

[return to home page](#)

## **This Week You Need To Know**

### **LaRouche Targets the DLC: — 'Protection Racket for Cheney'**

**by Jeffrey Steinberg and Edward Spannaus**

The burning questions in Washington and in world capitals today are: Why hasn't Vice President Dick Cheney, the leading Chickenhawk behind the suicidal perpetual-war push of the Bush Administration, been forced to resign yet—even after he has been implicated in the use of known forged documents to manipulate Presidential and Congressional support for the Iraq War? And why are the neo-conservatives still able to wield influence over the policies of the Bush Administration—as events on the ground in Afghanistan and Iraq veer toward chaos and a growing body-count of American GIs, as the direct result of their fantasy forecasts about invading Americans soldiers being greeted as "liberators"?

The answer was given recently by Democratic Presidential pre-candidate Lyndon LaRouche: "The only reason Dick Cheney has not been forced to resign," LaRouche said in a statement issued June 25 by his LaRouche in 2004 Presidential campaign organization, "is because those Democrats who are under control of the Democratic Leadership Council (DLC) gang, are more enthusiastic supporters of the neo-conservatives than the Republicans. As long as leading Democratic candidates are not willing to buck the Democratic National Committee group that's under DLC manipulation, they are not morally qualified to run for the office of the Presidency. If they can't recognize a swindle as obvious as that being pulled off by the group of which Cheney is the head, they don't have the qualifications to be President."

The evidence of Cheney's lies about alleged Iraqi weapons of mass destruction—impeachable lies which he told to manipulate the President and the Congress into going for war—is well documented on LaRouche's website, and in a series of recent *EIR* exposés. Cheney was directly behind promoting the discredited Niger "yellow cake" story, about Saddam Hussein's alleged efforts to obtain uranium precursor from the African state. Investigations of Cheney's and several agencies' actions, including the Office of Special Plans inside Secretary of Defense Donald Rumsfeld's policy shop, are under way. Yet, so far, the Democrats—other than LaRouche, and a pathetically small handful of Congressional stalwarts, such as Sen. Robert Byrd (W.Va.), Sen. Jay Rockefeller (W.Va.) and Rep. Henry Waxman (Calif.)—have refused to press the issue effectively.

LaRouche observed that traditional Republicans are, in their own terms, already in a revolt against the neo-cons, as reflected in the activities of the circles of Brent Scowcroft, certain military-intelligence groupings, and some traditional conservative organizations. Former Nixon White House General Counsel John Dean, a pivotal figure in the Watergate scandal that brought down President Nixon, has written a series of scathing editorial pieces in recent weeks, declaring that Vice President Cheney's performance in the Niger document hoax is far more an impeachable offense than anything Nixon did. Dean had earlier singled out Cheney as an insurrectionist against the Constitution, for his failure to disclose his corrupt collusion with his former company, Halliburton, and other oil-sector firms, when he headed President Bush's energy task force at the start of the current Administration.

General Scowcroft, the former National Security Advisor to President George H.W. Bush ("Bush 41") and the current head

of the President's Foreign Intelligence Advisory Board (PFIAB), is leading a probe into how the Niger forgeries were slipped into President Bush's Jan. 28, 2003 State of the Union address; the panel will also probe related issues of wild spinning of intelligence assessments.

Sources in Washington, briefed on LaRouche's assessment of the role of the Democratic Leadership Council, have confirmed, in detail, that the DLC is stacked with neo-conservative ideologues, who maintain deep personal ties to some of the leading Bush Administration war-mongers. One source singled out the Pentagon's secretive Office of Special Plans (OSP), the disinformation shop headed by Abram Shulsky, as a particular hotbed of collusion with the DLC. Shulsky's team of spinmeisters passed unvetted intelligence, largely received from the discredited Iraqi National Congress and from a parallel Israeli "OSP" inside the office of Prime Minister Ariel Sharon, to Rumsfeld, who used the disinformation to counter assessments coming from the traditional U.S. intelligence community: CIA, DIA, NSA, and the State Department. In effect, the Shulsky team conducted "information warfare," against President Bush!

*EIR* can confirm the OSP-DLC links. Abram Shulsky launched his career under the tutelage of Roy Godson, son of a leading AFL-CIO International Department counterinsurgent, Joseph Godson; and he first got into the "intelligence business" as a staffer for DLC poster-boy Sen. Daniel P. Moynihan in the late 1970s, eventually becoming staff director of the Senate Intelligence Committee, and, later, of PFIAB.

But one of the strongest DLC links to the war party inside the Bush Administration, first exposed by *EIR*, goes directly to the Office of the Vice President, where Cheney's chief of staff and chief national security advisor, I. Lewis "Scooter" Libby, served for over a dozen years as the attorney for Israeli Mafia boss Marc Rich. DLC founding financier and chairman, hedge fund operator Michael Steinhardt, is a longtime business partner and political ally of Rich, and worked closely, albeit in secret, with Libby, to get Rich pardoned, by a bamboozled President Bill Clinton, from a tax evasion and "Trading With the Enemy" conviction.

The DLC, founded in the mid-1980s, is, above all, a "Trojan Horse" penetration into the Democratic Party, on behalf of some of the leading "Synarchist"—i.e., universal fascist—banking circles on Wall Street. The DLC's Synarchist patronage is personified by Felix Rohatyn, the banker from Lazard Brothers who is also a board member of the DLC.

A virtual treasure-trove of World War II U.S. military intelligence documents and Congressional hearing records, currently being reviewed by a team of *EIR* historians and analysts, reveals that Lazard Brothers was at the center of the Synarchist network of pro-fascist financial institutions, along with the French Banque Worms and the J.H. Stein Bank of Cologne, Germany, owned by Nazi SS Death's-Head unit Gen. Kurt von Schröder. This international network of fascist bankers, centered out of the Basel, Switzerland Bank for International Settlements (BIS), assured that key American and European multinational corporations and banks, involved in raw materials and war production, maintained "business as usual" on both sides of the Allied-Axis conflict throughout the war, and evaded prosecution at the Nuremberg War Crimes Tribunals.

If the neo-con coup within the Bush Administration is to be overthrown, the DLC must be stopped. And no one is better qualified to lead the cleanout of the Democratic Party—of what Sen. Edward Kennedy (D-Mass.) called the "second Republican Party"—than LaRouche. LaRouche's unique leadership role in this fight is perhaps best reflected by the fact that, in recent weeks, he has been the subject of blistering attacks from the leading "Synarchist" financial journals of Wall Street, the City of London, and Switzerland, for his exposure of the late Leo Strauss, the German universal-fascist philosopher, as the "Godfather of the Neo-Conservatives."

## Project Democracy

In diagnosing the DLC-Cheney collusion, LaRouche has traced the past 30 years' problem with both political parties back to Samuel Huntington's book *Crisis of Democracy*—written for the May 1975 Kyoto meeting of the Trilateral Commission,

which launched the "Project Democracy" drive, to capture both the Democratic and Republican parties, from the top down, for Synarchist bankers' fascism. One prominent author, Bertram Gross, described this in his 1980 book *Friendly Fascism*, as "fascism with a democratic face."

In the 1970s, the neo-conservatives in the Democratic Party—including Huntington—grouped themselves into the Coalition for a Democratic Majority (CDM). Its two leading lights in Congress were Democratic Senators Henry "Scoop" Jackson (Wash.) and Daniel Patrick Moynihan (N.Y.). The late Cold Warrior and fanatically pro-Israel Jackson remains the model for the DLC crowd today. Sen. Joseph Lieberman (Conn.) declares that he is proud to be identified as a " 'Scoop' Jackson Democrat." The DLC's bimonthly magazine, *Blueprint*, touts Republican Sen. John McCain of Arizona as another would-be Scoop Jackson. Former Al Gore campaign manager Donna Brazile recently co-authored a *Wall Street Journal* op-ed entitled "What Would Scoop Do?" boasting her own identification with the Jackson-Moynihan roots.

Brazile, in fact, personifies the subversive operations of the DLC gang, which is an integral part of the neo-conservative network that has penetrated and perverted both the Republican "Party of Lincoln" and the Democratic "Party of FDR," to the point that any party member or elected official who invokes either of the two great American Presidents in any substantive way, is branded a dinosaur and targetted for "the LaRouche treatment" of slander and isolation. The DLC, in its mission statement by Straussians William Galston and Elaine Kamark, published several years ago in the inaugural issue of *Blueprint*, declared that their goal is the total elimination of the Franklin Roosevelt legacy from the Democratic Party.

During the 2000 Presidential campaign, when Brazile was Al Gore's and Joe Lieberman's campaign manager, she forged a tight alliance, albeit behind-closed-doors, with George Bush's Republican rival, John McCain. The DLC lovefest with McCain has never ended, to the point that McCain's "Bull Moose" third-party campaign chief, Marshall Whitmann, frequently writes for the DLC's *Blueprint*; and McCain himself was given prominent op-ed space in the January/February 2003 *Blueprint*. When DLC "strategists" Al From and Bruce Reed penned a campaign memo for the same issue of *Blueprint*, titled, "What It Takes To Win the White House," they addressed the document to "Democratic Candidates for President," with a "CC: to John McCain."

The Lieberman-McCain collusion was widely exposed during the summer of 2002 in a series of *EIR* Special Reports, revealing how the "Bull Moose" duo were the driving force behind the 1998 Iraq Liberation Act, and the subsequent neo-con drive to blackmail President Bush into going to war against Iraq. The blackmail threat? That McCain and Lieberman would run a 2004 third-party "Bull Moose" campaign to shatter the Bush family's dream of securing G.W. a second term. In February 2002, McCain and Lieberman had travelled to the annual Wehrkunde global security conference in Munich, Germany, with Bush Administration leading neo-cons Richard Perle and Deputy Defense Secretary Paul Wolfowitz—the most powerful Strauss disciple in Washington today—to declare that war on Iraq was a done deal.

Many in Washington acknowledge, however, that the circulation of several hundred thousand copies of the *EIR* McCain-Lieberman exposés played a vital role in postponing that Iraq war into March 2003, by which time the entire neo-conservative "war party" had come under intense public scrutiny, restricting their ability to operate in secrecy within the bowels of the Bush national security bureaucracy. Had the Democratic Party not caved in to the DLC, the Iraq war would likely have been stopped altogether.

## The Boys With Brazile

Beyond her role as match-maker of the Lieberman-McCain political marriage, DLC madam Brazile's most astonishing collusion with the panoply of radical right-wing Christian Zionists, wannabe imperialists, and neo-cons involves her ongoing membership on the Board of Advisors of a recently incarnated Project Democracy outfit, the Foundation for the Defense of Democracies (FDD), created post-9/11 to provide "bipartisan" support to the war on terrorism. The directors of the FDD are Steve Forbes, publisher of *Forbes* magazine and former Republican Party Presidential pre-candidate; former

Congressman and Bob Dole Vice Presidential running-mate Jack Kemp; and Dr. Jeane Kirkpatrick, the Reagan Administration United Nations Ambassador and founder of Social Democrats USA. The two "Distinguished Advisors" to the group are former Speaker of the House Newt Gingrich (R-Ga.) and R. James Woolsey, the former CIA Director. Both Gingrich and Woolsey are on Rumsfeld's Defense Policy Board, along with Richard Perle, and are unabashed advocates of a broad war against Islam—what Woolsey promotes as "World War IV," in articles prominently displayed on the FDD website.

Brazile's other Advisory Board colleagues include rabid Christian Zionist Gary Bauer, Center for Security Policy neo-con wildman Frank Gaffney, *Weekly Standard* editor and American Enterprise Institute Strauss-disciple William Kristol, and Richard Perle, until recently the chairman of Rumsfeld's Defense Policy Board. Among the Foundation's staff are former Republican National Committee official and FDD President Clifford May; and Stephen Schwartz, author of a recent hysterical diatribe against Saudi Arabia, *The Two Faces of Islam: The House of Sa'ud From Tradition to Terror*, and a former employee of George Soros' Open Society Institute.

Brazile's commitment to deliver the Democratic Party over to the "war and empire" faction was best demonstrated in her "What Would Scoop Do?" May 21 *Wall Street Journal* op-ed, co-authored with Timothy Bergreen, a former State Department functionary who recently launched a DLC front group, Democrats for National Security. The two wrote that "Democrats have yet to fully comprehend the new reality of the post-Sept. 11 world. While most Americans viewed the war in Iraq through the prism of the Twin Towers attacks, many prominent Democrats still seem not to grasp the profound sense of insecurity that so many people feel in our country.... The American people agree with us on many vital issues—but they believe that we Democrats are weak and indecisive when it comes to standing up to dictators and terrorists and when it comes to the primary responsibility of government: defending the nation.... If voters continue to see us as feckless and effete they will not listen to our message next year and they will re-elect Mr. Bush."

This summarized a speech Brazile gave on May 17 at a Washington conference of another Scoop Jackson spawn, now closely allied with the DLC: the Social Democrats USA. SDUSA, a 1972 splinter from the Socialist Party of Norman Thomas, backed Jackson's 1972 and 1976 failed Presidential bids, and many of its leading lights then led the neo-con migration into the GOP in 1980, landing top posts in the Reagan Pentagon. They were pivotal in the formal launching of Project Democracy, the global covert operation to make the world "safe for democracy and free trade," which had been first demanded in Huntington's 1975 *Crisis of Democracy*. While speaking of "democracy," Huntington actually called for a new authoritarianism "with a democratic face," to deal with the looming global financial and economic crises and the consequences of the drive for a "post-industrial" paradigm shift. Key to that was the co-opting of the Democratic and Republican parties as instrumentalities for a new totalitarianism at home, and imperial wars abroad.

SDUSA was fully on board with McCain, Lieberman, Wolfowitz, Perle, and Cheney, in pushing President Bush to cave in to the war party and invade Iraq. On Feb. 25, it sent a letter to the President, which began, "We write because we share the view that it is essential to bring Saddam Hussein's dictatorship in Iraq to an early end. Broad and bi-partisan support at home—not simply passive assent—must be sought for this objective." The signators stated, "We must act alone if that proves necessary, but first we must do all we can to win allies." The letter praised Bush's British war partner: "We believe that a significant body of opinion can be persuaded of the view argued by Prime Minister Tony Blair: 'Ridding the world of Saddam would be an act of humanity.' A clear statement of your plan for supporting democracy and human rights in Iraq and elsewhere in the Middle East will help us all reach out to those who are open to this truth."

The letter was signed by 53 prominent neo-cons, not all of them SDUSA members. Among the most significant: Charles Fairbanks, a lifetime personal friend and protégé of Paul Wolfowitz, and co-author, with Perle and Doug Feith, of the 1996 "A Clean Break" study for Benjamin Netanyahu; Hillel Fradkin, who replaced Elliott Abrams as head of the Ethics and Public Policy Center, and is another disciple of Leo Strauss; Bruce P. Jackson, founder and director of the liberal imperialist lobby, Project for the New American Century; Robert Kagan, alter ego to William Kristol, and a second-generation Straussian; Penn Kemble, founder of SDUSA and a central player in the Reagan era Iran-Contra fiasco, as head

of the Project Democracy money conduit, Prodemca; Will Marshall, president of the Progressive Policy Institute, the think-tank of the DLC, and the editor-at-large of the DLC's *Blueprint*; Clifford May, the president of the Foundation for the Defense of Democracies; Constantine Menges, Hudson Institute war fanatic and former Reagan NSC staffer; Michael Novak, the resident right-wing heretical Catholic at the American Enterprise Institute (AEI); *New Republic* publisher and co-owner (with DLC bankroller Michael Steinhardt) Martin Peretz; Nina Shea, Freedom House activist; R. Emmett Tyrrell, editor-in-chief of the *American Spectator*; Ben Wattenberg, SDUSA founder and leading first-generation neo-con ideologue at AEI; and R. James Woolsey.

A May 19 article in the Conrad Black and Steinhardt-owned *New York Sun* quoted Penn Kemble, the SDUSA founder, at the Washington conference: "We're not committed to the Democratic Party." *Sun* reporter Ira Stoll wrote that in an interview after his speech, Kemble had said that he was "holding out the possibility that Republicans might embrace elements of the Social Democratic program ... pointing out that he had voted for Ronald Reagan and that other Scoop Jackson Democrats had become Republicans. He said that Bush Administration figures such as the deputy secretary of defense, Paul Wolfowitz, were in tune with the Social Democrat agenda of promoting freedom and democracy abroad."

## Show Me the Money

In short, SDUSA and the DLC are fully in bed with the Cheney-led neo-imperial gang inside the Bush Administration—guilty, as charged, by LaRouche.

As the result of this collusion, the DLC is now the proud recipient of large amounts of corporate cash, including big infusions, since "Bush 43" took office, from one of the biggest sources of funding for the Gingrich-led "Conservative Revolution." In October 2000, the DLC held a corporate fundraising event bankrolled by Koch Industries, the largest privately held oil company in America, and a big source of funding of the Cato Institute and every other New Right think-tank in Washington. The guru of the event was Richard Fink, director of political projects of Koch Industries and a board member of *both* the Koch family's charitable foundations and the DLC's think-tank, the Progressive Policy Institute. Joining Fink on the planning committee for the big corporate fundraiser were Robert P. Hall III, another Koch Industries exec, and Michael Lewan, a lobbyist for Enron and other mega-corporations, and the former chief of staff of Joe Lieberman, during his first term in the Senate. Lewan brought Lieberman to the attention of the DLC, shortly after the former Connecticut Attorney General beat incumbent Republican Lowell Weicher with a large infusion of cash from the William F. Buckley family of right-wing Republicans, and from even more radical right-wing Cuban exiles in Miami, Florida.

## LATEST FROM LAROCHE:

### Our Job Is To Be the Friend of Humanity

*Lyndon LaRouche gave the following address to an East Coast LaRouche Youth Movement Cadre School on June 27.*

You know the present President of the United States has a few problems, and he's got one good thing on his side. I'll explain it to you.

He was going through a security check by his Secret Service people, and one Secret Service man said to the other, "Psst. I can't find his brain." But the good side is that, just for that reason, it's impossible to impeach him! You can't accuse him of intending anything! Some people want to impeach him. The poor fellow wouldn't know what he's being tried for. He would call his mother up, and say, "What are they doing to me, Mummy?"

She said, "Run for President. You have all the qualifications. No prejudices. You never know what you're doing. No prejudices."

Anyway, I'll tell you a few things which are relevant about this situation we face, and I'll let you go at me, because rather than my presuming what you have to ask me, I shall simply tell you some things which maybe you should know, and then let you tell *me* what you want to know from me. Okay? Make that deal.

Okay, now. We have an interesting situation. For you, especially, since you're all young adult graduates of parents who have no future. They don't want one. They got you: "How did it happen to us? What were we thinking of when we did that?"

But here you are, stuck in a no-future generation, and you don't accept it, nor do I accept it, and we're trying to do something about it.

Now, an example of that is the present situation in the election process. I have nine putative rivals for the Democratic nomination for the Presidency, officially at this time. Maybe there are one or two more in the woodwork someplace, threatening to come forward. Or waiting until the chaff clears, and then they'll stick their necks out.

But of the nine, none, so far, is qualified for President! They're not morally, or intellectually, qualified to be President of the United States, given the conditions which this nation and the world faces.

The one who comes the closest to being approximately qualified, is Senator Kerry, who has sufficient intelligence to know what the job is, but he does not have the emotional ability, or hasn't demonstrated it so far, to show that he has the *guts* to do what's needed.

Remember, he's had two failures, that you may find notable. One, he was in charge of an investigation of Iran-Contra, which you may have heard about in the distant past. He was up to the point of actually getting some results, and he virtually *shut the investigation down*, at the point that he was really moving in on some of the chief perpetrators, i.e., George Bush and company, the senior one.

Recently, he gave a press interview, a press statement, or a statement to the press, in which he said that George Bush, the President, had told him, that there were nuclear weapons in Iraq, or going into Iraq. He said, the President lied. But it wasn't the President who issued the lie. It was the Vice President, the man who's in charge of vice. The Vice President is the man who set the thing up, who set up the lies, and has been pushing them.

Why didn't he go after the Vice President? Well, he knows he has not got the goods on the President. The President is relying upon his informants. You're going to accuse the President of lying, when he's simply believing his informants? And really doesn't have the intelligence to know when he's being lied to? How can you accuse him, impeach him on those grounds?

Whereas Cheney was fully aware of what he was doing, and deliberately. So, therefore, the gutless Kerry, goes after the President, who's almost untouchable, in the charge of knowledgeable guilt, because the poor man has no knowledge, so how can you accuse him of knowledgeable guilt? Where the Vice President is *explicitly* guilty. Why doesn't he go after him?

Cheney is guilty, he's impeachable. I'll just explain—some of you may not know what the score is on this.

U.S. law has two areas of criminal liability, on fraud against the government. One is the ordinary fraud against the government. Each count, five years. The other one is much more serious. That is, fraud upon the government, by an official of government. That is an *impeachable offense*, which may carry ensuing criminal charges and penalties. *That is Cheney.*

In terms of points, we've got him virtually dead to rights. If we pull Cheney out, the whole pack of neo-cons would go, one after the other, because they're all culpable of this process. Oh, they're just disgusting. When you start getting members of a mob out, generally the whole mob goes. And then they begin telling on each other.

So, the point is, if we wanted to free the United States government, and the world, from the greatest danger which immediately affects the world, and the United States, now, any person of guts, who's running for public office, especially for President, who knows that the Vice President is guilty of an impeachable offense, of high crimes and misdemeanors against the United States government, involving the worst kind of charges you could have of this nature: to lie to cause the United States to go to a *war*, fraudulently, is the highest of all crimes. It's tantamount to treason.

And we know that! Many people know it. The evidence is on the table. Therefore, if you went after Cheney, you would probably clean up the government to a good degree. And if you took out the neo-conservatives, along with Cheney, from the present government, you would probably put the government back into the hands of real people, not all good, but real. That is, actual human beings, from the military and others, who would take responsibility, in their departments, for advising the President on what the situation is. And, this President needs a lot of hand-holding. He needs a lot, a lot of guidance, from a lot of people, a lot of the time.

So, if you put him in a position where his advisors are honest servants of government, even if they're not so good, this country might make it. But with Cheney, and his crowd, pushing the world to new wars, one after the other, and pushing the country itself into fascism, the country wouldn't survive.

Therefore, anybody who's running for high office, especially for President now, who is not willing to go after Cheney, and his people, and get them out quick, is not fit to run for President.

On the Republican side, nobody is running for President right now, except the incumbent President. Well, that's a sad story, which we can get to later. But I think if we got Cheney out, if we routed the neo-conservatives, this would produce a change in the world, in terms of the relationship of the United States to other countries; it would produce a change in politics in the United States; it would lead to a purging of the Democratic Party leadership, of the fascists who are controlling the Democratic Party from the top, the Democratic Leadership Council, which is a bunch of fascist neo-cons, who are in bed with, deeply in bed, with the neo-cons we're trying to get out on the Republican side, in government.

So, that's the situation. So, at the present moment, we don't have a choice. *I have to win the Presidency.* And I have to win it by the route of getting Cheney out, and few other things done.

## **We Can Solve the Crisis**

Now, look at the world situation.

In addition to this threat of war, which has arisen largely because the financial crisis is so severe, that people would like to make a war, in order to establish a dictatorship, so that the economic-financial collapse would not cause a revolt against the present policies of government. It's that simple.

So, let's look at that. We can solve that problem. No miracles, no rabbit out of the hat. We could do, essentially, what

Franklin Roosevelt did, in 1932-33, when he was running for President, and became President, to pull the United States out of depression, with a recovery program, based largely on principles very similar to those which were used by Franklin Roosevelt to deal with the last depression, and to get us out of that mess. We could do that.

We also have, one of the greatest opportunities in the world for recovery, in terms of relations with Eurasia. That is, Europe and Asia. As you probably know, presently there is a growing collaboration among the governments and peoples of China, India, Southeast Asia countries, and so forth. As you probably know, I'm deeply involved in South Korea, in trying to deal with the Korea problem. There are people in Japan we're talking to, who would be willing to go along with that, if we could push that. We have, in China, the largest infrastructure projects in the world are now in progress. The Three Gorges Dam is now going ahead. Additional water projects are major. India and China are discussing now, using this great Brahmaputra water project, coming out of Tibet, for hydroelectric power, and also water management of one of the great rivers of the world.

And the Mekong Development region, which comes from China, south, affecting most of Southeast Asia, is also one of the great projects of the world.

China is building the highest-level railroad, in the world! In Tibet! Most of you couldn't breathe on that railroad, without some kind of an aspirator, with oxygen masks, because the pressure is so low up there, that you couldn't breathe through it, unless you're used to that sort of thing. But they're building a railroad at the highest level, a railroad that's never been built in the world.

They're moving vast amounts of water, from Tibet, into north China, which is arid, opening up the Yalu River, which is this great river in North China, which is drying out, and also areas like Sinkiang, to make an area which needs habitation—that is, the Chinese people *need* the habitation, they *need* to move a lot of the population from the coastal area, toward the inland area. But these inland areas don't have the infrastructure, they don't have the water, they don't have the development. So, if China engages in development, moves its population inward into developed areas, raises the level of technology, moves the water where it has to be moved, generate power, build a transportation grid, of the type that was designed first by Sun Yat-sen, the founder of modern China. Do these things, and China will be a great market for trade with Europe, and other parts of the world.

What I've been involved in over some years now, in pushing what's called the Strategic Triangle. That is, cooperation between Russia, China, and India, on the assumption that if these three countries which are dissimilar, in interests and culture, could agree on this kind of cooperation, the other nations of Eurasia could come into an agreement, with China.

Since then, we've had, because of the depression in Europe, there is more and more interest from Europe, from Germany, from France, from Italy, in improved relations, cooperation, with Asia. Some of the greatest projects in the world are now being discussed among these countries. This is one of the greatest bases for financial recovery of the world, known.

We have, in the Americas, a similar situation. You go out West, you go into the Great American Desert, and from the Great American Desert in the United States, down into northern Mexico, between the two Sierra Madres, a desert or semi-desert area. We have much water going into the Arctic Ocean, from the north. If we bring that water southward, we open up the development of the Great American Desert. We also cooperate with Mexico, in developing its water management, to turn the area between the two Sierra Madres, into a rich area of development, with enough water, power, and so forth.

We have a new relationship in North America. We have the Southern California, Arizona, the aquifers there are collapsing. The ground is actually collapsing, because the water, the aquifers are being drained. We can rebuild that.

We require large-scale transportation projects. We almost have no railroads any more in the United States. We don't have a



transcontinental railway system!—of the type that was built in Lincoln's time! We don't have it any more. It's been destroyed!

We don't have enough power production to meet American needs. The power system is collapsed because of deregulation, and other filthy schemes.

So, we have a great market for development, internally, in the United States. A great market for development in Eurasia. And together with Eurasia and the Americas, we could solve the problems of Africa, at least of terms of providing the infrastructure they need, in order to undertake their own internal development and reconstruction.

So, we have a great opportunity. But what do we have? We have idiots in the United States, who, in face of a world depression, in face of a threat of war, are unwilling to deal with the actual threat of war; who spread wars into areas where the greatest potential for development exists; and will not attend to the problems of our own country, in which the lower 80% of the family income brackets in the United States, have undergone *a collapse in absolute physical standard of living*, since 1977. And that's been the policy.

Our health-care system is disintegrating. Our education system is disgusting—it's a disgrace. Everything is wrong. The country has become corrupt, because people in positions of leadership, looking at these conditions, which have been piling up over decades, sit out then, and say, "We have to learn to live with them." They say to us, "You can't put the toothpaste back in the tube." And I've demonstrated many times, in the past, that I can put the toothpaste back in the tube! Give me a tube of toothpaste, and a couple of tools. Take the toothpaste out of the tube. I'll put the toothpaste back in the tube. So, we don't have to say, you can't put the toothpaste back in the tube. He can do it—I can do it! That's why I should be President. *I can put the toothpaste back in the tube!*

## The Difference Between Man and Beast

Now, we have another problem, another deeper problem, which all these other problems represent: The trouble with humanity, for as far back as we know, is that humanity has been characterized chiefly, by societies in which some people, a few, either hunt people down, like animals, or herd them, like cattle. This is the characteristic of the United States today.

For example, go back to the period right after Lincoln's assassination. Now, prior to the assassination of Lincoln, you had a great leader, for freedom, among the slaves in the United States, Frederick Douglass. Frederick Douglass said, to free a man from slavery, a woman from slavery, you must first free their mind from slavery. You do that by giving them access to the highest level of knowledge available in the world. And once their mind is free, and developed, then you can not keep them in chains. It's impossible.

What happened after the abolition of slavery, was, some reformers came in and said, "*No, no. Don't overeducate them! Don't educate them above their expectation for employment in life*, i.e., sharecropping, or similar kinds of employment."

This is only typical of the problem around the world, still today. To treat people like that, is to treat them as human cattle, not human beings. This is the condition of most people around the world—is they're still living in conditions which approximate those of human cattle, not people.

So, the deepest problem here, which all the problems are related to, is what's happening to the *mind*, or the lack of what's happening to the mind, of people around the world.

Now, you've noticed in this youth movement we've organized over the past four-odd years, that my emphasis was on

precisely this: It's that you must start from the top. You must stop from elementary issues of knowledge, at the highest level of existing human knowledge. And once you've made the breakthrough, in these areas, as with this Gauss business on the 1799 paper on the complex domain; once you've made that breakthrough, and know what it is that makes a human mind different from that of an animal, you've made the breakthrough. You have now freed yourself from the chains on the mind, the chains that make people human cattle. Who say, "Well, we're just like that. We get information."

"You want information? Mostly lies. It's called information."

"We watch television, we know what's going on."

"You do?"

And so forth.

So the problem is, the greatest, the worst slavery, is the slavery of the mind, due to a lack of understanding, by people, of what the difference is between man and an animal.

No animal could discover a universal physical law of the universe. Only a human being can. Human beings are not animals. When you try to make them animals, you drive them into bestiality, and they begin to behave like beasts.

So, the big crisis is: what are we *doing*? There are physical problems that have to be dealt with. The danger of war. The collapse of economy. The failure to undertake the great opportunities to build the human race, to build opportunities. But the worst crime of all, is the neglect of the human mind. The neglect of those qualities of the human mind, which make a human being different than a beast.

Why is it wrong for people to hold people in slavery? Why is it wrong?

Don't you keep cattle? Don't cattle farmers treat the cows nicely? Don't they care for them? Don't they call for the veterinarian? Don't they give the cows their shots? Don't they milk them regularly? Don't they call them to the barn, at the right time? Don't they feed them?

Of course, they do. What are you complaining about?

What about human beings? You put them in the field to work at the right time. You move them to the field, back to the barn, and so forth: it's called commuting. You teach them which stall to go into: that's called education. You milk them, which is called employment.

*So, what the difference between man and the beast?*

You see, if man were a beast—it's an old story I keep telling over and over again. But if man were in a beast, under the conditions on this planet, during the oscillating ice-ages of the past 2 million years, if man would have been an ape, or type of ape, with or without a tail, the human species at no time would have exceeded several million living individuals.

We have on this planet now, 6 billion or more living human individuals. How did that happen? How did the human race succeed in having over 6 billion people, when, if they were an ape, like some of the President's co-thinkers, there'd only be 3 million of them. How did that happen?

Because the human mind is capable of making discoveries, which we call universal physical principles, both principles of the physical world, and also principles of relations among human beings. Sometimes called culture. Sometimes called Classical art. These principles have enabled man to cooperate, to transmit this knowledge from generation to generation, in the form of what we call culture, scientific discoveries and so forth. This has enabled the human race to increase its *power* to exist, not only in numbers, but to increase life expectancy, to shift the condition of humanity from a beast-like going into the stall, or hunting in the woods, into the ability to have an intellectual life, a human form of cultural life. All of these things have come because man is capable of discovering principles.

And therefore, the most important thing about society, is not simply the physical considerations of human life. But more important are the social ones. That is: *Are you, in your own mind, a human being?* Are you doing things which correspond to what a human being should do, as opposed to a lower form of life? Being fed, being housed, being cared for, being employed? These are things that animals enjoy. What about things that human beings enjoy?

Well, what's the difference?

## The Meaning of Life

You should know this well, because of the generation of most of you here. You have been dumped, by your parents, who are now between, say, 50 and 60 typically, a generation which is running the United States, and mismanaging it, very successfully, into what's called a no-future generation. Your potential for accomplishing something is, not only recognizing that fact, which I think most of you do, but recognizing that you can do something about it. That you can give yourself a future. You can give the children you expect to have, or your generation to have, a future. You can even persuade your poor dumb parents, that they too, can have a future, and that *you* are their future.

Because the meaning of the life of a human being is, what? We all die. So what's the meaning of life, if we all die? You don't get out of life alive, do you? No one gets out of life alive. We're all carried out, right? Or buried out.

Therefore, what is the meaning of life? What's your goal in life? To live forever? No, you're not going to do that.

What's your meaning, what's your purpose in life? Your purpose in life, is what comes out of it. What comes out of your generation, and your existence. What you contribute to the future.

It comes out of respect for what those who've gone before you, have contributed, to humanity. You study, and admire, the great contributions of preceding generations. You respect the sacrifices of your grandparents and parents, for what they tried to do for you. Because they made you possible. You are their future. You respect that. You try to learn from that.

But, more than that, you say, "I've got to do better. I've got to make something come out of my life, which means something for future generations."

*This is a human quality, which no animal has.* No animal thinks of changing the order of society, or animal society. Of changing the way the earth runs, in order for future generations of that species. *Only human beings do that.* The meaning of humanity is that. The courage to live as a human being, comes from that.

If you know that you have a mortal life, which has a beginning, and an end—you don't know when these extremities are, you've got a pretty good idea when you were born. You sometimes doubt how you were conceived. Especially these days, with the Baby Boomer generation hanging around. How did they do it? Which of these guys was actually my mother?

Which of these guys was actually my father? "I don't know."

"Who's my brother? Who's my sister?"

"I'm not sure."

So, these are the problems we mutually face. You and I. You face the problem. I recognize the problem, and I face what you're facing.

But that's the situation.

So, what makes us human, is a sense that our life has a purpose. And you think, how does a soldier, in a justified war, fight?

He has to take the risk of dying. Not that he seeks to die. Only an idiot wants to die in warfare. But he takes the risk. Why? Because there's something more important to him than his life. And that is, what comes out of it: the future.

So, therefore, what you can do: you can find your courage, in giving yourself a sense, that you have a future, that you have the importance and ability to discover how to make a contribution to the future of this nation, the future of this planet, and the future of those who come after you, your children, your grandchildren. That is the source of your courage.

The source of your courage involves ideas. That you're able to assimilate important discoveries that were made by people before you, and use them. You're able to spread these ideas, to people who need them. You're able, if you work at it, to make new discoveries, or improvements in old discoveries, which are transmitted to future generations. You can undertake great projects, such as building water systems, transportation systems, power systems, better educational systems, health-care systems. You can contribute to this. You can make improvements in technology. You can build something where it's needed.

You can have a future in the outcome of your life. You never have to doubt the importance of being yourself, the importance of living, of making a contribution to humanity. That is what your parents' generation *does not have*. They became a no-future generation. They became a "now" generation. They're looking for a life-style. From week to week, they're trying to change their life-style, as the old one becomes boring. Or simply because they need variety.

"Gee, I wish I could change my sex."

"What would you change to?"

"I don't know. Maybe it hasn't been invented yet. I'll watch television, and maybe I'll find out. I'll look it up on the Internet. Maybe there are new opportunities I don't know about."

This is the "now" generation! And that's the deep problem we face.

## Thinking Several Generations Ahead

Now, what are my responsibilities in running for President?

My responsibilities involve *all* these things: Prevent war. There's no need for war. We will still need strategic defense, because somebody may go crazy. But we should have no purpose of going to war against some *enemy*. We don't have some enemy we should desire to make war on. Humanity is past the point that that makes sense.

Only wars to defend the order of society, to secure peace, are justified, when no other solution is available. So we're in a period where war is no longer properly on the agenda, as something to be desired. We're in the time where there is no inherent conflict, among nations. There may be conflict, but not inherent!

There's no reason that we should conflict with China, with India, with the countries of the Middle East, with Africa, or Europe. There is no justified reason to desire conflict with these countries. Rather we should desire that these countries would develop in ways, which would assure their good behavior in the future.

And that is not by beating them, that is by trying to strengthen them, by encouraging them to do things which are good.

That's our situation. We have a great crisis of humanity, many great crises, physical-economic crises.

For example, let's take the case of North Asia. Now, most of the mineral raw materials of Asia, today, are located in Central and North Asia. Central Asia is presently largely a semi-desert, or desert. North Asia is an arctic tundra, not a recommended neighborhood to live in, in the winter time. And the mosquitoes, flies, in the summertime, can be awful. And the muskeg can be terrible.

But, we have the possibility, first of all, of technologies to move water, which is going into the Arctic Ocean, into Central Asia, to bring back the Central Asia area around the Aral Sea, which is now drying out. To make Central Asia habitable. To make Sinkiang, a province of China, habitable, and so forth and so on. We have the ability to secure the development of this area, in which the large-scale natural resources, mineral resources, exist, for the future of all Asia, all Eurasia.

We also have the capability of understanding how this planet generates the organization of these so-called raw materials we require, especially minerals. That's known, or at least a good deal of it—we have to do more work on it. But we have to think ahead, several generations. Are we going to be using up certain minerals in parts of the world, when we need them? And how are we going to organize the replacement of those minerals? Either by recapturing them, or generating them anew?

These are great projects, for the coming generations, these kinds of things. Organizing the mineral resources, such as Central-North Asia, of the African Shield, of South America, and so forth, and some things up in Canada, and things like that. We have to organize this. We have to think about the future generations of humanity. We have to apply science and development to these problems, to ensure that we're taking care of humanity, three and four and five generations from now.

These are great projects.

We have to get out of the present mess in the world. We have to create the physical conditions, under which people in India and Southeast Asia and elsewhere, do not live like human cattle. We have to create the physical conditions, which free people from enslavement, to the conditions of human cattle. And the poverty in many parts of the world is immense.

India has now over 1 billion people, population. Just India alone. China, 1.3 or more billion people. In India, there's desperate poverty, among the great majority of the population. What are we going to do about it? What are we going to do about it?

In China, there's a two-generation plan of struggle, and development, to deal with precisely the problem of the poor in China. How do we secure for the poor in China, a future for them and their descendants? How do we develop the new areas, the water systems, and so forth, that are needed for this population, to raise its standard of living, and to secure its conditions of life? These are great projects.

We have to drive science forward. We have to explore space, because, by exploring space, we're discovering more and more about the laws of the universe. That's the function of space projects. It's not to conquer Mars. It's certain not to inhabit Jupiter — none of you want to live on Jupiter. None of you presently would like to live on Titan, which is an Earth-sized moon of Jupiter, or Saturn, but it's not one place you'd like to live, with the kind of environment, the chemical environment—it would kill you instantly.

So, therefore, it's not just habitation of nearby planets, and so forth, that's our purpose in space, but rather to confront the universe, in ways which enable us to discover new physical principles we don't yet know. And since universal principles are universal, what we discover in space, will help us understand better....

These are the great projects.

We have to also think of education in new terms. We no longer qualify you, under a new educational policy, to pass an examination. A horrible thing — passing an examination. It's like overcoming constipation or something like that. And there's no benefit from it, really. Overcoming constipation is a benefit, but this kind of education is no benefit.

I mean, what does it amount to? You go into a class. You rehearse in a present-day secondary school or university. You rehearse in the answers to what will be multiple choice questions. And if you pass the multiple choice examination, then the school gets a good mark. While you get ... *nothing*. Or virtually nothing.

University education's become more and more the same kind of thing. Look at the curriculum in the university! Look at the course levels! Look at what's in them! It's garbage. And you pay for it: The less content, the more you pay for it. And you don't have to pay for it now, you pay for it for the rest of your life.

And what do you get for it? *Bubkes*. Nothing.

This has to change.

And what my job is, is to take leadership, by taking the bull by the horns. Get us through this, and inspire your generation, to undertake the kinds of missions I've indicated, to commit mankind to solving the problems, these missions represent.

Why? To make us richer? No, not really. No, it's to make us better. Because if we are more efficiently committed to creating the conditions of life required by future generations, we can be happy in being ourselves. The main purpose of life, as Leibniz puts it, is *happiness*. True happiness is knowing that what you're doing in life, is going to be a benefit to future generations. And you take pride in being yourself. You have large courage, in being yourself! You don't run around trying to find an identity. You know what your identity is. It's your dedication to being useful, to future generations, by picking tasks, which you adopted, which you say, "This is what I'm going to work on in my life." You may change that from time to time, but you always have some idea of what am I going to do with my life? What is my purpose? What am I going to accomplish? And a sense of commitment to a mission, which benefits future generations, gives you a sense of identity, a sense of moral strength and authority, which otherwise is not available to you.

## A Great Crisis in Humanity's Existence

My job is to set that forth before you, and to get others to engage themselves in doing the same thing I'm doing, in setting this thing before you more clearly.

We've come to a great crisis in the existence of humanity, with terrible threats, and some wonderful opportunities. We have to put these things together. And we have to cease the despair, which is overtaking this nation, and to a large degree, other nations as well, we have to say: "Get off the ground. Get up. Stand up. We have problems. We have opportunities. We have to have a future. Not just our personal future, but the future of those as expressed will come after me, who are expressions of my work."

And we have to change the world that way. The opportunities are great. Right now, as you know, from my trips to India, my trip to Turkey, my trip to France, recently, other trips, have been highly successful. I've been successful in the Arab-Islamic world, as being regarded as someone who is "different," who they prefer to live with on this planet, to what they have been offered by other people in the United States.

The same thing was expressed in Turkey. The same thing in India, the same thing in China, the same thing in other countries around the world. Our job, my job, is to be the friend of humanity, to become the President of the United States who is the friend of humanity, and recognized by humanity as their friend. That makes it possible.

That makes it possible, for us to reach out to other nations, to engage them with trust, in joint projects of great importance, and gives you the framework, in which to adopt a mission in life, for yourself, and for this nation. That's the big change. And now that you've seen the horror, of your parents' generation trying to turn you, not by intent, but simply by negligence and foolishness, into a no-future generation, you should realize —and I think many of you do — that you have to do something. This must change! It can not go on this way! And therefore you have to have not merely the negative sense, of what's wrong, but you have to have a positive sense, of what could be right. What are the immediate tasks that could make things right, or at least better, and put them in a better direction.

*You have to be a generation with a mission.*

Thank you.

## **Leading Arabic Papers — Al-Ahram, Al-Bayan Cover LaRouche**

On June 25, *Al-Ahram*, Egypt's semi-official newspaper and one of the largest Arabic newspapers in the country, published a lengthy interview with Democratic Presidential pre-candidate Lyndon LaRouche. The interview is conducted by *Al-Ahram's* correspondent in Ankara, Abdul-Halim Ghazali. The questions and answers are similar to ones LaRouche gave in the discussion period after his speech at the Ankara Chamber of Commerce.

Ghazali introduces the interview and LaRouche in the following way: "Lyndon LaRouche is a perennial [/mukhadhram/ in the positive sense] American politician and a prominent member of the Democratic Party. He has announced his candidacy for the coming presidential elections.

"In his talk with *Al-Ahram*, LaRouche launched a severe attack on President Bush and his Administration which is controlled by the so-called neo-conservatives, saying: It is a gang, which intends to rule the world by force. He called for a quick withdrawal of the U.S. forces from Iraq and the immediate implementation of the 'Road Map' plan after stopping Israeli attacks against the Palestinians. Here is the text of the interview which reflects a certain tendency within the U.S. that should be recognized."

The interview is headlined, "The neo-conservatives ... a gang that wants to control the world by force" and second one: "Sharon is the worst man in the world. To support him is against the interest of Israel." The interview occupies more than half a page with the rest being a report from Moscow on Putin's recent major press conference.

Egypt and other Arab countries, such as Syria, have been watching the situation in Turkey very closely and with a great deal of concern. The "war party" in the U.S., especially JINSA, and their Israeli lackeys have been working to bring Turkey into a military alliance with Israel and the U.S., targetting other Arab countries and Iran. LaRouche's intervention is of great importance not only for Turkey, but also for the whole region. Egypt itself, like Turkey, has been a target for blackmailing by the chickenhawks and also by the IMF and the World Bank.

On the same day, from Dubai, Dr. Ahmed Al-Kedidi writes about LaRouche's warning against the Iraq war and the control of the neo-conservatives over the U.S. administration. In an op-ed in the leading daily in Dubai, *Al-Bayan*, Al-Kedidi gives the reader a report about his conversation with Lyndon LaRouche, almost one year ago, when LaRouche warned against the perspective of an Iraq war, followed by provocation to start a war against Iran and other Arab or Islamic countries. Al-Kedidi also discusses LaRouche's current campaign to kick out Dick Cheney and his Straussian neo-conservative gang from the Administration, in the context of these war plans.

Links to articles from *Executive Intelligence Review*.\*

[\\*Requires Adobe Reader®.](#)

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## InDepth

### [LaRouche Targets the DLC "Protection Racket" for Cheney](#)

[by Jeffrey Steinberg and Edward Spannaus](#)

The burning questions in Washington and in world capitols today are: Why hasn't Vice President Dick Cheney, the leading chicken-hawk behind the suicidal perpetual-war push of the Bush Administration, been forced to resign yet—even after he has been implicated in the use of known forged documents to manipulate Presidential and Congressional support for the Iraq War?

## Feature:

### [Candidate LaRouche Abroad:](#)

[How future policy is being made,](#)

[by EIR Staff](#)

In U.S. Presidential candidate Lyndon LaRouche's intensive week of public and private meetings and media interviews in Turkey June 13-18; the reflection of that visit in an interview with LaRouche on the Mideast in Egypt's government paper *Al-Ahram* June 24; and the returning candidate's full schedule of U.S. media interviews leading into his July 2 Washington webcast,

### [LaRouche Istanbul Keynote](#)

['Eurasia: New Key for Global Development and Peace'](#)

One highlight of Presidential pre-candidate Lyndon LaRouche's June 13-17 visit to Turkey was the conference, 'Eurasia: New Key for Global Development and Peace,' co- sponsored by Yarin monthly and the Cultural Affairs Department of the Istanbul Municipality.



## **LaRouche in Ankara**

### **How a Concert of Sovereign Nations Can End the Global Economic Collapse**

Lyndon LaRouche gave a major economics address to the Chamber of Commerce of Turkey's capital, Ankara, on June 16. The subject was the world financial-economic crisis, and Turkey's situation within it, as well as LaRouche's personal role as Presidential candidate and leader, in solving that crisis.

## **Miniaturk: Tour Through History, in the Small**

### **by Muriel Mirak-Weissbach**

During his June visit to Turkey, Lyndon LaRouche had such a packed schedule, that visits to the usual tourist sites, were impossible. All the more fortunate, therefore, that the Demoincluding the Kalender boat built by the Turkish Maritime cratic Presidential candidate had the chance to visit Miniaturk, a brand-new park in Istanbul, which presents most of the great buildings and monuments of Turkey.

## **Economics:**

### **Hemispheric Policy Debated: FTAA or LaRouche Doctrine?**

#### **by Silvia Palacios and Lorenzo Carrasco**

Intense Brazilian diplomacy centered around South American integration—including the building of a strategic Brazil-Argentina alliance and a trilateral alliance of Brazil-India-South Africa, with the possibility of extending that to other nations such as China and Russia—is leading to a continental reformulation of hemispheric policy.

### **Euro Council Votes Up Italy's 'New Deal Plan**

#### **by Claudio Celani**

The European Council, comprised of the European Union's heads of state and government, has given Italy the go-ahead for its proposal to implement a 'European New Deal' infrastructure investment plan. Starting July 1, Italy will take the rotating presidency of the European Union for six months, and will work to have the plan fully in place by the end of the semester.

## **International:**

### **Vajpayee's Historic Trip Strengthens India-China Ties**

#### **by Ramtanu Maitra**

The historic six-day (June 22-27) visit to China by Indian Prime Minister Atal Behari Vajpayee took place at an extremely crucial time. The long-term outcome of the trip will emerge over the weeks and months. What is certain, however, is that both Beijing and New Delhi considered the visit as more than strengthening the bilateral relations, but an opportunity to take measure of the grave world situation in a new and hostile environment.

### **Volatile post war Iraq -- Interview with Toby Dodge**

#### **by Mark Burdman**

EIR had the opportunity to interview Dr. Toby Dodge, Research Fellow at the Centre for the Study of Globalization and Regionalization, at the University of Warwick. Dodge is one of Britain's leading experts on Iraq. In the period leading up to the Iraq War, he made a number of trenchant critiques of the political and diplomatic behavior of the American and British governments respecting the Iraq crisis.

### **Akiva Eldar Stresses: Third Party Help Is Vital toMideast Peace**

#### **by Carl Osgood**

Akiva Eldar, senior political correspondent for Israel's leading daily Ha'aretz, warned a Washington forum that President George Bush has to keep the pressure on Prime Minister Ariel Sharon to stick the to Road Map for peace, because as long as Sharon has cabinet ministers like like Avigdor Lieberman and Effi Eitam—whose sole agenda is to effect the forcible transfer of the Palestinians out of the West Bank and Gaza—there will be no peace.

## Will Sharon Be Stopped From Wrecking Road Map?

**by Dean Andromidas**

Israel's special operations assassination of Hamas leader Abdullah Qawasme in Hebron came only hours before U.S. Secretary of State Colin Powell's June 21 address to the Middle East conference of the World Economic Forum in Jordan. Needless to say, the atmosphere it created was as if the Israeli special operation team had burst into the conference hall itself.

## Chicken-Hawks Squawk For Iran 'Liberation'

**by Muriel Mirak-Weissbach**

Although reports confirm the analysis of Lyndon LaRouche, that the Iraq War would turn into a 'Vietnam in the Desert,' nonetheless, the same crew of chicken-hawks in Washington, which launched the march on Baghdad, are now calling for the 'liberation' of Iran.

## Bush Left with Little Choice on Pakistan

**by Ramtanu Maitra**

President Bush's welcoming gesture to Pakistani President Pervez Musharraf at Camp David on June 24, made it evident that he would like to strengthen the Pakistani President's hand, particularly in light of the rise of anti-U.S. and anti-Musharraf forces within Pakistan.

## **National:**

### 'DeLantos' Democrats Attack Bush's Road Map

**by Michele Steinberg**

Despite an all-out war on George W. Bush's Road Map Likudnik and other ultra-right fascist parties of Israel, Chris-policy by the neo-conservative cabal of Vice President Dick Cheney, tian Zionist crazies, and their open allied House *Democratic* leadership, National Security Advisor Condoleezza Rice is due to arrive in Israel on June 26 to push the Road Map's implementation.

### Is Ashcroft Protecting Iranian Terrorists?

**by Nancy Spannaus**

Evidence made available to EIR indicates that it is time to investigate Attorney General John Ashcroft for ties to the Iranian terrorist group, the Mujaheddin e-Khalq Organization (MEK). While Muslim groups around the United States are having their bank accounts seized, members arrested, and otherwise being harassed by the Justice Department on the basis of rumors or innuendo, the MEK, an organization which has been on the State Department's Foreign Terrorist Organizations list since 1997, is being permitted to operate openly, down the street from the White House!

## **Reviews:**

### Another Skeleton in Dick Cheney's Closet

**by Stuart Rosenblatt**

*Metal Men: How Marc Rich Defrauded the Country, Evaded the Law, and Became the World's Most Sought-After Corporate Criminal*, by A. Craig Copetas

In 2001, following the foolish pardon extorted from President Bill Clinton, for gangster Marc Rich, Craig Copetas reissued his 1985 expose´ of Rich. Despite the fact that much of the material is nearly 20 years old, the book provides a useful look at a man whose rise to power coincides with the economic collapse of the nation and the transformation of the Democratic Party into a pawn of Sen. Joe Lieberman's Democratic Leadership Council (DLC) fascists—the group linked to Rich and his business partner Michael Steinhardt.

### Toffler's 'War and Anti-War'

### Popularizer of Rumsfeld Information-Age Killing

**by Carl Osgood**

If Harvard Professor Samuel Huntington, with his Clash of Civilizations thesis, is the geopolitician for Secretary of Defense Donald Rumsfeld's military transformation, and if Director of Net Assessment Andrew Marshall is the technological guru, then all the language and buzz phrases were

provided by futurist Alvin Toffler and his wife, Heidi, with their ideas of 'Future Shock' and the 'Third Wave.'

## U.S. Economic/Financial News

### Fannie Mae and the Mortgage-Bomb Securities Market

Anyone looking for proof that the mortgage-backed securities (MBS) market is blowing out, need look no further than the June 23 *New York Times*, which reveals that Fannie Mae, the big sister of Freddie Mac, made no money in 2002, despite reporting \$6.4 billion in "core earnings" and \$4.6 billion in earnings as measured by standard accounting rules. "On an economic basis, they made no money last year. That's the simplest way to put it," Sonic Capital president Lawrence Kam told the *Times*.

Kam says that Fannie Mae underestimated how fast interest rates would decline and homeowners would refinance their mortgages, and did not protect itself against the risk that some of its higher-yielding mortgages would be replaced by lower-yielding ones, and that these losses would show up in Fannie's income statements over the next several years. As a result, over the last three years, the discrepancy between what Fannie Mae has reported as earnings, and the actual change in the value of its net assets, is a shortfall of \$9.7 billion. Kam said that this is not a matter of breaking the accounting rules, but of the failure of standard measures of profit and loss to capture the underlying economic reality of the business.

The picture that is becoming more clear, is that the refinancing binge, which is necessary to keep housing payments down and consumer spending and debt service up, is blowing up the mortgage-backed securities market, in a classic example of blowing out one part of the bubble attempting to save another.

### Freddie Mac Announces 'Re-Audit' To Add Past Earnings

Freddie Mac's new CEO Gregory Parseghian and CFO Martin Baumann said on a conference call, and in a prepared statement June 25, that the company expects to add \$1.5-to-\$4.5 billion to its past retained earnings. The company originally reported net income of \$12.5 billion over the restatement period from 2000 to 2002, but in question, is the misallocation of profits and losses, in particular associated with the \$1 trillion derivatives portfolio.

The new execs said, in a "don't worry" discussion, that they would comply with good accounting procedures to show the quality and type of Freddie's interest-rate hedges and derivatives holdings. Afterwards, Freddie Mac stock blipped up by \$1.53 a share, or 3.06%, to \$51.56 by mid-afternoon.

Meantime, hearings took place today at the U.S. House Financial Services Subcommittee. Witnesses focussed on the fact that neater books would not cover up the problem of Freddie Mac having inadequate capital to back up its securities. Chairman Richard Baker (R-La.) said that current regulation is inadequate, and he wants passage of new legislation he introduced yesterday, putting the Treasury Department as overseer of Freddie Mac and Fannie Mae.

Protection? Another spotlight in Washington is turning on the big buck lobbying tab and political spending of Freddie Mac. The June 25 *USA Today* reports that in 1993, Freddie Mac employees gave \$67,000 in political contributions, but last year, \$4.2 million. In 2002, Freddie Mac spent \$9.7 million for lobbyists.

### U.S. Physical Economy Continues To Disintegrate; Home Sales Up

The latest reports on the U.S. economy, released June 25 by the Commerce Department, show continuing collapse of manufacturing orders, while home sales soared. The statistics, unreliable as they may be, reflect the crack-up of the U.S.

economy.

Orders for U.S. durable goods fell 0.3% in May, from the previous month, according to the Commerce Department's figures. In April, orders for durable goods fell 2.4% from March. The dollar value for orders to factories for durable goods (e.g., cars, appliances, and equipment expected to last longer than three years) for May was \$168.3 billion, the lowest since June 2002. May marks the fourth time in six months that overall orders for manufactured goods have fallen. Declines in May were broad based, including orders for cars, computers, and machinery.

Shipments of goods, a barometer of economic activity, fell by 0.3% in May, after a 1.1% decline in April.

Sales of new homes skyrocketed 12.5% in May from April for single-family dwellings, to set a record annualized rate of 1.157 million for 2003. This makes May the highest sales month ever, beating out September 2002.

Sales of used homes jumped 1.2% in May over April, for an annualized rate of 5.92 million, according to the National Association of Realtors.

### **It's Official: The U.S. Economy Is Expiring**

The U.S. economy is in its death throes, as even official government statistics show:

*\*U.S. Gross National Product*, for the first quarter of 2003, shows a 1.4% annualized growth rate, revised downward from the 1.9% rate previously estimated by the Commerce Department, which released the new figures June 26. The 1.4% matches the 4Q annualized rate for 2002.

*\*Inventory Replenishment* is falling off to nothing. The Commerce Department said that inventories grew at only a \$4.8 billion annual rate in the first quarter, only a third of the \$13.2-billion rate it estimated a month ago. Business investment was weak.

*\*Top 400 wealthiest U.S. taxpayers* account for 1.1% of all income earned in 2000, according to new figures released June 25 by the government. The top 400 in 1992 accounted then for 0.5% of all income earned. The average income of one of the top 400 in 2000 was \$174 million, four times more than the average in 1992 of \$46.8 million.

*\*Poor told to die off*: over 1 million Medicaid recipients being cut off by states. This was the figure as of March, and more are being cut all the time. A survey featured on the front page of today's *Wall Street Journal* puts the following in rank order by number of people bumped off Medicaid: 1) Tennessee, 200,000; California, 100,000; Michigan, 38,000; and so on.

### **Fed Drops Overnight Rate to 1%—Lowest in 45 Years**

The Federal Reserve Bank dropped its key interest rate June 25, by a quarter percentage point to 1%—the lowest rate since July 1958, some 45 years ago. This is the 13th rate reduction since early 2001, and the first one this year. The Fed issued a bankspeak statement referring to the danger of an "unwelcome substantial fall in inflation," at hand. San Francisco Fed President Robert T. Parry broke with his colleagues, and said the Federal funds rate should have been cut by a *half* percentage point, instead.

However, there was no Viagra effect this time on the stock market; the Dow Jones Industrial Average fell 98 points, or 1% as of close of trading, and other indices likewise.

## **Fed 'One Rate Cut Away' from Electronic Printing-Press Money**

Alan Greenspan's Federal Reserve Bank is only "one rate cut away" from electronic printing-press money, as Federal Reserve Governor Ben Bernanke called for last fall, says *New York Post* columnist John Crudele, June 26. Crudele goes back to the Bernanke statements of last November, that the Fed can (electronically) print as many dollars as it wants "at no cost," and compares this to Germany in the 1920s. Crudele then notes that, adding liquidity when interest rates can't be cut anymore, could cause foreign investors to take their money out of United States, and "if an exodus begins, there may be no way to stop it." There is only one rate cut left, Crudele says, before the government has to start doing the strange things that Bernanke was talking about.

## **FERC Orders California To Pay Billions to Energy Pirates**

The Federal Energy Regulatory Commission (FERC) ordered the state of California to pay multi-billion-dollar energy contracts, signed during the 2000-01 crisis, to energy privateers, despite finding massive market-rigging by the same privateers. FERC also banned Enron from selling any electricity or gas—a largely symbolic gesture, since the company is, today, barely a shell. These decisions came at a June 25 meeting of the FERC, in a straight party-line vote. California parties and others have 30 days to appeal.

About \$42 billion of power-purchase contracts were racked up during the crisis period, by California-associated energy-buying agencies, and to other entities, including those in Nevada. Since then, many of the contracts have been negotiated down. But three groupings have not, and FERC's decision today, orders the contracts to be paid at the high level: 1) California wanted to cancel and re-negotiate about \$12 billion worth of obligations to companies including Reliant, El Paso, Semptra, Dynegy, etc.; 2) Nevada-based Sierra Pacific Resources/Nevada Power Inc. and two municipal utilities wanted to cancel contracts; 3) PacifiCorp. (an arm of Scottish Power Plc) wanted to cancel \$67 million owing to various companies including Reliant, Dynegy, Morgan Stanley.

## **World Economic News**

### **International Speculators Wreak Havoc with Hungarian Currency**

Symptomatic of the fragility of Eastern European economies, and of the political fights erupting around the upcoming enlargement of the European Union, are the events that took place on financial markets in Hungary recently. In the expectation of Hungary's entry into the European Union, and later also into the euro-zone, international funds directed huge amounts of hot capital into the country, boosting the foreign-exchange value of the Hungarian currency, the forint. In order to keep up Hungarian exports, the new government then exerted pressure on the Central Bank to devalue the forint. Finally, in early June, the reluctant Central Bank followed these demands and reduced its target for the forint/euro rate by 2.3%. What followed was an immediate crash of the forint by 7%. The Central Bank on June 10, and again on June 19, reacted by a shock 3% increase in interest rates, from 6.5% to 9.5%.

Bankers and financial experts quoted by the German-language *Financial Times* June 25, noted that this may have been just the beginning of a much more severe currency crisis. So far, only some short-term oriented hedge funds have sold the currency. But once the large investment funds pull out, the situation would become critical for the Hungarian currency and economy.

Hungary's current account deficit reached 5% of gross domestic product (GDP) last year, while the government budget deficit is almost at 10% GDP. The *FT* quotes a Hungary-based analyst at JP Morgan warning that these events will already postpone Hungary's entry into the Euro-zone, currently planned for 2006 to 2008, by several years. The same could happen

any moment in Poland or other Eastern European countries. And growing expectations of a postponed euro-entry could again reinforce the decline of the Forint.

## **IMF Strikes Back at Turkey for Resisting Fund's Demands**

The International Monetary Fund's permanent senior representative in Ankara, Odd Per Brekk, indicated at a conference on June 21, that the IMF will most likely postpone the payment of the next tranche of its total \$28 billion rescue package, because the Turkish government has failed to implement demanded reforms. He warned that the "government needs to address a number of issues to ensure continuity in the reform effort." In particular, the demanded reforms in social security, bankruptcy law, and job cuts at large public corporations, have not been implemented yet.

As the *Financial Times* notes on June 25: "Sentiment was further affected when three members of the government spoke of their desire to dispense with the IMF's services after a three-year program expires in 2004." Turkish Economics Minister Ali Babacan downplayed the events, describing the next IMF tranche of \$500 million as being somewhat "symbolic."

Right on cue, over the weekend, JP Morgan downgraded Turkish eurobonds, signalling investors to sell, which, that Monday, June 23, Merrill Lynch began immediately to do.

## **German Life Insurance Sector Faces First Bankruptcy in Half-Century**

On June 25, representatives of all 110 members of the German Insurance Association (GDV) met in Frankfurt to negotiate the bail-out of Mannheimer Versicherung, which is about to go under. The medium-sized insurer, ranking No. 33 in Germany, lost massively on the stock markets in the recent three years, and can only survive by a minimum 330-million-euro cash injection. The German insurance companies wanted the bailout at any cost in order to prevent a devastating confidence crisis at the very time, they are campaigning for a larger share of private pension schemes in Germany. However, the foreign members of the GDV, in particular those Swiss insurers like Zurich Financial Services and Swiss Life, that are in big financial troubles themselves, voted against the joint GDV bailout, which would have required a 90% approval rate. As an immediate consequence, the stock price of Mannheimer crashed by 42% in early trading June 26.

The 124-year-old firm will now be put under the control of BaFin, the Federal supervision agency for financial services, which will try to restructure the company. As this procedure will most likely fail, Mannheimer would then be liquidated, and all its policies will be taken over by Protector, the rescue entity of the German insurance sector.

German life-insurance companies have lost more than 100 billion euro on the stock market since 2000, and Mannheimer is by far not the only insurance company in trouble. The German-language *Financial Times* covers the Mannheimer story front-page on June 26 with a cartoon showing falling dominoes, the first of which has the icon of Mannheimer on it.

## **IMF Boss Tells Argentina: Be Like Lula—Pay the Debt!**

On the eve of his June 22 trip to Buenos Aires, the IMF Managing Director Hoerst Koehler told Argentine reporters that Brazilian President Lula da Silva, with his policies of "responsible" fiscal discipline, is showing that "it's possible to pay the debt" and "grow with social equality." Perhaps, "this might be a formula for Argentina," to follow, he said. Travelling with IMF Western Hemisphere Division chief Anoop Singh in tow, Koehler said he hoped that Argentina's new President Nestor Kirchner would "look at me, know me, and see that the Fund has a human face, and that we are committed to listening and helping."

The problem with Koehler's using Brazil as a model is that "the only thing that stands out in Brazil is the 'orthodox' side of

the plan," columnist Alcadio Ona in Argentina's *Clarín* pointed out on June 21. Brazil achieved a primary budget surplus (which excludes debt service) of 6% in the first quarter, and has astronomical interest rates, while the much-touted "Zero Hunger" program hasn't gotten off the ground. He asked: Is this what Argentina is supposed to emulate?

President Kirchner did not appear too impressed by Koehler's "human face," chastising him during a private dinner on June 23. "You paraded [former President Carlos] Menem around the world, and said he was the model to follow, while in Argentina, economic concentration grew and social exclusion threatened to bring about an institutional breakdown, such that, you didn't expect to be seated next to this President." Koehler responded by admitting that the IMF had some responsibility for what happened to the country in the 1990s, but he insisted during his trip, that "the core of Argentina's problems lies in the country itself."

At the conclusion of the visit, it was announced that an IMF technical mission would begin negotiations in July on a "medium-term," three-year agreement, which would postpone until September 2006, some \$13.5 billion in debt owed to the Fund, the first payment on which was to have been paid in September. But the Managing Director made clear he expected progress on "structural reforms" and a "clear strategy of confidence-building, based on transparency, consistency, and predictability, not the least in legal predictability" respecting "private contracts." He also reiterated his demand that the primary budget surplus be increased, "just as Lula did in Brazil."

## **Malaysia To Place Pensions Funds in Infrastructure Development**

The Malaysian government is formulating plans for the Employees Provident Fund (EPF)—the national pension organization—to invest its funds in infrastructural development in the country, and allow it to obtain better returns on its investment, Prime Minister Mahathir Mohamad said June 24. He said the government has several schemes in mind to enable EPF to earn higher returns than it would by keeping its funds with Bank Negara Malaysia. EPF is the biggest pension fund in the country, with liquid assets of \$U.S.52.6 billion (RM200 billion), comprising almost half of the market capitalization of the Kuala Lumpur Stock Exchange.

## **Malaysia's Islamic Bond and Equity Mart Can Set Example**

The progressive Islamic bond and equity market in Malaysia can be an example for other Islamic countries, said the director of the Islamic Index Group at Dow Jones Index, according to the *New Straits Times* June 25. "I think the innovations that are taking place here are wonderful, and they are a good example for what could happen in the Gulf," Rushdi Siddiqui told the *Business Times* June 24.

Siddiqui is one of the speakers at the conference on Future Trends in Islamic Equity and Bond Market in Kuala Lumpur. The two-day conference June 25-26 was organized by the Centre for Research and Training (CERT).

New York-based Siddiqui said Malaysia could attract substantial capital from West Asia through the harmonization of the screening process and interpretation of Syariah principles. Often, there is a contradictory stand by Islamic jurists and scholars worldwide with regard to derivative instruments. In Malaysia, for example, the Syariah Advisory Council of the Securities Commission approved futures trading of crude palm oil but not of Stock Index Futures.

However, according to Mufti Taqi Usmani of Fiqh Academy in Jeddah, futures transactions are not permissible.

"If we can have some sort of harmonization on the equity screens, the benefit is (that) it opens up the door to other areas of harmonization," he said.



"We put Dr. Mohd Daud Bakar on our Syariah board in January. We are hoping it will allow him to explain the Malaysian position to the Gulf scholars," he said.

To date, Islamic equity funds make up 60% of the Syariah-based unit trust funds in the country while bond funds and mixed asset funds account for 14% and 22%, respectively.

Worldwide, there are about 100 Syariah-based mutual funds. Of these, West Asia makes up 50% while the remaining comes from Southeast Asia.

## United States News Digest

### Do Democrats Have the Guts To Go After Cheney?

The Democrats on the Senate Armed Services Committee will begin their own inquiry on the questions about intelligence used to promote war against Iraq, announced Sen. Carl Levin (D-Mich.) on June 27. Levin's action is viewed as unusual, on a committee that normally stresses bipartisan cooperation. However, Levin said that he had urged the committee chairman, Sen. John Warner (R-Va.), to move ahead with reviewing documents and conducting interviews of defense, military, and intelligence personnel, and urged that there be hearings—both open and closed. But, he said, Warner has decided to wait until the Senate Intelligence Committee completes its review of documents received by the CIA. Therefore Levin has decided not to wait, but has directed his staff to proceed with interviews and obtaining of documents. In a letter to Levin, Warner said, "This is clearly your prerogative" to proceed in this manner.

But, as Lyndon LaRouche, the 2004 Democratic Party Presidential pre-candidate is warning, the Democratic Leadership Council, a key force in the Democratic Party, is acting as the "protection racket" for Vice President Dick Cheney (see EDITORIAL, this issue).

If the Democrats have the moral courage to go for the truth, and work with LaRouche, then any number of the current actions and investigations could clean out the "perpetual war" nest from government.

\*The Democrats' Senate Armed Services Committee hearings called by Levin would focus on the Defense Department, over which the committee has oversight jurisdiction, and which is the largest producer of intelligence, and also a major user of intelligence. Levin said that the committee has a "heavy responsibility" to review the intelligence used by the Pentagon prior to and during the war, and the effect that intelligence had on Pentagon planning and operations.

\*On June 26, Rep. Dennis Kucinich (D-Ohio) submitted an amendment during floor debate in the House, to the 2004 Intelligence Authorization bill. The amendment was to require the CIA Inspector General to audit all telephone and electronic communications between Vice President Dick Cheney and the CIA regarding Iraqi weapons. Kucinich cited the *Washington Post* story about Cheney travelling often to the CIA to review Iraq intelligence and putting pressure on CIA analysts to make their assessments meet Administration policy objectives. The amendment was defeated 347-76. Representative Sheila Jackson-Lee (D-Texas) offered an amendment for U.S. Comptroller General to study U.S. intelligence sharing with UN inspectors (or the lack thereof); this was defeated 239-185. And Rep. Ellen Tauscher (D-Calif.) sought the creation of a special committee to investigate the Iraq intelligence failures; this was ruled out of order on procedural grounds.

Of special note is that Rep. Jane Harman (D-Calif.), the ranking Democrat on the House Intelligence Committee, opposed the Kucinich amendment, and other moves of this type. Harman is a leading member of the Democratic Leadership Council, and says that Intelligence Committee chairman Porter Goss (R-Fla.) had promised her open hearings, which she



hopes will be in July.

## **Sen. Byrd Wants 'Full Congressional Hearings' on Iraq War Lies**

The fight that Lyndon LaRouche has defined against the treasonous Democratic Leadership Council (DLC) and its coverup for the Straussian liars responsible for the Iraq war, is the path to making Sen. Robert Byrd's courageous and precise call for investigations, a reality.

In a Senate floor speech June 24, Byrd (D-W.Va.) said, *"Congress has the obligation to investigate the use of intelligence information by the administration in the open. We must not go down the road of coverup. That is the road to ruin."*

"For the first time, the United States has gone to war because of intelligence reports claiming that a country posed a threat to our nation," Byrd said.

"Congress should not be content to use standard operating procedures to look into this extraordinary matter," he said.

"We should accept no substitute for a full, bipartisan investigation by Congress into the issues of our pre-war intelligence on the threat from Iraq and its use."

He called the current hearings "timorous," and the proposed closed-door hearings, "measures that fall short of what the situation requires."

"Congress should begin an immediate investigation into the intelligence that was presented to the American people about the pre-war estimates of Saddam's weapons of mass destruction and the way in which that intelligence might have been misused."

Byrd said that "it is the President who appears to me to be intent on revising history," not the anti-war critics, whom Bush accused of "revisionist history." Byrd added, "Seven weeks after declaring victory in the war against Iraq, we have seen nary a shred of evidence to support his claims of grave dangers, chemical weapons, links to al-Qaeda or nuclear weapons."

## **Treasury Official Wants Government Debt Ceiling Eliminated**

Embarrassed by the exploding U.S. budget deficit, and consequently by the exploding U.S. government debt outstanding, Brian Roseboro, Treasury Assistant Secretary for Financial Markets, told the *Washington Post* on June 27 that he favors eliminating the U.S. debt ceiling. He stated that there are several alternatives to the debt ceiling, and that his "personal preference" would be to "do away with a notional debt limit and grant the Treasury 'ever-green' borrowing authority, that is, the authority to borrow as needed to fund Congressionally approved expenditures."

Roseboro claimed that he is making this proposal because each time the debt ceiling has to be raised by Congress, there is a Congressional debate on it, which causes "the markets" to become nervous. He then laid out an alleged "chain of events," that this could cost the U.S. government slightly higher interest rates, and thus financing costs, which would add to the U.S. debt outstanding. But while this argument is remotely plausible, this is not the real reason Roseboro is making his proposal. On May 23, the U.S. Congress voted to raise the U.S. government debt ceiling from \$6.4 trillion, to \$7.38 trillion. Each time the U.S. Congress votes to raise the debt ceiling, it makes public that the U.S. debt is out of control. It would appear that the Bush-Cheney Administration would prefer to have no Congressional limit on how high the Administration can drive the debt, and simultaneously, have no Congressional debate on the debt, keeping the crisis out of the public realm!

## **Arthur Schlesinger Assails Imperial Iraq War Manipulations**

Former John F. Kennedy adviser and Presidential historian Arthur Schlesinger, Jr. penned a powerful op-ed assailing the Bush Administration's doctrine of preventive war, and warning that the issue of Iraq's still-missing WMD will continue to haunt the Bush Presidency, undermine the President's credibility, and, ultimately, cause the entire new "Bush Doctrine" to be trashed.

"The weapons of mass destruction issue—where are they?—will not subside and disappear, as the administration supposes (and hopes)," he wrote. "The issue will build because many Americans do not like to be manipulated and deceived. It will build because elements in Congress and in the media will wish to regain their honor and demonstrate their liberation from Bush/Cheney/Rumsfeld." He also cited the growing scandal in Britain over the same issue of falsification of intelligence, citing Robin Cook's recent appearance before the Commons. "Hyped intelligence produces a credibility gap," he warned.

## **Distortions Made in Intelligence on Cuba, Too**

An unnamed senior intelligence expert testified in closed-door Congressional hearings that he had been pressed by Undersecretary of State John Bolton to distort intelligence on Cuba, reported the *New York Times* June 27. In closed hearings that began last week before the House Intelligence Committee, a senior intelligence expert on chemical and biological weapons, identified by some as Christian Westermann, gave testimony that he had felt pressed by the White House to tailor his professional analysis on Cuba, and other matters, to conform to the Administration's views. Members of Congress described the testimony as a dramatic moment; this is the first member of the intelligence community in active service, to make such a charge to Congress.

The official testified that he had felt pressure from John Bolton, Undersecretary of State for Arms Control And International Security, dating back to a confrontation the two men had over Bolton's public assertions last year that Cuba had a biological weapons program. The expert stated those assertions were not supported by intelligence. He also said he never changed the wordings of his reports in response to Bolton's pressure.

Westermann is an analyst in the State Department Bureau of Intelligence and Research. His testimony has caused a stir in House and Senate intelligence committees and he said he was willing to testify further. A State Department official close to Bolton scoffed that the official doesn't have anything concrete that he can point to. "We're in a period where people are looking for particular evidence of intelligence being altered, and he's talking about mood swings."

## **Brownback Attacks French for Terror Crackdown!**

Senator Sam Brownback (R-Kansas) wrote a stinging protest letter to the French government, following the raids on the Paris headquarters of the Mujahideen e-Khalq, a group on the U.S. State Department's list of Foreign Terrorist Organizations. The letter was delivered to the French Ambassador in Washington, Jean-David Levitte, and excerpts were published this week by *AFP*. While the State Department praised the French authorities for cracking down on the group, Brownback, the American Enterprise Institute, other neo-con bastions, and other members of Congress (including some duped Democrats) told the French to let the MEK members go. Brownback, who spoke on May 6 at an AEI event, along with "universal fascist" Michael Ledeen, and Clash of Civilizations creator Bernard Lewis, is preparing a law for regime change in Iran, like the Iraqi Liberation Act of 1998.

## **Lugar Blasts Post-War Iraq Stabilization Effort**

Senate Foreign Relations Committee chairman Richard Lugar (R-Ind.), reporting back from his weekend trip to Baghdad,

blasted the lack of postwar preparation by the Bush Administration, and the Pentagon in particular, during a press conference June 24. He particularly went after the notion that we'll be in Iraq "only as long as we have to, and not a day longer," an assertion that has often been made in the Pentagon briefing room. "Again and again, I've said at least five years for a plan. This idea that we will be in just as long as we need to and not a day more—we've got to get over that rhetoric! It is rubbish! We're going to be there a long time. We must reorganize our military to be there a long time," which means that the U.S. should reorganize its military for less dependence on reservists. "Our finances, that is the U.S. budget, has got to contemplate something more than the blithe thought that we put \$2.4 billion in a supplemental, but we don't have the slightest idea beyond that."

He had earlier complained that in spite of his "tenacious probing, I do not have in my mind's eye a budget for Iraq for one year, three years, five years. I think we're going to have to have that." He might have added that there is absolutely no provision in the fiscal year 2004 budget for the occupation of Iraq.

Lugar did not want to get into a discussion about either the preventive war doctrine or the growing scandal about distorted pre-war intelligence. What he did say that people should question was, "Well, because you rushed into it so fast, your preparation for after the war was inept," and so on. He did note the presence of two intelligence groups, "two parallel intelligence groups, although they had different functions, one operating broadly under George Tenet and the CIA and that umbrella, and a separate organization at the Department of Defense offering intelligence information.... I would just simply say there were people who had very strong ideological views on how this ought to happen" and so, one of the arguments is "were people exaggerating?" He said, "There should be no fooling around or adulteration of intelligence, and I would guess the Administration ought to get that sorted out."

## **U.S. Reconstruction Effort in Iraq Going Nowhere**

Former U.S. Ambassador Timothy Carney, now a part of the Pentagon's Office of Reconstruction and Humanitarian Assistance (ORHA) operation in Iraq, just back from a 90-day mission in Iraq, reports that the low priority and scarce resources given to Iraqi reconstruction were glaringly obvious during his time there. The ORHA team was reduced to—literally—throwing cash at state workers to try to push some liquidity into the economy.

Carney's statements amount to an indictment of the "contracting out" process, which he says covers virtually all services. That brings to the fore, in the view of Lyndon LaRouche, the role of Dick Cheney's Halliburton, which is the greedy kingpin in this process.

Carney says that the May 12 arrival of Presidential envoy Paul Bremer was welcomed by ORHA, which saw Bremer as giving the reconstruction effort more civilian authority, but Bremer's obsession with security left ORHA's efforts in the dust. Carney sums up the problems as lack of transparency, failure to bring Iraqis into the reconstruction effort, excessive response to provocations, failure to "marry the civilian and military staffs" (he says of the latter that their "lack of vision was exceeded only by the lack of competence"), and service so poor by contractors like Raytheon and MCI that they merit investigation.

## **Rumsfeld Must Be Desperate**

The London *Guardian* June 28 wrote that Secretary of Defense Donald Rumsfeld is discussing the idea of an international peacekeeping force that could be deployed to maintain order in the world's trouble spots. Rumsfeld reportedly told industry leaders at a dinner in Washington last week, "I am interested in the idea of our leading, or contributing in some way, a cadre of people in the world who would like to participate in peacekeeping or peacemaking." He added that he thought it would be a good idea for the U.S. to provide some leadership and training to "other countries' citizens who would like to participate in peacekeeping," so there would be a ready cadre of people prepared for such operations.

The motivation for this idea seems to be the fact that more than half of the U.S. Army's operational strength is deployed in peacekeeping operations in the Balkans, Afghanistan, and Iraq, and is, therefore spread very thin. Not to mention the high—and growing—cost of the imperial occupation of Iraq, and signs that the war may be just beginning.

## Ibero-American News Digest

### A South American-Arab Summit in the Works?

The Brazilian government has proposed that South America and the Arab nations hold a summit in 2004, to bring the two regions closer together politically, and expand trade relations, Foreign Minister Celso Amorim announced on June 22, from Sharm El-Sheik, in Egypt, where he was attending a World Trade Organization meeting. Amorim said he was delivering letters from President Lula da Silva proposing the meeting, to the heads of state of Jordan, Lebanon, and Egypt, with whom Amorim would be meeting as he visited each of those countries June 24-26.

Amorim said Brazil wanted to begin the debate on the proposal, to see if there were interest on the side of the Arab nations. "Our objective is to get closer to the rest of the countries of the South, and the Middle Eastern region cannot be excluded, he said. Which Arab countries would be invited to participate is not decided yet, but Saudi Arabia and Kuwait are definitely on the list, in addition to the three countries he is visiting.

Brazil's Minister of Development, Industry, and Foreign Trade, Luiz Fernando Furlan, visited Kuwait and Saudi Arabia on June 23 and 24.

### LaRouche-Associated Candidate's Attack on Cheney Prompts Counterattack

The national edition of Mexico's *Milenio* newspaper ran a brief column in its June 22 issue, devoted to attacking longtime LaRouche associate Benjamin Castro, who is running for Governor of the state of Nuevo Leon on the PAS slate; in addition to Castro himself, the paper attacked his ties to U.S. Democratic Presidential pre-candidate Lyndon LaRouche; and both men for their campaign against Dick Cheney's Chickenhawks.

Establishment columnist Jorge Villegas made the mistake—when slandering Castro as a member of a "cult of LaRouche sickos who run *EIR* magazine, "which sees conspiracy behind every government—of actually reporting enough of Castro's opening charge in the June 16 gubernatorial candidates' debate, to get the attention of most thinking Mexicans. Castro had charged that "the principal problem for Nuevo Leon and Mexico, is the war-mongering current within the U.S. government, headed by Dick Cheney. Villegas was so upset that this was said publicly, that he quoted a Castro press release which emphasized that, "PAS candidate Benjamin Castro identified the battle between U.S. Presidential candidate LaRouche and Cheney, as one of the central questions affecting the security of Nuevo Leon and all of Mexico.

### Blair's Third Way, or FDR's Way?

British Prime Minister Tony Blair wants to rope Brazil's Lula da Silva and Argentina's Nestor Kirchner into his "third way farce of neo-liberalism, and hopes he can count on Chilean President Ricardo Lagos to help. The three South American Presidents have been invited to attend a July 14 "Progressive Governance summit in London, hosted by Blair. The *Financial Times* on June 18 gushed that together, Lula da Silva, Ricardo Lagos, and Nestor Kirchner were now the "triumvirate of South America's new left. The *Times* particularly singled out Socialist Lagos's role, as key because of his "special political relationship with Kirchner and Lula.

Not said, is that alarm bells have been struck on Wall Street and in London, over the discussion in Brazil and Argentina, of Franklin Delano Roosevelt's Presidency, as a reference for how to face today's depression.

London School of Economics director Anthony Giddens, in an interview with Argentina's June 23 *Clarín*, took full credit for having urged Blair to invite Kirchner to the July 14 conference. Echoing IMF Managing Director Horst Koehler, he praised Kirchner for showing himself to be part of "what I call the responsible left, as Lula in Brazil is doing, after replacing his earlier rhetoric with a social-democratic speech. As part of this new policy, Giddens said Kirchner should not reject globalization, but work for "balance. Echoing IMF demands, he insisted the labor market should be restructured and structural reforms implemented to strengthen the "democratic transition.

## **State Department Pushes Supra-National Military Force Along with Free Trade**

Central American nations must restructure and shrink their national military and security structures, as part of the Central American Free Trade Accord (CAFTA) with the United States, Deputy Assistant Secretary of State for Western Hemisphere Affairs Daniel Fisk announced to a Center for Strategic and International Studies (CSIS) conference on June 18. CAFTA is being negotiated now, with the goal of finalizing the agreement by the end of this year.

Fisk's speech was as notable for its imperial tone, as for its content. "It is imperative that the Central American democracies accept that "non-state actors are the main threat today, and therefore they must "formalize a regional security relationship that reinforces the economic framework of CAFTA, Fisk pronounced. He didn't call for the creation of a regional military force to replace national military forces, but one could conclude this is on the agenda. "An agreement to restructure the region's security institutions and coordinate their efforts, would be "a natural complement to any such regional security relationship, he said. This would entail "redefining the roles and missions of Central America's militaries; countries must stop "wasting resources on obsolete conventional formations; military spending must be lowered. Central American leaders must recognize that transnational threats "require that their security forces work together, sharing the responsibilities of protecting the region.

He also threatened that excessive stockpiles of small arms, light weapons, and outmoded weapons systems "of little, if any, use against current threats ... represent a threat to the peoples of Central America, as well as to the Western Hemisphere as a whole.

## **Cardinal Calls on Nation's Leaders To Act for the 'Good of Mexico'**

In a homily during a mass for politicians, given in honor of their patron saint Thomas More, on June 18, Cardinal Norberto Rivera of Mexico City called upon Mexican political to put aside party and personal interests, on behalf of "the good of Mexico. National reconciliation must be sought among the three great currents which make up Mexico: the indigenous, the liberal, and the Catholic, he said, asking the intercession of St. Thomas More for this task.

The Cardinal's call comes in the midst of a campaign by the Project Democracy apparatus, to trigger religious war in Mexico, yet again. The Mexico Posible party—led by National Endowment for Democracy's favorite, the pro-drug Sergio Arguayo, who is committed to the break-up of the Mexican nation—filed suit against three Catholic Bishops, charging that they violated Mexico's Constitutional ban on political activity by clerics. The clerics used their homilies to call upon parishioners to abstain from voting in the July 2 elections, for any party which supports homosexual marriages, abortion, and other typical "single issue programs.

The environment of religious conflict is being fed by a press campaign on the alleged unresolvable differences between the secular "modernizers and the Catholic clergy. Typical was an article by Lorenzo Meyer, run in *Reforma* on June 12, which asserts that the conflict between church and state, which led to "open and brutal civil war in Mexico several times in the

past, is back on the agenda. The problem, Meyer asserts, is the renewed "political activism of the Catholic Church, the leading example of which, he says, is the insistence by the Cardinal Juan Sandoval Iniguez of Guadalajara, that the state had murdered his predecessor, Cardinal Jesus Posadas Ocampo, 10 years ago. In fact, Cardinal Sandoval has never charged that the state murdered Posadas, but he rejects as absurd the official coverup that the Cardinal was killed by accident in crossfire of a shoot-out between two drug gangs.

## **Toledo Government Faces Collapse—Again**

The Peruvian Cabinet resigned *en masse* on June 23, to allow President Alejandro Toledo to reshuffle his governing coalition, in yet another attempt to save his government from collapsing altogether. With his popularity rating down to 11%, the lowest of any of the Ibero-American Presidents, political and business circles are beginning to openly discuss the advantages or disadvantages of an "Argentine" solution, in which the President resigns, and Congress names his successor.

The Cabinet quit, after the Economic Commission of Congress—in which Toledo's own Peru Posible party holds the majority—refused to consider a new fiscal package submitted by his Finance Minister, Javier Silva Ruete, to raise cash, through tax hikes and salary and pension cuts, to pay for wage increases just promised to public-school teachers, a key factor in cooling out the broader national strike which threatened to paralyze the country.

International financier interests are demanding he appoint "a tough, independent premier, capable of running the show." Toledo admitted, after the Cabinet resigned, that his government had reached "a breaking point," and it would have to "look into the mirror on its actions over the last 23 months." Toledo cancelled his participation in the June 27 summit of the Andean Community of Nations, as he had yet to announce the makeup of his new Cabinet.

## **Fujimori Denounces Toledo Government for Revival of Sendero Luminoso**

In an audio statement released to *RadioProgramas of Peru* on June 16 from his exile in Japan, former Peruvian President Alberto Fujimori charged that the Toledo government is directly responsible for the resurgence of Sendero Luminoso during its 23 months in office. Two major Sendero actions—a car bombing in the center of Lima in 2002, and the most recent seizure, on June 9, of 71 hostages at a Camisea gas-related project—were allowed to take place, while 150 terrorist actions occurred in the course of the past year. The situation is more dangerous, Fujimori pointed out, given the strategy of the Colombia's FARC, of extending its narcoterrorist activities into neighboring countries.

In this context, Fujimori questioned the decision of the Truth Commission to give television air time to "repentant terrorists, and the Commission's effort to reinvent Sendero and the fellow terrorist MRTA as political parties" (See [INDEPTH EIW #25.](#))

Fujimori accused the Toledo government of: Freeing 400 terrorists in one year; declaring life sentences unconstitutional; annulling the trials of the terrorist leaders, to open new trials against them; abandoning military bases in areas where there is a Sendero presence, and cutting back the military budget, and firing seasoned military professionals.

Fujimori directly accused President Toledo of ignoring reports on Sendero activities provided by his own intelligence agencies, and implied that the resurgence of Sendero was the result sought.

## **FARC Renews Bid for International Recognition**

The FARC, South America's leading narcoterrorist force, issued an open letter to the Presidents of Ibero-America's 19-member Rio Group on June 15, calling on them to renounce their May 23 appeal to the United Nations to mediate peace

talks between the FARC and Uribe government in Colombia, and demanding a summit meeting between the Presidents and FARC spokesman Raul Reyes. Reyes, who participated in over three years of failed peace talks with the previous Andres Pastrana government, who became notorious for the deal he struck with New York Stock Exchange head Richard Grasso, is now a wanted fugitive by both Colombia and the United States.

The FARC brazenly demands that the Rio Presidents agree to hold a forum, similar to the Rio Group's summit in Cuzco, Peru last May, so that Reyes can explain the FARC's aspirations, and desire for a political victory. The FARC urges the Presidents to retract their support for President Alvaro Uribe, whose won the Rio Group's backing on May 23 for his effort to crush the FARC.

## **Military Tensions Could Rise in Argentina**

Argentine President Nestor Kirchner has provoked concern among the Armed Forces, with a policy that is leaning toward allowing military officers accused of human rights violations *inside Argentina*, even including those previously tried, to be tried again abroad. The policy, if adopted, would also allow officers to be tried, who had previously been protected by the "End Point" and "Due Obedience" laws passed in the 1980s, so the country could put behind it the wounds from the 1970s war against terrorism. Both the Foreign Ministry and the Justice Ministry, the latter run by Transparency International sympathizer and Opus Dei member Gustavo Beliz, are most active in the anti-military line-up, and the ranks are nervous about recent arrests of active-duty officers, and the likely implication of former Army chief, Gen. Ricardo Brinzoni, in the 1976 massacre of a group of young guerrillas in the province of Chaco, which is being reopened. The fact that Kirchner has met with the pro-terrorist Mothers of Plaza de Mayo didn't improve the situation.

Kirchner claims he is proceeding cautiously, but there is already some government motion suggesting an attempt to annul Decree 1581/01, which prohibits extradition of citizens to third countries, to be tried for crimes committed inside Argentina. Foreign Minister Rafael Bielsa said in a recent interview that an article from the 1853 Constitution, which is still valid, allows for trying citizens in third countries, for crimes committed internally. "If citizens want advances in universal justice, *extraterritoriality* should overthrow the decree [No. 1581/01], so judges may rule freely....," he said, adding that the government had lobbied heavily for Transparency International agent, Luis Moreno Ocampo, to be appointed to the International Criminal Court as a judge.

The role of Transparency International, run by top Anglo-American and World Bank operatives, with the active support of the House of Windsor's Prince Philip, in fomenting this potential new crisis, is notable.

## **Western European News Digest**

### **European Press Feature Battle Against Straussians**

Germany's *Die Zeit* issued one of the strongest warnings yet in its June 26 edition against the ongoing conservative revolution in the United States, based on the ideas of Nazi jurist Carl Schmitt and Leo Strauss. *Die Zeit* warned: "If power talks law: A conservative revolution threatens the world historic heritage of America. Now, Europe has to come out in defense of Western values."

The author, Heinrich August Winkler, one of the most renowned historians of Germany, writes in the introductory passages of his essay:

"Is America presently living through the same thing that existed in Germany, more than seven decades ago: a *conservative revolution*? This is how people called and still call, that movement of the right-wing intellectuals who in the years after

1930, called for a storm against the liberal *zeitgeist*. One of its most influential representatives was the expert in state law, Carl Schmitt. In 1927, he presented one of his most famous essays, 'The Notion of the Political.' The specific political distinction, the one between friend and foe, was his core thesis, which soon was passionately discussed. The one reader who dealt with Schmitt in the profoundest way, was the German philosopher Leo Strauss. He had nothing against the friend-foe dogma. But he criticized Schmitt's critique of liberalism as not being radical enough, as it was still operating within the *horizon of liberalism*. That critique could be perfected only, if it succeeded in gaining a *horizon beyond liberalism*, he said.

"From 1937 to his death in the year 1973, Strauss was lecturing in the USA, spending his longest period at the University of Chicago. He became the center of a school that calls itself the *neo-conservatives* and which found, under Bush the Younger, what Carl Schmitt had looked for in vain: access to the one that had power. The most well-known Straussians of today include Assistant Defense Secretary Paul D. Wolfowitz; the founder of the neo-conservative central mouthpiece *Weekly Standard*, William Kristol; and Gary Schmitt, who is in the top echelon of the Project for the New American Century—one of the neo-conservative thinktanks. They pursue the way shown to them by Strauss: the perfecting of Carl Schmitt's critique of liberalism.

"Naturally, American neo-conservatism is not just a copy of the German Conservative Revolution," Winkler writes, the difference being nominally, that the Germans at that time despised Western values, whereas today's neo-cons pay tribute to them. But they despise everyone who does not share their own distortion of the values of 1776. "In their own friend-foe thinking, they are dignified followers of Carl Schmitt."

Winkler adds that the neo-cons are the core group, but they would not have come to power without the Christian fundies, the radical puritans who have helped them in their rise. Dick Cheney and Donald Rumsfeld are power politicians who don't think much of ideology, but with their geo-strategic agenda, all those currents collaborate with each other.

The Bush Doctrine of preemptive strikes, which has resulted from that, is a "revolutionary break with international law"; it is a real conservative revolution that has to be taken seriously, by the rest of the world. Winkler calls on the Europeans to no longer define themselves as simply "non-American," but to work out their own alternate policy design that honors the very values that have been sacrificed by the neo-cons in the States. That alternative design must be more than today's European Union, however.

## **Dutch Weekly on Strauss Fracas Skirts LaRouche Role**

Holland's *De Groene Amsterdammer* joined the growing body of reports on the Leo Strauss connection to the neo-conservatives in the Bush Administration in its June 14 issue, but punted on the role of Democratic pre-Presidential candidate Lyndon LaRouche's role in exposing this scandal.

The most important aspect of the article, is its headline, "An Open Conspiracy," which is meant as an oblique hint that the neo-cons might have been behind 9/11.

The article softpedals the neo-cons, but cannot cover up entirely. For example, the paper says the neo-cons did not "take over" the White House, as is often alleged ... and it is not really a "conspiracy" because it's all out in the open: Rumsfeld, Cheney, and Wolfowitz, the Big Three, make no secret of their foreign policy.

Admittedly, the stories about the neo-cons do have some basis since they have an unmistakable influence—a network of mentors, protégés, friends, spiritual kin, and former colleagues who support one another and visit one another on their birthdays, and at their summer houses. They populate a density of advisory groups and thinktanks: Allan Bloom, Francis Fukuyama, William Kristol, Wolfowitz. Followers and sympathizers such as Clarence Thomas, John Ashcroft, and Cheney's chief of staff, Lewis Libby.



But the poor fellows are maligned. Strauss was half a mystic, who can be read in different ways. Is he really all that influential?

Admittedly, many neo-cons are Jewish and are often accused of serving Israeli interests. These accusations are fed by the fact that there are indeed close ties between the Christian right, the neo-cons, and the Likud. Regarding 9/11, the author points out that after the attacks, Cheney is supposed to have said, "This is the big turnaround," when he saw smoldering Manhattan. "After Sept. 11, the hawks were strengthened,... but that could not have been avoided probably in any country in the world. At most you can see for yourself that the neo-cons were the best prepared ideologically for the new phase."

## **Philosophy of Leo Strauss Determines Foreign Policy**

Belgium's *Financial Economic Times* picked up on the growing scandal around followers of Leo Strauss in the Bush administration in its May 30 issue. A multi-part article by Birger van Wesenbeeck reported that politics in Washington has come under the spell of Leo Strauss, described as an obscure German-American political philosopher from the 1950s and '60s. Strauss's authoritarian and elitist political theories, according to those in the know, are the bible for the hawks in Washington, DC.

A number of key figures in and behind the Bush government confessed they were of the same thought as the political thinker Leo Strauss. This was Paul Wolfowitz, and a number of key figures of the Project for a New American Century (PNAC), a neo-conservative group that represents so-called hawks in the Pentagon.

Interest in Strauss and his disciples was further fanned by an article of Seymour Hersh, the legendary investigative journalist of *The New Yorker*, disclosing that Abram Shulsky, head of the information service of the Pentagon, is a Straussian. His job is completely coherent with the philosophy of Strauss, deliberate disinformation to the public at large, for the purpose of reaching a goal of higher moral good.

This is also the reason why the "outing" of the neoconservatives has caused such a shakeup in Washington. Author Shadia Drury puts the political philosophy in a nutshell: "The continuous misleading of the citizens by those in power is central to Strauss' vision. Citizens must be led and they need strong leaders who know what is good for them. Just like Plato, Strauss finds that 'some people are made to lead and others to be led.' But contrary to the Greek philosopher, for Strauss there is no question of a universal morality of the leaders."

## **U.S., European Relations Still in a Stew**

William Pfaff, a regular columnist for the *International Herald Tribune* based in Paris, warned in his June 26 column that the trans-Atlantic tiff still simmers. Pfaff wrote that the dispute started by the Bush Administration runs even deeper than people think. He first points to a meeting of European and U.S. policymakers who recently took place in Como, Italy, where the U.S. representative stated the Administration's position: "We are the most powerful. We are also the most virtuous. And even if we were not, might makes right. Everyone else is either with us or against us."

Pfaff then points to a recent appeal to Europe released by the Center for Strategic and International Studies, which was signed by Madeleine Albright and Zbigniew Brzezinski, among others, cautioning Europe on being too independent and calling for U.S. officials to have a role in the European Council meetings. Pfaff writes that the fact that it calls for European unification only in the context of a transatlantic structure, seeking to turn the EU into a political NATO, means that forces, both Democratic and Republican, in the U.S. establishment share the same hegemonic policies as the Bush Administration.

He concludes that Europe will no longer accept such a policy, pointing to Germany as an example: "What happened as a result of the Iraq affair has proven to be a crucial change. There has been a quiet, unaggressive German assertion of independent European identity.... The trans-Atlantic political conflict has only begun. It will dominate the decade to come."

### **Danish Official in Iraq Critical of U.S. Administration**

Ole Woehlers Olsen, who was chosen to take over from British forces in running the coalition administration in the city of Basra, Iraq in April 2003, has criticized the U.S.-led administration in Iraq, and announced he will not renew his six-month contract, as reported in *DR online*, June 23. Olsen was chosen for the Basra assignment because of his special qualifications. Olsen, a senior Danish diplomat, was Copenhagen's ambassador to Syria, and is a Muslim convert, who is fluent in Arabic.

Olsen said the work in Basra is more complex than previously thought, and that he is getting too little help from headquarters in Baghdad. He also complained that the people who work in the administration office, get no security when they travel. Denmark was the only European nation, besides Great Britain, to send military forces to Iraq during the war.

### **Europe Raises Objections at Iraq Reconstruction Conference**

Germany, France, and other Europeans raised objections at the Iraq reconstruction donors' conference. The June 26 U.S.-UN-sponsored donors conference for Iraq did not go smoothly, the *Washington Post* reported. European donors, in particular Germany and France, as well as other Security Council members, indicated there are a few obstacles to their willingness to agree to pony up funds for Iraqi reconstruction—something they agree with in principle, but cannot agree to in the way it is being dictated by the United States.

The U.S. failure to set up an Iraqi-controlled government, leads the list of complaints, as many won't pledge aid until one is set up. The refusal by the U.S. to assign sufficient authority to the International Advisory and Monitoring Board, which was set up as a result of the UN resolution which ended the oil-for-food program, is another key objection. Some countries are demanding that the U.S. provide better accountability and give assurances that billions of dollars of contracts, financed with Iraqi oil revenues, be put out for competitive bidding, i.e., not just to U.S. companies such as Bechtel and Halliburton. These obstacles have caused hesitation to donate.

An French source said, "they [the U.S.] Give the impression that everything is precooked in a system in which ..." the rest of us "have no say"; this provides "no incentive to participate."

### **British MPs Recommend Sanctions, Freezing Arms Sales to Israel**

Two British Members of Parliament recommended economic sanctions and suspending arms deals to Israel, if it continues to buck the "Road Map" for Middle East peace. Jenny Tonge, MP for Richmond Park, and the Liberal Democrat spokeswoman for international development, MP Oona King, made the proposal after returning from a fact-finding mission organized by Christian Aid, the *Guardian* reported June 23.

### **CEO of Germany's Biggest State-Owned Bank Forced To Resign**

Juergen Sengera, Chief Executive officer of Germany's biggest state-owned bank, West Landesbank, was forced to resign, immediately after the German financial supervision agency BaFin published its investigation into WestLB's 1.7 billion euro loss last year. WestLB, run by the North Rhine-Westphalia Landesbank, had been a key provider of credits for productive investments, ranging from infrastructure to machine building.

But in the late 1990s, WestLB opened up its own investment banking unit, WestLB Panmure in London, which recently ran into big trouble. In every one of the last two years' mega-bankruptcies, including Enron and WorldCom, WestLB credits were involved and had to be written off, earning it the nickname "Wild WestLB." In April 2003, the project finance department of WestLB Panmure, "Principal Finance," suddenly announced a EU430 million write-down of investments in BoxClever, a British TV rental company. "Principal Finance" was run by the American star investment banker Robin Saunders, formerly working for Deutsche Bank in London and famous for making big profits in highly speculative deals, such as investing in the bankrupt British Railtrack Plc. Her resignation is expected to follow soon.

The president of the Rhineland S&L Association (RSGV), Karlheinz Bentele, also member of the WestLB supervisory board, is now calling for immediately putting an end to the global adventures of WestLB and demanding that the bank focusses again on its traditional domestic businesses.

## **Italy Pays the Price for Not Going Nuclear**

The Italian government has enforced electricity blackouts throughout the country due to supply shortages under conditions of unusual heat, as of June 26. Blackouts in all Italian cities of 1.5-2 hours long have been imposed. Additionally, France has reduced by 800 megawatts its delivery of electricity to Italy.

Italy renounced the use of nuclear energy following a referendum in 1986, and since then, has imported nuclear-produced electricity from France, Switzerland, and Slovenia. The Italian government has said the blackouts will continue.

## **Russia and Central Asia News Digest**

### **President Putin Restates Russian Opposition to Iraq War in State Visit to United Kingdom**

Russian President Vladimir Putin on June 24 became the first Russian head of state to visit the United Kingdom since Tsar Alexander II's 1874 visit. He was literally greeted on the red carpet on the tarmac by Prince Charles, which was followed by a seven-carriage ride to Buckingham Palace, where he stayed for four days amidst balls, state dinners, and other state functions. Extraordinary security was added to make certain there was no violence over Chechnya.

On June 25, President Putin, in a speech at Edinburgh University in Scotland, reaffirmed Russia's "No" to the Gulf War, and once again urged the UN to play a central role.

Putin said that Russia neither regrets its opposition to the war, nor would it change its views now, after the war. The problems faced by the occupying powers in Iraq now, underline the necessity to return the entire Iraq issue to the relevant bodies of the United Nations, where it should have remained in the first place, Putin added.

His remarks on the second day of this state visit, notably outside of London, received special attention in the context of ongoing hearings at the House of Commons in London into Prime Minister Tony Blair's manipulations that drew Britain into the war.

*Reuters* suggested that while in London, President Putin might sign a \$6.75-billion deal in which British Petroleum would buy a 50% stake in TNK, Russia's third largest oil company.

### **Inter-Action Council Calls for Dialogue of Religions and Civilizations**

The Inter-Action Council's Moscow meeting on June 23, presided over by former Prime Minister Yevgeni Primakov, has made the dialogue of religions and civilizations a crucial part of its agenda. In its 23rd session, the meeting was keynoted by Russian President Vladimir Putin and former German Chancellor Helmut Schmidt.

President Putin welcomed the IAC as an "institution of international authority ... whose expertise and statesmanship is very much in demand, at times like these." He said that the IAC includes distinguished personalities who have occupied posts of the highest political and other responsibility, not only in their own country but also on a global scale.

He also made special reference to Helmut Schmidt's remarks about the need for a "dialogue of religions and civilizations," as well as to a new IAC initiative, calling on leading politicians throughout the world to make sure that religious differences never take control of politics. President Putin said he agreed with Schmidt, that it is the responsibility of political leaders to ensure such a dialogue. He added that the United Nations was the central forum of global exchange on such issues, and that the UN requires a reform to ensure that the "threat of unilateralism" could be contained efficiently.

On June 26, the final day of the meeting, Helmut Schmidt was the featured speaker at the Council's Defense and Foreign Policy Council. The theme of his lecture was "Problems of a Global World and Russia."

Russian news services previewing the event, highlighted Schmidt's role and his initiating impulse for creating the European Currency Union together with France's then-President Valéry Giscard d'Estaing, during his chancellorship in the late 1970s. "Mr. Schmidt has always advocated closer relations with Russia," stressed one report, and he never "succumbed to U.S. demands to limit the supply of Soviet gas to Germany and Western Europe, during the Cold War period in the 1980s."

"Thanks to Mr. Schmidt, economic ties between the U.S.S.R. and the West were strengthened, and these ties are the foundation of Russia-EU relations, today," noted the account.

## **Russian Analyst Recommends 'World of Sovereign Nation-States' and LaRouche July 2 Webcast**

Sergei Kara-Murza, a respected scientist and political analyst from the nationalist camp in Russia, posted a bulletin on his Internet forum on June 23, advising visitors to his site that Lyndon LaRouche's article, "A World of Sovereign Nation-States," is now available in Russian. The announcement was copied directly from a message sent by *EIR* to contacts throughout Russia, and included both the link to the article's location on the Russian site ([www.larouchepub.com/lar/](http://www.larouchepub.com/lar/)), and the time and access information for LaRouche's upcoming July 2 webcast.

A lively discussion ensued on the Kara-Murza forum, about two questions: 1) whether LaRouche "has a chance," or will be overrun as those in opposition to the Nazis were; and, 2) whether or not *all* American leaders of the past century have been imperialist, including FDR and Bill Clinton. In addition, one participant objected to LaRouche's having anything good to say about Tudor England.

## **Gennadi Gerasimov Hits Vice President Dick Cheney as 'Eminence Grise' of Globalists**

Gennadi Gerasimov, a senior Russian journalist specializing in U.S. and strategic affairs, highlights Vice President Dick Cheney's role, in particular in directing the new "imperial" line in U.S. policy, in a series of articles published in *New Times* (Russian edition, *Novoye Vremya*). One of the latest appeared in issue number 24 of the Russian edition, under the headline, "The Grey Cardinal of the White House: Richard Cheney, the man who made himself Vice President."

Gerasimov reviewed Cheney's rise to an unprecedented policy-making role for a U.S. Vice President, focussing on the Cheney-Rumsfeld relationship over the past 35 years. Today, he wrote, "It may be that President George Bush delegates

intellectual work to Cheney, feeling that it's beyond him, plus he has no taste for it."

In some detail, Gerasimov laid out the Cheney gambit of 1989-91, when he and Zalmay Khalilzad advocated "directing events in such a way, as to prevent the emergence of a second superpower on the international scene—using force, if necessary." He also included a section on Cheney's sweetheart deals, arranged for Halliburton with the Pentagon. In Iraq, Halliburton was positioned for a multibillion-dollar contract to douse oilfield fires, which turned into a mere \$50-million deal because "Saddam Hussein wrecked it by not setting the oilfields on fire."

All of his previous pursuits, Gerasimov noted, Cheney is now implementing as Vice President. "In his new post, Cheney has returned to his old ideas about the leading role of the USA the world, and the impermissibility of the emergence of a rival. The terrorist attacks of Sept. 11, 2001 made the fight against international terrorism into concern number one. For Cheney, this is combined with getting rid of regimes the USA doesn't like." The Russian author pointed to Cheney's tendency towards flight forward, as in July 2002, when he stated that inspections in Iraq were pointless, even though U.S. policy at that time was to support inspections.

Gerasimov wrote that Secretary of State Colin Powell "stands somewhat aloof" from "neo-conservative" Cheney and the latter's allies like Rumsfeld and "the especially 'hawkish' Wolfowitz," and "attempts to slightly better Uncle Sam's image in the world."

An earlier article by Gerasimov, analyzing the "Axis of Evil" doctrine proclaimed early in President Bush's January 2002 State of the Union, was titled "USA: The Fourth Rome." Gennadi Gerasimov has benefitted from several decades of writing about the United States, including a 1970s-80s posting in New York City, during which he was a regular recipient of updates from the staff of *EIR* and Lyndon LaRouche.

## **Lukoil Will Drill Oil in Egypt**

On June 25 in Cairo, Egypt, representatives of Russia's Lukoil petroleum giant signed a number of agreements allowing Lukoil Overseas to explore and extract oil in two major oil provinces of Egypt, Northeast Geisum and West Geisum.

Lukoil had already been participating in two other projects—in West Esh el Malaha, on the coastline of the Red Sea, and in Meleiha, in the Libyan desert. The first of the two oilfields was purchased by Lukoil along with its owner, Baitec-Silur, in 2001.

The tender for Geisum was won by Lukoil in early 2003. This victory (in a competition including 38 companies) is already approved by the Parliament and the Oil Ministry of Egypt. The Russian company is also welcome to participate in other tenders, said Oil Minister Samed Fahmi.

## **Russian No-Confidence Vote Fails, Seen as Non-Constructive**

A no-confidence vote in the government of Russian Prime Minister Kasyanov, initiated by the Communist Party of Russia and the liberal Yabloko faction on grounds of economic policy failures, failed—but did get more support than expected. The vote was promoted not by two factions, as expected, but by three factions of the State Duma.

On June 25, the State Duma held the vote. Unexpectedly, the anti-Kasyanov effort was also joined by the flamboyant Vladimir Zhirinovsky's Liberal Democratic Party of Russia faction—although Zhirinovsky emphasized that his initiative was "independent" of the other factions. As a result, the number of votes against the Kasyanov government reached 172, less than the 226 needed for a no-confidence vote. However, the strength of the opposition to the government came as a

surprise to many in the Russian media.

Factions which voted in defense of the government defended it rather weakly. Vyacheslav Volodin, representing United Russia, actually did not even defend Kasyanov. He argued, however, that on the eve of the Duma elections, a no-confidence vote was not constructive. Boris Nemtsov, head of the Rightist Alliance faction, as usual opposed Yabloko and CPRF, interpreting the no-confidence initiative as a "pre-election farce." However, his speech ended with a statement, "We can't take part in this performance," and with these words, the faction abstained, instead of supporting Kasyanov.

It was only the so-called "President's party," United Russia, which saved Kasyanov from total humiliation. Had President Putin's party voted against Kasyanov, the no-confidence vote would have succeeded. Earlier in the day, Vladimir Putin and Mikhail Kasianov had a private meeting in St. Petersburg.

## Mideast News Digest

### Erbakan Warns About U.S. Actions Against Iran

Former Turkish Prime Minister and Saadet Party chairman Necmettin Erbakan gave an explosive press conference on June 25, in which the echo of his meeting with Democratic Party Presidential pre-candidate Lyndon LaRouche was more than visible. Erbakan warned the Turkish public about the danger Turkey will face if it opens air bases and sea ports to the U.S. Army for attacks on Iran. According to *Milli Gazete*, Erbakan related: "They are busy with preparing to intervene in Iran. They are against building of Iranian nuclear facilities and Turkey is supporting [the] U.S. on that issue."

He criticized the Turkish representative in the International Atomic Energy Agency for using a double standard, since he dared to question Iran, but never Israel, which possesses an enormous nuclear weapons arsenal, widening his criticism to the AKP government, which Erbakan holds responsible for any confrontation with peaceful neighbor Iran. Erbakan emphasized negatively the behavior of the Turkish government which allowed U.S. troops just recently to use its air bases and sea ports, a violation of the Turkish Parliament's decision, taken during the Iraq crisis this year, not to allow the U.S. Army to use Turkish territory. "This is a first step to locate 60,000 U.S. soldiers on our soil ... [which] are going to be used for action against Iran...."

### U.S.-Based TV Stations Beam into Iran

Four satellite television broadcasters run by Iranian exiles and based in Los Angeles, are beaming calls for anti-government action into Iran, according to a *New York Times* story June 22. The operation began as a call on Iranians to support university students protesting government privatization of their schools, but rapidly spread to calls for demonstrations aimed at toppling the Ali Khamenei mullahs who dominate Iran.

The foreign stations, according to the *Times*, are nonetheless viewed by the students "with suspicion, because of their explicit support for Reza Pahlavi, the son of the former Shah of Iran." Said one political scientist in Iran, although the domestic media are seen as fully controlled by the government, these foreign-based stations "do not have reporters on the ground, they are incapable of understanding the real situation in the country, and so their major role becomes stirring noise and spreading rumors." Precisely what the Chickenhawks in Washington ordered, it would seem.

### Scowcroft/Eagleburger Group Calls for Talks With Iran

The Forum for International Policy, whose president is Brent Scowcroft and whose chairman is Lawrence Eagleburger, is circulating a short paper which says, referring to Iran, "a policy of 'regime change' ... runs the risk of creating an unintended

but powerful reaction, that not only unifies the contending factions and stifles debate, but also stirs an intensified Iranian nationalism that slows and undermines the very forces on which we are pinning our hopes.

"Given the stakes, risks, and uncertainties, we need better insight into how Iraq has affected politics and policy in Tehran. One way to do so would be to resume the exchanges we had been having with the Iranians in Geneva, but have now suspended. These talks have been held under UN auspices, and have been focussed on practical issues arising from the war in Afghanistan and, most recently, Iraq. We should be open to expanding the agenda to address other issues and concerns, and should be willing to engage in a bilateral dialogue as well as in UN-sponsored meetings. We should also be willing to explore hints from some Iranian officials that were the U.S. to agree to such direct exchanges, 'everything' would be on the table.

"An immediate payoff could be to constrain Iranian mischief-making in Iraq. The larger purpose would be to ensure that the Iranians understand that the threats they believe we pose to their security and regime survival, stem directly from their pursuit of WMD, support for terrorist opponents of Mideast peace, and now, their potential challenge to our objectives for post-Saddam Iraq. In doing so, we can test whether, in fact, 'everything is on the table,' by making clear that as they reduce—or increase—the threats they pose to our interests, we will reciprocate. Put differently, we can try to convince them that our problem with Iran is with what they are doing, not with who they are."

Author Arnold Kanter is a senior fellow at the FIP, and a former Undersecretary of State.

## **UN Found No al-Qaeda-Iraq Ties**

The UN terrorism committee, charged with investigating al-Qaeda operations worldwide, has found no al-Qaeda ties to Iraq, Michael Chandler, the committee's chief investigator, reported June 26. "Nothing has come to our notice that would indicate links between Iraq and al-Qaeda," he said. Another committee investigator, Abaza Hassan, said such ties "had never come to our knowledge before [Colin] Powell's [February] speech [to the UN], and we never received any information from the United States for us to even follow up on." The committee, which is charged with investigating al-Qaeda and the Taliban, circulated its draft report on progress made to shut down Osama bin Laden's network globally.

## **Iraqi Nukes in the Backyard Story: Another Fizzle**

After an initial flurry of hype that an Iraqi nuclear scientist had "nukes" buried in his backyard, the whole story appears to undermine, rather than support, Dick Cheney's argument on Iraq's nuclear program.

The story, as reported June 26 in the *Washington Times*, is that the scientist, who headed Iraq's nuclear enrichment program in the late 1980s and early 1990s, turned over documents and parts of a centrifuge machine to U.S. officials in Baghdad. He said he had buried the materials in his backyard in 1991 on orders of Saddam Hussein's son Qusay. There they remained, as he never received orders to do anything with them. This is "not a smoking gun," said a U.S. official quoted in the *Washington Times*. An official of the Institute for Science and International Security, which negotiated the handover of the materials, said that if the order had been given, the materials could have been used to restart Iraq's nuclear program, but the scientist "did not receive that order."

Last August, Cheney stated that "Saddam has resumed his efforts to acquire nuclear weapons.... Many of us are convinced that Saddam will acquire nuclear weapons fairly soon." And Cheney, on March 16, stated, "We believe he has, in fact, reconstituted nuclear weapons."

## **Blix: Iraq May Have Destroyed All WMD—in 1991**

Hans Blix, speaking before the Council on Foreign Relations on June 23 in Washington, D.C., said that it is conceivable Iraq did destroy all WMD after 1991. "It is sort of fascinating that you can have 100% certainty about weapons of mass destruction and zero certainty about where they are." He also told the CFR that "three-and-a-half months for new inspections was a rather short time" before calling it quits, "especially when we now see the U.S. government is saying 'look, you have to have patience, you know these things take time.' " Blix also told the press, "I'm simply saying that the longer we are in this situation without finding anything, the more we have to ask ourselves, is it conceivable that they did destroy in '91?"

## **Ayatollah Sistani, Iraq's Highest Shi'ite Authority, Questions U.S. Occupation**

In a written answer to questions from the *Washington Post*, Ayatollah Ali Sistani, the highest Shi'ite authority in Iraq, wrote from Najaf, "We feel great unease over their goals, and we see that it is necessary that they should make room for Iraqis to rule themselves by themselves without foreign intervention." He also warned that the biggest threat facing the Arab country is "the obliteration of its cultural identity." The report was published on June 26.

Though invited by Paul Bremer to meet, Sistani has refused to meet with U.S. officials.

The *Post* commented, "His statements about the U.S. occupation do not carry the weight of a fatwa, the only such edict that would be binding. But his remarks come at a time, when some of his supporters in Najaf have complained about his reclusiveness, particularly as two other groups, with a distinctly more political agenda, are vying for the support of the country's majority." The *Post* reports a Sistani follower saying, "If he made a fatwa tomorrow to act, no one would remain in their home."

American forces have been leading raids against the offices of the Shi'ite Supreme Council of the Islamic Revolution in Iraq (SCIRI), in Baghdad and Kut, making arrests and confiscating materials. This will further heat up the conflict. The Arabic press has played up Sistani's remarks, and reported as well on continuing demonstrations and armed clashes not only in the Sunni area of the north, but, increasingly, in the south of Iraq as well.

## **'Insurgency': Iraq Conflict Entering Qualitatively New Phase**

The U.S. occupation of Iraq has entered a qualitatively new phase, with higher numbers of U.S. casualties, and different types of military attacks. As reported in the *International Herald Tribune*, one U.S. special operations forces soldier was killed and eight were wounded on June 26 in southwest Baghdad. Then, it was reported June 28 that the remains of two other U.S. soldiers, who were reportedly kidnapped while travelling in their military Humvee, were found. During the night between June 25-26, the paper reports, "assailants blew up a U.S. military vehicle with a roadside bomb, dropped grenades from an overpass, destroyed a civilian SUV travelling with U.S. troops, blew up an oil pipeline and fired what appeared to be a rocket-propelled grenade at a U.S. army truck." In addition, two American soldiers and two Iraqi civilians were killed in another conflict, and six U.S. troops were injured. And, according to Arab sources, two U.S. tanks were destroyed, killing up to 19, just west of Baghdad.

Arab sources report that the attacks are occurring all over Iraq, and not only in Sunni areas. Kufah, Najaf and Amara are among the areas concerned. Many of the attacks are not being reported officially.

At the same time, the London *Times* reports that "Saddam loyalists" have begun killing Iraqis considered "collaborators" of the occupying forces. One senior engineer in charge of electricity distribution in an area of Baghdad was shot dead in front of her home, and the driver of a senior reconstruction official was killed in a grenade attack.



The *IHT* writes: "Officials continued to play down the violence, saying there was no nationally coordinated insurgency." However, the pattern of attacks point in another direction. One highly placed regional source, an expert on military affairs, told *EIR*, on condition of anonymity, that there are between 2 and 4 million members of the Iraqi security services still armed and ready. They are an organized force, and constitute an intact network. They are considered capable of organizing massive terrorist attacks, capable of eliminating the U.S. presence, if deployed at once. There are 20,000 officers of this network, located in the Kurdish region, Baghdad and Basra. A command center exists, but it is not known what role, if any, Saddam Hussein could be playing, if he is still in the country.

In addition to this organized force, considered responsible for the ongoing killings and sabotage, there are growing ranks of Iraqi citizens who are taking up arms against the occupying forces, especially in response to the intrusive search operations which are being run. One Arab diplomat confirmed that those conducting the search operations either have no understanding whatsoever of the culture of the population, or are deliberately insulting it. They are using dogs, and are deploying men to search women inside their homes.

The case of the British soldiers killed in al-Majir, was such a case of rage following such searches.

A further indication of the escalation in tensions—with U.S. soldiers being attacked daily—is that U.S. "Viceroy" Paul Bremer decided to give in to the ultimatum issued during the third week of June, by leaders of the former military men in Iraq. They had said either Bremer should give them back pay, or rehire them, by June 23, or they would "take up arms" and fight. It was announced on June 23, that the U.S. would build a new Iraqi Army, initially of 12,000 troops, ready by next year, and that some "pensions" would be paid. As press reports note, that is a far cry from the 400,000 or more demobilized soldiers; it is a token gesture showing more concern about growing Iraqi resistance, than about constituting an army.

### **Battle Where British Soldiers Were Killed Could Mean 'Nationwide Insurrection'**

The battle in Al-Majar in Southern Iraq, where six British soldiers died, is much larger than had been reported, writes the London *Observer* on June 29. An official investigation has begun.

Conflicting reports of what occurred surround the June 24 incident in Al-Majar Iraq where six British soldiers were killed, and 12 injured (updated figures) in the worst single incident since the May 1 "end of major combat" declared by President Bush. The six soldiers were members of the Royal Military Police (RMP), and were training Iraqis to be policemen when they came under siege, and were shot, after they ran out of ammunition. The incident involved the police headquarters being surrounded by an angry mob.

But there are many questions. One major question is why the heavily armed and supplied Parachute Regiment, which was reportedly just outside the city, did not come to the aid of the besieged British Royal Military Police. "Why Were Six Britons Left To Die in an Iraqi Marketplace?" asks the headline of *The Observer*. The paper also says that five Iraq citizens were killed, and a dozen injured, including women and children, by the "Paras" who were in the town, but then escaped by helicopter, which came under heavy fire, injuring eight soldiers. The British "softly-softly" approach (based on "200 years of colonial" experience) compared to the American counterforce may be "misconceived" says *The Observer*, but more importantly, *The Observer* admits that this occupation may be facing a "nationwide insurrection." This incident has heaped more hatred on Tony Blair, who is already under intense criticism for his role in spreading false intelligence about the threat level from Iraq.

### **Peace, Not Free Trade, Should Be Mideast Priority**

At the Davos free-trade shindig in Shuneh, Jordan, Egyptian Foreign Minister Ahmed Abdel Maher said, "We do not believe this is the timing or the venue or the circumstances where this thing [free trade] should be given precedence, when

the precedence should be given to saving lives." The meeting last weekend was the occasion for Vice President Dick Cheney's daughter Elizabeth, a State Department official in charge of the U.S. free-trade, democracy initiative for the Mideast, to wave the free-trade "carrot" before Arab countries, which are still distrustful of the U.S. war policy.

## Asia News Digest

### Mekong Development Discussed in Washington

The first public forum on the development of the Mekong River Basin to be held in Washington since the 1970s, took place on June 26 at the Carnegie Endowment office. Sponsored by Carnegie's *Foreign Policy* magazine and the Asian Development Bank (ADB)—which runs the Greater Mekong Subregion (GMS) organization—leading people involved in the various Mekong projects from Japan, Manila (the ADB), Thailand, Cambodia, and Vietnam, gathered with other international experts to discuss the progress and potential for the transformation of Southeast Asia through this Great Project approach.

Takao Toda, a representative of the Japan International Cooperation Agency, captured the character of the event when he described how, in the 1960s, developing the Mekong as a regional project was the "fourth alternative" to the three supposed alternatives at the time, all of which led to war. (The June 27 issue of *EIR*, with a special feature on the Mekong Development Project, was given to nearly every participant at the event.) Toda said that he was on his way to Iraq the following day, and he was taking the image of Mekong development, as it is now finally being realized, to Iraq, as well as to the Mideast and to Africa—that development is the alternative to the world descending into war.

Several of the participants had been interviewed, or are planning to give interviews, to *EIR* and *EIW*.

### Mekong-Ganga Cooperation Progresses

Thailand, Laos, Myanmar, Cambodia, Vietnam, and India agreed to launch a "road map" to define their activities in Mekong-Ganga Cooperation (MGC) at a meeting in Phnom Penh, Cambodia June 20. Sorajak Kasemsuwan, assistant to Thai Foreign Minister Surakiart Sathirathai, said, after the group's third meeting in Phnom Penh, that the road map would detail cooperation in the next few years. Tourism, transport, and cultural promotion would be among the areas of cooperation. India has pledged to provide \$100,000 to assist cooperative activities in the Mekong-Ganga projects.

The meeting discussed the so-called "Asoke road" or Buddhism road, linking India, Burma, Thailand, Laos and Cambodia, Sorajak said. The meeting has asked Thailand to open a website, while India would provide information technology to promote the road. The six countries agreed to jointly market and advertise a campaign using Chiang Mai as a common tourist destination. Thailand, as the next MGC chairman, has offered to host the first senior official meeting ahead of a ministerial-level meeting, he said.

### CFR Task Force: More U.S. Involvement Needed in Afghanistan.

A 24-page Council on Foreign Relations' Task Force, headed by former U.S. Ambassadors Frank Wisner (India) Nicholas Platt (Pakistan), and Dennis Kux, among others, issued a report which makes it clear that "business as usual" in Afghanistan will lead to a total breakdown. The report, "Afghanistan: Are we Losing the Peace?" recommends a much larger U.S. troop involvement, a large-scale increase in the International Security Assistance Force (ISAF), disarming of the warlords, putting in a billion dollars per year for Afghanistan's reconstruction, building the stalled Kabul-Kandahar road, among other suggestions.

The report indicates that there is a growing concern that the United States cannot just "hang in there" in Afghanistan any longer. Although it is never spelled out, the report shows that a section of the U.S. Establishment is conveying the message that things are going awfully wrong in Afghanistan: Either Washington puts in a lot more effort to secure the place, or Afghanistan will go to the dogs. The status quo does not exist, rather, things are getting worse.

The report also steered clear of either praising or criticizing Pakistan, giving the impression that Pakistan is not a major factor in settling the Afghan problem. For example, one sentence said that Washington must caution Russia, Iran, and Pakistan not to do anything which could unsettle the Kabul government.

### **Tribal Agency Will Fight Pakistani-U.S. Troops**

Pakistan's Tribal Agency says it will fight Pakistani-U.S. troops in the North West Frontier Province (NWFP). The tribal chief of Mohmand tribal agency in the NWFP has issued a statement saying the tribal agency will fight U.S.-Pakistan troops looking for al-Qaeda and Taliban militia in the province. The tribal agency's view has been endorsed by the Muttahida Majlis-e-Amal (MMA), the six-party Islamic coalition government in the province. The endorsement came from Maulana Fazlur Rahman, chief of the Jamiatul Ulema-e-Islami, and a known backer of the Taliban in Afghanistan. Central Secretary of the Jamaat-e-Islami Syed Munawar Hussain has also backed the tribal agency's views. Together, the Jamaat and Jamiatul Ulema-e-Islami constitute the major faction within the MMA.

The announcement by the tribal agency, and endorsement of that view by the MMA leaders, indicate the gravity of the situation, which some analysts believe is nearly ripe for a full-fledged civil war in Pakistan.

### **Taliban Kills 24 Afghan Troops**

The *Daily Islam* of Pakistan reported June 24 that a convoy of coalition troops was ambushed by the Taliban in Paktika province, causing the deaths of 24 Afghan soldiers. No foreign casualties have been reported.

Meanwhile, Taliban supreme Mullah Mohammad Omar has named a 10-man leadership council to organize resistance against foreign troops in Afghanistan. The report, carried by the Pakistani newspaper *The News*, says Mullah Omar announced the formation of the council via an audiotape, in which he called upon the Taliban to make sacrifices to drive out U.S. and other foreign troops, and the "puppet" government of Hamid Karzai.

The security situation in Afghanistan is deteriorating fast. The German weekly *Der Spiegel* has reported that the German Foreign Ministry is rethinking whether to expand German troop involvement in Afghanistan, considering the poor security situation. On June 7, four German soldiers were killed by the rebels in an attack on the Bagram Air Base. Lately, the Germans have been talking about expanding the International Security Assistance Forces (ISAFs) from the present level of about 12,000 troops to close to 40,000 troops, but this is now being reconsidered.

### **Manila-MILF Talks May Begin Again**

Philippines President Gloria Macapagal-Arroyo has asked Malaysia to send a "ceasefire observer team" to the Philippines, in preparation for renewed peace talks with the separatist group MILF. An official request has been relayed by the Philippine Foreign Minister to his counterpart in Malaysia. The move follows widely reported statements by MILF leader Salamat Hashim, who on June 22 declared terrorism to be "anathema to the teachings of Islam.... [We] seriously reiterate our condemnation and abhorrence of terrorist tendencies ... consequently, we reject and deny any link with terrorist organizations or activities in this part of the Asian region, particularly in south Philippines, and elsewhere in the world." Hashim's spokesman Eid Kabalu indicated this message specifically responded to Macapagal's demand on June 19 that the MILF cut off "terror links."

Salamat will himself lead the talks, which has been a contentious issue until now, and has said that he wants sign the final settlement to end armed conflict for the Bangsamoro people.

## **Pressure Builds on Myanmar To Release Aung San Suu Kyi**

Japan, the largest aid donor to Myanmar, said on June 25 it would suspended aid, following through on a warning issued by its Foreign Minister during the June 16-20 ASEAN meeting. Japan's Deputy Foreign Minister Yetsuro Yano, who was in Yangon, said, "Our efforts to break the ice did not work out as I expected, which is due to the insufficient efforts of the State Peace and Development Council," the ruling Junta in Myanmar. Yano made the statement after meeting with Gen. Khin Nyunt, third-highest ranking officer in the SPDC.

Malaysian Prime Minister Mahathir weighed in on the stalemate, stating bluntly: "I hope she [Aung San Suu Kyi] is released as soon as possible. I don't know why she has not been released yet. I hope that the government of Myanmar takes into consideration the views expressed by other countries, especially its fellow ASEAN members, [who] have been put in a quandary."

## **Detained Myanmar Opposition Leader Meets Red Cross**

Tin Oo, vice chairman of the National League for Democracy (NLD) in Myanmar, met with a six-member International Committee of the Red Cross delegation June 24. The ICRC reported that the 70-year-old Tin Oo was in good health and, like NLD leader Aung San Suu Kyi, was not injured in the May 30 clash between government supporters and Suu Kyi's caravan. The meeting with Tin Oo helped to counter reports circulating around the May 30 incident.

Myanmar officials also refuted statements from Britain's Foreign Office Minister Mike O'Brien, who said Suu Kyi had been locked up in a "two-room hut" in Yangon's notorious Insein prison. Myanmar's Home Minister denied O'Brien's report in a meeting with Britain's Ambassador and an embassy colleague.

## **Asian Bond Fund Established in Chiang Mai**

The Asia Cooperation Dialogue, a group of 18 nations from across Asia and the Mideast, announced that 11 of their members will create an Asian Bond Fund (ABF) in Chiang Mai, Thailand, on June 22, with \$1 billion in deposits from their reserve funds. The original intent was to get 1% of the reserves across Asia (which would be about \$13 billion), but the establishment of the Fund at a smaller level is nonetheless expected to spur further growth. Already India has offered to add \$1 billion on its own.

The fund will be used to both protect against speculative attacks, and to invest in the region's industry and infrastructure.

## **ASEAN To Set Up Integrated Energy Grid**

Thailand plans to go ahead with the development of the ASEAN Grid project, an effort to integrate regional electricity generation and transmission industry to optimize energy resources in the region, an idea first proposed 20 years ago.

Prutichai Chonglertvanichkul, assistant director for system planning and transmission of the Electricity Generating Authority of Thailand (EGAT), said the ASEAN Grid is a power-pool project that will link key regional power generation sources to poorer neighboring countries.

The grid project would divide the electricity transmission-linking areas into two zones. The western zone comprising Indochina, Thailand, Malaysia, and Indonesia's Sumatra Island. The eastern zone would link Malaysia's Borneo to Brunei, and the Philippines. Within 2003, phase one of the electricity-network links in the western zone would build transmission lines to connect Cambodia and Vietnam. In 2004, electric-transmission lines would connect Thailand and Cambodia. By 2008, power transmission lines would be built to connect the Nam Thuen power project in Laos to plants in Thailand. Also by 2008, electric transmission lines would be built to connect Malaysia and Sumatra.

Heads of public and private energy companies from the ten members of ASEAN, meeting in Indonesia, decided on a financing plan for the project, which will be finalized at a meeting in August in Bangkok. Malaysia has been assigned to oversee the financial arrangements.

## **India To Join Anti-Drug Alliance**

India will join the July meeting of the anti-drug alliance among China, Thailand, Myanmar, and Laos, set up by the "Beijing Declaration," in May 1995. The meeting will be held in Chiang Rai, Thailand (about 50 km northeast of Chiang Mai), in the Golden Triangle, and will discuss crop substitution and a crackdown on precursor chemicals used in making amphetamines.

## **Africa News Digest**

### **South African President Declines U.S. Invitation, Accepts France's**

Instead of coming to Washington for the June 24-27 U.S.-Africa Business Summit—addressed by President Bush and Colin Powell—as the Bush Administration had hoped he would, South African President Thabo Mbeki stayed home to receive French Foreign Minister Dominique de Villepin June 26. De Villepin conveyed to him French President Jacques Chirac's invitation to make a state visit to France. Mbeki accepted and will visit Nov. 17-19. He is making a state visit to Germany about the same time.

De Villepin discussed a range of African and Middle East topics with South African Foreign Minister Nkosazana Dlamini-Zuma and met religious and industrial leaders.

In addressing the Foreign Affairs Committee of Parliament, de Villepin took a swipe at American and British policy toward Zimbabwe, warning against sanctions and interference that could complicate the situation there. "So it is not a question of a country somewhere in the world, with an idea it wants to put into action in one region of Africa, but a matter of having countries around one country with difficulties showing the way to solve it," de Villepin said.

He suggested that France could provide support to South Africa's efforts to solve regional and continental problems, and said, "We support the New Partnership for Africa's Development [NEPAD] and any projects that will help to revive the continent's economy. We are ready to work with Africa on any projects."

De Villepin then visited Nelson Mandela before flying to Ghana to meet President John Kufuor and Foreign Minister Addo Akufo-Addo. Mbeki is currently President of the African Union, and Kufuor is the current President of the Economic Community of West African States.

### **Powell Calls for Freeing Zimbabwe From 'Tyrant's Grip'**

U.S. Secretary of State Colin Powell called for freeing Zimbabwe "from a tyrant's grip" in a *New York Times* op-ed June 24, with President Bush's trip to Africa July 7-12 in prospect. Powell's piece is a real tear-jerker about the sufferings of the Zimbabwean people, caused, of course, by a single individual—President Robert Mugabe. Powell is following the Bush Administration line that supports the British campaign to overthrow Mugabe. The Administration isn't grandstanding about the misery in oil states like Angola or Equatorial Guinea.

Powell writes, concerning the recent arrest of opposition leader Morgan Tsvangirai, "His offense? Calling for work stoppages and demonstrations to protest economic hardship and political repression." It's a little disingenuous, when Tsvangirai himself says his purpose is to bring the government down. Powell omits to mention that Tsvangirai was arrested on a charge of treason. Powell even says, "[W]e will continue to assist directly, in many different ways, the brave men and women of Zimbabwe who are resisting tyranny."

Powell admits, however, that the U.S. cannot return Zimbabwe to World Bank/IMF vassal status unless South Africa and other African governments help.

He writes, "Zanu-PF [the ruling party] and the opposition party [of Tsvangirai] can together legislate the Constitutional changes to allow for a transition. With the President gone." His promise that once Mugabe is out, the U.S. and other "donors" would rush in with "generous assistance" to rebuild the country is laughable, given the record in Afghanistan and Iraq.

The theory here, stated by the International Crisis Group in its March 10 report on Zimbabwe, is that the leadership of Mugabe's party can be used against him because it is merely venal. With the end of land redistribution, the collapse of the Zimbabwe economy, and Anglo-American sanctions, Mugabe is running out of plums to hand out; ergo, Mugabe's circle will turn on him to get plums from the Anglo-American "donors."

There is no reason to assume African governments will exert pressure on Mugabe's party to become paid Anglo-American stooges. Some may be willing, but the South African government has contempt for Tsvangirai precisely because he *is* such a stooge. With Powell's op-ed, the Administration has fired a pop-gun. But, with a recent Presidential Executive Order virtually declaring "regime change" as U.S. national security policy, are there heavier weapons behind the scenes?

## **Mbeki on State Visit to Jamaica**

South African President Thabo Mbeki will pay an official state visit to Jamaica June 29-July 2 and address the Caribbean Community and Common Market (Caricom) July 2. He will hold discussions with Jamaican Prime Minister P.J. Patterson, and the heads of state and government of 12 other Caribbean countries. Cuba is not among them.

## **Indian Former PM: India sees Africa in Its Future**

A conference last month in India underlines the importance of the new South-South relations forged by the meetings of Brazil, India and South Africa, reported last month in *EIW*. Delivering the Second Africa Day Lecture in New Delhi May 27, India's former Prime Minister Kumar Gujral said that New Delhi sees Africa as the continent of the 21st century, according to the Iranian news agency *IRNA*. Technology, he said, is the key to self-reliance and a nation's security, and the time has come for India and South Africa to give strategic partnership more content.

## **Obasanjo Nominates World Bank VP as Finance Minister**

Nigerian President Olusegun Obasanjo, fresh from electoral "victory," has nominated a World Bank vice president as his

Finance Minister and hiked fuel prices 65%. Obasanjo has nominated Dr. Ngozi Okonjo-Iweala, the World Bank's corporate secretary and one of its vice presidents, as his Finance Minister. It remains to be seen whether the Nigerian Senate will approve the nomination.

World Bank President James Wolfensohn was elated, according to his World Bank statement June 24: "This is a tremendous honor and opportunity for her to return to her home country at a critical juncture and make a pivotal contribution."

The Harvard-educated Okonjo-Iweala is a 20-year captive of the Bank. From 1997 to 1999, she was the country director responsible for Malaysia, Cambodia, Laos, and Mongolia. Since then, she has been director of operations for the Middle East Region.

"Analysts says Okonjo-Iweala will be well placed to work towards bringing Nigeria back under an IMF monitoring program which the country needs to win any relief on its crushing \$30 billion foreign debt. Obasanjo terminated an IMF program last year, saying Nigeria would adopt a home-grown economic plan that better served its national interests," according to *Reuters* June 24.

An IMF deal means more austerity. The All Nigeria Peoples Party (ANPP), of which Muhammadu Buhari was the Presidential candidate, has rejected the oil price hike of 65%; and its national executive committee met June 24 to determine a course of action.

## **Broad Strike Against Fuel Price Hike in Nigeria**

Nigeria's labor movement and large sections of the population, including students, professional bodies, and market women, are embarking on what promises to be a major strike against the fuel price hike beginning June 30. The Nigeria Labour Congress (NLC) decided on the work stoppage June 24. Previous steep rises in the price of gasoline have triggered nationwide riots. The protest is backed by two powerful oil unions that have the capacity to shut down Nigeria's oil exports. Banks and airports are expected to be shut by the strike.

Addressing the press following the NLC National Executive Council meeting June 24, NLC president Adams Oshiomhole said labor rejected all the reasons adduced by the Federal government for the hike, insisting that the only reason for fuel scarcity was that Nigeria had relied solely on importation, and abandoned the repair of public refineries. He noted: "The NEC in session believe that 1999 to date is enough to fix the refineries and build new ones." He continued that the Nigerian public wants to know what has happened that this government seems to have resigned to the conclusion that the Nigerian refineries cannot work. "People want to know who got the contract to maintain these refineries" and exactly how much money the Obasanjo government has spent to repair them since 1999.

Students at Lagos State University have joined protests. By June 24 they had barricaded the Lagos-Badagry Expressway to protest the fuel price hike. The students stopped commuter buses. The Academic Staff Union of Universities (ASUU) June 24 challenged the Federal government to account for the \$700 million allegedly earmarked in the last four years for the revamping of the nation's refineries. The university lecturers said in a statement: "A major reason given by government for the increase in 2000, and in 2002 was that it would generate funds for the revamping of refineries. The same reason is being given in 2003. Where did the \$700 million go?"

## **In New Attack on 'Terrorism,' U.S. Abducts Five in Malawi**

U.S. authorities secretly flew five men accused by the Bush Administration of ties to Al-Qaeda out of Malawi, in violation of a court order barring their removal. The men, all foreigners to Malawi accused of funnelling money to Al-Qaeda, were

arrested the night of June 22 by joint forces of U.S. personnel and Malawi's National Intelligence Bureau.

A judge had issued an emergency injunction the morning of June 23, barring their removal. With no knowledge that the men were already gone, the High Court ruled June 24 that the planned removal was illegal and that the men must be charged or released by June 26.

Fahad Assani, Malawi's director of public prosecutions, said June 24 that he had no idea what to charge the men with, since U.S. officials refused to share any information with him. Assani had been ordered by the court to bring the men for a hearing June 25. "Who can I produce in court?... [T]heir ghosts?... [I]t's the Americans who know where they are." At the June 25 hearings, High Court Judge Frank Kapanda ordered the men released on bail immediately. Muslims protested outside the courtroom. Assani said pressure from the U.S. had forced the government's hand. Malawi has no extradition treaty with the United States.

Authorities said the men included Mahmud Sardar Issa, a Sudanese who heads a charitable organization called the Islamic Zakat Fund Trust in Blantyre. Another was identified as Fahad Ral Bahli, of Saudi Arabia, the director of the Malawi branch of Registered Trustees of the Prince Sultan Bin Abdul Aziz Special Committee on Relief. Arif Ulusam, a Turkish man, and an Islamic scholar from Kenya were also among those arrested.

## **U.S. Forcing Kenya To Enact 'Police State' Legislation**

The U.S. tightened the screws on Kenya—closing its Nairobi embassy—to get legislation allowing independent U.S. arrests in the country, legalizing what it has just done in Malawi. The U.S. and Britain demanded that Kenya take eight "anti-terror" measures—measures not made public officially—and put virtual travel bans in place for their own citizens, to pressure the Nairobi government. The U.S. then tightened the screws June 20 by closing its embassy.

But the same day, France followed Belgium and Germany in relaxing its warning to citizens regarding travel to Kenya. The virtual bans had been inspired by the Anglo-American initiative, and combined had shut down 90% of Kenya's tourist trade.

U.S. Ambassador Johnny Carson said, in a TV interview June 19, "We have had ... terrorist activities around the world. In every one of the cases, save Kenya, individuals have been arrested by their governments ... and punished. In Kenya, there has not been a single arrest and conviction.... We believe there are al-Qaeda terrorists in Kenya and some of them are Kenyans."

The UN Secretary General's Special Representative to the Great Lakes Region, Ibrahima Fall, who is not a Kenyan, in addressing a conference at the UN's Nairobi headquarters June 23, said the Nairobi venue for the conference was chosen because Kenya was safe.

But the government responded to the pressure June 21 by halting all flights to Somalia, closing Kenyan airspace to aircraft from Somalia, and carrying out a police swoop in Nairobi's Eastleigh, where thousands of Somali refugees live; more than 100 were arrested. And four Kenyans were charged with murder June 24 in the Mombasa hotel bombing of last November.

With the introduction of an "anti-terror" bill in Parliament, the Nairobi government now claims to have taken all eight of the demanded measures.

Professor Makau Mutua, a prominent Kenyan lawyer, told the *Sunday Nation* June 29, "If our Parliament passes this law, it will have taken away, with one blow, the basic rights of Kenyans and make irrelevant our quest for a new constitutional



order. It ... seeks to create a republic of fear, paranoia and a police state." The *Sunday Nation* also reported that the chairman of the Law Society of Kenya, Ahmednassir Abdullahi, described the law as unjust, draconian, and in part unconstitutional. The bill, he said, empowered other countries to abuse the sovereignty of the country by allowing them to conduct "haphazard arrests any time and in any place." Both said the law was being imposed by the U.S. and U.K. *BBC* said the bill provides a 10-year jail term "for those suspected to be in possession of weapons of mass destruction." *EIR* has not obtained an exact account of the bill's contents.

As a result of the tabling of the anti-terror bill, the U.S. reopened its embassy June 25 and the U.K. lifted its travel advisory June 26, apparently believing that the bill will pass. State-run television reported that 18 MPs from the former ruling KANU party, now in opposition, would not support the bill.

The government's measures come "at a time of rising public protests at ... Washington's bullying tactics," *The Nation* reported June 23. MP Paul Muite said, "Kenya is not the target of terrorism and has only been an innocent victim. It is [U.S. and U.K.] interests that have made us targets."

## Plans for Nile Flood Control, Power Generation

The Nile should serve as a springboard for economic development, ministers from Ethiopia, Sudan and Egypt declared in Addis Ababa June 23-24 at a summit to draw up plans for seven projects. Tripartite cooperation was launched two years ago, under the aegis of the Eastern Nile Technical Regional Office (ENTRO) in Addis Ababa.

Among the schemes likely to get underway first are plans for reducing soil erosion and a flood early warning system. The three also agreed to generate electricity from the river. Other project areas are power interconnection, power trade investment, and irrigation and drainage.

## This Week in History

### July 1-July 7, 1646

This week we go back more than 350 years, to an historical event that is seldom celebrated anywhere: the birthday of Gottfried Wilhelm Leibniz. Those who read our column on the Declaration of Independence last week, will recall our argument that Leibniz's philosophy, not that of John Locke, provided the foundation for the founding principles of "life, liberty, and the pursuit of happiness." Who is Gottfried Leibniz? many might have asked. This week, we answer that question.

Leibniz was *the* universal mind, in the Platonic tradition, of the late 17th and early 18th centuries, a giant whose work encompassed, and provided new knowledge, in all of the following fields: mathematics, physics, geology, philosophy, logic, theology, history, jurisprudence, politics, and economy. Yet, for the most part, even the educated European citizen has never heard of him. It is relevant to ask yourself how that could be so—and what it says about the control over knowledge which has been exercised by Leibniz's enemies, generally the oligarchs from the Anglo-Dutch and Hapsburg financial oligarchies. We can provide only a short biographical summary here, which we urge you to follow up on the websites of the Schiller Institute and *EIR* publications.

Gottfried Wilhelm Leibniz was born on July 1, 1646, in Leipzig, Germany, an area devastated, as was most of divided, feudal Germany, by the Thirty Years' War of 1618-48. His father was a university professor, and young Leibniz read avidly from the age of 7, teaching himself Latin and Greek, and ultimately earning degrees in philosophy and law by the age of 20.

But Leibniz was not headed for the academic life. His passion was to establish a new political order, based upon institutions of education, and civic participation, which would provide for the happiness and prosperity of the nations of the world. He was a self-proclaimed antagonist of the British empiricists Thomas Hobbes and John Locke, believing instead in the ability of mankind to organize society for increasing perfection. His outlook is reflected, in part, in his chosen epitaph: "Provided that something of importance is achieved, I am indifferent whether it is done in Germany or in France, for I seek the good of mankind. I am neither a phil-Hellene nor a philo-Roman, but a philanthropos." Or, as he described his social philosophy at other times: "Justice is ... that which is useful to the community, and the public good is the supreme law—a community, however, let it be recalled, not of a few, not of a particular nation, but of all those who are part of the City of God and, so to speak, of the state of the universe."

Leibniz's first "job," as it were, was as an adviser to Baron Johann Christian von Boineburg, the Elector of Mainz. He went there after leaving school, and devoted himself to foreign policy and statecraft. It was there, for example, that he wrote the two memoranda on economy, "Society and Economy," and "On the Establishment of a Society in Germany for the Promotion of the Arts and Sciences," which the LaRouche movement has widely publicized, for their concept of political economy (see *The Political Economy of the American Revolution*). He also wrote a memorandum/proposal to the French court, putting forward the idea of an Egyptian expedition as an alternative to King Louis XIV's threatened war against Holland.

In 1672, Boineburg sent the young Leibniz to Paris, on a diplomatic mission to promote this peace-making proposal. While Leibniz was not successful in that regard, his visit there brought him into contact with the circles of scientists set by King Louis' celebrated Minister Jean-Baptiste Colbert, who had established the Paris Academy of Sciences, and was promoting the very kind of scientific and technological nation-building which Leibniz already had in mind.

In 1673, as part of his mission for the Mainz Elector, Leibniz travelled to London, where he shared his breakthroughs in mathematics and physics, and was elected a fellow of the Royal Society.

In 1675-76, Leibniz left Paris for the court in Hanover, which served as his base of operations for the rest of his life. From that court, he travelled throughout Germany, as well as to Italy and Austria, and undertook historical, language, and other scientific studies, as well as working on diplomatic projects, such as the possible unification of the Lutheran and Roman Catholic churches (he was a Lutheran), and the creation of other academic societies.

In 1689, Leibniz was elected to the Paris Academy of Sciences. In 1700, he established the Academy of Science in Berlin, of which he was president for Life. In 1711, he met with Tsar Peter the Great of Russia, to whom he proposed an academy project for that nation, which was officially launched a couple decades later. In 1712-14, he visited Austria and met the Emperor Charles VI, ultimately being appointed an imperial privy councilor to that court as well.

And, as historian Graham Lowry unveils in his groundbreaking book, *How the Nation Was Won*, it was only by full-scale intelligence warfare that Leibniz was prevented from becoming the leading councilor to the Hanoverian Duke George Ludwig, who became King George I of England. What a different world it would have been, if that had been the case!

When Leibniz died, in relative isolation in Hanover in 1716, the event passed virtually unnoticed, thanks to his political enemies. But the institutions, writings, and political networks which he had set up—from Russia, to London, Paris, Italy, and America—survived to play a crucial role in the century to follow, not the least of which was in the founding of the United States of America.

From now on, put July 1 on your calendar, to celebrate the birthday of Gottfried Wilhelm Leibniz.

[top of page](#)

[home page](#)