afterward, however, Simmons said that he did not see a "clear and present danger," because he did not see that Iraq had

both the intent and capability to attack the U.S. "It's my understanding ... that capability is not there at this point," Simmons said, adding that "It could be within a year or two, maybe five years."

DLC Claims It Has Given the Real Leadership for War with Iraq

A Democratic Leadership Council press release entitled "A Time for Resolve," dated Oct. 3 and appearing on the DLC website, proves to be a boastful claim that it is DLC members who are taking the lead in a war against Iraq: "Sen. Joe Lieberman (CT) and House Democratic Leader Dick Gephardt (MO), *took the lead* in ensuring bipartisan support for an approach that will give the President the authority he needs to take the next steps toward Iraq, while reflecting the *belief of the American people* that we should seek the broadest possible international support."

The DLC argues against the proposal of Senate Armed Service Committee Chairman Sen. Carl Levin (D-Mich) "that would require specific UN approval before U.S. troops could be committed to military action." Instead, it argues for the United States and United Kingdom to act alone without UN backing, if necessary. In this regard, it mentions President Bill Clinton's speech to the British Labour Party conference, where he said that the United States and United Kingdom might have to act alone against Iraq without any additional UN mandate, as they did in Kosovo.

The entire Clinton speech is posted on the web, and the relevant section reads:

"The United Nations is not what I hope it will be in five, 10 or 20 years. There are still people who vote in the United Nations based on the sort of old-fashioned national self-interest views they held in the Cold War or even long before.... I take it everybody in this room supports what Prime Minister Blair and I did in Kosovo [Applause]. It was a clear and present emergency, you had a million people being driven from their homes, but in the end, even though we had all the Muslim world for it and most developing nations for it, all of NATO for it, we could not get a UN resolution because of the historic ties of the Serbs to the Russians. So we went anyway, and as soon as the conflict was over the Russians came in and did a very responsible job of participating with the United States in an international UN sanction peacekeeping environment. Why? Why did that happen? Because the UN is still becoming."

So, apart from being willing to bypass the UN entirely in the war against Iraq, DLCers give honorable mention and suggests consideration of "some of the arguments for refining the resolution being made by members of both parties," notably Senators Joe Biden (D-Del.) and Dick Lugar (R-Ind.). This draft resolution, which still gives the President war powers, is expected to be introduced into the House by House New Democrat Co-Chair Rep. Jim Davis (D-Fla).

Gulf War Vets Call for Rumsfeld To Resign

The American Gulf War Veterans Association (AGWVA) issued a press release on Oct. 2, that "called for the resignation of Defense Secretary Donald Rumsfeld." Reference was made to the questioning of the Secretary by Sen. Robert C. Byrd (D-WV) on the transfer of biological warfare components during the U.S. "tilt toward Iraq."

AGWVA writes in the release that: "There is no disputing the evidence that the U.S. provided bacteria and viruses as evidenced by Senate Report 103-900, United States Dual-Use Exports to Iraq and Their Impact On the Health of the Persian Gulf War Veterans, dated May 25, 1994, chaired by Sen. Donald Riegle (D-MI) of the Banking, Housing and Urban Affairs Committee." This report notes the transfer of *Bacillus Antracis* (anthrax) and *Clostridium botulinum* as pathogens shipped to Iraq in the 1980s.

Concludes the AGWVA: "If our Secretary of Defense is unaware of the sales of biological materials to a country with which we are about to go to war, or if he is in denial over the fact that these sales occurred, AGWVA believes he

represents *a clear and present danger to the lives of our military, our country, and the American people and should be considered a very serious threat to the national security* [emphasis added]."

Pfaff Compares U.S. National Security Strategy to *Communist Manifesto*

Writing in the *International Herald Tribune* Oct. 3, on "A Radical Rethink of International Relations," William Pfaff took aim at the "new" National Security Strategy paper issued by the Bush Administration. His basic point is that the NSS repudiates the principles of the 1648 Peace of Westphalia, which have since established the foundations for international law. Excerpts follow:

The NSS "is an implicit American denunciation of the modern state order that has governed international relations since the Westphalian Settlement of 1648.... These principles of sovereignty and equality have been generally recognized ever since, if often in the breach. The consensus ... has been that without acknowledging national sovereignty as the foundation of law, the world risked anarchic power struggles...."

The NSS "is thus a radical document, whether Condoleezza Rice, reputedly its main author, understands this or not.

"There was another declaration of this kind, made 154 years ago: the *Communist Manifesto*. It denounced the existing international order of monarchies and 'bourgeois' republics in the name of a new and superior legitimacy, that of the proletariat....

"After the Russian Revolution, the new Soviet Union ... declared all other governments illegitimate....

"Karl Marx's 'scientific' interpretation of historical processes ... claimed that history is driven by the struggle of the classes, and that only workers' states were ultimately legitimate....

"Now the United States has stated that it will no longer respect the principle of absolute state sovereignty. It does not do so by substituting a new universalist and allegedly liberating principle, but to achieve American national security, to which it implicitly subordinates the security of every other nation.

"It says that if the U.S. government unilaterally determines that a state is a future threat to America, or that it harbors a group considered a potential threat, the United States will preemptively intervene in that state to eliminate that threat, if necessary by accomplishing 'regime change.'

"The United States has, during its two and a quarter centuries of existence, been one of the nations most active in building up the structure of international law that the Bush Administration now is engaged in knocking down.

"The Charter of the United Nations ... The 'threat or use of force against the territorial integrity or political independence of any state' is outlawed by the [UN] charter, and 'preemptive war' was specifically treated as a war crime at the Nuremberg trials...."

Gore Attempts To Revive Himself, 'New Economy'; Blasts Bush

With the mid-term Congressional elections just five weeks away, Al Gore on Oct. 2, speaking at the Brookings Institution in Washington, launched a DLC rant against Bush's economic policy, calling on the President to meet with Congress to reassess what the U.S. can afford, amid current economic "reality"—without mentioning, of course, the global systemic

breakdown. The funding priorities, Gore said, should be homeland security, a war on Iraq, and a short-term "stimulus"—extended unemployment benefits and aid for small businesses.

Praising the "success" of Clinton-era economic policies, Gore promoted genocide-causing "sustainable growth," as well as the moribund "New Economy," which he claimed "is still a potential source of dynamism."

Some unnamed members of Bush's economics team, he warned, should be replaced—because they don't inspire confidence in the markets.

Savage Budget Cuts Loom as Virginia Deficit Deepens

To cope with the state's widening budget gap (the deficit has grown in the past few months from a few hundred million dollars to \$2 billion, and still growing), Virginia Governor Mark Warner is preparing cutbacks in public schools, state colleges (fewer classes, higher tuition), agricultural services (such as science aid and meat inspections), and employment at agencies such as the Department of Motor Vehicles.

Anxiety about the sudden force of expected cuts is said to be very high among state agencies and educators.

Lack of Federal Public Health Intervention Means Mosquito Epidemics Spreading

Five months after the West Nile virus epidemic began to spread, there is still no Federal public health policy other than "monitoring"—and no move to restore spraying with DDT, as Lyndon LaRouche has demanded of President Bush. The Northern Virginia and Maryland epicenters of the epidemic are examples of the result. In both areas, West Nile is still spreading rapidly among horses, birds, and other animals, and cases are multiplying among humans; the fourth and fifth human deaths in Northern Virginia have just occurred—an elderly woman and a 54-year-old woman.

In addition, mosquitoes have now been found to test positive for malaria in three locations in Virginia counties near the Maryland border, a "shocking event we have never seen before," according to the private pest-control company hired by Loudoun County to do the testing, as quoted in the Sept. 29 *Washington Post*. The testing company's officials estimated that anopheles mosquitoes carrying malaria had probably been present for some time, and more widely, but went undetected because the malaria test had never been done until two teenagers were diagnosed with malaria in Northern Virginia in August.

Yet there has been no discussion of general spraying of mosquito populations, with DDT or anything else, by officials of either Maryland or Virginia. Their strategy is apparently to wait for a hard frost to kill most adult mosquitoes; and then to track and test larval populations remaining in drains, etc., and selectively spray the larvae. That may give the epidemics a good month more to spread, and kill more people. The reason is not stated, but not hard to find: Virginia's and Maryland's ballooning, multi-billion-dollar budget shortfalls, and a gap which may reach \$100 million in Loudoun County, where the greatest number of infections and deaths have occurred. Without Federal public health regulation and assistance, state and local officials are paralyzed.

Bush Administration Bioterror Advisers Urge Mass Smallpox Vaccination

The Bush Administration's top bioterrorism advisers are urging a program of voluntary mass smallpox vaccination be undertaken as soon as the vaccine becomes available. The program would start with health-care workers, expand to emergency services workers, and then to the general population by 2004. The problem, however, is that no one knows how great a risk there actually is of a bioterror attack using smallpox, and therefore, there is no way to balance that risk against

the risk of the vaccine. Department of Health and Human Services studies suggest that, if 200 million people were vaccinated, 3,000 could suffer life-threatening complications with 200-400 deaths. Another 160,000 could suffer serious non-life-threatening side effects.

The difficulty arises from the fact that no one in the U.S. has been vaccinated since 1972, and the data are "antiquated," because the population has changed considerably since the last studies were done in the 1960s. Part of the problem is that as many as 50 million people can't be vaccinated, because their immune systems are already compromised as a result of conditions ranging from chemotherapy to AIDS infection.

Jesse Jackson Campaigns for 'Lula' Da Silva in Brazil

The ubiquitous Rev. Jesse Jackson has been campaigning for leftist Presidential candidate "Lula" da Silva in Brazil. His assignment was reported to be to line up Protestant votes for Lula, whose historic base is the Roman Catholic liberation theology movement. So, Jesse told a congregation at the First Baptist Church in the outskirts of Sao Paulo, that Lula has been "touched by God ... I was with Martin Luther King...and with Nelson Mandela ... and they were inspired by a special spirit. And the same special spirit ... is inspiring Lula." Since Lula was a union leader for years, Jackson went on about how "Christ was a cabinet-worker. If he lived today, he would be a leader of the cabinet-workers' union"! Following this, Jesse and radical Argentine labor leader Victor de Genero, an activist with Teddy Goldsmith's World Social Forum crew, joined Lula at a giant 200,000 person rally in Sao Paulo.

IBERO-AMERICAN NEWS DIGEST

South Americans Denounce 'Bush Preemptive Doctrine'

Leaders in Brazil and Argentina stepped forward last week to condemn the new Bush security doctrine of preemptive war against potential enemies. Some examples:

*Brazilian Senator Delfim Netto tore into what he called the "Bush-Koehler Doctrine" in an op-ed run in *Folha de Sao Paulo* Sept. 25, referring to U.S. President George W. Bush and International Monetary Fund chief Horst Koehler. Delfim attacked the new Bush security document for outlining a dangerous and highly subjective doctrine, radically different from previous doctrines, which asserts that the U.S. will not permit any nation to challenge its military superiority, and is prepared to attack first.

World bodies are pushed aside in this strategy, he wrote. At best, they can play the role of ratifying the unilateral decisions taken by the United States, and if they don't, they will lose "influence" and "financing." The international bureaucracy could live without the first, but not the second.

Then, with reference to Koehler, Delfim stated, "Not less aggressive (and perhaps not independent from this 'Bush' doctrine) was the surprising declaration by the super-bureaucrat charged with maintaining 'the international financial order,' that a U.S. war against Iraq could have 'positive effects' for the global economy, as long as it was short and just against Iraq, because then the situation would be clearer. For whom? Why for the international investors!"

"The amorality of a financial 'market' which, at the cost of millions of deaths, could celebrate a 'rapid' and 'aseptic' war which eliminates the undefined situation which makes financial investors hesitant, never was so flagrant and indecent."

*Former Brazilian Foreign Minister Luis Felipe Lampreia, now president of the Brazilian International Relations Center (CEBRI), in an address before 200 American and Brazilian businessmen attending the annual conference of the U.S.-

Brazil Business Council in Sao Paulo, expressed indignation over the refusal of President Bush to congratulate German Chancellor Gerhard Schroeder on his re-election victory. "Imagine then what could happen to other leaders who get elected.... This could lead down dangerous paths."

"It is necessary for persons of certain influence to act so that this navigation does not get more turbulent than it already is," Lampreia added.

*Argentina's former President Raul Alfonsin wrote an op-ed in *Clarín* Sept. 26, titled, "The U.S. Puts the World in Danger." Alfonsin blasted Bush's new "preemptive war" doctrine as tossing international law out the window, and said it threatens to lead to the resurgence of dangerous ideologies. Alfonsin argued, albeit in a circuitous way, that "powerful countries" such as the U.S. are resorting to "hegemonic pretensions, undisguised amoralities and violations of civil rights" in an attempt to hide their inability to control an unravelling financial system. What has happened inside the U.S. since Sept. 11—attacks on civil liberties, arbitrary jailings, summary trials, etc.—not only threatens U.S. democracy, but "the Republic itself appears to be threatened."

Implicitly, Alfonsin referred to the U.S. as a new Roman Empire, and warned that this new doctrine poses grave risks for the world, including "the inexorable escalation of violations of international law."

Guadalajara Weekly Publishes LaRouche Call for Cheney Resignation

Guadalajara's *Politica* published Lyndon LaRouche's call for U.S. Vice President Dick Cheney to resign ("Iraq Is the Fuse, but Cheney Built the Bomb"), in full in its latest issue, dated Sept. 30. *Politica* is the weekly magazine of the daily *8 Columnas*. On Sept. 17, *Politica* published the text of a LaRouche in 2004 mass leaflet "The Pollard Affair Never Ended," and earlier, covered a conference in Guadalajara of the LaRouche-associated MSIA.

The call for Cheney to resign is featured in a two-page spread, with headlines reading, "The 'National Security Strategy of the U.S.' fraudulent and useless," and, "Documents demonstrate an unconstitutional declaration of war against Iraq." A display quote reads: "The policies which these two documents contain became public in the spring of 1990, as the output of a team led by then-Secretary of Defense Dick Cheney. Although not successful, the documents represent the insane obsession pursued by Cheney."

Neo-con Nuts Step Up Campaign Against Brazil

Another Iran-Contra operative is promoting a U.S.-Brazil confrontation should "Lula" da Silva win Brazil's Presidential elections. The latest "a time bomb ticks in our hemisphere" raving was penned in the *Washington Times* Oct. 1 by Faith Whittlesey, director of the White House Office of Public Liaison and Ambassador to Switzerland under President Reagan, who was up to her neck in fundraising for Ollie North's Iran-Contra schemes. Now at Princeton's Institute of World Policies, Whittlesey's op-ed is a rehash of the articles written by fellow Iran-Contra operative Constantine Menges, detailing Lula's ties to the Sao Paulo Forum, ties to Venezuela's Hugo Chavez and Fidel Castro of Cuba, etc.

The U.S. must act to stop "what Mr. Menges recently called the possibility of a 'nuclear armed axis of evil in the Americas, including Mr. Castro, Mr. Chavez, and a radical da Silva regime in Brazil," she demands. Her proof? Lula has "favored nuclear weapons for Brazil and a much closer relationship with Communist Cuba and China," and, twisting Lula's words, she claims, on Sept. 13, "he said Brazil should move toward resuming its nuclear weapons program by leaving the Nuclear Non-Proliferation Treaty."

Whittlesey charges that Washington remains "passive" in the face of this threat because of John Maisto, the current head of

Latin American affairs at the National Security Council (a hard-core Project Democracy operative, but of a different stripe). She makes clear that this neo-con gang wants Maisto ousted, and replaced by one of their own—perhaps Menges himself? She charges that Maisto, as Ambassador to Venezuela during the Venezuelan election, countered Menges' warnings about Chavez. Frank Gaffney's Center for Security Policy charges that Maisto is "known for his soft line on narco-terrorism and other security issues," and "a major roadblock to realization of the President's agenda. The U.S. should deny Lula a visa when he tries to come to the U.S., but Maisto probably wouldn't do that."

Brazil Shoots Down Proposal for Emergency Summit of Americas

With the support of Mexico and the United States, Canadian Prime Minister Jean Chretien sent a confidential letter to the heads of state of the Americas (minus Cuba) in mid-September, proposing a summit be held in Mexico City in May—way ahead of the next scheduled summit in 2005 in Argentina—to ensure that the Free Trade Area of the Americas (FTAA) stays on track in the midst of the crisis, the *Miami Herald's* Andres Oppenheimer reports. But Brazil said no, and without Brazil, why bother?

Brazil's Ambassador to the U.S., Rubens Barbosa, told Oppenheimer that President Fernando Henrique Cardoso did not think it was "proper" to commit the next President to such a summit, without consultation.

Canadian, U.S., and Mexican officials "are clearly not happy about it. There is a growing fear in diplomatic circles that, much like German Chancellor Gerhard Schroeder's campaign speeches against Bush's plans to attack Iraq have put a damper on U.S.-German relations, the Brazilian candidates' anti-free-trade tirades may poison U.S.-Brazilian ties," Oppenheimer threatens.

"Wild rhetorical outbursts" have been made against the FTAA in the campaign, and not only from "Lula" da Silva. "Will Brazil embark on a disastrous populist-isolationist experiment? Will it drive a wedge in U.S.-Latin American relations?" Oppenheimer frets.

Brazilian Capital Shut Down by Criminals Days Before Election

Although authorities are still investigating, it is believed that the day-long "curfew," or lockdown, of Brazil's capital city of Rio de Janeiro Sept. 30, was executed by the "Red Command" of Fernandinho Beira-Mar, the Brazilian drug kingpin protected by, and working for, the Colombian FARC, until his capture in Colombia one year ago. Beira-Mar is in jail in Brazil, but not out of action, as authorities discovered when he ran a prison revolt in September.

What happened is stunning. More than 50 neighborhoods of the city and a few surrounding municipalities shut down. Stores and shopping malls closed; buses stopped running; 50,000 school children stayed home, or were sent home early from 235 schools. The streets of Rio were deserted. Relatively little force was required to enforce the closure. A certain number of machine-gun-toting gang members reportedly delivered orders that the city was to shut down, in the early hours of the morning. Businesses that opened reported receiving threatening phone calls, ordered them to shut. Three buses were burned, and a couple of homemade bombs were thrown at one university. In one area, shops were plastered with notices signed by Beira Mar's "Red Command," reading: "Stay closed. At risk of reprisal." Word-of-mouth to a population which fears the power of this "parallel state," took care of the rest.

The Panorama Politico column of *O Globo* asked: And what if Fernandinho Beira-Mar prohibited the people from voting? The first round of elections was to take place Sunday, Oct. 6.

O'Neill's Success Stories Are Dying

U.S. Treasury Secretary Paul O'Neill warned Ibero-American finance ministers that only "accountable leadership" would allow their countries to deal with economic crises and other "challenges." By this, of course, he meant adopting all of the nation-wrecking policies advocated by the IMF. Speaking in Washington on Sept. 27, O'Neill told his Ibero-American counterparts that "strong leadership" combined with "good policies"—free trade, open markets, "rule of law," "economic freedom," etc.—are "what is necessary in times of crisis." After incessantly repeating the words "strong leadership" and "accountable leadership," O'Neill then lectured his colleagues thusly:

"Several of you have turned your economies around in the last decade, creating growth and prosperity and opportunity for your citizens ... with local, accountable leadership, everything is possible." O'Neill then ran down the list of most of the countries Lyndon LaRouche and *EIR* have identified as being destroyed by exactly the policies O'Neill is peddling, lavishing praise on Costa Rica and El Salvador, lauding Chile and Mexico for "sound fiscal policies," and reserving special praise for Brazil—which is on the brink of default—for its "disciplined fiscal policy, financial sector consolidation, labor code modernization," and "commitment to sound economic policy." "These are all lessons in what leadership can accomplish," O'Neill concluded. The glaring exception in his list was Argentina, which merited no mention at all.

It was, as *Clarín's* Washington correspondent described it Sept. 28, "like a professor" addressing a group of children.

Central American Nations Face Economic Ruin, Malnutrition

Giving the lie to O'Neill's "Alice-in-Wonderland" picture of Ibero-America (see above), is a report by the World Food Program (WFP) released Sept. 27 showing that the very Central American countries that the U.S. Treasury Secretary calls "successful," are dying. Nicaragua, Guatemala, Honduras, and El Salvador are devastated, due to severe drought, and their impoverished populations have no access to necessary health and sanitation services. The WFP's survey found that conditions in this region—where investment in infrastructure is nil—have become so bad over the past 10 years, that families have taken their children out of school, sold their small farm animals, and been forced to reduce food consumption. WFP Regional Director Zoraida Mesa reports that in the region hit repeatedly by natural disasters and drought, many families "have nothing left to sell, nothing left to cultivate, and nothing left to eat." Young people are especially vulnerable, facing "prolonged and repeated exposure to malnutrition," which stunts physical and intellectual growth.

Chronic malnutrition affects 23% of all people in El Salvador (lauded as a great free-market miracle country), 33% in Nicaragua, 38% in Honduras, and 48% in Guatemala. Nearly half of all communities in the drought corridor have no teachers, and 84% have no nurse or doctor. The U.S. Agency for International Development (USAID) has provided emergency food and sanitation services in these countries, but such aid is inadequate, and not intended to address the causes of the devastations: free-market lunacy, and years of disinvestment in infrastructure and real nation-building.

Argentine Rail and Port Workers Call for Rebuilding Rail System

Argentina's railroads must be rebuilt as "a government tool for economic, social, and cultural development, as well as for national defense." This is the demand of the Association of Argentine Railroad and Port Workers, in a call for the rebuilding of the nation's rail system, which has been left to decay as a result of the privatization policies implemented at the behest of the IMF and World Bank. Parts of the national railroad grid sold in concessions to private interests, have simply fallen apart due to lack of investment and maintenance, and the state of disrepair is such that, of the total number of kilometers under concession to private interests, only 6,000 km have been maintained. "The deterioration is such, that the average speed of 100 kph [for freight trains] has now dropped to 40 kph due to lack of maintenance." There has been a decapitalization of \$1.3 billion just in terms of track maintenance, for example.

The Association points to the functioning of Europe's railroads, under state control, and the fact that even in Great Britain, the government is re-nationalizing the railroads after the failure of privatization. As an immediate emergency measure, the Association proposes reversing the privatization process, "putting an end to the constraints on budgets, missions and operations of dispersed railroad agencies." At the same time, there should be plans for job creation, "to take on the rebuilding of the main railway trunks, through repair and recovery of the tracks and complementary installations."

The railway workshops, in which personnel are trained for specific tasks and use of new technology, should also be reopened, the Association demands. Freight traffic must be increased, along with passenger service to the country's interior. In this way, "we can consolidate our extensive geography, modernize the existing grid, and promote feasibility studies for new lines, with emphasis on the Patagonian region, and with a geostrategic vision for the country's central region." The "mobilization of regional economies, reindustrialization, and more jobs" are the goals the Association of Railroad Workers seek.

WESTERN EUROPEAN NEWS DIGEST

400,000 March in London Against War

According to *BBC*, some 400,000 people marched in London Sept. 28 to protest military attacks against Iraq, in one of the biggest anti-war rallies in Europe. According to the organizers of the march and rally in Hyde Park—the Stop the War Coalition and Muslim Association of Britain, as well as London Mayor Ken Livingstone—participation was 400,000, not the 150,000 estimated by police. There were only two arrests for minor offenses.

The protest also called for justice for the Palestinians.

Livingstone, himself a member of Tony Blair's Labour Party, said: "This is the largest march for peace I have seen in 30 years. This will have an electrifying effect on the Labour Party conference [which started Sept. 29 in Blackpool; see below] and on those MPs opposed to war." According to the rally organizers, the Blair government's "dossier" on Iraq has only increased public opposition to war.

Livingstone joined ex-MP Tony Benn and American Scott Ritter, a former United Nations weapons inspector, in addressing the rally.

Tony Benn said in his speech: "Nothing can take the British people into a war that they do not accept and do not want." It would be "wholly immoral," he said, for the U.S. and Britain to attack Iraq. "Although when the bloodshed begins, if it does, criminal responsibility for what has happened will rest with those who have taken that decision, there is a share of responsibility with us as well."

U.S.-French Fight Over Issue of New UN Security Council Resolution

"A fierce U.S.-French quarrel" has erupted over the issue of a new UN Security Council resolution concerning Iraq, according to *International Herald Tribune* writer Joseph Fitchett in the Sept. 30 edition. The French are concerned that the U.S.-proposed overall inspections regime "amounts to giving a blank check to Washington to make war in the name of the United Nations," and that the Americans' 30-day ultimatum to Iraq may undermine Iraqi agreements with the UN on inspections.

Fitchett writes that "the risks of miscalculation between Washington and Paris appear high," and may lead to "even a divorce" between the two countries over Iraq.

He further claims that after French President Chirac's Sept. 27 "rebuff" to President Bush, "tempers were boiling this weekend on both sides of the Atlantic." "Hawks" in the Bush Administration are "infuriated" at the French, while French officials are "irate" at Washington. One former U.S. official, who spoke on condition of anonymity, declared, "Don't they understand how close we Americans feel we are to war?"

Tony Blair Has 'Bad Day at Blackpool'

British Prime Minister Tony Blair suffered what some British press are characterizing as his worst day ever, at the annual Labour Party conference, held in Blackpool. Front-page headlines in the British papers are indicative: the *Telegraph* writing "Blair's Bad Day At Blackpool," and the *Times*, "Black Day for Blair as Party Revolts."

First of all, the trade unions rallied to vote down Blair's pet "Private Finance Initiative," the mechanism intended to privatize much of what remains of Britain's state sector. This is only the second time ever, that Blair has suffered a vote defeat at a Labour conference.

But all press concur that the much more damaging factor is Iraq. By a vote of 60% to 40%, a resolution against a new war, citing former South African President Nelson Mandela as its inspiration, was defeated—but the 40% vote for the resolution is enormous for such an event. The *Telegraph* reported conference delegates speaking of a "nightmare scenario," whereby there are mass defections from the Labour base, if Blair sticks with the Bush Administration in the war drive.

A senior continental European political figure commented that "what is happening in Britain this week, is the most interesting political dynamic now in Europe, since opposition to the war is always expected on the continent, while Britain is supposed to be the faithful ally of Washington. Blair had now better think twice, about plunging into a big war. If he ignores the sizable votes against his own Iraq policy, he might find himself out of a job, and back in the House of Commons, as Margaret Thatcher found herself, before the 1991 Gulf War began."

Blair a Practical Joke Played by History on the Voters?

Times of London writer Simon Jenkins in the paper's Oct. 2 issue produced a column titled, "No Man Is An Island, Except Maybe Tony Blair," which speculated, "Watching him yesterday, I wondered if this Prime Minister might be a practical joke played by history on the British electorate." Of Tony Blair's performance at the annual British Labour Party conference Oct. 1, Jenkins observed:

"The three cardinal virtues proclaimed in his speech were war on Iraq, privatized public services, and getting tough on crime. All were based on what advertisers used to call 'selling a weakness.' A war on Iraq requires Mr. Blair to claim that President Saddam Hussein is a 'real and present threat.' He is not. Privatization requires there to be 'no alternative' to the Private Finance Initiative (PFI). There is an alternative, called public finance. As for tough on crime, even the Tories might have balked at that political cliché....

"As Prime Minister, he bids the Labour Party bed down with the Pentagon's most hawkish adventurers, and the City's most grasping financiers."

With biting sarcasm, Jenkins wrote: "He champions the 'Great Push Forward' of modernization with the cry: 'Caution is retreat and retreat is dangerous.' He would have made a good Red Guard."

Meantime, a London insider commented to *EIR* Oct. 2 that Blair is "going insane, as all power-hungry British Prime Ministers do in the end."

Said this source: "Yesterday, in his speech before the Labour Party conference, Blair railed on about 'Britain's destiny.' " He then added the zinger reported in the above paragraph, and went on say, that this conference is "a rigged event. In the Iraq debate, they allowed no speakers opposed to the war policy."

But the insider then advised *EIR* that this is likely to blow up in Blair's face: "You will notice that the speech of [Chancellor of the Exchequer] Gordon Brown was better received than the speech of Blair. I foresee Brown mounting a leadership challenge to Blair any day now. That is why Brown is adopting a much lower profile than Blair on Iraq. Brown is positioning himself, if it comes to that, to back Britain out of its commitments to the U.S. on Iraq. So, what I advise is, watch Brown."

Group of Jewish Danes Place Ad Blasting Sharon Policies

A group of 57 Danes of Jewish extraction placed a hard-hitting paid advertisement in the Israeli daily *Ha'aretz* and the Danish daily *Politiken*, denouncing the policies of Israeli Prime Minister Ariel Sharon and calling for a demonstration in front of the Israeli embassy in Copenhagen. LaRouche representative Michelle Rasmussen, a Dane of Jewish-American background, was given the opportunity to speak at the demonstration held on Sept. 29.

The ad declared that their action was not against "Israel as a nation, let alone against Jews or the Jewish culture and identity.... The demonstration is against an aggressive and irreconcilable Israeli policy; a policy which constitutes a greater threat against the nation, its identity and culture, than that against which it seeks to defend itself.

"By this demonstration, we wish to awaken our Jewish friends and relatives, within and outside Israel, from the paralysis they seem to be afflicted with. We wish to signal to our Arabic and Palestinian friends, that they, too, must acknowledge the responsibility of giving the necessary support to the Israeli peace faction. And we wish to emphasize our dissociation from the spiralling violence and retaliations, which Sharon, in collaboration with Arafat, has turned into the most dominating feature in the conflict between Israel and Palestine."

The long statement is written in seven parts, the first two of which note the "impact of the Holocaust on Jewish identity and history." The third denounces Sharon for "placing massive military forces; [by] erroneously depicting the defeat of the Palestinians as a prerequisite for the survival of Israel, Sharon is gambling with the very existence of Israel. By unashamedly identifying political criticism of these maneuvers with anti-Semitism—towards which all Jews are alert—Sharon and his accomplices are taking all Jews hostage in a struggle that cannot be won by military force, but calls for a political solution.

"We refuse to be identified with such extremist, right-wing politics. They embarrass us and they disgust us. We note that the majority of Israel's Jews see eye-to-eye with us in our desire for a peaceful solution and the foundation of a viable, Palestinian state. We also note, that the majority of Israel's Jews are frightened by the terror of the Palestinians, who in turn have to accept their share of responsibility for the current paralysis of the Israeli peace movement."

The fourth section of the ad declares that "suicide bombs are despicable under any circumstances, and destructive" even if "driven by desperation." Yet as despicable as these actions are, they do "not justify the brutal and uncompromising conduct, which has been indicative of the Israeli military and political approach in recent years. On the contrary, Israel must be politically visionary and avoid actions that lead to additional hatred, frustration, and humiliation within the Palestinian population. Sharon's targetted politics, combined with Arafat's untrustworthy vacillation, have driven the

Israelis and the Palestinians into opposite corners with no confidence in the pacific intentions of their opponents. Sharon's aggressive and uncompromising escalation of retaliation is quite on a par with Hamas. Through his unwillingness to compromise and his inability to interpret global realities, Sharon is provoking a situation where the global society is turning its back on Israel. As a consequence, any viable peace agreement will appear as an Israeli defeat.... Israel must accept the heroic/brave task of breaking the vicious circle and initiating an unconditional peace process."

The ad calls for the establishment of a Palestinian state on an area based on the 1967 borders, and declares that "the entire Israeli settlements on the West Bank and the Gaza must be vacated unconditionally in order to grant the Palestinian state territorial unity, true sovereignty, and the possibility for survival. The Palestinian refugees must, in all decency, receive compensation for the property they lost by their eviction, just as Israel should accept resettlement of the nominal number of refugees who wish to settle in Israel. Above all, the rest of the world needs to contribute by opening its borders for those refugees for whom this solution offers no country of settlement."

The ad also calls on the forces of peace on both the sides to work together, saying that if the Palestinians refrain from terror, this will support the efforts of the Israeli peace movement and enable them to politically "overthrow Sharon and his extremists of violence."

The last section of the ad states that "The Administration of George Bush offers Sharon practically unconditional support. This is not, as many believe, due to Bush's dependence on Jewish votes. American Jews traditionally vote Democratic. Bush, however, is dependent on the Protestant right wing of the American Bible belt. Although anti-Semitism is powerful in these circles, they support the Israeli politics for religious reasons. In other countries, Israel's current politics are supported by forces generally in favor of xenophobic politics....

"In our opinion, this unholy alliance is a result of the way Jewish Israel has handled the experiences European Jewry has had for centuries as a suppressed population. Focussing on *Shoa* [the Holocaust] and one's own suffering has quite overshadowed other factors. Blindness and insensitivity towards the suffering Israel imposes on the Palestinians is a fatal underestimation of the experience that disappeared with our 6 million parents, grandparents and great-grandparents who fell victim to the exterminations. It is a violation of their memory and a threat to Jewish heritage, to base the survival of Israel exclusively on a belief in military solutions and the associated belief in violence, terror, and torture. As a result, unnecessary suffering is imposed on both populations and their young are lured into moral and personal callousness, which may take generations to heal. We consider this assault on fundamental European-Jewish values a disaster."

Debate About Basque Separatism Heating Up in Spain

In the context of the global financial crisis, and the effect that an explosion of the Ibero-American debt crisis will have on Spain, as well as the nervous stepping-up of war preparations, the debate about Basque separatism has been heating up in Spain. In defiance of the government-ordered ban of the political arm of ETA, "Herri Batasuna" (imposed in August), as well as in response to a major crackdown on the ETA terrorist structure by French and Spanish security forces, the Basque party PNV under chairman Juan Jose Ibarretxe has stepped up its separatist campaign, by calling over the weekend for a "referendum" on the question of Basque independence.

Ibarretxe signalled that he wants to convert the Basque region into a "free state" in "free association" with Spain, to become an "associated state" within Europe. All policy, in particular justice and foreign policy, should be in the hands of the Basque state, he asserts. Ibarretxe wants the referendum to be held before 2005. The Basque government chairman also said that in future consultations among Basque parties about the referendum, he would include Herri Batasuna representatives.

Spanish President Aznar responded sharply with a speech in Alicante saying that "he will not allow Spain to be destroyed

by fanatics," and that Batasuna is the same as ETA. "Whoever helps Batasuna to survive, helps ETA to survive." Citing the Constitution and the Autonomy Statute of Guernica, both considered pillars of Spanish democracy since the end of Franco's dictatorship, Aznar said he will use all legal means, and not leave "the separatists any maneuvering room for a break."

"When they [meaning Ibarretxe] say that they want to convoke a referendum, they put bombs and bullets on the same level as the state of law," said Aznar. "Nobody will be able to break the Constitution and the community of the Spanish people." Whoever wants to break the rule of law should know that he plays with fire, Aznar said. Also, the chairman of the other major Basque party, PSOE chairman Zapatero, called the plans of Ibarretxe "unacceptable, incoherent and negative for the interests of the Basque citizens."

Italian Deputy Foreign Minister: Argentine Resolution Will Be at Center of EU Chairmanship

Italian Deputy Minister for Foreign Affairs Mario Baccini, who played an active role in the Italian Parliament debate and in the vote on the Argentina resolution calling for a New Bretton Woods system, expressed "full satisfaction with the approval, by a very large majority, of the motion in favor of Argentina in the Chamber of Deputies.... The commitment to solve the crisis in Argentina and other South American countries will be of central importance during Italy's semester of chairmanship of the European Union," which starts in January 2003, he said.

AISE press agency reported Baccini's statements and included broad excerpts of the Parliament's debate, in particular remarks exposing the IMF policy and invoking a "program for reconstruction and national sovereignty" for Argentina, and the call for "proposing a new financial architecture."

AISE wire service is especially dedicated to informing Italian communities abroad about national events, as well as Italian foreign policy and foreign trade circles about Italian communities abroad.

Russia and Central Asia News Digest

'Automatic Use of Force Is Unacceptable,' Russians Say

Russia's top diplomats continue to issue almost daily statements regarding the United Nations' role in the crisis around Iraq, current target of the Washington chickenhawks.

On Sept. 28, after meeting with U.S. Undersecretary of State Mark Grossman and British Foreign Office official Peter Ricketts, Russian Foreign Minister Igor Ivanov said that Moscow was "disappointed" in the U.S.-British draft UN Security Council resolution on Iraq, which would be "unrealizable." Grossman arrived in Moscow after a stop in Paris, aiming to convince Security Council permanent members France and Russia to agree on attacking Iraq.

On Oct. 2, Ivanov told reporters in Moscow that Russia had not ruled out the possibility of new resolutions altogether: "If new resolutions are necessary for the work of the UN weapons inspectors, we will be ready to adopt them."

But Deputy Foreign Minister Alexander Saltanov clarified Oct. 3 that this means Russia might present its own resolution to the Security Council, containing a "package solution" including conditions for lifting economic sanctions on Iraq. *Itar-TASS* reported that Saltanov said Russia was categorically opposed to the U.S.-British draft resolution. "Attempts to make the UN Security Council subscribe to the automatic use of force against Iraq are unacceptable for us," Saltanov said.

"What the U.S. and the British have provided us with, only strengthens us in the correctness of our position in favor of the

quickest possible resumption of inspection activities in Iraq, and a political settlement around this country as a whole without the automatic use of force."

Menshikov Exposes 1990 Cheney Doctrine as Source-Book for Current 'Mental Disorder'

In his column in the *Moscow Tribune* of Oct. 4, Prof. Stanislav Menshikov took up Condoleezza Rice's assertion that the United States "is a very special country," which Rice used in support of the neo-imperial National Security Doctrine just promulgated by the Bush Administration. Menshikov traced this doctrine to its 1990 antecedent, which was rejected at that time:

"...[I]t turns out that the 'new' U.S. strategy is a paper following along the lines and repeating the major points of an old draft dating back to 1990-1991 and produced by a group of U.S. military experts headed by today's Deputy Secretary for Defense Paul Wolfowitz for the then Defense Secretary Dick Cheney, now U.S. Vice President. That old document was inspired by the fundamentally new situation which was created by the collapse of the Soviet Union and the disintegration of its external empire. Among other things, it said: 'Our first objective is to prevent the re-emergence of a new rival, either on the territory of the former Soviet Union or elsewhere, to prevent any hostile power from dominating Western Europe, East Asia, the territory of the former Soviet Union, and Southwest Asia.' Obviously, the only potential power to assume that role was Russia, weak at that time, but a dangerous rival in the long run, all the same.

"That document was vetoed by the White House and never became an official strategy. But the authors waited a long ten years to reproduce it and get top approval from George W. Bush. Its preemptive part looks like it is inspired by the Iraqi 'threat.' But it is clear that Saddam Hussein is not the real geopolitical rival to America and not the power that, in Condoleezza Rice's words, 'keeps part of the world in tyranny.' Iraq is not 'part of the world,' it is a very small piece."

Therefore, Menshikov polemicized, Russian strategists ignore the content of the U.S. doctrine at their peril. He develops this idea with a number of acerbic observations, including on the mental derangement of the authors of such a doctrine. Some Russians may be complacent about Washington's posture, he writes, because "Moscow has considered itself one of the centers of civilization for so long, that somebody else's claim to exclusivity does not look too unnatural around here. After all, the Soviet Union was spreading freedom for decades. If someone else wants to try, take your turn. The end will hardly be different." Secondly, because "such claims are now universally recognized as signs of mental disorder...."

Menshikov warned that if Russia were to go along with U.S.-prescribed "regime change" in Iraq, Russia might be next. He cites a recent *Washington Post* op-ed by the Carnegie Foundation's Michael McFaul, who argued (as quoted and paraphrased by Menshikov): "President Bush has ... [been] stating repeatedly that the United States has a strategic interest in regime change in Iraq. To make his case, Bush has a powerful historical experience to draw upon: the end of the Cold War. Regime change in Eastern Europe and the Soviet Union fundamentally enhanced American national security. Unfortunately, the task of promoting democratic regime change in the former Soviet Union is not complete. In rightly focusing on how to promote democratic regimes in the Muslim world, the Bush Administration is failing to complete the consolidation of capitalism and democracy in the former communist world. To assume that this process of democratization and integration will march forward without American prodding is misguided."

Menshikov reported that McFaul mentioned Belarus, Ukraine, and Russia itself as places where Vladimir Putin is seen as a barrier to the "democratic process." Though McFaul is not a member of the U.S. government, Menshikov concludes, "This kind of logic should give the Russian elite the creeps. When the bell is tolling for Iraq it could also be tolling for U.S.-prodded regime changes in Moscow."

Treaty of Westphalia Principles, vs. U.S. as 'Latter-Day Roman Empire'

The latest event in the series of round tables called Postscriptum was held in Moscow Oct. 2, titled "Iraq, Georgia, the Bush Doctrine and Russian-American Relations." Participants ranged from Irina Khakamada of the Union of Right Forces to A. Mitrofanov of Zhinovsky's LDPR, but the most substantial contributions came from Andrei Fyodorov of the Foreign and Defense Policy Council and Gen. Leonid Ivashov, the former Defense Ministry official who is now at the Geopolitical Studies Academy.

The moderator, named Pushkov, set the theme by saying that "Iraq is just a field where a very powerful worldwide trend is manifesting itself.... To prevent the United States becoming a latter-day Roman Empire, and to prevent the establishment of a Pax Americana is practically impossible. But there are empires and empires. Some empires have unlimited sway and some have limited sway. There are reasonable empires and unreasonable empires. The question is, what will the United States be like and accordingly, what will we be like? And the question is whether Vladimir Putin would like to become a governor of one of the provinces in this empire or to be a partner...?" Like many current Russian commentators, Pushkov focused in on Condoleezza Rice's recent presentation, in the Bush Administration's National Security Strategy document, of the "preemptive action doctrine."

Fyodorov, who had just returned from Washington, said, "We are talking about the formation of a new American empire, an empire that may last several decades and one should not entertain any illusions about it." What happens around Iraq is just a first step, "and one shouldn't entertain any illusions that Iraq will be a stumbling block for U.S. policy. We have come to a point, unfortunately, when Iraq is becoming politically more and more isolated, and I wouldn't be surprised if Russia abstains in the vote on the new resolution on Iraq." But after action against Iraq (which he claimed would be a quick job for the U.S.), Fyodorov warned that "the next target will be Iran," and that Russia had better expect to "be presented with an ultimatum, to shut down the Bushehr project or else."

"The new American empire will be built with temporary support from Russia," said Fyodorov, stressing, "Temporary. It needs Russia as long as Iraq exists," but not longer.

Ivashov developed his analysis through historical analogies, making the point that what the German Justice Minister was criticized for saying, about the similarity between Adolf Hitler's *Mein Kampf* and current U.S. positions, is not far off the mark. "The Americans are gradually destroying the principles laid down by the Treaty of Westphalia and defined, after the Second World War, in the principles of the United Nations," Ivashov charged. Drawing out a comparison of ideological themes used by the Nazis with those used on behalf of "American interests" today, Ivashov proposed that Washington-London-Tel Aviv be seen as "the axis" on which an aggressive ideology hinges, just as Berlin-Rome-Tokyo became during World War II. Furthermore, Ivashov said, "I would even draw this parallel: Look, one of the methods of accomplishing those objectives ... was provocation—the setting of the Reichstag on fire, Sept. 11, and minor provocations. And then it is the buildup of the military component—it is the first strikes and one can mention Grenada, Panama, Iraq, then Yugoslavia, then Iraq back again and so on.

"As to how it all ended we are excellently informed. And I would also say a few words about the big similarity, incidentally, between *Mein Kampf* and the current U.S. strategy, or so far the draft strategy, of national security. The result of all this was the Second World War, and as to what will happen now, we can only make guesses. And of course the epilogue—which is the Nuremberg trials."

Ivashov proposed that the China-Russia-India relationship could serve as the basis for opposition to these designs: "What is the way out of this situation and what could be the conduct of Russia? It seems to me that the way out is quite obvious—it is pooling efforts to counteract such policy. It wouldn't be quite correct or logical to say that this is impossible. Today conditions exist for forming a normal geopolitical continental bloc centered around Russia, China, and other states which disagree with the present logic of U.S. behavior.

"In fact, the basis for this exists, it is the Shanghai Cooperation Organization. We could also invite India to form a strategic triangle, Iran could immediately align itself with it and then some European states, perhaps Germany. I am not saying that this idea, the formation of such a bloc, can today prevent an aggression against Iraq. But it will erect a barrier in the way of such dangerous developments in the future."

The next speaker was spin doctor Gleb Pavlovsky, founder of *Strana.ru* and other media projects. He pitched a fit about Ivashov's remarks on the Treaty of Westphalia, in particular. Since the Nuremberg Trials and the Yalta Accords were already "violations of the Westphalia agreements," the latter are a dead letter and the "principle of absolute sovereignty" is long gone, raved Pavlovsky. He then praised the British dossier on Iraq and attacked Saddam Hussein as a major funder of "mega-terrorist acts carried out by suicide bombers."

Sharon's Moscow Meetings Nothing To Write Home About

Israel Prime Minister Ariel Sharon completed a hasty trip to Moscow, where he met Russian President Vladimir Putin and Foreign Minister Igor Ivanov. Reports in the Israeli newspaper *Ha'aretz* indicate the meetings were not a success for Sharon.

Discussions were said to focus on Middle East issues. In his meeting with Putin, Sharon brought up the question of Russian backing of Iran's nuclear power industry. Putin replied that Russia's support of construction of Iran's first nuclear reactor was for peaceful purposes and was monitored by the International Atomic Energy Agency.

As for Iraq, Putin told Sharon that Russia had initiated diplomatic moves leading to recent talks between Iraq and the UN over readmitting the weapons inspectors, and that Russia favored continuing the use of diplomatic means, and not military ones. Sharon is said to have told Putin that Israel would defend itself if Iraq were to attack Israel.

On the question of the peace process, Sharon told Putin that Israel would not compromise on the security of its citizens, saying, "The Jews have a small state ... and have the right to defend themselves." Putin responded that the Jews have another state, which is Birobijan, a Jewish autonomous province established by Stalin in 1934. He invited Sharon to visit the province with him (it is a remote district in Russia's Far East).

Sharon also met with Russian Foreign Minister Igor Ivanov for a discussion whose details were not released. Meanwhile Israel's Mossad chief, Ephraim Halevy, who attended the meeting between Sharon and Putin, visited Russian Security Council head V. Rushailo in the hospital, where he is recuperating from a near-fatal automobile accident.

MIDEAST NEWS DIGEST

Warning to Bush: War of Aggression Is a Nuremberg Crime

Planning and initiating aggressive war is a "Nuremberg crime," as was defined by the four-power agreement creating the International Military Tribunal, signed on Aug. 8, 1945 in London. This agreement, signed by the United States, Britain, France, and the Soviet Union, which is sometimes called the "London Charter," included the following provision:

"II. Jurisdiction and General Principles

"Article 6

"The following acts, or any of them, are crimes coming within the jurisdiction of the Tribunal for which there shall be individual responsibility:

"(a) *Crimes against peace*: namely, planning, preparation, initiation or waging of a war of aggression, or a war in violation of international treaties, agreements or assurances, or participation in a common plan or conspiracy for the accomplishment of any of the foregoing; ..."

The first Nuremberg indictment, in October 1945, for the trials of the major Nazi war criminals, contained four counts: 1) Conspiracy, 2) Crimes against Peace, 3) War Crimes, and 4) Crimes against Humanity.

Count Two read: "All the defendants with divers other persons during a period of years preceding 8 May 1945 participated in planning, preparation, initiation, and waging wars of aggression which were also wars in violation of international treaties, agreements and assurances."

Twelve of the 22 defendants who were tried, were convicted on Count Two, in various combinations with other counts. Seven were sentenced to death by hanging, the other five were given sentences of imprisonment ranging from 10 years to life.

The principles of law recognized in the Charter of the Nuremberg Tribunal were formally ratified by the United Nations General Assembly in 1950.

Moreover, the principles of law declared in the Nuremberg Charter are binding, not only as a matter of natural law, but as a matter of positive law expressed by treaty and agreement between sovereign nations. This was expressed by the Chief Delegate of the United States, Warren R. Austin, in his opening address to the General Assembly of the United Nations on Oct. 30, 1946:

"Besides being bound by the law of the United Nations Charter, 23 nations, members of this Assembly, including the United States, Soviet Russia, the United Kingdom, and France, are also bound by the law of the Charter of the Nuremberg Tribunal. That makes planning or waging a war of aggression a crime against humanity for which individuals as well as nations can be brought before the bar of international justice, tried, and punished."

Egyptian Military Historian Commends LaRouche for Truth and Character

With all the coverage and respect that Lyndon LaRouche has gained in Egypt, it is no wonder that the U.S. Ambassador, David Welsh, is burning the lines to stop this (see [INDEPTH](#) article on Welsh's attempt to censor Egypt).

On Oct. 1, Ahmed Hamroush, renowned Egyptian military historian, writer and member of Gamal Abdel Nasser 1952 Revolution's Free Officers, wrote an article in the Saudi daily *Asharq Al-Awsat*, the world's largest Arabic daily, on the collapse of the peace process in the Middle East, but stressed that "there are still some rays of light" shining over the dark situation. He then prominently cited Lyndon LaRouche as a source of hope.

Under the title "Calculations of Peace Become Very Complicated," Hamroush wrote: "The chances for peace in the Middle East, which had emerged with the 1991 Madrid Conference, have vanished, and there has been no foreseeable hope for any possibility of achieving peace, since Sharon came to power." Hamroush, however, added: "There was no ray of light left to break the darkness which Sharon brought over the region but the Palestinian Intifada, Arab solidarity, and the support provided from outside by good and peace-loving governments and personalities."

Hamroush reviewed Sharon's crimes, and Arab efforts to launch initiatives for achieving real peace such as Saudi Prince Abdullah's plan, which was adopted by the Arab League in March 2002. He also denounced Shimon Peres and those Arabs, mainly Egyptians and Jordanians, who still work with Peres on initiatives such as the "Copenhagen Group" for Arab-Israeli dialogue. Egypt's doors should not be opened for Peres as long as he helps Sharon, he argued.

Nonetheless, in the conclusion of his article, Hamroush said: "Finally, these words are not meant to expropriate the freedom of the movement for peace, because, although the Israeli people are definitely responsible for Sharon's crimes because they elected him, there are still Israelis who are calling for peace and fighting for it ... [despite] that they are a minority facing an avalanche of expansionist Zionist ideology. There are still among the leaders of the [European Union] and other nations, those who support the Palestinian people's right to free their land and establish an independent state.

"Even in America, despite all Zionist control, there are people who realize the fact of the matter truthfully and with a humanist attitude. For example, Lyndon LaRouche, the potential Democratic candidate for the coming U.S. Presidential elections, who said that he wants to save civilization, and the issue in the Middle East is a just cause, and therefore he is obliged to do something for the human objectives of this cause. He described the situation in the region like a hand grenade being thrown on civilization, and that this (hand grenade) would destroy itself as well in the process, because Israel is the third largest nuclear power in the world. But, it is destroying itself. Former Israeli Prime Minister Yitzhak Rabin and others understood, but those people are just a minority facing a group of fanatics who are obsessed by the so-called Masada complex. They are ready to foolishly die and take everyone else down. But they will not win the kind of war they want to launch, and they will never get the empire they are dreaming about. Thus, even with the diminishing chances of peaceful settlement in the Middle East, the fight for peace should not stop, but this fight has to be conducted in the right way and with the persons who truthfully express the will of their nations."

Hamroush mentioned only LaRouche as an example of this kind of person.

Two weeks ago, Hamroush mentioned LaRouche in another article when he defended the UAE-based Zayed Centre for Coordination and Follow-up against the vicious slander campaign launched by the ADL and other Zionist organizations. In that context, Hamroush wrote: "The officials in the ADL obviously got their nerves stretched and worked out as a result of the Centre's invitation to the American writer Lyndon LaRouche to attend a conference held in June. In that conference, he said that the Jews [this is from the original slander] are controlling U.S. foreign policy, and that Osama bin Laden could not have coordinated the September attacks which could never have happened without complicity of very high level command of the military of the U.S." Hamroush's articles are usually printed simultaneously in several Arabic newspapers in Egypt and other Arab countries.

For a recent profile of Hamroush see: <http://www.ahram.org.eg/weekly/2001/544/profile.htm>]

As Threatened, U.S. 'Thwarts' Return of UN Weapons Inspectors to Iraq

On Oct. 3, UN weapons inspectors led by Commissioner Hans Blix were forced to postpone their Oct. 15 mission to Baghdad, despite the agreement in Vienna, Austria by the Iraqi government to admit the inspectors without conditions. State Department spokesman Richard Boucher had warned the UN that the U.S. would go into "thwart mode" if the weapons inspections began. On Oct. 4, Blix planned to meet U.S. Secretary of State Colin Powell, to discuss how the safety of UN inspectors could be secured during inspections in the "no fly zones" that were unilaterally declared by Britain and the U.S. to be perpetual targets of British/U.S. air strikes.

The "thwart mode" threat by the United States is another indication of the raving insanity of the U.S. government under Bush and Cheney.

Before the U.S. and Britain blocked the mission through intense pressure on UN Secretary General Kofi Annan and the UN Security Council members, Annan had announced that he was ready to leave and be in Baghdad by Oct. 17. The U.S. and British ambassadors argued strongly that there was no sense in going to Baghdad with a "weak" resolution.

Chief Inspector Hans Blix of Sweden stated on Oct. 3 that everything appeared ready for the mission, the meeting in Vienna between Iraq and Blix having been successful. There were only a few "loose ends," Blix said, the main one being how the UN inspectors could get guarantees for protection from the Iraqi authorities when in the "no fly zones" that are actually under U.S./British control.

With the U.S. and Britain in "thwart mode" to stop Blix's mission, Blix told the media, after his presentation to the Security Council, that he was going to wait for the end of the debate on the new Anglo-American resolution. He stressed that, legally, the previous resolutions on the books allowed his teams to begin work. "It would be awkward if we were doing inspections and a new mandate with new changes in directives were to arrive," Blix said. "We hope it wouldn't be a long delay, and we are ready to go at the earliest practical opportunity."

Bush Signs Jerusalem Law, Then Calls It Unconstitutional

On Sept. 30, in violation of more than 14 UN Security Council resolutions, President George W. Bush signed a bill designating that Jerusalem is the capital of Israel. The UNSC resolutions identify Jerusalem as territory occupied following the 1967 Israeli-Arab war.

The bill came to Bush's desk as part of the Foreign Relations Authorization Act, with a clause requiring the U.S. to identify Jerusalem as Israel's capital in all U.S. government documents. However, following the signing, the White House immediately put out a statement denouncing the measure as "unconstitutional."

What is behind this apparent schizophrenia? Organized crime's MEGA operation in the Congress, and the nest of Israeli agents in the Defense Department and Vice President Cheney's office.

There is no question that the Jerusalem part of the foreign relations bill—which is the appropriations for Colin Powell's State Department—was a provocation by the neo-conservative chickenhawks in the Congress and Administration who want Arafat and Saddam Hussein dead, and who are pushing for a global war against Islam.

No doubt, President Bush was threatened by MEGA's gangsters in the Senate—Lieberman and McCain—to sign it as a sign to Ariel Sharon that he will get his transfer policy against the Palestinians in due time. At the same time, however, the measure would jeopardize the pressure that Team Bush is putting on the Arab and Islamic nations to drop their opposition to the Iraq war.

So, Bush had spokesman Ari Fleischer (who last week called for the "cheap" assassination of Saddam Hussein with a single bullet) declare on Oct. 1:

"Well, as the President made clear last night in the signing statement that was issued as he signed the Foreign Relations Authorization Act, Section 214 of the Act deals with Jerusalem, and it does so in a way that we deem—the Administration deems unconstitutional. The opinion of the Administration—and we will act on this—is that the language passed by the Congress impermissibly interferes with the President's Constitutional authority to conduct the nation's foreign affairs. And the President made that perfectly plain. And so our—the status of Jerusalem under current law will remain unchanged...."

Bush's denunciation of the bill that he signed did little to calm international outrage.

Bush's signing the Jerusalem measure constitutes a position that neither the U.S government, nor any other government except for the Fiji Islands and Costa Rica, has recognized since the founding of Israel in 1948.

Palestinian Cabinet Minister Saeb Erekat said Bush's signing "undermines all efforts being exerted to revive the peace process and put it back on track.... Such resolutions could mean Palestinian and Israeli lives." A U.S.-based Arab organization itemized the 14 UN Security Council resolutions that Bush has violated.

Jordanian Foreign Minister Confirms Sharon Plans That 'Jordan Is Palestine'

At a Council on Foreign Relations event for Jordanian Foreign Minister Marwan Muasher on Oct. 3, a reporter for *EIRNS* said that several sources in the Middle East—including some Israelis—have reported that, if there is war with Iraq, Israeli Prime Minister Ariel Sharon will implement his program that "Jordan is Palestine." "Absolutely, that is true," replied Muasher, adding, "I was surprised that nobody asked that during the broadcast."

The same questioner asked whether it were not transparent that the suicide bombings serve to give Sharon the excuse to attack Arafat and demolish most of the Palestinian Authority main compound. Muasher said, "Yes, that is why he is there," meaning that is what Sharon intended from the beginning. Though Muasher did not mention it, many Middle East experts, including honest Israeli voices, have exposed that Sharon built up Hamas as a terrorist force "on command" that he could depend on to cause panic inside Israel.

'Sharon Will Exploit the Iraq Case To Crush Us'

Interviewer Lorenzo Cremonesi in Italy's *Corriere della Sera* of Oct. 3 published an interview with Palestinian President Yasser Arafat under the above headline. Cremonesi was part of a delegation of European parliamentarians who were allowed to visit Arafat in Ramallah during the latest Israeli siege.

Asked what he expects from an attack against Iraq, Arafat answers: "I fear that the Israelis will be ready to exploit it. They could use the fact that the world attention is diverted by the Iraqi events and implement actions against us Palestinians."

Arafat is physically strained by the Israeli siege, says Cremonesi, but he "enjoys a double victory: he has become again the symbol of his people's sufferings and has regained international legitimacy."

Arafat stressed the seriousness of the situation: "The Israelis look at my Ramallah office as in 1982 they looked at Beirut.... [Ariel Sharon] is destroying our schools, prevents the farmers from harvesting olives, imposes the curfew on all our cities in the West Bank.... Why did the world react so promptly when the Taliban destroyed the Buddhas and yet, does nothing when the Israelis vandalize the Roman archeological remains in Nablus?" And, despite Bush's call on Sharon to stop the siege Sept. 29, "the Israelis never moved. Their tanks are just beyond our courtyard."

On Oct. 3, *Associated Press* reported that "Israeli security sources, meanwhile, confirmed a report in the *Ma'ariv* daily that the Israeli military is ready to expel Arafat at short notice." Israeli troops have practiced expelling Arafat by helicopter and, the sources said, commandos are ready to carry out the plan at short notice. At Arafat's headquarters in Ramallah (largely demolished by the Israelis), advisers denied reports that the Palestinian leader was considering relocating to Bethlehem. "The President is staying here," said Arafat adviser Nabil Abu Rdeneh, and the complex will be rebuilt.

Asia News Digest

North Korea Delegation in Russia Discusses Railway Link

A North Korean delegation arrived in Russia Sept. 30, for meetings with Russian officials to discuss the linking of the two countries' railways, the *Voice of Russia (VOR)* reported. *VOR* quoted Russia's Far Eastern Rail Manager Victor Popov saying the country's Transportation Ministry officials and company experts would participate in the meeting Monday through Saturday in Khabarovsk. Popov said the Ministry would undertake reinforcement work on the 240-km rail section from Khasan to Usurisk, citing a plan to link a North Korean railway with the Trans-Siberian Railroad; the work would start early next year.

Popov noted that industrial communities of Asia and Central Europe have a major interest in the link: "An international forum on the future of rail transportation between Europe and Asia is being held in Berlin, Germany."

Strategic Issues on Agenda of China/India Visit

When Indian Prime Minister Atal Behari Vajpayee visits China, cooperation on strategic issues between the two countries will be on the agenda. While the date of the visit has not been set, the *Times of India* reported on Oct. 4 that Chinese Vice Premier of Foreign Affairs Wang Yi had said in an interview that there are "growing expectations" that Vajpayee's visit "will revitalize Sino-Indian relations within the ambitious framework of a 'comprehensive partnership of cooperation.' "

Senior officials are "working overtime" to make sure both nations set aside their mutual "reservations and suspicions" and "make common cause to face the challenges confronting both of them," said the *Times*.

Wang Yi said the focus of an all-embracing partnership would be to "establish mutually beneficial and reciprocal economic relations" and to "create a stable and harmonious regional security environment." This would enable India and China to address the "new developments" that have arisen following the end of the Cold War, such as the "serious imbalance of powers in the world," which mean that "issues of war and peace would be decided by one or two nations and not by a majority of them," Wang Yi told the *Times*.

U.S. Covering Up Resurgence of Taliban

According to the Governor of Bamiyan province in Afghanistan, where the Taliban government of Afghanistan destroyed the ancient statues of Buddha, the Taliban is reorganizing with the help of the Tajik commander Rais Rahmatullah. On paper, the Tajik commander is loyal to the Karzai government in Kabul, reported *The Times of India* on Oct. 4.

Mohammad Rahim Ali Yar, Governor of Bamiyan, told newsmen that the Taliban has taken control of the district of Kahmand, about 60 kilometers north of Bamiyan town, and is planning to advance towards Bamiyan in the coming days. He said the Taliban force was led by Maulvi Mohammad Islam, Governor of Bamiyan when Taliban was in control of the province. Another leader of the Taliban force is Qari Aman, a former security chief in Kabul, who returned two months ago from Pakistan with money and communications equipment, and has called for a holy war against U.S. troops in Afghanistan. Meanwhile, another Taliban commander in the area, Mullah Zoi, who ordered the demolition of the Buddha statues, is also very active.

Governor Mohammad Rahim Ali Yar said the Defense Ministry in Kabul had promised to send a delegation to rein in Rahmatullah, but it has not materialized. Members of a small detachment of U.S. troops based in Bamiyan, however,

refused to talk to the press on the subject.

U.S., North Korea Restarted Talks Oct. 2

After a hiatus of nearly two years, the United States and North Korea resumed security talks in Pyongyang on Oct. 2. James Kelly, U.S. Assistant Secretary of State for East Asian and Pacific Affairs, spent three days in Pyongyang, and returned to Seoul Oct. 5, where he briefed reporters.

"We remain committed to addressing our concerns through dialogue," said U.S. Presidential envoy Kelly. In North Korea, he met with Kim Yong Nam, the North's No. 2 leader as president of the Supreme People's Assembly and nominal head of state, and held three rounds of talks with Vice Foreign Minister Kim Kye Gwan on Thursday and First Vice Foreign Minister Kang Sok Ju on Friday.

South Korean officials told *Yonhap News* they were relieved that Kelly emphasized "dialogue" and not any threat or use of force. The visit "carries significance in that both sides started rather a 'long' dialogue process, and both sides confirmed the 'seriousness' and 'opinion difference' about the U.S. concerns," said one relieved Seoul official. However, the U.S. and North Korea failed to reach an agreement on further meetings.

Kelly briefed South Korean Foreign Minister Choi Sung Hong and two top advisers to President Kim Dae Jung, and said he conveyed to North Korea "serious concerns" about the North's weapons of mass destruction, missile development programs, missile exports and conventional forces deployment along the border with South Korea. He also said he raised concerns about the North's human rights record and humanitarian situation. Kelly is to fly to Tokyo on Oct. 5 to brief Japanese leaders on his trip.

Pakistan and India Test-Fire Missiles

Amid growing tension, Pakistan test-fired a medium-range ballistic missile capable of carrying a nuclear warhead deep into Indian territory. Indian External Affairs Minister Yashwant Sinha told the media on Oct. 2 that war (against Pakistan) is the last option, but it remains an option. On Sept. 30, India's Finance Minister Jaswant Singh, while attending the World Bank-IMF jamboree in Washington, said a preemptive strike is within the limits laid out by the UN Charters. (See [INDEPTH](#) for details).

On Oct. 4, retired Pakistani Air Marshal and a senior Pakistani defense analyst, Ayaz Ahmed, was quoted in *Agence France Presse* saying that the test is a message to India "not to indulge in any misadventure." "It is a multi-purpose, multi-role missile. It goes deep into the adversary's territory and is capable of carrying a nuclear payload," Ahmed said. "It will deter India from carrying out a nuclear or conventional attack," he added.

India responded by calling the test an election gimmick. The first parliamentary elections since President Pervez Musharraf seized power in a military coup in 1999 will be held on Oct. 10—hand-shaped by Musharraf.

Meanwhile, the Indian Akash missile, with a range of 15 miles, was fired from Chandipur-on-sea test range, on India's Orissa coast. A Defense Ministry spokesman said the test was "routine" and defensive.

Mahathir on Palestine: 'No More Justice in the World'

Upon his return from Europe on Sept. 29, Malaysian Prime Minister Dr. Mahathir Bin Mohamad zeroed in on the

hypocrisy over the Israeli siege against Palestinian President Yasser Arafat, and declared, "...There is no more justice in the world ... all talk about fair play, democracy and human rights is sheer nonsense."

Dr. Mahathir revealed he had written to U.S. President George W. Bush, French President Jacques Chirac, and German Chancellor Gerhard Schroeder regarding the Israeli siege of Arafat, and condemned the behavior of world leaders. "The impression I get is that there is no justice in the world today. If someone is disliked, then anything can be done to him, even though it is unfair," he said. "In the case of Arafat, it looks like he is hated by certain quarters. As such, he will not get fair treatment because justice does not exist any more in this world. All talk about justice is mere bunkum and hypocrisy. It is all a lie and only talk."

Asked about efforts by the UN to get Israel to adhere to its call to end the siege of Arafat, Dr. Mahathir said that duty had to be done, regardless of whether it were effective, but added, "I don't think it is going to be effective. That's all." He was also asked whether the bleak picture he was painting would only disillusion young people, to which he responded, "Well, I don't like to lead them up the garden path and say that the world is Heaven. It is not. They should learn."

Iraq Requests Indonesia for Diplomatic Inspection Team

Indonesia has taken a cautious stance in response to the Iraqi request to participate in a proposed independent team to work along with United Nations arms inspectors.

Saddam Hussein's special envoy, Humam Abdulkhaleg Abdul Ghafoor, on Oct. 2 met with President Megawati Sokarnoputri to ask Indonesia's participation in the proposed team. Indonesian Foreign Minister Hassan Wirayuda said the government has not given any commitment.

Iraq hopes to set up a partner team to observe the work of the UN inspectors to ensure the transparency of the inspection process. They consider it important that Indonesia take part in that team, Hassan said. The idea to establish such a team came from friends of Iraq, and did not come from Baghdad, Hassan told journalists.

China, Philippines Seek Good Relations in South China Sea

At the end of a Sept. 24-28 goodwill visit to the Philippines, China's Defense Minister Chi Haotian and Filipino Defense Minister Angelo Reyes announced that the two countries had committed to "peaceful consultations and negotiations" in solving territorial or economic conflicts in the sensitive area of the South China Sea. They seek to establish a "mechanism" to resolve disputes in the area where several regional nations have territorial claims, in order to turn the sea into "waters of peace and cooperation." Reyes added that China is prepared to take part in drafting "a code of conduct," which has been a sticking point in talks over the South China Sea.

They also pledged cooperation in counter-terrorism, and Chinese assistance in modernizing the poorly equipped Filipino military. Minister Chi offered 40 military trucks, worth \$3 million, and Mandarin language training programs for the military. Chi also met with President Macapagal-Arroyo to discuss cooperation on fisheries and environmental protection in the South China Sea.

Manila Turns to Russian Oil in Case of Iraq War

A government mission led by the Philippines House Speaker Jose de Venecia Jr. and Energy Secretary Vince Perez will go to Russia this month to make arrangements for the importation of a "contingency oil reserve" in case war erupts in the Middle East. Russia is the world's largest oil producer after Saudi Arabia.

"We have to take prudent steps to protect the national interest," De Venecia said. "We need to build up a Philippine stockpile just in case there will be an Iraqi showdown." The team would be leaving in two weeks. De Venecia added that he believed that any U.S. offensive against Iraq would be limited to Baghdad.

De Venecia said, "We have to be alert and prepared for any eventuality ... other countries are already acting. We don't want to trigger panic but we have to help stabilize the price of oil." De Venecia recently visited Vladivostok, where Russian Parliament leaders had assured him that Russia would sell oil to the Philippines. He said Russia is a good potential supplier for the "contingency oil reserve" because it is not an OPEC member, and its tankers do not pass through the Persian Gulf. Russian oil could be stockpiled at the Subic Freeport.

In a press conference, President Arroyo's spokesman Ignacio confirmed the unprecedented goal of De Venecia's mission, saying, "We are negotiating with Russia."

Thailand and Russia To Sign Drug, Terror Accords

Thailand and Russia will sign an anti-drug agreement and an anti-terror pact when Prime Minister Thaksin Shinawatra visits Russia this month, Foreign Minister Surakiart Sathirathai said Oct. 3, adding that Russia wants closer cooperation and intelligence sharing to prevent terrorists and criminals operating in both countries.

Thaksin travels to Moscow Oct. 16-18, when science and technology cooperation are also on the agenda. A highlight of Thaksin's visit will be trade discussions, Surakiart said. Both countries would also sign an agreement increasing protection for investors.

Indonesian VP Warns Terrorist Allegations Breed Tensions

Indonesia's Vice President Hamzah Haz, without naming the USA, on Sept. 28 urged foreign countries to stop branding Indonesia as a hotbed of terrorism, saying the campaign would incite people's fury against those countries. In his address to the Congress of the Indonesian National Youth Committee (KNPI), the Vice President said: "We warn that these baseless issues be stopped [from being spread] before Indonesian people get angry. If the Indonesian people get angry and cannot be reined in, how will the government rein them in?"

Hamzah chairs the largest Muslim political party, the United Development Party. Previously, moderate Muslim leaders Hasyim Muzadi of the 40-million-strong Nahdlatul Ulama and Sjafii Ma'arif of the 30-million-strong Muhammadiyah criticized U.S. pressure on Indonesia.

AFRICA NEWS DIGEST

COSATU Challenges South African Government on Privatization

In the midst of a global economic collapse, and growing evidence—in Argentina and Brazil, among others—that privatization destroys the "general welfare" concept of government, privatization was challenged in South Africa, in a two-day strike Oct. 1 and 2.

Some 180,000 members or more of the Congress of South African Trade Unions (COSATU) and supporters joined the national strike, calling for an end to privatization, the creation of jobs, and lower prices. COSATU said a number of

organizations not affiliated with the trade-union federation participated in marches countrywide.

On Oct. 2, COSATU challenged the South African government to hold a referendum on privatization, to test whether the government has grassroots support for its privatization program. The challenge was issued by Andre Kriel, deputy general secretary of the Southern African Clothing and Textile Workers Union. Kriel told SAPA the referendum proposal was a position he had been asked to put across by COSATU's leadership, which believed that the government is misreading public sentiment with respect to its economic policy. "Government claims that South Africans support privatization. We say, put these claims to the test. We demand a people's referendum on privatization," Kriel said. He continued: "We are not surprised that the rich do not understand this. It is because they are still able to afford everything despite privatization."

About 2,000 COSATU members and supporters marched on Parliament and presented a memorandum demanding steps to end job losses and tackle soaring food prices and general inflation. Willy Madisha, COSATU president, told a rally in Cape Town: "This is the beginning of the long struggle against privatization."

A document drafted by COSATU's six top national office bearers calls on the federation's 2 million members to prepare themselves for a protracted struggle and pursue a "multifaceted strategy of engagement" to exert pressure on the African National Congress (ANC).

The ANC Youth League charged that COSATU was trying to unseat the government through its anti-privatization campaign, and that COSATU leaders were trying to turn the union federation into a political party. A COSATU spokesman, Vukani Mde, responded that the issues raised through the strike were serious issues with respect to the future of the country. "People are reaching bizarre conclusions ... How does someone [i.e. critics of the strike] conclude COSATU is counter-revolutionary?"

Ivory Coast Fighting Poses Regional Risk, Says London Analyst

"There is now a serious risk that Ivory Coast will fracture along ethnic lines, leaving the government in control of little more than the economic capital Abidjan and the area around it," according to an analysis from London's *Reuters AlertNet*. Reporter Thalia Griffiths states, "The collapse of Ivory Coast has enormous implications for the whole region." She quotes a diplomat who says, "This has been preparing for years and no one has taken any notice."

Griffiths says that "An ECOWAS [Economic Community of West African States] mediation team has been appointed, but deployment of peacekeepers risks formalizing the division of the country." Then, after reporting as fact, contradictory information about who did what to whom in triggering the rebel uprising, Griffiths admits, "It is not entirely clear what happened, or even who the rebels' leaders are." In spite of that, she ends with this quote from a "policymaker": "The UN needs to get involved in mediation and put pressure on [President] Gbagbo to negotiate."

The picture described by Griffiths coheres with a scenario outlined by author Robert D. Kaplan, a neo-conservative advocate of the "unilateral American empire" doctrine. Kaplan's piece, in the *Atlantic Monthly* back in February 1994, was entitled, "The Coming Anarchy," said that Ivory Coast would have to fall apart. While much of the disintegration there has been accomplished by the policies of the International Monetary Fund in the country, Kaplan's targetting of Ivory Coast is along the lines of the writings of Trilateral "universal fascist," Samuel P. Huntington, a revered figure in Kaplan's books and lectures. Huntington is the popularizer of Bernard Lewis' Clash of Civilizations doctrine against Islam, virtually a manual for religious war of the Thirty Years' War variety.

African Peacekeeping Troops to Ivory Coast

African leaders meeting in Accra, Ghana Sept. 29, resolved to send peacekeeping forces, including mediators, to Ivory Coast. The peacekeeping operation will also immediately begin negotiations between the Ivorian government and rebel forces, who have been locked in fighting that dominated headlines when French and American residents were ordered evacuated by their governments (and evacuated by French and U.S. troops).

The peacekeeping agreement was reached at a summit of ECOWAS, where Ivorian President Laurent Gbagbo and South African President Thabo Mbeki, as chairman of the African Union, were among the attendees.

The Ivorian government does not want fighting troops, even from ECOMOG, the military wing of ECOWAS. And a spokesman for the rebels, Tuo Fozie, is quoted by *Reuters* Sept. 29 as saying, "If ECOMOG comes here there won't be peace for 20, 30, 40 years. There must be justice." The rebels are said originally to have been 750 members of the Ivorian Army who took up arms Sept. 19 when they were told they would be demobilized—that is, fired—in December.

Meanwhile, President Gbagbo is asking African countries and France—the former colonial power—for diplomatic support and for transport, field communications, munitions, and other supplies.

Senegal's President Abdoulaye Wade, who currently heads ECOWAS, in addressing the summit said it was necessary to find a "quick solution to a military mutiny." ECOWAS Executive Secretary Mohammed ibn Chambas told reporters, on arriving in Accra, that "No government which comes to power through a coup will be recognized."

Former Nigerian Presidents Urge End to Impeachment Push Against Obasanjo

Former Nigerian President Shehu Shagari has been joined by another former President, Gen. Yakubu Gowon, in efforts to stop the impeachment of Nigeria's current President, Olusegun Obasanjo, the *Vanguard* of Lagos reported Oct. 3.

The two former Presidents addressed a letter Sept. 28 to President Obasanjo, Senate President Anyim Pius Anyim, and Speaker of the House Ghali Na'Abba, which includes this passage: To resolve "the impasse between the Legislative and Executive arms of the government, we wish to inform you that we have agreed to broker a meeting between both arms of government.... In view of this ... we are requesting that both parties should stay all actions and reactions with regard to the impeachment proceedings pending conclusion of these efforts. We as former Heads of State and Presidents make this plea solely in the national interest and without prejudice to your Constitutional responsibilities."

The merit of the Shagari-Gowon combination is that it appeals to instincts for Nigerian nationhood, as opposed to sectional interest. President Shagari is from the Hausa and Fulani (Muslim) North, and Gen. Gowon is from the Ibo (Christian) East. Both sections are easily roused against President Obasanjo, who comes from the Yoruba South.

South Africa to Foreign Minister Straw: Cut Out the 'Megaphone Diplomacy'

South Africa and other African countries will not bow to pressure to "declare war" on Zimbabwe, Deputy Foreign Minister Aziz Pahad said last week. In what the major Johannesburg paper, *Sunday Times*, on Oct. 6 termed the government's strongest defense of its approach to Zimbabwe against the British approach, Pahad said that British Foreign Secretary Jack Straw could come up with a "concrete proposal" on how to resolve the crisis. "We don't believe that their megaphone diplomacy and screaming from the rooftops has helped anyway.... If it is not diplomacy we pursue in dealing with Zimbabwe, then it is war. We will not go to war with Zimbabwe," Pahad said. "We do not need to be lectured to about democracy, respect for the rule of law, and human rights. Southern African states are conscious of our responsibility and of the economic and political impact of the situation in Zimbabwe. But we cannot be like people far away who keep shouting about Zimbabwe."

His remarks were made in response to Straw's "disappointment" at the outcome of an end-of-September meeting of the Commonwealth's troika on Zimbabwe (the leaders of Nigeria, South Africa, and Australia), which did not reach a consensus on further punitive action against Zimbabwe. Straw said this week that he shared Australian Prime Minister John Howard's "acute disappointment" about the troika's refusal to agree on tougher anti-Zimbabwe measures.

AIDS Paupers Buried 'Three to a Grave' in Johannesburg

Because of the AIDS death rate among the poor of South Africa, Johannesburg paupers are buried three to a grave at Ennerdale Cemetery, which conducts about 50 paupers' funerals a week; there are rows upon rows of graves, with nothing more than a numbered steel plate marking where they rest. The situation is similar in Pietermaritzburg, which will run out of grave space at Mountain Rise, Azale, and Sinathing cemeteries by the end of next year. Impoverished parents who know their newborns are HIV-positive, don't waste money on taxi fare to register the birth at a Home Affairs office. They bury the babies, and don't register the deaths either.

At Kagiso near Krugersdorp, a woman who has collected stray animals for years from a local garbage dump now finds people dying of AIDS. Their families dump them there, knowing she will take them to a local hospice. In KwaZulu-Natal, people near death are taken in wheelbarrows and dumped at hospitals by family members, who "wait for their loved one to die and, because they know the dates of pauper funerals, they go and wait for the burial. Many people can no longer afford funerals," says Liz Towell of Sinosizo, a Roman Catholic AIDS care organization in Durban.

Sister Irene Bopela, who runs Ntabeni Clinic in Munster on the KwaZulu-Natal south coast, says it took one family six weeks to bury an HIV-positive mother, because they had no money. "Her eight-year-old son now heads the household, which includes one-year-old twins who are HIV-positive and a five-year-old ... who has tuberculosis."

Johannesburg is constructing four new cemeteries. A crematorium capable of burning 50 bodies an hour is being built at Germiston. In Tzaneen, the richest man in the town is reputedly Dirk Redelinghuys, who owns 56 hearses; his company is also building new cemeteries.

Suicide rates are growing among young people who test HIV-positive. Mortuaries on KwaZulu-Natal's south coast, GaRankuwa in North West Province, and Burgersfort and Lydenburg in Mpumalanga report a high incidence of young people dying from rat poison. A doctor at Johannesburg Hospital is quoted, "I don't want to come to work in the morning, because there is nothing we can do. There are just people dying around us."

This information appeared in a profile published in *African Eye News* (Nelspruit, South Africa) on Sept. 30.

This Week in History

October 7-13, 1988

This week, we take the history-minded reader to Oct. 12, 1988, the date of Lyndon LaRouche's historic address at West Berlin's Kempinski Bristol Hotel. LaRouche's speech, which later appeared on a Presidential campaign broadcast in the United States, provided an outlook toward German reunification, which has been rightly called prophetic by many, in light of the subsequent events.

In his introduction to "Truth! In U.S. National Security Policy," published in last week's *EIW*, LaRouche himself located

the significance of his proposal, and the battle which ensued around policy toward the East—one which forces of sanity at least temporarily lost. This week, we reproduce the full speech, as follows.

LaRouche's 1988 Forecast of German Reunification

I am here today, to report to you on the subject of U.S. policy for the prospects of reunification of Germany. What I present to you now, will be a featured topic in a half-hour U.S. television broadcast, nationwide, prior to next month's Presidential election. I could think of no more appropriate place to unveil this new proposal, than here in Berlin.

I am the third of the leading candidates for election as the next President of the United States. Although I shall not win that election, my campaign will almost certainly have a significant influence in shaping some of the policies of the next President.

Although we can not know with certainty who will be the winner of a close contest between Vice President George Bush and Massachusetts Gov. Michael Dukakis, it is the best estimate in the United States today, that Mr. Bush will win the largest electoral vote. Obviously, I am not supporting Mr. Bush's candidacy, and I am not what is called a "spoiler" candidate, working secretly on Mr. Bush's behalf. Nonetheless, should Mr. Bush win, it would be likely that I would have some significant, if indirect influence on certain of the policies of the next Administration. How this result would affect the destiny of Germany and Central Europe generally, is the subject of my report here today.

By profession, I am an economist in the tradition of Gottfried Wilhelm Leibniz and Friedrich List in Germany, and of Alexander Hamilton and Mathew and Henry Carey in the United States. My political principles are those of Leibniz, List, and Hamilton, and are also consistent with those of Friedrich Schiller and Wilhelm von Humboldt. Like the founders of my republic, I have an uncompromising belief in the principle of absolutely sovereign nation-states, and I am therefore opposed to all supranational authorities which might undermine the sovereignty of any nation. However, like Schiller, I believe that every person who aspires to become a beautiful soul, must be at the same time a true patriot of his own nation, and also a world-citizen.

For these reasons, during the past fifteen years I have become a specialist in my country's foreign affairs. As a result of this work, I have gained increasing, significant influence among some circles around my own government on the interrelated subjects of U.S. foreign policy and strategy. My role during 1982 and 1983 in working with the U.S. National Security Council to shape the adoption of the policy known as the Strategic Defense Initiative, or SDI, is an example of this. Although the details are confidential, I can report to you that my views on the current strategic situation are more influential in the United States today than at any time during the past.

Therefore, I can assure you that what I present to you now, on the subject of prospects for the reunification of Germany, is a proposal which will be studied most seriously among the relevant establishment circles inside the United States.

Under the proper conditions, many today will agree, that the time has come for early steps toward the reunification of Germany, with the obvious prospect that Berlin might resume its role as the capital.

For the United States, for Germans, and for Europe generally, the question is, will this be brought about by assimilating the Federal Republic of Germany and West Berlin into the East bloc's economic sphere of influence, or can it be arranged differently? In other words, is a united Germany to become part of a Europe, from the Atlantic to the Urals, as President de Gaulle proposed, or, as Mr. Gorbachov desires, a Europe from the Urals to the Atlantic?

The Reality of the Worldwide Food Crisis

I see a possibility, that the process of reunification could develop as de Gaulle proposed. I base this possibility upon the reality of a terrible worldwide food crisis which has erupted during the past several months, and will dominate the world's politics for at least two years to come.

The economy of the Soviet bloc is a terrible, and worsening failure. In Western European culture, we have demonstrated that the successes of nations of big industries depend upon the technologically progressive independent farmer, and what you call in Germany the *Mittelstand* [Germany's small and medium-sized entrepreneurs]. Soviet culture in its present form is not capable of applying this lesson. Despite all attempts at structural reforms, and despite any amount of credits supplied from the West, the Soviet bloc economy as a whole has reached the critical point, that, in its present form, it will continue to slide downhill from here on, even if the present worldwide food crisis had not erupted.

I do not foresee the possibility of genuine peace between the United States and Soviet Union earlier than thirty or forty years still to come. The best we can do in the name of peace, is to avoid a new general war between the powers. This war-avoidance must be based partly on our armed strength, and our political will. It must be based also, on rebuilding the strength of our economies.

At the same time that we discourage Moscow from dangerous military and similar adventures, we must heed the lesson taught us by a great military scientist nearly four centuries ago, Niccolò Macchiavelli: We must also provide an adversary with a safe route of escape. We must rebuild our economies to the level at which we can provide the nations of the Soviet bloc an escape from the terrible effects of their economic suffering.

I give a concrete example.

Recently, in response to the food crisis, I sponsored the formation of an international association, called Food For Peace. This association has just recently held its founding conference in Chicago Sept. 3-4, and since then, has been growing rapidly inside the United States and in other nations represented by delegates attending that conference.

One of the points I have stressed, in supporting this Food For Peace effort, is that the Soviet bloc will require the import of about 80 million tons of grain next year, as a bare minimum for the pressing needs of its population. China is experiencing a terrible food crisis, too. As of now, the food reserves are exhausted. There are no more food reserves in the United States, and the actions of the European Commission in Brussels have brought the food reserves of Western Europe to very low levels. Next year, the United States and Western Europe will be cut off from the large and growing amount of food imports during recent years, because of the collapse of food production in developing nations throughout most of the world.

During 1988, the world will have produced between 1.6 and 1.7 billion tons of grains, already a disastrous shortage. To ensure conditions of political and strategic stability during 1989 and 1990, we shall require approximately 2.4 to 2.5 billion tons of grain each year. At those levels, we would be able to meet minimal Soviet needs; without something approaching those levels, we could not.

If the nations of the West would adopt an emergency agricultural policy, those nations, working together, could ensure that we reach the level of food supply corresponding to about 2.4 billion tons of grains. It would be a major effort, and would mean scrapping the present agricultural policies of many governments and supranational institutions, but it could be accomplished. If we are serious about avoiding the danger of war during the coming two years, we will do just that.

By adopting these kinds of policies, in food supplies and other crucial economic matters, the West can foster the kind of

conditions under which the desirable approach to reunification of Germany can proceed on the basis a majority of Germans on both sides of the Wall desire it should. I propose that the next government of the United States should adopt that as part of its foreign policy toward Central Europe.

Rebuild the Economies of Eastern Europe

I shall propose the following concrete perspective to my government. We say to Moscow: We will help you. We shall act to establish Food For Peace agreements among the international community, with the included goal that neither the people of the Soviet bloc nor developing nations shall go hungry. In response to our good faith in doing that for you, let us do something which will set an example of what can be done to help solve the economic crisis throughout the Soviet bloc generally.

Let us say that the United States and Western Europe will cooperate to accomplish the successful rebuilding of the economy of Poland. There will be no interference in the political system of government, but only a kind of Marshall Plan aid to rebuild Poland's industry and agriculture. If Germany agrees to this, let a process aimed at the reunification of the economies of Germany begin, and let this be the *punctum saliens* for Western cooperation in assisting the rebuilding of the economy of Poland.

We, in the United States and Germany, should say to the Soviet bloc, let us show what we can do for the peoples of Eastern Europe, by this test, which costs you really nothing. Then, you judge by the results, whether this is a lesson you wish to try in other cases.

I am now approaching the conclusion of my report. I have two more points to identify.

All of us who are members of that stratum called world-class politicians, know that the world has now entered into what most agree is the end of an era. The state of the world as we have known it during the postwar period is ended. The only question is, whether the new era will be better or worse than the era we are now departing.

The next two years, especially, will be the most dangerous period in modern European history, and that worldwide. Already, in Africa, entire nations, such as Uganda, are in the process of vanishing from the map, biologically. Madness on a mass scale, of a sort which Central Europe has not known since the New Dark Age of the Fourteenth Century, has already destroyed Cambodia, is threatening to take over the Middle East as a whole, and is on the march, to one degree or another, in every part of the world. As a result of these conditions of crisis, the world has never been closer to a new world war than the conditions which threaten us during the next four years ahead. What governments do during the coming two years will decide the fate of all humanity for a century or more to come.

There have been similar, if not identical periods of crisis in history before this, but, never, to our best knowledge, on a global scale, all at once.

I recall the famous case of a certain German gentleman of the Weimar period. This gentleman was persuaded that a second world war was inevitable. He searched the world for a place to which he might move his family, to be out of the areas in which the next war would be fought. So, when the war erupted, he and his family were living in the remote Solomon Islands, on the island of Guadalcanal.

In this period of crisis, there is no place in which any man or woman can safely hide in a crisis-ridden world without food. One can not duck politics, with the idea of taking care of one's career and family, until this storm blows over. There is no place, for any man or woman to hide. There is no room for today's political pragmatists in the leadership of governments

now. If we are to survive, we must make boldly imaginative decisions, on the condition that they are good choices, as well as bold ones.

The time has come for a bold decision on U.S. policy toward Central Europe.

If there is no Soviet representative here in this audience at the moment, we may be certain that the entire content of my report to you now will be in Moscow, and will be examined at high levels there, before many hours have passed. The Soviet leadership has said in its newspapers and elsewhere, many times, that it considers me its leading adversary among leading individual public figures today. Nonetheless, Moscow regards me with a curious sort of fascination, and, since President Reagan first announced the Strategic Defense Initiative, considers everything I say on policy matters to be influential, and very credible.

Moscow will read the report I deliver here today. It will wait, as Soviet political leaders do, to see how other circles around the U.S. establishment and government might echo the kind of proposal I have identified. Once they see such a signal from those quarters, Moscow will treat my proposal very seriously, and will begin exploring U.S. and European thinking on this.

Germany's Sovereign Choice

As far as I am concerned, it is Germans who must make the sovereign decision on their choice of fate for their nation. My function is to expand the range of choices available to them. So, I have come to Berlin, where the delivery of this report will have the maximum impact in Moscow, as well as other places.

I conclude my remarks with the following observation.

Moscow hates me, but in their peculiar way, the Soviets trust me to act on my word. Moscow will believe, quite rightly, that my intentions toward them are exactly what I described to you today. I would therefore hope, that what I am setting into motion here today, will be a helpful contribution to establishing Germany's sovereign right to choose its own destiny.

For reasons you can readily recognize from the evidence in view, I know my German friends and acquaintances rather well, and share the passions of those who think of Germany with loving memory of Leibniz, Schiller, Beethoven, Humboldt, and that great statesman of freedom, Freiherr vom Stein. If I can not predict Germany's decisions in this matter exactly, I believe that if what I have set afoot here today is brought to success, the included result will be that the Reichstag building over there, will be the seat of Germany's future Parliament, and the beautiful Charlottenburger Schloss, the future seat of government.

If the conditions arise, in which that occurs, President de Gaulle's dream of a Europe from the Atlantic to the Urals will be the peaceful outcome of thirty years or so of patient statecraft, and that durable peace will come to Europe and the world within the lifetime of those graduating from universities today.

Heute, bin ich auch ein Berliner.

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