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

**Why 'LaRouche in 2004' Was Indispensable**

## **Had I Not Been Excluded**

by Lyndon H. LaRouche, Jr.

September 11, 2004

As I wrote on the subject of "How to Campaign for Kerry," earlier today, the fact that the Democratic Party is under such campaign pressure for the coming weeks, is reflected now in the still mentally deadening effects of what is typified by the "Shrum factor" over the entirety of the primary campaign since the New Hampshire primary. Had I not been excluded from the campaign debates, the issues which I was addressing during the period prior to the July Convention would have already been aired to a broader population over the preceding six months.

The importance of that lies not in the substantial primary vote I would have accumulated. In light of the hatred fostered against me by certain currents even within the Party, Kerry would have probably won the nomination, anyway. The most important difference, now, is that the general population was left ill-prepared by the Kerry election-campaign, by the failure to digest the strategic issues which were already the central feature of my primary campaign.

Now, therefore, we must make up, very quickly, for about six months of opportunity more or less frivolously cast away.

### **1. Kerry As the Candidate**

Kerry's primary campaigning was at its relative best in New Hampshire, where he tended to respond to the environment of my campaign, unlike the later parts of the primary campaign. If one thinks back about the pluses and minuses of his campaign so far, one sees two things, foremost.

First, the deadening tendency to bore the sections of the constituency, a constituency which must be brought into the Party's support from outside the category of so-called "voters in three of the last four Federal campaigns." Call that deadening feature of Kerry's campaigning then "the Bob Shrum factor"; it was not all Shrum's fault, but the comparison with the fatal flaws of the 2000 Al Gore campaign, which failed to win the electoral-vote majority in Arkansas, prior to the re-re-counting of the Florida vote, points to the paradigmatic significance of the notoriously funereal implications of Shrum's role in numerous winnable campaigns which went down to defeat under his influence.

Second, the weaknesses of Kerry's campaigning, even today. Kerry shows himself, at his best, as his military record shows the development of his personal talent and courage, his admirable personal qualities lacking in de facto draft-evaders Bush and Cheney, as a military leader in the field. Where he has yet to show mettle now, is as the prospective commander in

chief who must not "fudge" on a direct, clear, and forceful kind of hubris, on the kind of leadership in political combat we might expect of a Douglas MacArthur in the work of lonely ultimate responsibility for the crucial initiatives demanded for command of a theater. He counterpunches very well on secondary issues, when he is not constrained against doing so by misadvisors such as Shrum; it has been want of pungently expressed, sharply focussed strategic initiatives, with deep-cutting knife-edge quality of irreversible commitment without hedges, like that of MacArthur's Inchon flanking operation, where Kerry's arguments have tended to be defused into multifariousness, which are therefore lacking in effective campaign "punch."

My estimate of Kerry is, that with the right team of top advisors—not some crew cooked up by a Washington, D.C. law firm, a crew largely drawn from selected senior veterans of such quarters as our flag officers, sharp-minded leading diplomats, straight-thinking, thoroughly battle-tested senior intelligence officers, and a comparable selection from among the ranks of present and former Congressmen and academic specialists—we would provide a Kerry Presidency with a crew drawn from bipartisan ranks, as able, or even better pre-qualified, as a team, for a time of grave crisis than that around President Franklin Roosevelt. There are obvious options for "parking" such a readily available team in various spots in or around a Kerry Presidency as a whole.

Additionally, Kerry's own experience in matters of foreign affairs qualifies him as with a good working "feel," utterly lacking in the present Bush Administration, provided he were suitably advised in the systemic features of the strategic side of matters of foreign affairs, including those where my own uniquely special sort of hands-on experience would serve as a contributing additional quality of factor for supporting the new Administration's strategic competence in ways which have been worse than utterly lacking in the present, bungling, ham-fisted style of the often mindlessly impulsive Bush Administration.

Such a team of specially privileged, highly qualified advisors, whether situated nominally in Cabinet positions, the National Security Council, or elsewhere, would give a new President who shares Kerry's extensive Senate experience, the kind of actual and perceived broad base of support and public acceptance he needs for the circumstances of virtually unprecedented and sudden global crises which already are onrushing at this time.

A good package means a good Kerry Presidency from which, in net effect, virtually nothing essential need be lacking.

Without such a new, gentler, but yet firmer Presidency of such included strength and moral intellectual authority, the danger would be a tendency toward mechanical dictatorial exercises in arbitrary willfulness, rather than confident leadership which guides the people toward safety in a voluntary way, that rather than the kind of quasi-dictatorial to fully dictatorial arbitrariness of an Orwellian "Big Brother" which Cheney et al. have cut out for the Bush Administration by aid of the impact of horror projected by the 9/11 attack. The result of such changes in the composition of the Presidency would be a Presidency gentler but more forcefully effective than the assortment of brutish louts who dominate the current Bush Administration. It is in this complex that we find the obviously recommendable prospect for situating a still youthful ex-President Bill Clinton in some way which would be in keeping with the institutional dignity of an ex-President, and of immense value to the nation at the kind of juncture we face in years immediately ahead.

The chief problem, is that the pathway to this kind of urgently needed change was greatly impeded by the wasted six months during which there should have been the broadly extended effect, as through the campaign debates, of my catalytic role participating, even seemingly gadfly role, in preparing the Party for the present situation. This was prevented during all those months preceding the Boston convention, by the included role of certain very gloomy recesses of the Justice Department in controlling the Democratic National Committee's expressed attitude toward me at that time. The folly of pretending that a "business-as-usual" transition were an appropriate outlook for the post-conventions interval, where a full-fledged, systemically existential crisis is the reality of the essence of the situation, has left the nation and the election-process into November emotionally and intellectually now greatly under-prepared for the forces about to strike us in a

relatively unprecedented way.

We must now hasten to fill that gap.

## 2. The Character of This Problem Before Us

The relatively amateurish tendencies of even some seasoned campaign advisors, is to assume that the way citizens will vote in November, should be simply adduced from study of currently reported trends in popular opinion. From the standpoint of current trends toward radical change in circumstances affecting the population, reliance on those approaches to opinion-polling verges upon assured failure of the relevant campaigns. We are now in a period of sudden, radical change in circumstances, and consequently in directions of changes in opinion. We are in what historians would report as a revolutionary interval of temporary discontinuity, sometimes sudden and even violent changes in the course of economic and related political and related developments.

By that, we might refer, for one example of this problem, to the evolution of the situation in 1917 Russia, from the end of Czardom to the so-called "October Revolution." The peculiar genius, and so-called "voluntarist" outlook, of V.I. Lenin, in launching the October Revolution, was his foresight into both the way in which the overthrow of Czarism was probably pre-assured by the launching of World War I, and the inherent incompetence of all those relatively influential political currents which might be considered contenders for the formation of a post-Czar government. In effect, these were the circumstances in which Lenin orchestrated the revolutionary establishment of Soviet power even virtually behind the back, and over the resistance of the majority of the leadership of his own Bolshevik Party.

The pre-existing assortment of institutions created a vacuum into which Lenin eagerly marched.

Compare this experience of Russia with the example of the way in which the Hitler dictatorship emerged within several weeks following President Hindenburg's appointment of Hitler as a ministerial Chancellor to replace the anti-Hitler government. At first, German opinion thought Hitler to be a fly-by-night phenomenon; Göring's orchestration of the Reichstag Fire, and the prompt use of that frightening event to enact the dictatorial emergency powers given to Hitler, made World War II in some form virtually inevitable at that point in February 1933.

The whole sweep of history of nations and entire cultures, including our own republic, is characterized by the kinds of intervals of crisis which represent a point of discontinuity in the habits of thought and practice of both institutions and mass opinion.

If, then, a responsible leadership institution is prepared to face the actuality of such a period of discontinuity in trends, as President Franklin Roosevelt saved the U.S. from both going fascist here, and from the threat of fascist tyranny from abroad, then the nation will probably come out strengthened by overcoming that threat, as was the case with us during the 1933-45 interval preceding that President's death. If that option is not present, then, as in banker Volpi di Misurata's Italy of 1922, or the post-1931 Germany of Jan. 28-30, 1933, the worst result will probably ensue.

The U.S.A. is engulfed, right now, by the onrush of such a systemic form of global monetary-financial crisis. For reasons of the factor of "free will," the timing of a sharp break in the system, a break like that of crossing the sound-barrier, can rarely be timed exactly; however, the range of interval within which the crisis will express itself in the sharpest way, can be broadly estimated as within a relatively narrow time-frame, as today. We are presently in a band of developments comparable to an increasingly turbulent passage from the sub-sonic to supersonic stages of the onrushing world crisis. This is the situation faced by the incoming Presidency, and that therefore defines the preciously limited time to make the kinds of political choices which will predetermine the character of our government's response to the breaking-point in the

general monetary-financial collapse onrushing in the world system today.

The impact of this kind of process of transition, as from the 1787 incident of the Queen's necklace, plotted by Martinist cult-member Cagliostro, which led to the London-plotted, Martinist-orchestrated events of July 1789 and beyond in France, is associated with sudden and sweeping, successive changes in beliefs and moods within the population in general. For such a situation with us today, and also with the world at large, today, all customary, linear assumptions respecting political trends, are the self-afflicted addictions of political fools.

In such an interval of crisis, as this which is already gripping our society today, especially in North America and Europe, there are approaches for dealing more or less successfully with the kind of non-linear ideological turbulence now gripping the U.S., in particular, at this juncture. That kind of situation requires an approach which is rooted in deep appreciation of those often still-unconscious, accelerating trends toward change in values which might be expressed on the apparent surface of political and related developments in outlook and moods.

In such a circumstance, effective politics depends upon the capacity and inclination of leading political and related circles to bring into consciousness what is lurking, insurgent within the potential consciousness of various strata among the population and corresponding institutions.

The most essential of these kinds of considerations now, pertains to the underlying issues of direction of change in the physical aspects of the economy. The possibility of rational, rather than recklessly impulsive response to seismic-like shocks in the ongoing social-economic-political process, depends upon reaching agreement between the political leadership and a crucial, broad-based section of the population, on a rational comprehension of the underlying long-term interests of the nation as a whole.

The task so posed is comparable to leadership of a nation which must fight a war, and yet will not win a war which is, like the ongoing warfare in Iraq today, a condition worse than what had been recklessly assumed, over the warnings of the best top-ranking military professionals, to be the justification for going to war in the first place.

In a crisis of such existential import, such as that which the U.S. already faces in the weeks and months ahead, policy-shaping must proceed from the starting-point of a thoroughly crafted "exit strategy," not the kind of reckless decision to go to war whose worsening consequences now confront us as the consequences of our national folly in a) Afghanistan, b) Iraq, c) our rapidly deteriorating foreign relations with Europe and elsewhere, and, d) the consequences of these thoughtless blunders experienced in the combined costs of yet another useless war and lunatic degree of Bush Administration mismanagement of the U.S. economy itself.

Before beginning a journey, consider both the destination your plan will actually reach, and the hazards along the way. War is never a good impulse-buy, as by an intellectually and emotionally challenged President acting as a virtual puppet of the fraudulent pretexts concocted by a deeply morally challenged Vice-President Cheney and Cheney's own house political "Leporello," Lewis "Scooter" Libby.

We are faced, presently, with a general population whose perception, among various parts, is directly contrary to reaching a destination consistent with our future interest, a population whose perceptions do not yet correspond to any feasible route of travel through the turbulent transition of the coming weeks and months. Our national leadership must discover what method of achieving the underlying interests of our people will lead to a safe result from our choice of policy, and to win the population, or much of it to the necessity of that choice. Past performance, and preceding trends of opinion are no longer a safe basis for judgments in choices of national policy, when a nation is struck by a systemic crisis of the type whose expressed turbulence is already wracking our world today. This is, in short, a time of previously uncharted waters, a time for a leadership which leads, rather than follows trends.

This is a time for shaping the thinking of the citizenry, as President Franklin Roosevelt's "Fireside Chats" led the nation, mostly willingly, to new, previously uncharted directions toward some goal defined by a clear "exit strategy." A U.S. President for a time of great systemic crisis can not rule effectively by an affectation of "noblesse oblige"; the President must lead the people as part of that people, even, most above all, that part which inhabits the ranks of the "have nots."

The effective approach, under these new circumstances, will be premised on assessing the potential for radical changes in the direction of opinion-formation, sometimes even over such short-term intervals as one or two weeks. This prospect must be approached from a strategic, rather than merely tactical standpoint.

Assuming a livable outcome of the November election, providing the needed strategic advice and support for a President Kerry as the key to the fate of our republic, is something which should have been settled, beginning several or more months prior to the Boston convention. The contrast between the patched-together platform presented at the last minute for the convention, and my thoroughly composed alternative presented then, typifies the point. What we should require of a President is that he performs well enough to ensure our nation's future, whatever combination of factors must be brought together to bring about that happy result. That happy result must be prepared in depth before the general election.

To bring that needed result off by the time of the immediate aftermath of the election, we must be committed not to craft a Presidency which patronizes the people as a privileged lord of the manor might donate assorted benefits to the genuflecting underlings of the estate; we need a Presidency which truly confides in, educates, and responds to the people. Not a patroon, nor a pathetic poltroon such as George W., but a President of, for, and by the people, a President who emulates the coincidence of personal humility and bold leadership of an Abraham Lincoln, and who brings the people generally along with him, rather than herding them like the munificent lord of a feudal estate.

Much more on this subject could, and should be said; but leave that presently unfinished part of the chore to the abundance of occasions which will arise during the weeks ahead.

## **Latest From LaRouche**

### **Dumping the Undertaker**

## **How To Campaign for Kerry**

**by Lyndon H. LaRouche, Jr.**

**September 11, 2004**

It were not unfair to think of the late Bob Shrum as the writer of funeral orations for the candidacies of otherwise winning Democrats. These were Democrats whose campaigns were misdirected into accepting recommendations that they adopt the kind of mournful services which Shrum, on his consistent record, has provided for the amusement of the victim Democrats' Republican beneficiaries.

True to form, Shrum's contributions to the 2004 Democratic Pre-Presidential and Presidential campaigns, had been to set up Senator Kerry, in particular, as a patsy for the intellectually pathetic George W. Bush's managers. Essentially, by luring the Democratic campaign into a kind of passivity, in which Kerry reacts chiefly to the agenda set by the thuggish

intellectual midgets Bush and Cheney, the Democratic campaign was being spun around the arena by its efforts to stay within the bounds of the Bush League's agenda. Do not, as seasoned funeral director Shrum did, let the opponent set the stage for his client's ensuing event.

The only way in which the intellectually challenged "W" could be prevented from falling apart in mid-motion, was to have the Democrats continue to throw the election-campaign in the way we have seen. That means, we, by focussing our own agenda according to the principle of the flank, choose for the adversary the battlefield on which we choose to fight. This means, among other things, launching attacks on those vulnerable flanks which neither the mass news-media nor the Republican campaign are addressing.

For example, the most obvious vulnerability of the W campaign today is the shocking trends in the physical state of the economy. As James Carville said with his winning smile in 1992: "It's the economy, stupid!" It is the physical economy, most emphatically.

Analyze the problems of the economic side of campaign policy:

Since the 1981 campaign, the Democratic Party's campaign has followed the spirit of the Brzezinski-Huntington-Margaret Thatcher role in establishing "Project Democracy" as the virtual Orwellian "Big Brother" doctrine, under which the ruinous effects of Paul Volcker's Trilateral Commission doctrine of "controlled disintegration of the economy" were *not* the focus of the Party's attack. This avoidance of the principal cause of the increasing ruin of the physical conditions of life of the lower eighty-percentile of family-income brackets, led into the Democratic Party's politically suicidal reliance on shifting away from the popular constituency represented by that lower eighty percentile, into reliance on fighting for a share of the expected vote from the ranks of the suburbanite and related strata of the expected voters from the ranks of the upper 20% of family-income brackets. This has been the essence of my personal quarrel with the drift of Democratic campaigns and most of those Presidential candidacies over the past three decades.

Although the Clinton candidacy and Presidency often adapted itself to that Democratic Party trend downward, Clinton himself was projected as an intrinsically sympathetic figure, who often compromised with the right wing in his own party, compromised, from mid-1996, with Newt Gingrich's far-right-wing revolutionary Jacobinism. President Clinton remained, with a few lapses, an effective leader even when he was mistaken, and remained always an unusually capable and active mind, a mind of conscience, toward which the despairing lower 80% income-bracket of the population looked hopefully as an alternative to the increasing cynicism toward the general welfare among both Democratic- as well as Republican-seated political currents in power. For that and related reasons, former President Clinton, the only post-1945 Democratic President since Franklin Roosevelt to actually serve two full terms, remains the most effective Democratic candidate of the past forty years.

Typical of the problem, is the recent turning away from the Democratic Party among one of those constituencies which had been Clinton's leading supporters prior to the aftertaste of the 1996 compromise with the Republican radical right's New Gingrich and his "Contract on America."

With the politically healthiest currents within the lower 80% of the U.S. population today, don't be fooled into discussing economic issues as money issues. The poor today—and that means the ever-getting-poorer lower 80% of households today—do not actually think rationally about money as such, although they do think very much about what money might buy, and what lack of money might deny them. They may pretend to be focussed on money, but, among them, that is mostly a form of fantasy-life, like a child's writing a letter to Santa Claus. The lower 80% have very little control over the money they get, and less control of the way it is circulated, differentially, in the economy. The intellectually healthier strata of the lower 80% of family-income brackets, think of economy in physical terms, in terms of the physical conditions of life. Most of our citizens know, or easily recognize, that they are living in the bare-bones hard realities of lost quality

employment opportunities, vanishing health-care and pensions, evaporated former places of employment, rusting and rotting infrastructure, and the like.

For these citizens, the Democratic Party of recent decades has become increasingly irrelevant. Those citizens tend to limit themselves to either begging, or menacing Democratic candidates with demands for single-issue-type special favors, having given up on hope of a sound economic policy from the Democratic Party. There has been no longer an organic link between the Party's policy-shaping and the conscious role of the lower 80% in that day-to-day functioning of the Democratic Party as a deliberative body which had been the Franklin Delano Roosevelt legacy. Rather, the alienation of large sections of the citizenry from the Party organization was a reflection of a growing impulse from the Party machine toward dumping an unwanted Roosevelt legacy.

Thus, until the shock of the already onrushing collapse of financial markets and institutions is reluctantly recognized among the "suburban"-oriented upper 20% of the population, the upper 20% is obsessed with the idea of money per se, and has lost the ability to distinguish, either intellectually or emotionally, between what is actually income, and spending its way into a pit of catastrophic indebtedness.

Look, for example, at the areas in which Alan Greenspan's Fannie Mae is spreading as the mortgage-based-securities bubble. In both the United Kingdom and the U.S.A., the areas of expanding apparent wealth inhabited by the upper- to-middle-level, feature regions in which the heavily debt-ridden inhabitants face a sudden collapse of real-estate values from the plus-\$400,000 mortgage-level, to a general collapse of mortgage-based values which will threaten the banking system generally. We are presently hanging by the fraying threads of mortgage-based securities speculation.

Notable: Even in those areas of development, the percentage of total family income required to maintain a mortgaged place of residence has soared far above the 25% recommended, to a highly strained level as high as 60%. A chain-reaction collapse of Greenspan's mortgage-based, financial-derivatives-based bubble, has devastating implications for the entirety of the population which has gambled its future on a hair-trigger of inflated debt in these "developing" localities. A collapse of the number of actually employed persons sharing the burden of possession of a mortgaged residence, or simply a down-sizing of quality of income from employment, represents threatened catastrophe for those in the nominal category of "suburban" mortgaged-debtor-classes.

In general, the curves of financial and monetary turnover are already far, far removed from a state of affairs in which monetary-financial expansion meant physical growth in per-capita incomes and asset-holding. The data on financial and related markets have been churned by financial-derivatives and related pure speculation, as in various guises of hedge funds. This has produced what we may recognize as chiefly a churning within the financial sector itself, a churning which has represented, less and less, a correlative of real economic activity, and has now become a pure parasite sucking on, and collapsing the physical economy.

Thanks to the leading news media and other influences, the general population has no indigenous comprehension of the way any of this actually works; but, that population does experience the effects in real-life terms, especially among the less demoralized strata, such as households still thinking of themselves as representing skilled and semi-skilled working households. It is that stratum of the population *outside the suburbanite strata*, which, combined with young adults of the 18-25 age-bracket who have not yet fallen off the deep end of culture, is the electoral factor least considered by the Democratic Party's Presidential-campaign strategy until recently.

Although we must approach the practical, and derived political issues of the economy at large from the best, highest level of competence in technical and related matters, we must also impart a sense of the reality of what professionals should know, to the organic intellectual pace-setters of the lower 80% of family-income brackets. Turning out an additional vote, now rapidly, through persistent emphasis on the leading combination of such mature households and the 18-25-age youth

movement typified by the LaRouche Youth Movement itself, is the "chemical" combination which is the source of margin needed for a potential landslide victory, even at this late stage of the game,

To that effect, we must do what I am doing in support of the organizing role of the LYM in those areas of the nation on which we are concentrating as our adopted places of responsibility on behalf of the Kerry candidacy.

When we talk about the economy in terms of the current financial markets, the majority of citizens are hopelessly confused, that in the way I have indicated here. However, when one focusses on lost essential physical and related basic economic infrastructure in the citizen's area of the country, the downward shifts in purchasing-power represented by income, in the lost quality of goods available at stores, the now accelerating, already catastrophic collapse of health-care, the fraud of W's ridiculous pretensions as an "education President," and the loss of one after another of the places of productive employment in that area, the citizen who is confused by the financial double-talk (and outright lies) coming from the current Administration, suddenly shows intelligent comprehension of the reality of economic issues.

The intent of the urgently needed change in emphasis in the Presidential and related campaigns, must be to motivate the citizen to vote, not because he is dragged to the polls, but because he or she marches to the polls, with grim determination, and an inner-directed clear sense of determination to win the political-economic war which we must win if our system is to survive. Instead of jerking the citizen around with "spin," arouse that intelligent perception of not only real, but urgent interest in a changed national economic direction, an inner-directed impulse which will launch him, or her to the polls, wearing a smiling, but also grim determination to do something which needs to be done now.

On flanking poor "W":

W's psychological make-up is his false-front strength, and also the fatal flaw which can be string-jerked to produce his potential downfall. Over four years, since his first Presidential campaign, he himself has given us all the evidence we need to adduce certain useful psychological insights with a certain confidence.

As any thinking man or woman could plainly see, he is an obsessive creature, fascinated with his Narcissus-like adoration of his own spewing flood of word-matter he does not actually understand, a spew of words pouring forth to the accompaniment of a grim, sadistic smirk on his face, like the Roman Emperor Caligula's smiling to his wife when he informed her, while making love to her: "What a pretty neck. I could slice it any time I chose to do so." Trying to be liked by W, is not a good insurance-policy to buy into.

The worst danger he represents, is not only that he is a savage and essentially illiterate, would-be idiot-savant. Only his emotional impulses of an inveterate petty sneak are sincere, and the impulses of that "artful dodger" are very bad. He is more a "preying" than "praying" Christian. The more Christian he claims himself to be, the more un-Christian the Cheney-like, beastman-like sadistic impulses he expresses in practice, the more Christ-hating his actual motives, motives suggesting Dostoyevsky's portrayal of the Christ-hating Grand Inquisitor.

The typical problem is, that when he has once adopted a word he has overheard coming out of his mouth, that word now becomes a substitute for reality. His defiantly illiterate spewing of the word "terrism" is exemplary. His staged landing on a carrier, to claim victory, when the asymmetric warfare had just begun, is typical of the gutter-level charlatan within him. He, like Cheney, usually lies, in one way or another, on every topic he takes up, such as the "yellowcake" hoax, and the claims of the certainty of arsenals of immediately deployable "weapons of mass destruction," deployed to hoodwink the politically intimidated majority of the Senate into a violation of the Constitutional specifications and intent on the war-powers of the President. By putting W-style "spin" on a short vocabulary of such code-words, he evades all challenging questions with a dumb dry drunk's smirking-style ejaculations of sophistry.



On all practical matters, the man is mentally an unbalanced virtual idiot respecting matters of knowledge, a vicious "dry drunk," and would be a great, immediate danger to global civilization, were he and Cheney to be reelected. Imagine his dreaming state! He is stupid; his interior activity of brain must be like the racket heard in a boiler-factory: in effect of these qualities of a Bush-Cheney "odd couple," to which he is to be compared, for likely effects. One wonders, must he be managing all that rage by help of an obsessive dependency on muscle-bending? In effect, he is a dumbed-down stand-in for Adolf Hitler. That is to say, such he threatens to be, when we consider the world-role he must tend to play in our powerful Presidency; his mental and moral deficits, including his rages, represent, a danger to civilization of the same general classification as Hitler and the like in times past.

Knowing this ourselves, how do we force the truth about himself out of the collective mouth of sadistically smirking puppet W, and also the scowling puppet-master "Dirty Dick" Cheney?

As long as the puppet-masters behind W are capable of defining the debate-agenda of the national campaigns, W's string-pullers are able to make him appear to be a serious player on stage. Once the agenda is forcefully shifted to subject-matters he can not handle, boxing him in to force his response to issues on which he is inherently un-preparable, will expose him to public insight into the monster he is, the monster which we who are observant know to be seething behind the mask his managers seek to maintain for him.

How does one do a battle with words against an opponent who lacks elementary intelligence respecting the real world, and who will be therefore unresponsive to the tugs of reason? Take him on by surprise, publicly, in topical areas on which his pathetic lack of sane intellectual powers and his lack of ability to recognize facts, is forced visibly to the surface. Especially on the practical issues of trends in physical economy, where he does no better than quiver like a doomed, melting jellyfish which had been left on the beach by an outgoing tide.

Do not let him set the agenda of the debates! Flank him.

## Feature:

### 59 Days To Change History: A Moment Of Epic Decision

by Nancy Spannaus

The semi-annual conference of the LaRouche movement in the United States brought together approximately 900 persons at locations in Northern Virginia and Southern California on Sept. 4-6, to deliberate on how to save the United States, and the world, from disaster—specifically, the re-election of George Bush and Dick Cheney on Nov. 2. As Lyndon H. LaRouche, Jr. put it in his keynote address, entitled 'A Moment of Epic Decision,' this is not a fight to win an election; 'it's a fight to turn the course of history.'

### A Moment of Epic Decision

by Lyndon H. LaRouche, Jr.

Here is Lyndon LaRouche's keynote to the Labor Day conference of the International Caucus of Labor Committees and Schiller Institute, Sept. 4, 2004. The panel was chaired by EIR Editor and ICLC Executive Committee member Nancy Spannaus; Schiller Institute Vice Chairman Amelia Boynton Robinson introduced the speaker.

## Strategic Studies:

### LaRouche Comments on Putin: The Issue Is World War III

by Lyndon H. LaRouche, Jr.

*The following statement was uttered by LaRouche at a Labor Day conference on Sept. 6, and issued as a press release on Sept. 7 by LaRouche PAC.*

On President Putin's statement, as reported in leading press in the United States, available today, such as the New York Times. The leading feature, the crucial feature of President Putin's statement, is featured internationally. This is the statement on Russia's reaction, to the attack in North Ossetia, by forces which are deployed from within the Caucasus, and with the tacit support and sympathy of not only certain governments which are closely tied to the U.S. government in the Caucasus at present, but with actually very obvious participation of covert elements, operating behind the scenes in these regions.

**(See President Putin's Speech on page 4 of this article.)**

## **Neo-Cons Knee Deep in Caucasus Provocations**

**by Jeffrey Steinberg**

Russian Foreign Minister Sergei Lavrov on Sept. 8 delivered the most unambiguous attack on Western countries in recent memory, when he declared that they 'bear direct responsibility for the tragedy of the Chechen people when they give political asylum to terrorists. When our Western partners say we should re-examine our policy, what you call tactics, I would advise them not to interfere in our Russian internal affairs.'

## **LaRouche's 1999 Video: 'Storm Over Asia'**

EIR released a feature-length video, 'Storm Over Asia,' at a Washington press conference on Dec. 8, 1999. In the program, Lyndon LaRouche and associates gave a precise strategic evaluation of the Anglo-American financier oligarchy's assault on, especially, Russia, China, and India. The following is excerpted from LaRouche's script of his presentation. The video begins with film footage of battles in Chechnya and on the India-Pakistan border.

## **The Last Warning**

**Russian analyst Roman Bessonov looks at Russian society and the challenges to its leadership, in the wake of the Beslan school massacre.**

A crowd of people at a blood donation station; not a soul in line at the airport's booking office; an old war movie on TV, for the first time in three years; a shrill voice on the radio, warning that the Civil Defense Service is testing the emergency warning system; the following measured strikes of the metronome. 'This is war,' said the head of state.

# **Economics:**

## **There Is No 'Upswing' In the Swing States**

**by Richard Freeman and Paul Gallagher**

In the electoral 'battleground states' of the formerly industrial Midwest and Mid-Atlantic, from Wisconsin and Missouri to Pennsylvania, campaign appeals to the 'middle class' are ignoring the impoverishment and abandonment—of cities, workplaces, and decent jobs—with which globalization and deindustrialization have battered those states. During the years of the Cheney-Bush Administration, sharply rising poverty has made virtually all the cities of the industrial belt start to resemble the eastern Germany which is swept with demonstrations for jobs and reconstruction today.

- **Michigan**
- **Ohio**
- **Pennsylvania**
- **Animation: Pennsylvania Hospitals, by County, since 1980**
- **Major Cities**

# **International:**

## **INTELLIGENCE ORGANIZATION**

### **How Can Intelligence Serve An Un-Intelligible President?**

**by Lyndon H. LaRouche, Jr.**

If you chose to vacation in the Sahara Desert, do not blame the weatherman for the lack of rain.

—Lyndon LaRouche today

It's the economy, stupid!

—James Carville, 1992

### **Spy Scandal Centers On AIPAC Role**

**by Jeffrey Steinberg**

According to sources close to the Bush Administration, Attorney General John Ashcroft moved in August to put the kibosh on an FBI counterintelligence probe into top operatives of the official Israeli lobby in America, the American Israel Public Affairs Committee (AIPAC); and when it became clear that there was a top-down cover-up under way, government officials leaked details of the spy probe to CBS News to prevent the probe from being shut down altogether.

### **Retired Officers Call for Independent Commission To Probe Prison Torture**

**by Edward Spannaus**

In light of the obvious inability of the Bush Administration to investigate its own responsibility for the prison torture scandal, and in light of the unwillingness of Congress to aggressively conduct such an investigation, a group of eight retired flag officers has issued a call for the creation of an independent commission, to investigate and report the truth about the allegations of torture and abuse of prisoners in Iraq, Afghanistan, and Guantanamo.

### **Shi'ism in Iraq**

### **Don't Mess With Iraq's Moral Authority and Historic Legacy!**

**by Hussein Askary**

It is a very, very sensitive thing to attempt to deal with sectarian issues within religion. I, as an Iraqi who does not identify himself with any sect other than Islam and its universal principles, endeavored to write this limited and short description of the historical background of the actors on the Iraqi battle field, in order to give readers and observers a sense of the people involved in the events of Iraq today. My aim is not to give a lecture in history, because this short piece is far from any thorough review. Its aim is to forewarn those who could act to change the policies of the United States, and other nations, of the consequences of their failure to act now.

### **Saxony Elections: Bu"So Calls for Good Jobs, at Germany Demos**

**by Rainer Apel**

Armed with a leaflet calling for millions of new jobs and productive credit, the LaRouche Youth Movement (LYM) and other activists with the Civil Rights Movement Solidarity party (Bu"So) began a new round of policy interventions throughout Germany's Monday rallies, on Sept. 6. The mass leaflet, 'Manifesto for the Monday Demonstrations' by Bu"So Chairwoman Helga Zepp-LaRouche, (see EIR, Sept. 3) was circulated in 70,000 copies alone in Saxony, which will hold its state parliament election on Sept. 19, and another 30,000 in other German states.

### **Philippines in Crisis Turns to China**

**by Mike Billington**

Philippines President Gloria Macapagal-Arroyo, just weeks after her dramatic decision to withdraw the small Filipino military contingent from Iraq, and the hostile retaliation to that act from the Bush-Cheney regime in Washington, has now carried out a high-profile three-day state visit to China, signing a series of breakthrough agreements are significant not only for the region, but for the world.

- **Railway Diplomacy n the Philippines**

**by Gary L. Satre**

Gary Satre, a longtime friend of EIR who lives in the Philip- pines, received a master's degree from the University of the Philippines after

working as a U.S. Navy journalist. He writes and speaks on railroad issues in the Philippines.

## **Equatorial Guinea:**

### **Maggie Thatcher's Son And the Failed Coup**

**by Dean Andromidas**

At 7:00 a.m., on Aug. 25, agents of South Africa's Scorpions, the elite special police unit deployed for the most serious of crimes, arrived on Mark Thatcher's doorstep in Cape Town to announce to the pajama-clad Thatcher that he was under arrest. South African authorities announced that 'credible evidence' indicated that Mark Thatcher, the son of Great Britain's infamous prime minister, Margaret Thatcher, had helped finance a coup attempt in Equatorial Guinea.

## **National:**

### **GOP Convention Shows A Party in Disarray**

**by William Jones**

The neatly scripted four-day gala event in New York, which Republican party operatives so pompously labelled their National Convention, would have won the admiration of Leni Riefenstahl, the film choreographer of that monumental 1934 Nazi rally in Nuremberg, which Riefenstahl memorialized in her propaganda film 'The Triumph of the Will.' But underneath the strong show of unity behind Republican Presidential nominee George W. Bush, the party is in a state of turmoil, with a variety of factions jockeying to gain influence over a second Bush Administration, assuming he is re-elected.

- **GOP Newsletter Assails 'Bush's Party of Power'**

In its lead story Sept. 6, The Big Picture, a prestigious newsletter that circulates widely among Republican Party movers and shakers, blasted the Cheney-Bush crowd for its scripted Republican Convention, and the Party's intolerance and dedication only to preserving the President's power.

## **U.S. Economic/Financial News**

### **Delta To Cut Thousands More Jobs**

Delta Airline's CEO Gerald Grinstein announced on Sept. 8, a draconian 18-month restructuring plan which has the goal of cutting \$5 billion in costs (\$2.3 billion this year, \$2.7 billion next year). The plan of the nation's #3 airline includes:

- \* The layoff of 6,000-7,000 workers.
- \* The "de-hubbing" of Dallas/Forth Worth, one of Delta's largest hubs. By Jan 31, 2005, the number of daily Delta flights departing from Dallas/Ft. Worth will be reduced from 256 to 21.
- \* The layoffs could spread to other "hubs." For example, at Orlando (Fla.) International Airport, where it is the largest carrier, Delta has already cut 16,000 jobs since 2001.
- \* The buildup of Delta's low-cost carrier, Song, which will eventually assume several of the flights that Delta now carries.

Further, Delta is seeking \$1 billion in salary cuts and speed-up from its pilots' union, as part of the \$5-billion package of overall cuts. Delta CEO Grinstein threatened on Sept. 8, that Delta could seek bankruptcy protection.

The 1978 deregulation of the airline industry set the stage for what is happening today. During the 1980s, under the first phase of dereg, the major airlines competed against one another. But since the late 1990s, in the second phase, the major airlines have been forced to compete with "low-cost carriers," like JetBlue, which are mostly non-union, keep pay levels very low, and cut costs to the bone. The major airlines, like Delta, United, and American, which attempt to maintain at least a semblance of a reliably operated structure, are at a distinct disadvantage. To this is added the depression-driven collapse of business air travel, and the residual effect of the events of Sept. 11, 2001, all of which have clobbered the bottom lines of the major airlines.

The major airlines have come up with a hideous answer to the crisis. Robert Crandall, former CEO of American Airlines, told the Sept. 2 *Washington Post*, "Today, you have an entire industry that has been subjected to a paradigm shift by the virtue of new [low-cost] carriers. The outcome in the end will be that every carrier, in one way or another, is going to have to get their costs down to the point where *they are essentially the same as the low-cost carriers. That means [get] rid of fixed-benefit pension plans, completely and profoundly change their labor contracts, eliminate ... work rules, and reduce wage rates.*" *These tactics are already being implemented.*

America's enervated air grid is headed toward extinction. United Airlines, the #2 U.S. air carrier, is still in bankruptcy, and the #6 carrier, once-bankrupt US Airways, which is demanding huge concessions from its workers, may be headed in that direction again within months. US Airways has announced that it will discontinue most of its flights out of Pittsburgh. By early 2005, United, US Airways, and Delta may be in bankruptcy, representing 42% of air passenger travel.

## **Growing Opposition to Electricity Dereg in Pennsylvania**

An outrageous ruling by the Public Utility Commission of Pennsylvania in mid-August has galvanized a fight against their rabid deregulation program, which includes Democratic Governor Ed Rendell, Duquesne Light, consumer advocates, and steel companies U.S. Steel, Allegheny Ludlum, and Universal Stainless & Alloy Products, the *Pittsburgh Post-Gazette* reported Sept. 3.

The PUC voted to end Duquesne Light's regulated price to customers three years from now, although the utility had requested a modest rate increase over the next three years, and a total six-year rate cap, to keep prices stable. Saying its aim is to increase competition, the PUC mandated that the utility go on the "open market" in three years, and sell power to industrial customers at an *hourly rate*!

"This puts our industrial sector at risk and presents a barrier to the creation of other new high-wage jobs in our state," Rendell stated. "The plan also makes Pennsylvania's economy vulnerable to electric commodity speculators," which is "exactly what happened in California two years ago, after that state similarly banned long-term power contracts."

"Pennsylvania is a manufacturing state," Rendell stated hopefully, "and my administration has been working hard to build on that reputation.... [W]e can't afford a plan that takes us in exactly the opposite direction."

## **Millions Remain Without Power Following Florida Hurricane**

Of the approximately 4.5 million Floridians who lost electric power in the Sept. 5 winds and downpours of Hurricane Frances, some 2.5 million were still without power as of the afternoon of Sept. 7. Florida Power and Light had 1.5 million out, with the largest numbers in Miami-Dade (estimated end of Sept. 9 to restore) and Broward (estimate end of Sept. 10 to restore). The biggest problem is Palm Beach with 540,000 still out. Tampa Electric had an additional 250,000 customers without power on Sept. 7 afternoon; Progress Energy in Central Florida had 600,000 still out.

Re: Water control infrastructure. The issue is how to manage the super-heavy run-off throughout the low-lying Florida Peninsula. A system of 127 pumps and gates stretching northward from Lake Apopka, was activated to the hilt as of Aug. 30, to move out the rain from the last hurricane, to make way for Frances. The South Florida Water Management Agency runs this system. There are high dikes in the Lake Okeechobee system, dating back to flood control put into place after the legendary 1928 hurricane broke through a levee, causing 2,500 deaths in that breach. The 30-foot high Herbert Hoover Dike was put in after that. These kinds of system, however, have not been fully maintained, and even been the target for shut-down as "unnatural!"

A *Miami Herald* article said Florida was "lucky" because its National Guard has just had two battalions returned from Iraq, one in March, and the other in June, and has no large Guard units there now. Guard units from North Carolina are deploying to Florida.

## **Amtrak Eliminates Pittsburgh's Three Rivers Route**

As of March 1, 2005, Amtrak will close down the Three Rivers route west of Pittsburgh, thus ending its only service to Akron and Youngstown, Ohio, *Post-Gazette* and Akron *Beacon Journal* reported Sept. 3.

Amtrak, the nation's passenger railroad, decimated by decades of underfunding by the Federal government, officially announced Sept. 3 that a number of cities in Florida, Ohio, and Indiana will no longer be served by passenger trains, because Amtrak is getting out of carrying mail and express business packages for the U.S. Postal Service.

In Florida, rail service will be withdrawn from Waldo, Ocala, Wildwood, and Dade City, as of Nov. 1, when Amtrak ends its New York-Miami Palmetto route, to be replaced by New York-Savannah.

In Pennsylvania, Ohio, and Indiana: on Nov. 1, Amtrak will eliminate one train on its Three Rivers route between New York and Chicago. On March 1, 2005, service on the route will be stopped west of Pittsburgh—hitting Youngstown, Akron, and Fostoria, Ohio, as well as Nappanee, Indiana.

## **Ford To Cut Back Production at St. Louis Plant**

Ford will end the second production shift at its suburban St. Louis sport utility vehicle (SUV) assembly plant, effective Jan. 3, eliminating about 800 more jobs, the *St. Louis Post-Dispatch* reported Sept. 7. The job cuts at the Hazelwood plant, blamed on declining sales of sport utility vehicles, come after Ford's announcement of 1,600 layoffs for three weeks at its truck plant in St. Paul, Minnesota.

## **Got Drought? Then Sell Your Water**

The Denver suburb of Aurora has cut a deal with Arkansas Valley farmers to buy 4 billion gallons of the farmers' water, according to *Bassmaster*, "The Worldwide Authority on Bass Fishing," Sept. 7.

"For the people of Aurora, it means they are going to have more water in the coming year. For the people in the Arkansas Valley, it means an influx of cash for the farmers who need it during the drought, so everybody wins," said Aurora Mayor Ed Tauer.

The \$5.5-million water deal, the largest temporary water lease in state history, was made possible by new legislation, which allows farmers to lease portions of their water year-by-year.

The water is enough to fill the city's Quincy Reservoir more than four times.

## **First Ever Repairs to 60-Year-Old Shasta Dam**

At the 60-year-old Shasta Dam in California, the first-ever repairs are underway to fill cavities, the *Redding Record Searchlight* reported Sept. 8. During the next several months, workers will repair 100-odd patches of missing or weathered concrete at the 445-foot-high Shasta Dam in California; damage due to weather and water flowing down the face of the spillway. The work is the first of its kind since the dam was completed 60 years ago, according to an engineer with the U.S. Bureau of Reclamation. Many of the spots to be repaired—which were identified in an examination of the spillway in the late 1990s—are small and shallow, but the largest cavity is 14 feet wide, 4 feet high and 1.5 feet deep. Officials claimed that the divots do not represent a structural threat to the 15-million-ton dam—which holds back 4.5 million acre-feet of water—but fixing them will prevent further erosion.

## **World Economic News**

### **New LTCM Catastrophe Expected in World Markets**

Get ready for a new LTCM disaster hitting world financial markets, warned the lead editorial in the German economic daily *Handelsblatt* on Sept. 8. The piece, headlined "Full Risk," picking up recent reports on the rapidly expanding hedge-fund business, starts off by pointing to what happened six years ago: "On Sept. 22, 1998, top managers of 13 banks met in the office of the New York Federal Reserve. They were very concerned about the stability of the worldwide financial system, because the hedge fund Long-Term Capital Management (LTCM) was in trouble due to failed speculations on Russia bonds. Under pressure from supervision agencies, Wall Street on the next day put together a rescue package for LTCM." Six years later, "banks and hedge funds are again engaging in risky financial transactions" in order to boost profits. "The entire sector has enormously expanded its risk positions in the last few years." Financial traders in particular are using derivatives, once described by Warren Buffett as "financial weapons of mass destruction."

The linkage between hedge funds and banks is even stronger today than it was six years ago. Banks are not only copying the trading schemes of hedge funds, but are furthermore eager to become so-called "prime brokers" of the funds, that is, providing them with everything needed, from credits to trading platforms. "Some New York banks are even renting office space for their customers," a development which has led to the emergence of "hedge fund hotels."

It's high time, states the editorial, that bank managers remember what happened in September 1998. Since the beginning of this year, the \$900-billion hedge fund business has not earned any money. "Some funds have been hit by huge losses. Dozens of hedge funds have been dissolved in recent months—so far without receiving much attention. But any moment a big bomb can explode."

### **Derivatives Turnover Exploded in the First-Half 2004**

According to the latest quarterly review by the Bank for International Settlements (BIS) issued Sept. 6, "The aggregate turnover of exchange-traded financial derivatives contracts expanded strongly in the second quarter of 2004. The combined value of trading in interest rate, stock index, and currency contracts amounted to \$304 trillion, a 12% rise from the first quarter of the year. The busy quarter followed an even more active first quarter, resulting in 43% growth for the first half of the year." This means that the annual turnover of exchange-traded derivatives—on top of these there are the bilateral OTC derivatives bets traded directly between the big banks—is on a path to reach at least \$1.2 quadrillion in 2004, roughly a quadrupling compared to the year 2000.



Most of the exchange-traded derivatives turnover comes from short-term interest rate contracts (\$280 trillion in the second quarter). While European exchanges accounted for most of the derivatives growth during the first quarter, U.S. exchanges reported a 44% increase in interest-rate derivatives turnover in the second quarter to \$150 trillion, almost double as much than in the fourth quarter 2003. The BIS links these extreme growth rates to the turmoil on bond markets during April and May, when long-term yields suddenly started to rise from record lows. The "central bank of central banks" notes that it has not seen such dramatic shifts on derivatives markets since the fourth quarter of 2000.

## United States News Digest

### Bush's Military Service Under Intense Scrutiny

On Sept. 8, CBS's "60 Minutes" aired a feature story on George W. Bush's National Guard service in the Texas Air National Guard and his alleged subsequent tour (or not) in the Alabama Air National Guard, which broadcast raises more questions about his so-called military record.

The documents revealed in the program are said to have come from the personal files of Bush's squadron commander, Lt. Col. Jerry B. Killian, after Bush abruptly moved from Texas to Alabama, to work on the electoral campaign of Winston Blount. Killian, who died in 1984, had ordered G.W. "to be suspended from flight status for failure to perform" to U.S. Air Force and National Guard standards and failure to take his annual physical "as ordered."

White House spokesmen have argued there was no reason for G.W. to take the annual physical exam required for fighter pilots, because there were no suitable planes for him to fly in Alabama.

The Killian records tell a different story. In addition to the order to Bush to report for a physical, the documents, include various memos from Killian, describing his conversations with Bush and other National Guard officers, about Bush's attempts to secure a transfer to Alabama.

Killian's notes include: "Phone call from Bush," which Killian recorded in a "memo to file" dated May 19, 1972. "Discussed options of how Bush can get out of coming to drill from now through November." Killian's files show that he ordered Bush "suspended from flight status" on Aug. 1, 1972, "for failure to accomplish annual medical examination," but does not mention his alleged failure to comply with National Guard and Air Force standards.

In another "memo to file," dated Aug. 18, 1973, Killian complained that he was under pressure from his superior, Col. Walter B. "Buck" Staudt, to "sugar coat" Bush's officer evaluations. Killian wrote: "I'm having trouble running interference and doing my job," in a memo titled "CYA" [cover your ass—ed.], "I will not rate [Bush]."

### GOP Newsletter Assails Republican Convention

*The Big Picture*, a prestigious newsletter that circulates widely among Republican Party movers and shakers, published a lead story in its Sept. 6 edition, blasting the Cheney-Bush crowd for the scripted Republican Convention, which signalled that "The traditional Grand Old Party of Taft, Eisenhower, Goldwater, Nixon, and Reagan is gone. Vanished without a trace is the old GOP's 'Big Tent' philosophy, where the party's distinct liberal and conservative 'wings' fought out their differences on issues and ideology.... President George W. Bush's party is shaped like a church, and not a very big one," publisher Richard Whalen wrote. "Although the entire Federal government establishment is in Republican hands, the party is insecure, narrow, doctrinaire, and intolerant. The Bush party is entirely dedicated to perpetuating the President's power." Whalen blasted the Bush Administration's Iraq war, which he described as a "tragic detour" from the war on terrorism, and



he zeroed in on Dick Cheney for having plotted an invasion of Iraq for years, in league with the neocons.

Whalen assailed both Zell Miller and Dick Cheney for delivering "stunningly mean-spirited speeches," which set the tone for Bush's own acceptance speech, "exploiting the memory of 9/11 and the public confusion between 'the war on terror' and the war in Iraq." Whalen's prognosis: "If the November election turns on Iraq and the war on terrorism, Bush will win. If the election turns on the disappointing economy, which remains more than a million jobs short in the third year of 'recovery,' Kerry will win."

Whalen also blasted Bush, and his "brain" Karl Rove, for devising an election strategy targetted almost exclusively at the Religious Right. "A Bush campaign targetted on mobilizing evangelical true believers in sufficient numbers to re-elect the President virtually alone, by its very exclusive nature, divides and polarizes America, and it literally could prove to be self-defeating—unless Kerry defeats himself."

Whalen's conclusion: Regardless of the November election outcome, "America is an inherently conservative nation, in need of a truly representative and inclusive majority party. The Republican Party urgently needs a long overdue post-Cold War updating and redefinition, especially the rejection of an unwanted empire and the hopeless doctrine of permanent war. Peace through strength was the heart of Ronald Reagan's uniting vision. America must regain domestic purpose and international respect through re-dedication to principles of freedom, nationalism and non-interference in the affairs of others."

## **1,000 U.S. War Dead Pinned on Bush/Cheney Policies**

In its Sept. 9 edition, the *New York Times* printed a chilling pictorial indictment of Bush and Cheney with a front-page article, and five full pages about the 1,000 U.S. troops who have been killed so far in Iraq, with August having been the highest number of U.S. troops injured—1,100 of them—on top of these figures. Part of the five pages of coverage is two and one-half full pages of the postage-stamp-sized portrait photos of the 1,000 dead—most of them in their 20s. The pictures of the soldiers has a very shocking effect, and the accompanying articles report on how young many of them are, and how they joined the military because they were looking for economic and educational opportunities. The *Times* also quotes a number of family members saying that they could never vote for Bush again.

However, in what could be a warning to John Kerry, family survivors are also saying they will vote for Ralph Nader, against Bush, because Kerry has not shown that he has any clear policy against the Iraq war.

The Sept. 9 *Washington Post* ran a similar portrait memorial, showing the full-color photos of hundreds of U.S. troops who have died since July 1, 2004.

## **LaRouche Democrat Wins 9% in Nevada**

LaRouche Democrat Ann Reynolds received 9% of the vote in a three-way race for the Democratic nomination for Congress in Nevada's First Congressional District. According to AP, the incumbent, Rep. Shelley Berkley, received 84% of the vote in the Democratic primary Sept. 7, while the other candidate, Brian Kral, a college instructor, received 7%. Earlier, Reynolds had told *New Federalist* that she would battle on, whatever the outcome of the primary, to help LaRouche secure a victory for the Kerry-Edwards ticket in the state. Reynolds has expressed concern that Berkley is "more concerned about supporting the insane and genocidal war plans of that Israeli fascist Ariel Sharon and his 'Likudniks' than she is about winning this state for Kerry."

## **For Rumsfeld and Myers, Failure in Iraq Is Success**

Chairman of the Joint Chiefs of Staff Gen. Richard Myers and Secretary of Defense Donald Rumsfeld expressed a backwards logic, at a Sept. 7 Pentagon briefing, in response to repeated questions about the inability of the U.S. occupation to control large areas of Iraq, including the cities of Fallujah, Ramadi, and Samarra.

Myers insisted that part of the strategy is to stay out of these places while Iraqi security forces are trained to handle them on their own. "And while U.S. forces or coalition forces, on their own, can do just about anything we want to do, it makes a lot more sense that it be a sustained operation, one that can be sustained by Iraqi security forces."

When asked later if he conceded that Fallujah, Ramadi, and Samarra had become safe havens for terrorists (what the Pentagon calls all anti-American insurgents in Iraq) and militants, Myers replied that "They are places where we do not conduct patrols, we don't conduct joint patrols [with Iraqi forces], but they are all going to be dealt with on priorities that are developed by the Iraqi government and by coalition forces." Myers punted on whether or not the raging violence in Iraq might preclude elections in January. He said, that's up to the interim government to sort out.

### **Gitmo Detainee Review Process Rushing to Completion**

Navy Secretary Gordon England, charged by Secretary of Defense Donald Rumsfeld with overseeing the process of reviewing the status of the detainees held at Guantanamo Bay, Cuba, reported Sept. 8 that 55 tribunals to determine whether or not detainees are enemy combatants or not, have been completed, and 30 have been approved by the convening authority. Of the 30 completed cases, one detainee has been determined not to be an enemy combatant and is in the process of being released to his home country. England would not say which country the detainee was from, or give any other details as to what resulted in the change in his status. He would only say generally that "we just learn more over time." He also expressed confidence that the process of reviewing the status of all of the approximately 600 detainees would be completed by the end of this year.

### **Is Libby Preparing for a New Career?**

According to *Washington Post* columnist Al Kamen, I. Lewis "Scooter" Libby, Vice President Dick Cheney's Chief of Staff, is preparing for his future. Kamen wrote on Sept. 8 that while walking on the streets of Des Moines, Iowa, one recent evening, Cheney's man was asked by some reporters what bar he was heading to. Libby's response: "Bail bondsman, actually." Libby's name has most recently popped up in connection with the AIPAC/neocon/Israeli spy scandal.

### **Jimmy Carter Blasts Zell Miller**

Former President Jimmy Carter wrote to fellow Georgia "Democrat" Sen. Zell Miller, accusing him of "unprecedented disloyalty," and calling his GOP Convention speech "rabid and mean-spirited." In the letter reported in the Sept. 8 *Washington Post*, Carter said he and others were "uncomfortable in seeing that you have chosen the rich over the poor, unilateral preemptive war over a strong nation unified with others for peace, lies and obfuscation over the truth, and the political technique of character assassination as a way to win elections or to garner a few moments of applause."

### **Army Ending Halliburton's Logistics Contract**

The U.S. Army is ending Halliburton's no-bid logistics contract for feeding and housing U.S. troops in Iraq, and putting the work out to competitive bids in several smaller contracts, the *Wall Street Journal* reported Sept. 7. In an internal Army memorandum dated Aug. 25, the Army's head of procurement policy, Tina Ballard, instructed top officials at the U.S. Army Field Support Command "to immediately begin the transition to competitively award sustainment contracts for

support of U.S. military forces in Iraq."

The memo also presents an option for the Army to stop efforts to negotiate contract costs with Halliburton's KBR unit—a whopping 42% of KBR's billings have been found by the Army to be not justified. This step means the Army could take unilateral action to come up with estimated costs on its own.

The intention of the move to axe KBR's Iraq logistics contract, according to a Pentagon official cited by the *Journal*, is to break up the contract—valued at as much as \$13 billion—into six or more smaller deals, and to complete the competitive bidding process by year-end.

## Ibero-American News Digest

### Mass Marches in Mexico Against Wall Street's Fox Government

Mexican labor unions joined with a wide range of political and social organizations in marches across Mexico on Aug. 31, as "the first phase" of a nationwide campaign against the Fox government's efforts to gut the public sector and destroy workers' rights. Marches ranging from the hundreds in small towns, to an estimated 100,000 in Mexico City, were held in dozens of cities across the country, all in defense of the Social Security Institute (IMSS) workers, and against President Vicente Fox's (IMF-decreed) economic and social policies.

One of the five speakers who addressed 10,000 marchers in Monterrey that day, was LaRouche associate Benjamin Castro, who drew applause from the crowd when he briefed them on Helga Zepp LaRouche's role in organizing the fast-spreading "Monday demos" in Germany and beyond. "We must join forces with all of them, and with the government of President Kirchner in Argentina, who has decided to raise pensions and also wants to raise salaries in disobedience to the IMF," he said, provoking a wave of applause and foot-stomping. Castro called on the protesters to join forces with those in Germany and elsewhere, to go on the offensive, "turning a fight of resistance into a fight for a program of reconstruction of the economy based on state credit, to generate jobs and great infrastructure projects, to reorganize the international financial system.... Either we get rid of the financial parasites, or they will destroy us!"

The next day, Sept. 1, the IMSS, electrical workers', and telephone workers' unions in Mexico City joined with farmer organizations, unions of university workers and students, debtor and human rights organizations, and activists from various opposition political forces—the PRD and PT parties, LaRouche's Labor Committees and LaRouche Youth Movement, and numerous others—to deliver Fox a personal message that "Your reforms will not pass!" Hundreds of thousands of trade unionists and supporters marched for several hours into Mexico City's center, to surround the Chamber of Deputies where Fox was giving his State of the Nation address. The IMSS, electrical, telephone, and other unions simultaneously ordered a nationwide work stoppage for the several hours of Fox's speech—a stoppage carefully orchestrated to hit primarily administrative and non-urgent telephone, electricity, and medical/health services.

Although the majority of the speeches by national protest leaders were narrowly focussed, the consensus was that this was but the "first phase" of the mobilization, and that a second phase, possibly leading to a national strike against the Fox government and other "tougher actions," was now beginning.

### Fox State of the Nation Speech Met With Boos

Mexican President Vicente Fox was, in turn, booed, denounced, shouted at, and ignored during his fourth annual State of the Nation address to the Chamber of Deputies Sept. 1. In what is being described as "the most hostile reception in recent memory," Fox's speech on "democracy" and "turning the corner on the economy" was interrupted by whistles, boos, and

chants of "Another Lie!" and "Pinocchio," more than a score of times during his speech. Toward the end of the speech, over 200 Congressmen deliberately stood up and turned their backs on the President, chatting among themselves and lighting up cigarettes in the chamber, where smoking is banned.

Fox, who defended his takedown of the Social Security Institute while bailing out the banks, asked the opposition for a "truce" to unite forces in "furthering democracy," and at one point urged legislators to "abide by society's mandate." This was particularly ironic in view of the tens of thousands of trade unionists and others surrounding the Chamber to protest his policies.

## **Lessa: South American Integration at Historic Crossroads**

"Now is the time to practice friendly geopolitics. We always boast of doing that, but we have to distance ourselves from any attempt to become a little empire," Carlos Lessa, head of Brazil's National Economic and Social Development Bank (BNDES), told the magazine *Carta Capital* on Aug. 28. Looking around the globe, Lessa remarked, the "peripheral parts of the world are increasingly becoming more peripheral." Take sub-Saharan Africa, he said. It has been thrown into "nothingness," devastated by AIDS and malaria. South America "holds a certain importance on the great world chessboard," but events are increasingly moving along lines "extending from the United States, Europe, and Asia toward Central Asia," he said. Therefore, continental integration, stemming from an axis formed by Argentina, Brazil, and Venezuela, could provide South America with a certain type of "emancipation. I see a potential in concrete developments which are moving forward quickly today."

## **Warning of Coup Plot vs. Argentina's Kirchner Government**

Argentina's former President Raul Alfonsin, who governed from 1983 to 1989, issued a communiqué Aug. 31 warning that "the right wing has decided to remove [current President Nestor] Kirchner and has set a deadline: March of next year." The release pointed to the "neoliberal right wing"—an undisguised reference to Mont Pelerinite Ricardo Lopez Murphy—as well as "speculative groups and some foreign investors," as backing these efforts.

*EIR* has repeatedly warned that local financial interests linked to Dick Cheney's synarchist faction internationally are out to topple Kirchner, because of the Argentine President's refusal to bend to the demands of the financial vultures behind the IMF. Wall Street has aggressively promoted Lopez Murphy as an acceptable alternative to Kirchner.

Alfonsin went after "left-wing" forces playing into the hands of the right-wing neoliberals, naming Elisa Carrio of the ARI Party, who has been loudly attacking Kirchner for months as "corrupt" and unprincipled. "Both Lilita Carrio, with her constant charges that everyone [in the government] is bad and should leave, and the *piqueteros* [unemployed groups] who attack the government with their often illegal protests, play right into the hands of the right wing that wants to remove the President," Alfonsin said.

Lopez Murphy responded indignantly to Alfonsin's warning, blustering that there couldn't possibly be "an institutional destabilization in March." He claimed he had no idea what "the neoliberal right wing" even was. But Alfonsin's ally in the Radical Civic Union (UCR), Deputy Leopoldo Moreau, stated that Alfonsin undoubtedly possesses "precise information," adding that the issues of crime and lack of security "will be used" by the right wing to destabilize the government.

## **IMF's Rato Rebuffed in Argentina**

IMF chief Rodrigo Rato's demand, during a quick visit to Buenos Aires on Aug. 31, that Argentina increase the primary budget surplus and pay more debt, was met with a blunt rejection from President Kirchner: "Don't even dream" of a bigger

surplus, Kirchner said.

Originally, Rato wasn't scheduled to visit Argentina at all during his first tour of South America's Southern Cone as head of the IMF. But he condescended to spend 10 hours in the country, during which time he ordered Kirchner to increase the primary budget surplus from the current level of 3% of GDP, to 4% or 5%. In a one-hour meeting with the Argentine President, Rato also demanded "an increase in public savings," implementation of "pending reforms," and "tightening up" of the budget. Rato insisted that Argentina must quickly complete its negotiations with foreign financial predators—"creditors," he called them—so as to "normalize its financial situation with international markets."

Kirchner would have none of this. On the debt-restructuring offer, he warned that "within the percentages already proposed" (i.e., a 75% write-down), "we'll seek the best agreement." As for a larger primary budget surplus, "don't even think about it; don't even dream it," he told Rato. The country is already making a big sacrifice to pay the foreign debt, he said.

As of July 31, the government had exceeded the 10-billion-peso primary budget surplus which the IMF had set for all of 2004, which fact had foreign vultures salivating, in hopes of getting more debt payment. But on Aug. 25, Economics Minister Roberto Lavagna, speaking at the Finance Ministry, reported that additional surplus funds would be allocated to "promoting productive activity, education, science, and technology," and said that further details would be made available in the next 30 days. Two days later, his spokesman, Armando Torres, categorically denied media reports that the government was considering a cash payment to creditors.

### **IMF Orders Even Chile To Deepen 'Reforms'**

After his disgusting performance in Argentina (see above), IMF Managing Director Rodrigo Rato travelled on to Chile, where the free market supposedly reigns. But he informed the Lagos government that there were "too many rigidities" in the country's labor laws, and that further "flexibilization" is necessary to "improve the employment situation."

"Flexibilization" is the IMF's term for the policy it has already imposed on many developing-sector nations, ripping up trade-union benefits and living standards to "lower labor costs."

Why demand this in Chile? Even in this alleged free-market paradise, where an economic recovery is supposedly underway, the unemployment rate registered a very high 9.7% at the end of the second quarter of this year. *El Mercurio* pointed out on Sept. 2 that in recent years, unemployment has, on average, been a good 30% higher than it was just prior to the Asia crisis of 1997-98. Although protection for workers was largely eliminated under the "Chicago Boys" who made policy under the Pinochet regime, starting in 1973, there have been some regulatory changes in recent years that, according to the Chilean daily, have made it more difficult to fire workers or shorten the workday. Rato warned that "it is the IMF's opinion" that labor reform to resolve such "rigidities" as job protection, "must figure on Chile's agenda in the coming period."

### **World Bank: Ibero-America's Labor Force Must Be 'Flexibilized'**

The World Bank has just issued a report, "Doing Business in 2005: Eliminating Obstacles to Growth," which asserts that existing labor protection legislation is the reason that Ibero-American workers are poor. The former development bank, now the financiers' collection agency, lied that labor and union protection has only benefitted the middle and "comfortable" classes.

The Malthusians at the World Bank complain that Ibero-American workers are the most protected in the world; labor laws

are "too rigid," making it difficult to fire anyone, thus leading to the creation of a parallel, or informal (underground) economy, whose employees have no benefits. According to their perverse logic, the way to create more jobs is to "reform" (i.e., eliminate) legislation protecting workers, and share the poverty. Ibero-America has to catch up to the industrialized sector, the report demands, where there has been greater progress in "simplifying" labor legislation. Chile's *La Tercera* remarks Sept. 8 that "it's easier to do business in Botswana, Thailand, and Slovakia than in any Latin American country," where labor costs are too high. The World Bank laments that only six Ibero-American nations have implemented "flexibilization" reform, in order to improve the business climate.

## Western European News Digest

### Germany Overhauls Emergency Economic Laws

Unnoticed by the public, the German government in November 2003 revised the 1968 "*Notstandsgesetze*" (emergency laws), which changes were approved by the Parliament in mid-August, again without any substantial public debate. What has been changed are several clauses in the emergency laws dealing with economic security. This "*Wirtschaftssicherstellungsverordnung*" specifies how, in times of extreme emergency, market laws may be overruled by regulation of the flow of economic resources in order to secure supplies for defense forces and key economic sectors.

The changes raise the question, why did the German government feel the need to update the emergency laws at this time? Chat groups, such as the one belonging to the German primetime TV news *Tagesschau*, are debating whether the revisions are being made in anticipation of war, a financial collapse, or mass rioting, including general strikes.

### Desperation Over Rising Unemployment in Eastern Europe

A recent conference in southern Germany on the prospects for youth in Eastern Europe gave a dramatic picture of the situation for youth seeking work, with rates of unemployment in eastern Germany of 30%; 40% in Poland; and up to 65% in Romania, where the search for employment leads many to seek the "golden" West, which is now becoming increasingly tarnished.

In Slovakia, Bulgaria, and Slovenia, those who sought and failed to find work are reportedly withdrawing into an "individual" lifestyle, contributing to growing indifference to homosexuality, prostitution, general depoliticization, and "mistrust" of politics. The deepening economic crisis is also converging on a real demographic time bomb looming in the East.

### Cologne Cardinal Addresses Plight of Youth in the East

Cardinal Meisner, who, along with Pope John Paul II will host the million-strong world youth conference in August 2005, spoke at a conference in southern Germany devoted to the situation of the youth in Eastern Europe.

Meisner stressed that he and Pope John Paul II are of the opinion that the world will only be changed by the young people who are willing to take risks, and who have hope and enthusiasm—and by the very old. The Pope told Meisner two weeks ago that he expects that, from the Cologne world youth gathering, a very powerful impulse will be sent to Europe and the world.

### Saxon Mayors Protest Shutdown of Schools

Saxony State Governor Georg Milbradt has announced plans to shut down 101 public schools in the eastern German state, for demographic and fiscal reasons, and has cut funds for structural work at another 100 schools. Mayors of the affected cities called a protest rally in the state capital Dresden for Sept. 9, involving numerous Christian Democratic Mayors protesting against their own CDU state government.

## **Euro Parliament Approves Liberalization of Cargo Rail Traffic**

This summer, the European Parliament has given the green light for a complete "liberalization" of cargo rail traffic in Europe. Countries will be forced to implement the necessary measures for "free transport of goods." This is a further push to destroy national responsibility for public infrastructure, which is in a bad shape already due to massive cost-cutting. Private transport firms are particularly interested in taking over cross-European lines. The risk is that such measures could lead to placing the strategic transport arteries of Europe under the control of private interests, which is totally contrary to Lyndon LaRouche's concept of the Productive Triangle and European Land-Bridge, and even the Delors Plan for big European-wide investment programs for Eurasian transport corridors.

At the same time, there is a big push in the power sector by private companies, to demand complete "fair competition," i.e., free access (without pay) to the state-owned tracks, and coherent standards. They also attack the fact that in Germany, vans are still using the streets without paying tolls.

Humboldt University in May of this year published a "liberalization index" for all the EU countries, which shows how far deregulation is destroying state responsibility for public infrastructure. Germany, Great Britain, and Italy are said to be "very dynamic," while Spain, Greece, and Ireland are said to lag behind.

## **Germany Losing Control of Rail Service to British Firms**

The British private rail company Arriva has just bought the regional, Bavarian state-owned Regentalbahn, which covers more than 1,000 km of track in East Bavaria, Saxony, Thuringia, and the Czech Republic. In April, Arriva took over, for 10 million euros, the "Prignitzer Eisenbahn," which covers regional tracks in the eastern states of Brandenburg and Mecklenburg-Vorpommern, and in North Rhine Westphalia.

This company is one of the biggest British transport companies, with 30,000 employees, and is mostly interested in regional rail lines. In Denmark, Italy, the Netherlands, Portugal, Spain, and Sweden, it owns private bus lines. In Denmark, in 2003, they bought a seven-year license for the regional trains in Jutland, only to turn around and replace those trains with cheaper bus routes.

Meanwhile, Germany's state-run train systems, such as the Bundesbahn, are preparing further harsh cuts in investments and personnel.

## **Moonie *Times* Takes Aim at France**

The first of three excerpts from the new book *Treachery*, by *Washington Times* reporter Bill Gertz, focusses on claims that the French continued to sell parts for Mirage fighter jets and Aerospatiale helicopters to Iraq up through the winter of 2002. Sales were to Iraqi front companies, and French weapons were used in attacks on U.S. troops. Half the missiles fired at Deputy Secretary of Defense Paul Wolfowitz's Baghdad hotel earlier this year were French-made rockets, the book claims. It further claims that U.S. intelligence is soft on France because they are trained to "get along," and the Paris diplomatic posting is the most coveted!

## Provocations from Germany and Poland Stir Up Old War Grievances

The national parliament of Poland, the Sejm, unanimously passed a resolution calling on Germany to pay compensation for the "enormous material and immaterial damages" owed to the Poles from more than five years of wartime Nazi occupation (and genocide) 60 years ago. The proposal calls on the government of Poland to "launch appropriate initiatives to achieve that objective," of compensation.

The Sejm move is nominally in response to provocations by leading members associated with the German Refugees Association, specifically, present chairwoman Erika Steinbach, and by a "Prussian Treuhand" organization, which want to force the German government to enter talks with the Polish government on compensation for Germans who fled, were expelled, and/or suffered expropriation of property in the closing months of the war, as the Russian Army moved west through territories that subsequently were declared part of Poland (this having been done to compensate Poland for the loss of its entire eastern territories to Belarus and Ukraine).

Although the Sejm vote is a reaction to these provocations from the German side, sentiments against Germany have been whipped up by neocon networks associated with Michael Novak (an American of Polish extraction) inside Poland and its media.

The governments of Germany and Poland have declared they will not do anything that could aggravate mutual relations between their countries, and Chancellor Schroeder also spoke out in public, during his Aug. 1, Warsaw visit, against the activities of the "Prussian Treuhand" group. Since former eastern German nobility is involved in this group, it cannot be ruled out that elements of the British aristocracy, with links to German feudal houses, may well be stirring this pot.

## Russia and the CIS News Digest

### Russian Leaders: War Has Been Declared

As the United Nations Security Council convened Sept. 1 at Russia's request, to consult on a response to the string of attacks in Russia—two downed airliners, a bloody subway bombing on Aug. 31, and the horrific school slaughter in Beslan, in North Ossetia—Russian Defense Minister Sergei Ivanov said Russia was at war. "The explosion at the Rizhskaya Metro station," he said, "was, unfortunately, not the first and, I'm afraid, not the last act of terrorism. In effect, war has been declared on us, in which the enemy is invisible and there is no front line."

Patriarch Alexi II of the Russian Orthodox Church issued a statement the same day: "Russia has collided with an evil force, which plans to subjugate not only our country, but the entire world." He called for world unity against terrorism and praised the Islamic clergy of Russia, who had offered to mediate to free the children.

In Paris, *Le Monde* reported of President Vladimir Putin's Sept. 6 session with Western journalists, held two days after his address to the nation (see InDepth), that the Russian President "reiterated the accusation he had launched in a veiled form, against Western countries which appear to use double-talk. On the one side, their leaders assure the Russian President of their solidarity in the fight against terrorism. On the other, the intelligence services and the military—'who have not abandoned their Cold War prejudices' [Putin's words]—entertain contacts with those the international press calls the 'rebels.' ... 'Because certain political circles in the West want to weaken Russia, just as the Romans wanted to destroy Carthage.' But, continued Putin, 'We will not allow this scenario to come to pass.'"

On Sept. 8, as Russia began to make defense and security changes in the wake of the Beslan massacre of schoolchildren, Chief of the Armed Forces General Staff Gen. Yuri Baluyevsky warned, "As for launching preemptive strikes on terrorist



bases, we will carry out all measures to liquidate terrorist bases in any region of the world."

## ***Economist* Berates Russia Over 'Frozen Conflicts'**

The Aug. 21-27 London *Economist* took up the issue of the potential for crises to explode around Russia's periphery in CIS countries, an area that is now the border zone between Russia and NATO. The *Economist* grouped the recent fighting in South Ossetia, Georgia, together with other "former Soviet war zones," where "unresolved wars have poisoned the newly independent republics of the former Soviet south, and [these] could flare anew." These "frozen conflicts" are Transdniestria (Moldova), Abkhazia, and South Ossetia (Georgia), and Nagorno-Karabakh (Armenia/Azerbaijan). They have made the countries of the "former Soviet south" emerge "as stunted, embittered, and ill-governed creatures."

The *Economist* passed judgment on what should be a state and what shouldn't: "South Ossetia is not a viable state. It lives on crime. Its government needs to be closed down as part of a generous settlement which Georgia now offers." (Notably, the editorial did not apply these criteria to Chechnya.) The bottom line is that "America and Europe should give more help to Georgia's Mikhail Saakashvili, whose openness to ethnic coexistence and western values make him the region's most promising leader for decades; the governments of the West should steady his hand while affirming his choices. They should also look beyond Georgia, to other 'frozen conflicts' in the region. One is in Moldova, where another rebel statelet, Transdniestria, lives on smuggling and Russian guns. Then there is a far bigger stand-off: over Nagorno-Karabakh and its environs, where a decade ago Armenians broke free from Azerbaijan and expelled local Azeris. That logjam has other causes besides Russian meddling, but it would be easier to shift if Russia worked constructively with the West. All these conflicts destabilise countries on the new borders of NATO and the European Union. The four Russian-backed statelets at the heart of these disputes have something in common: They have no legal existence, and can easily serve as a free-for-all for illegal activity of every kind."

The London *Financial Times* also editorialized for making Russia follow instructions from the West on how to settle these hot spots. The *FT* endorsed Georgian President Saakashvili's scheme for the EU to supervise the settlement process: "Overt U.S. involvement in South Ossetia might backfire. Better perhaps for the initiative to be taken by the European Union, possibly through the Organization for Security and Cooperation in Europe.... Peacemaking on Russia's borders will not be easy, but will be much more difficult if the violence gets any worse."

## **Russians Speak of Foreign Hand Behind Attacks**

Following President Putin's Sept. 4 speech, Russian commentators are calling the recent terror campaign in Russia a virtual "casus belli" for a new East-West conflict. Among the most explicit reaffirmations of the President's statement that international terrorism has no independent existence, but functions only as "an instrument" of powerful international circles, committed to the early destruction of Russia as a nuclear-armed power, was a Sept. 7 article from the popular business news service RBC, headlined "The West Is Unleashing Suicide Bombers Against Russia." In language virtually unheard of since the Cold War, RBC charged that the wave of attacks was preceded by "an ultimatum" to turn over the Caucasus region to "Anglo-Saxon control." Referring to the London *Economist's* late-August feature (see above), RBC said that this magazine, "which expresses the positions of Great Britain's establishment, formulated the Western position concerning the Caucasus, and above all, the policy of the Anglo-Saxon elite, very precisely." RBC then pointed to recent evidence that "foreign specialists" have been arming and training Chechen guerrillas.

"The only way to resist," wrote RBC, "would be for Moscow to make it known, that we are ready to fight a new war, according to new rules and new methods—not with mythical 'international terrorists,' who do not exist and never did, but with the controllers of the 'insurgents and freedom fighters'; a war against the geopolitical puppet-masters, who would destroy thousands of Russians in order to achieve their new division of the world."

On Sept. 7, the Russian news agency KMNews.ru ran carried an unsigned commentary, "School seizure was planned in Washington and London." Based on the ties between the brutal Chechen field commander Shamil Basayev, who has been linked to the Beslan attack, and Chechen separatist politicians Akhmad Zakayev (in London) and Ilyas Akhmadov (in the USA), KMNews wrote: "What about our partners in the 'anti-terrorist coalition'?... Willingly or not, Downing Street and the White House provoked the guerrillas to these latest attacks. Willingly or not, Great Britain and the USA have nurtured the separatists with material, informational, and diplomatic resources. Willingly or not, the policy of London and Washington fostered the current terrorist acts.... It is no secret, that the West is vitally interested in maintaining instability in the Caucasus. That makes it easier to pump out the fossil fuels, extracted in the Caspian region, and it makes it easier to control Georgia and Azerbaijan, and to exert influence on Armenia. Finally, it makes it easier to drive Russia out of the Caspian and the Caucasus...."

"Alas, it must be recognized that the coauthors of the current tragic events are to be found not in the Arab countries of the Middle East, but on the banks of the Thames and the Potomac."

On Sept. 7, Russia renewed demands for the extradition of Zakayev and Akhmadov.

### **Russian, German, and French Leaders Meet in Sochi**

President Putin met German Chancellor Gerhard Schroeder one-on-one in Sochi Aug. 30, discussing "the full range of bilateral relations and joint action on the international scene," according to the Kremlin news service. President Jacques Chirac of France joined them the next day, delayed by the crisis around the French journalists, taken hostage in Iraq. After the consultations, they agreed on the following points:

- \* No troops to Iraq; Germany will continue training Iraqi police and military outside Iraq, in neighboring Gulf states;
- \* Shared interest in rapid economic reconstruction of Iraq, in which all three governments want to cooperate;
- \* Cooperation and information exchange among their intelligence agencies, against organized crime, the drug trade, and terrorism;
- \* Cooperation in the framework of "strategic partnership EU-Russia," with additional emphasis on increased Russian oil and gas deliveries to Europe. Putin promised improvements in transport capacities for oil and gas. Schroeder attacked speculative increases of oil prices on the western markets;
- \* In Chechnya, a political solution, return to civilian rule, and economic reconstruction. Chirac and Schroeder said they have no reason to doubt that the Aug. 29 Presidential elections in Chechnya, won by Alu Alkhanov with over 70%, were democratic.

On Sept. 3, the *Frankfurter Allgemeine Zeitung* carried Russian Foreign Minister Sergei Lavrov's lengthy article on the Russian-German "strategic partnership." Observing that the potential of their bilateral relations had barely been tapped, Lavrov said that proposals for high-tech branches of the economy would be on the agenda of the Sept. 10-11 German-Russian economic summit in Hamburg. (Putin skipped the summit due to the escalation of irregular warfare in Russia, but the "St. Petersburg Forum" session in Hamburg went forward.) Lavrov wrote that Russia wants to develop "mutually beneficial cooperation in aerospace, information technology, telecom, biotechnology, development of new materials, laser technology, nano-technologies, etc."

Schroeder addressed Russian relations and the situation in the North Caucasus, when he opened Parliament on Sept. 8. He

said that solutions for Chechnya can be found only in the framework of Russian territorial integrity. The next day, without a further meeting, Putin and Schroeder issued a joint statement on "international terrorism," in which they said that the Beslan school attack, "directed against innocent children, is a new dimension of the threat international terrorism poses to all mankind." An itemization of steps that Russia and Germany intend to take, included their commitment "to wage an unflagging fight against the financing of terrorism and to implement the recommendations of the FATF" (the Financial Action Task Force on Money-Laundering), as well as preemptive action to catch terrorists, coordination of efforts against weapons-acquisition by terrorists, information exchange, protection of embassies, action against cyberterrorism, actions to reduce the recruitment of suicide-bombers and other terrorists, and support for other countries that are fighting terrorism.

## **Russian Academy Report: Russian Population Could Be Halved**

The *Moscow Times* of Aug. 24 reported on a document circulating within the Russian government, which warns that the Russian population will shrink by one-half by mid-century, unless drastic changes are made. The report originates with the Institute of Labor Medicine of the Russian Academy of Sciences (director: Nikolai Izmerov), and has been circulated under the sponsorship of the Ministry of Health and Social Development, the Social Insurance Fund, and an NGO called Health of the Workforce.

Looking at the impact of collapsed public health and health care in Russia, the report notes that the Russian workforce is shrinking twice as fast as the total population. It says that "in the last 12 years, the country's population has fallen by 5 million; at the same time, the working population fell by more than 12 million." Ten million workers, or about 1 million people per year, will die from 2006 to 2015, it projects, meaning that the population will drop by one-half by 2060, and that "very soon, Russia will not have enough soldiers and workers." It says that work-related illnesses, injuries, and deaths cost Russia \$65 billion in 1999, and that accidents and a toxic work environment give workers in the coal, power, machinery construction, and metallurgy industries a mortality rate double the rate in other industrialized nations. Unless there is a dramatic turnaround in health care, it says, "Very soon the medical and demographic situation will lead to a serious deficit in labor resources."

The *Moscow Times* quoted an unnamed official at the Ministry of Trade and Economic Development, who denounced the report, saying, "Anyone can write something up and then ask for money." The drastic numbers given in the report, however, are consistent with a growing body of reports on Russian life expectancy, birth and death rates, social disintegration, and the spread of HIV, TB, and other diseases.

## **Southwest Asia News Digest**

### **Israeli Strike Against Iran Behind Franklin Case**

According to the Israeli daily *Ha'aretz*, one of Pentagon Iran desk officer Larry Franklin's key Israeli interlocutors, Naor Gilon, the number two diplomat in Israel's Washington embassy, has been the key "liaison with the Bush Administration in light of a forthcoming operation in Iran." Written by *Ha'aretz's* leading security correspondent, Amir Oren, after meeting with officials from the office of Doug Feith, Franklin's boss, the article states that one of the Bush Administration's options against Iran, is to have Israel attack its nuclear sites. He writes that the foundation has been laid for this attack, first by the Clinton Administration's delivery of F-15I bombers. Second, "The Bush Administration will complete the task by agreeing to give Israel air-to-surface munitions" which could destroy Iran's nuclear facilities.

The above-mentioned Naor Gilon is no ordinary Israeli diplomat. Prior to his posting to Washington in 2002, he served as director of the Division for Strategic and Military Affairs, in the Center for Policy Research at the Israeli Ministry of Foreign Affairs, where Iran is a major area of concern. According to the *Los Angeles Times*, Gilon, while serving at the

Israeli UN mission between 1997 and 2000, functioned as a liaison for the Anan—Israeli military intelligence.

Franklin, a reserve Colonel in the U.S. Air Force, had made several trips to Israel over the last decade, and especially since he began working in Feith's office. The same journalist Amir Oren revealed that last December, Franklin and his co-worker, neoconservative Harold Rhode, were in Israel to attend a security conference at the Herzliya conference center. Among those they met was Uri Lubrani, Israel's last ambassador to Iran, who has been a key Israeli operative in implementing Israeli policy toward Iran for over three decades. While ambassador to Iran, one of his subordinates was Ya'acob Nimrodi, who, as the Mossad station chief in Tehran, was advising the Shah's secret police. In the 1980s, Nimrodi became a key player in the Iran/Contra operation, selling millions of dollars worth of weapons to Iran during the Iran-Iraq war. Lubrani backed this policy since it kept Iraqis and Iranians killing one another. Lubrani then became the "coordinator of Israel's government activities in Southern Lebanon," where he was one of the key architects of Israel's so-called "security zone" on Lebanese territory.

Following Israel's withdrawal from Lebanon, Lubrani has been an adviser to the Israeli Ministry of Defense on questions dealing with Iran, Hezbollah, and Syria. As a leading advocate of a hard-line policy against Iran, he has served as one of the key liaisons between Israel and the neocons. Many of his trips to Washington have gone unreported, but in July 2002, he was in Washington meeting Bush Administration officials on the question of Iran's alleged weapons of mass destruction program. It has been said that shortly after his departure, the Bush Administration dropped all pretenses of holding a "dialogue" with Iranian reformers. In May of 2003, he attended a major conference on Iran sponsored by the American Enterprise Institute and the Hudson Institute, the two high temples of the neocons in Washington. Speaking alongside the notorious Michael Ledeen of Iran/Contra fame and anti-Islamic operative Bernard Lewis, Lubrani raved that since the 1980s, Iran has been waging a war against the U.S. and Israel. Lubrani praised the inclusion of Iran in Bush's "Axis of Evil," declaring, "I hope to God the U.S. finds a way to deal with this situation with the force it deserves."

The back and forth between neocons and Israelis continued with the announcement that U.S. Under Secretary of State for Arms Control and International Security John Bolton, the top neocon in the State Department, will be going to Israel en route to the International Atomic Energy Agency meeting, where Iran will be at the top of the agenda.

## **Likudniks Lead U.S. To Target Syria**

On Sept. 2, the Bush Administration pushed through the UN Security Council a resolution demanding that Syria withdraw its troops from Lebanon and that Hezbollah be dismantled. China and Russia abstained from the vote.

The resolution was motivated by the right wing in the U.S. and Israel, who want to reignite an Israeli invasion and/or civil war in Lebanon. It was also sponsored by France. The U.S. claimed that Syria was interfering in the Lebanese Presidential elections by pressuring the government to change its Constitution to allow President Emile Lahoud, allegedly a favorite of Syria, to be reelected for another three-year term. The Lebanese government protested the U.S. move as an interference in their internal affairs, and the Parliament voted to change the Constitution, and reelect Lahoud.

## **U.S., Israel Used Disinformation Hysteria To Push Vote Against Syria**

The timing of the vote on the UN resolution against Syria, which was drafted and sponsored by the U.S., was strongly influenced by the deliberate disinformation spread by top Israeli officials about the bloody Hamas double-suicide bus bombing on Aug. 31. Almost instantly, top Israeli figures linked the bombers to Syria. By the end of the week—after the UN vote had passed—Israel admitted Syria had no role in the Hamas bombing.

But in fact, one of the suicide bombers had been interviewed in April 2004 by the Shin Bet internal security service, for a

job as an informant. Although it is not known whether the bomber accepted the offer, Prime Minister Ariel Sharon's office did confirm that such a meeting took place.

But, immediately after the bombing, Sharon's government claimed that the orders came from Hamas "headquarters" in Damascus with the approval of the Syrian government.

On the same day, Israeli Chief of Staff Moshe Ya'alon also threatened Syria, declaring, "Anyone who is responsible for terrorism against us should not sleep quietly. We will deal with all those that support terror, at every level—people in the Palestinian Authority; people in Hezbollah in Lebanon, people in the terrorist headquarters in Damascus, which operate with Syria's permission; and also the financial support and weaponry that is transferred to the organizations under Iran's auspices."

According to Jonathan Ariel, writing in the Israeli daily *Ma'ariv*, both the UN resolution and Ya'alon's outrageous statement were coordinated with the Bush Administration.

Similar statements were made by the Minister of Defense Shaul Mofaz and his deputy Ze'ev Boim. Yet by the end of the week, both Mofaz and Israeli military intelligence chief Gen. Aharon Ze'evi had to admit that no proof existed linking Syria to the attack.

In response, Syria Information Minister Ahmed al Hassan told a Kuwaiti newspaper that Israel's threats against Syria are intended to "create a pretext, which is rejected.... [T]hey also aim at threatening and pressuring Syria, which is taking matters seriously this time."

The spokesman for Egyptian President Hosni Mubarak told the press, "There is no evidence of a link between the explosions which took place in Israel and Syria. So we consider that these threats are beyond logic."

Despite the neocons' and Sharon's cry for war, Syrian President Bashar Assad told a visiting U.S. Congressional delegation led by Rep. Darryl Issa (R-Calif), and former Ambassadors Martin Indyck and Edward Gabriel, that he would be interested in reopening negotiations with Israel.

Reflecting the fact that some Israelis do not want war with Syria, an unnamed defense source told the Israeli daily *Ma'ariv* that Assad is serious because, he "is between a rock and a hard place, and Israel should not ignore this. He cannot clamp down on terror after being openly and even humiliatingly rebuffed by Israel, because then he will lose whatever face he has in the Arab world. He can only change course within the framework of an agreement with Israel."

So far, Sharon has totally ignored Assad's offer.

## **Israel's Military Preparation for an Iranian Strike**

Israel's intelligence community suffered a "severe loss" when its spy satellite Ofek-6 crashed into the Mediterranean Sea on Sept. 6, shortly after launch, reported *israelinsider* on Sept. 7. "This was an important launch with huge significance for our security," officials said.

The publication added that Ofek-6 was due to provide Israel with an "eye in the sky" on Iran's nuclear program and on Syria, complementing the intelligence-gathering abilities of Ofek-5, which has been operational since May 2002, and the Eros A1 satellite, which was originally launched for civilian purposes. Ofek-5 is expected to provide Israel with intelligence information from space for two more years.

The hasty attempt to launch Ofek-6 was a clear indication that war preparations timetables were indeed being brought forward, as *EIW* reported in Issue #36.

Writing on Sept. 7, Amir Oren, of *Ha'aretz* warned, "The planning failure that prevented the satellite from going into orbit could accelerate the escalation of tension between Israel and Iran and bring them closer to a military clash."

It is significant that Oren revealed that "Israel chose, rather than was forced, to launch the satellite now. A reasonable alternative would have been to warehouse the missile and satellite and wait for Ofek-5 to outlive its usefulness." Oren added that the Ofek-5 will go out of service in 2007, just at the moment the Israelis claim Iran would have a nuclear capability. The failure to have a satellite in place, since there was no second Ofek-6 to back up the one that was destroyed, "would strengthen the arguments of those in Israel proposing a preemptive launch against Iran, and at the same time the voices in Tehran worried by such a blow would call for a preemptive strike against Israel," Oren wrote.

The question is, why did Israel take a chance on launching the satellite one or two years ahead of schedule. Israeli military sources told *EIR* that these satellites are no more than powerful cameras, and there is no way they can discover the status of Iran's nuclear program. But, the satellites, with their power cameras are essential for locating targets to be bombed by Israeli aircraft or missiles.

The Ofek satellites are not capable of detecting the launching of Iranian missiles, since only the U.S. satellites in geosynchronous orbit at 36,000 kilometers can detect such a launch. Israel does not, and will not, for a very long time, have the capability to launch such satellites. Besides, this source added, the U.S. has agreed to warn Israel if such launches occur.

So, the source added, the launch could have been an attempt to intimidate Iran, in which case, it failed. Or, it could have been an attempt to expand the coverage of Iran from the two or three hours possible with one satellite, to five or six hours. Another possibility would be to have the second satellite passing over Syria to gather information on potential targets in preparation for a future attack.

Israel's feverish acceleration of the testing—in preparation for strikes against Syria and Iran—may have been part of the reason for the failure. Furthermore, this failed launch followed two tests, back to back, of Israel's Arrow anti-ballistic missile, the second of which failed.

## Asia News Digest

### Strategy of Tension Hits Indonesia

Exactly one month before the crucial Australian elections, a massive car bomb exploded outside the Australian embassy in Jakarta. Australia's neocon cheerleader Prime Minister John Howard has called early elections for Oct. 9, elections which could have waited until the spring—Howard clearly didn't want the election to follow the possible crushing defeat of his mentor, U.S. Vice President Dick Cheney. The Australian election thus becomes the first-round test of the Iraq chickenhawks. Now, two days after Cheney virtually threatened to launch a terror-raid on the U.S. if Democrat John Kerry wins the Presidential election Nov. 2 (or is likely to win), Howard has a made-to-order issue to strengthen his campaign against LaRouche's allies and the Labor Party opposition, which has called for removing Australian troops from Iraq.

The U.S. had issued a warning on Sept. 7, the same day as Cheney's threat, that Jemaah Islamiyah (the name applied to the

loose structure of terrorists in Southeast Asia) may be planning an attack in Indonesia against U.S. or Australian targets.

The powerful car bomb exploded in front of the embassy at 10:30 a.m. in Jakarta, killing at least nine Indonesians and injuring over 160. The embassy itself was well fortified and received little damage, other than the impact on the steel wall in front, but buildings in the area were badly damaged. President Megawati Sukarnoputri, who is also in the final days of a run-off election for President of Indonesia on Sept. 20, against former General Susilo Bambang Yudhoyono (SBY), returned early from her trip to Brunei to attend to the disaster. Howard called her from Australia, and sent Foreign Minister Alexander Downer, the intelligence and Federal police chiefs, and nine bomb experts to Jakarta. Everyone is simply asserting that it is the work of the Jemaah Islamiyah, and of its two most wanted members—Malaysians Dr. Azahari Husin and Nurdin Mohammed Top—who are suspected of running the bombing of the Marriott Hotel in Jakarta last year, and the Bali bombing two years ago.

The *Financial Review* of Australia said the bombing "has placed national security at the center of the Federal election campaign, with PM John Howard vowing the country will not be intimidated by terrorists."

Both Howard and Labor Party candidate Mark Latham announced they had suspended campaigning until Sunday. Labor Party shadow Foreign Minister Kevin Rudd went to Indonesia with Downer.

### **Chinese To Visit Pyongyang To Rescue Six-Party Talks**

In a last-ditch effort to keep negotiations on track, a high-level Chinese delegation will propose Sept. 22 as the date for the fourth round of six-party talks, at a three-day visit to Pyongyang starting Sept. 10. The delegation is led by Li Changchun of the Communist Party Politburo, South Korean Foreign Ministry officials said Sept. 6. "After Li's visit to Pyongyang, we will be able to see more clearly if another round of talks can be held."

North Korea has said it sees no point in talking about its nuclear programs until the United States drops its "hostile policy." South Korea, the United States, and Japan are to coordinate positions on the nuclear negotiations later this week. Deputy Foreign Minister Lee Soo-hyuck will meet with his Japanese counterpart Mitoji Yabunaka and U.S. Assistant Secretary of State James Kelly for two days of talks from Sept. 9. Six-power meetings were originally scheduled last month, but Pyongyang is attempting to delay negotiations, hoping that President George W. Bush is voted out.

Pyongyang's irritation increased with passage last month by the U.S. House of Representatives of the North Korean Human Rights Act, which is coordinated by people seeking to collapse the Pyongyang regime now, by sparking a mass exodus of North Korean refugees into China. The North also blasted South Korea for bringing 460 North Korean refugees to Seoul last month. The North's nervousness is expected to reach a high pitch in late October, when warships of the U.S. Navy, the Japanese Coast Guard, and others conduct exercises in the Sea of Japan under the Proliferation Security Initiative (PSI) to interdict sea born illicit cargoes from an unnamed country. "The hardliners will use PSI. The military will say, 'I told you so, they plan to attack us,'" Clinton Administration Korea expert Kenneth Quinones said.

### **Korean President To Visit Russia; Energy a Top Item**

Republic of Korea President Roh Moo-hyun will make a four-day visit to Moscow, beginning Sept. 20, for summit talks with President Vladimir Putin, on North Korea's nuclear program and Russia's role in finding a peaceful solution. Roh's visit is to solidify bilateral relations while pushing ahead with the six-party talks, the Seoul Foreign Ministry said. They added that, based on results of the multilateral talks, the two nations will continue to closely cooperate in efforts for the envisioned formation of a security forum in Northeast Asia in the near future.

Officials said they will exchange views on the means of expanding bilateral economic cooperation, especially in the area of oil and natural gas, and the construction of a Trans-Siberian railway (TSR) and a Trans-Korean railway (TKR). The Seoul government has been pushing for the TSR and TKR projects as part of a plan to develop Korea as an economic hub for Northeast Asia. Some 50 business leaders will accompany Roh, including Samsung chairman Lee Kun-hee, Hyundai Automotive chairman Chung Mong-koo, LG chairman Koo Bon-moo, and five major economic organizations.

## **Anwar Ibrahim Wins His Appeal in Malaysia**

Malaysia's former Deputy Prime Minister Anwar Ibrahim won his final appeal Sept. 2 and was released, after serving nearly six years in prison. His case dates back to his attempt in 1998 to overthrow former Prime Minister Dr. Mahathir bin Mohamad, and his opposition to Mahathir's successful effort to defend the Malaysian currency in the Asian economic collapse of 1997-98.

At the time, Dr. Mahathir was uniquely successful in protecting his nation by slapping on currency controls and reining speculators. Mahathir was attacked by then-Vice President Al Gore, during a visit to the APEC meeting in Kuala Lumpur. At the time, Anwar led street demos against the controls.

While some claim the announcement of Anwar's victory is a surprise, it were better to see this as a confirmation of the smooth transition from Dr. Mahathir to his successor, current Prime Minister Abdullah Ahmed Badawi, who has played a crucial role in unifying the country after those events.

## **Malaysia's Supreme Court To Review Anwar's Conviction**

Following the overturning of Anwar Ibrahim's sodomy conviction (see above), Malaysia's highest court announced Sept. 7 that it will also review the corruption conviction of the former Deputy Premier, which, if overturned, would open the door to his immediate return to politics in Malaysia. Government lawyers opposed the application, arguing the Federal court's decisions should be final and not open to endless review.

Anwar has already served the sentence for corruption, which alleged he abused his power to cover up allegations of sexual misconduct. But he is barred from entering politics until 2008 unless the conviction is overturned.

## **ASEM Meeting To Proceed with Myanmar's Participation**

The European Union has agreed to Myanmar's participation in the ASEM (Asia-Europe Meeting) Summit to be held in Hanoi on Oct. 8-9, *Agence France Presse* reported Sept. 4. The deal was arranged under the leadership of Dutch Foreign Minister Bernard Bot, who is the current chairman of the European Union. It is anticipated that Myanmar will be represented by officials below head-of-state level. EU Foreign Ministers agreed to the deal when it was clear that the ASEAN (Association of Southeast Asian Nations) governments would refuse to attend, as long as the EU insisted that Myanmar could not participate, even though the new members of the EU would be attending. However, the EU threatened to tighten sanctions on the military regime in Myanmar, including extending a visa ban and cutting funds, if it had not made progress on meeting key demands before the summit. The French government has not agreed to imposing the new sanctions.

Even as the EU ministers met, Myanmar authorities accused their chief European critic, Britain, of a negative approach towards the row. "It is unfortunate that London continues to ignore not only Yangon's and ASEAN's call but its own European partners to examine the effectiveness of imposing self-defeating policies," the military junta said in a statement.



## **U.S. Ambassador Pressures Manila To Send Workers to Iraq**

Only 24 hours after 12 Nepalese cooks and cleaners working in Iraq were decapitated by Iraqi guerrillas, U.S. Ambassador to the Philippines Francis Ricciardone on Sept. 1 again requested that the Philippines reconsider its ban on its citizens working in Iraq, which ban was imposed after the kidnapping of a Filipino truck driver who was held hostage, and was ultimately released, the *Manila Times* reported.

Insisting that the U.S. "was not making any demands" on Philippines foreign policy, Ricciardone pointed to 4,000 Filipino workers in Iraq who were contributing to rebuilding Iraq, and his government hoped that "others will be allowed to join them." His appeal was carried on the most important TV network in the Philippines, ABS-CBN TV, where the ambassador said: "A suggestion is then, if the government could take a careful look at relaxing that ban in very specific circumstances," adding, "There are no guarantees [of safety], of course, in going to Iraq." [!]

## **China To Build 30 New Nuclear Reactors**

China plans to build 30 new reactors by 2020, and to have its own version of the pebble-bed High Temperature Gas Cooled Reactor (HTR) on line by 2010, reported *Wired* magazine Sept. 12, in an article titled, "Let a Thousand Reactors Bloom." The Chinese know that even that won't be enough power to meet the nation's energy needs of 300 gigawatts of nuclear output (50 times their current amount).

China's dual strategy is to go with conventional nuclear plant designs, using established technology, at the same time that it forges ahead with the pebble-bed reactor. *Wired* magazine interviewed scientist Qian Jihui, who is the director emeritus of Tsinghua University Institute of Nuclear and New Energy Technology, on the need for the fourth-generation nuclear plants. The article lauds the special characteristics of the HTR: meltdown-proof, direct energy conversion (no steam cycle), modular construction, and inherent "walk-away" safety (the reactor shuts down on its own, if there is a problem).

Also discussed is the history of the "inherently safe" reactor concept, from the Manhattan Project's Farrington Daniels and Edward Teller, to Rudolf Schulten in Germany. (Some of the reactor team studied with Schulten.) The joint venture company Chinergy, run by Tsinghua University and the state-owned China Nuclear Engineering group, intends to build a full-scale 200-MW pebble-bed by 2010. Half of the financing is to come from China's Huaneng Power International, which is chaired by the son of former premier Li Peng. The Chinese also intend to use the pebble-bed concept, for efficiently producing hydrogen.

## **China May Join Thailand in Building Dams in Myanmar**

The Thai government is considering inviting China to jointly invest in hydroelectric power plant projects in Myanmar, following an agreement reached with Myanmar to coordinate a series of hydroelectric dams in the country, *Business Day* reported Aug. 27. The energy ministries of both Thailand and Myanmar had earlier agreed in principle to co-invest in five hydroelectric dams on the Salawin River and other rivers in the areas bordering the two countries, including a 4,000-MW dam on the upper Salawin, a 900-MW lower Salawin Dam, a 7,000-MW Tha Sang Dam in the upper part of Thailand's Mae Hong Son province, a 600-MW Hudji Dam in Thailand's Mae Sod district in Tak province, and a 600-MW Tanowsri Dam. The Electricity Generating Authority of Thailand (EGAT) projects that these five hydroelectric dam projects will need a combined investment capital of 2.3 billion baht.

## **Africa News Digest**

### **U.S. Calls Its Own Handiwork in Sudan 'Genocide'**

U.S. Secretary of State Colin Powell charged, in testimony before the Senate Foreign Relations Committee Sept. 9, that the government of Sudan is guilty of genocide in its western region of Darfur. This followed "research" the State Department outsourced to the Coalition for International Justice, a self-described advocacy group that has Sen. Joe Lieberman's (D-Conn) former counsel, Nina Bang-Jensen, as its executive director. The research, issued the same day by the State Department under the title, "Documenting Atrocities in Darfur," does not mention the word genocide, but Bang-Jensen told Reuters, "This is genocide."

The Cheney-Bush Administration has now achieved the hypocrisy of finding Khartoum guilty of genocide when it provoked the violence itself, by building the Darfur insurgencies to the level of a serious threat through its agencies, the Sudan People's Liberation Army and the government of Eritrea. It knew that Khartoum had only blunt instruments with which to respond.

The European Union said in August that its investigation showed no evidence that the violence in Sudan was genocide. Powell had resisted intense pressures from the Cheney crowd for a declaration of genocide—until now.

Hours earlier, a Sudanese parliamentary delegation in Nairobi, Kenya named the expected consequences of such a declaration. The Deputy Speaker of the National Assembly, delegation leader Angelo Beda, told the press the insurrectionists in Sudan "will think that the U.S. can simply throw the government away and they will come to power in Khartoum." The insurrectionists have been holding out for more leverage from Washington in the peace talks in Abuja, Nigeria.

Powell also called on the UN, in his testimony, to launch an international commission of inquiry to rule on the Darfur genocide question, to back him up. The State Department submitted a formal request for the inquiry to the UN Security Council a few hours later.

The U.S. also put a new draft resolution before the UN Security Council Sept. 9, declaring Sudan "has failed to comply" with the July resolution. It calls for a no-fly zone over Darfur and thousands of African Union observers dependent on the U.S. for logistics and equipment. The intent is to move from observers to peacekeepers. The resolution threatens economic sanctions, especially against Sudan's oil exports.

### **Garang: Genocide Declaration Will Prod Khartoum To Negotiate**

Anglo-American puppet John Garang, leader of the Sudan People's Liberation Army (SPLA), met with Colin Powell in Washington Sept. 9, and later told the press that Powell was right to declare Khartoum guilty of genocide in Darfur, and that it would be good for negotiations. "Mr. Garang said he thinks the U.S. genocide finding will affect Sudan's overall peace process in a positive way, by energizing international efforts to secure the civilian population in Darfur and obliging the parties [really just one party, Khartoum—ed.] to work harder on the parallel North-South peace track," Voice of America reported Sept. 9.

Garang also said that Sudan "is threatened with disintegration" unless a comprehensive political settlement is reached, according to Reuters.

Powell, in his testimony before the Senate Foreign Relations Committee Sept. 9, said that Khartoum bore most of the blame for stalling the North-South peace talks with the SPLA. In fact, the destructive U.S. policy vis-à-vis Sudan goes back to Madeleine Albright and Susan Rice in the Clinton Administration, and has been continued with a vengeance under Bush.

## **China Threatens To Veto New Resolution Against Sudan**

Chinese Ambassador to the UN Wang Guangya, in response to a question from the press Sept. 10, said China would veto the new, U.S.-drafted resolution against Sudan if it were put to a vote as it now stands. Some wire reports say China objects especially to the threat of sanctions.

Before the draft was submitted, some wire reports said that Russia was expected to veto any resolution calling for sanctions.

## **Anglo-American Orders Are Obeyed in DR Congo and Rwanda**

Developments in Congo and Rwanda over the past two weeks show that the Anglo-American plan for peace without development in Congo is proceeding. U.S. National Security Council Director for Central and Southern Africa Cindy Courville on Aug. 27 ordered Congolese Vice President (and Rwandan puppet) Azeria Ruberwa to return to Kinshasa from Goma, end his threat of a secession war in the East, and rejoin the political process. He returned Aug. 30 and rejoined the political process Sept. 1. The insurrection against his treason in the party he leads, the Rally for Congolese Democracy (RCD), was a contributing factor in these decisions. Ruberwa locked the rest of the RCD leadership out of their headquarters when he arrived in Kinshasa. "We think it is high time to change the leadership of the party," RCD Deputy Secretary General Crispin Kabasele Tshimanga told a Kinshasa journalist, RFP reported Aug. 30.

In response to a July 16 demand from the U.S.-dominated committee of ambassadors in Kinshasa—the International Committee to Accompany the Transition (CIAT)—that the government take control of the East, the army on Sept. 10 took two towns in South Kivu province, Nyabibwe, and Dutu, which had been held by Rwandan puppet Gen. Laurent Nkunda since June. An army spokesman told AFP Sept. 11 that the army would continue to Minova, about 12 kilometers away, where Nkunda's forces are encamped.

Rwandan President Paul Kagame's response showed that he is also falling into line. At a press conference in Kigali Sept. 11, Kagame, when asked about the taking of the two towns, could only bluster that "this is something that merits special attention.... We are going to take up the problem with the people concerned to find a solution together."

## **France Calls for 'Urgent Reinforcements' in Congo**

France submitted to the UN Security Council Sept. 7 a draft resolution for the "urgent reinforcement" of UN forces in Congo. It calls for an additional 1,600 troops and four more attack helicopters "to deal with any possible renewal of tensions" in DR Congo, an apparent euphemism. The added forces would be helpful to the Congolese army in driving Rwandan puppet Gen. Laurent Nkunda and his troops out of the country.

The resolution is distinct from that submitted by France Sept. 3, which calls for strengthening UN forces in Congo over the longer term. It calls for an increase from 10,500 troops at present, to 23,900, and an enlarged mandate.

The Congolese government welcomed both proposals.

## **Mark Thatcher Partner Sentenced to Seven Years in Zimbabwe**

British mercenary Simon Mann, following his conviction for attempting to illegally buy weapons in Zimbabwe, received a jail sentence of seven years, the *Mail and Guardian* reported Sept. 10. Mann was the partner of Sir Mark Thatcher—the son of Iron Lady Margaret Thatcher—in organizing the failed coup against Equatorial Guinea.

"The accused was the author of the whole transaction. He was caught while trying to take the firearms out of the country," said Magistrate Mishrod Guvamombe. He said the offenses "were well planned and well executed and that must be reflected in the penalty."

Sixty-five other mercenaries who were tried along with Mann received 12 month sentences. Two pilots received 16 month sentences.

## This Week in History

### September 13 - 19, 1787

#### Benjamin Franklin Makes His Final Speech to the Constitutional Convention

September 17, 1787 was the last day of the convention which had drafted the United States Constitution, and it was now time for the delegates to sign the document. The leaders of the convention were worried that there was a small minority in the convention made up of delegates who had argued for various measures and been defeated, and thus might refuse to sign the final document, endangering future ratification by the states. They went to Franklin and asked him to give a speech which would appeal for unity. Franklin's speech on that last day was crucial, but it was only the capstone on what he had done, both before and during the convention, to ensure it would produce the basis for an enduring republic.

Almost exactly two years earlier, Franklin had returned to Philadelphia from his mission in Europe, where he had cemented an alliance with France, rallied Europeans to support the American Revolution, and signed the treaty which recognized the independence of the new nation. Now about to enter his 80s, and suffering from an extremely painful kidney stone, he slowly made his way overland to his French port of embarkation, travelling in a sedan chair sent by Queen Marie Antoinette herself. Once in Philadelphia, he was elected to the Presidency of Pennsylvania, and continued his scientific work as president of the American Philosophical Society.

But the weak Articles of Confederation government set up during the Revolution was failing, and Franklin had larger objectives in view. Uncharacteristically, for one who had lived fairly simply, Franklin embarked on a major renovation of his house. He designed a 16x30-foot addition which gave him a dining room seating 24 people, and an upstairs library which could contain 40,000 volumes. Had the Court at Versailles given him delusions of grandeur?

Anyone who had read his *Autobiography* would have known what to expect next. When the call went out for a convention to reform the Articles of Confederation, Ben Franklin took a page from his own book, and organized a group called the Society for Political Inquiries, which met weekly in his library. It was modelled on the "reforming societies" such as "Young Men Associated" which had been organized by his mentor, Cotton Mather, to train up a generation of Boston citizens who knew how to do good. It was also modelled on Franklin's own Junto, which he had founded in Philadelphia in 1727, and which, for almost 40 years was, as described by Franklin, "the best school of philosophy and politics that then existed in the province."

While the states were electing delegates to the convention, the Society for Political Inquiries was discussing theories of government, writing essays on political topics, and proposing prize questions which other authors could write upon. Although the active members were mainly from the Philadelphia area, the group enrolled honorary members from throughout the states, including George Washington. The Society continued to function throughout the convention, the fight for state ratification, and the inauguration of President George Washington, only disbanding by the vote of its

members when the new nation had been launched on a solid footing.

As the delegates reached Philadelphia in May, they went to pay their respects to Franklin, who, as President of Pennsylvania, was the unofficial host of the convention. His dining room seating for 24 was strained to the maximum, as he wrote to a London brewer who had sent him a cask of porter: "We have here at present what the French call *une assemblée des notables*, a convention composed of some of the principal people from the several states of our confederation. They did me the honour of dining with me last Wednesday, when the cask was broached, and its contents met with the most cordial reception and universal approbation."

There were only two candidates for president of the convention—Washington and Franklin. Franklin deferred to Washington, and when he could not nominate him in person on the first day of the meeting, he had the Pennsylvania delegation do it in his stead. Never known as an orator, Franklin did not speak often at the convention, and focussed his energies—five hours a day for four months—on working for compromise and the best plan that could be obtained. He himself favored features, such as a unicameral legislature and paying only expenses for the executive, that were voted down by the delegates. He took the defeats gracefully, but other delegates were not so calm.

The great stumbling block for the convention was the question of what kind of legislative representation would satisfy both the large and the smaller states. The level of debate became so acrimonious that a delegate from a smaller state warned that they might find a foreign ally and secede. A delegate from a large state threatened that if that event occurred, the nation would suffer under fire and sword, and officials of the smaller states would face the gallows for treason. Franklin stepped into the fray and calmly told the delegates that, "The diversity of opinion turns on two points. If a proportional representation takes place, the small states contend that their liberties will be in danger. If an equality of votes is to be put in its place, the large states say their money will be in danger."

Franklin then called for compromise. "When a broad table is to be made, and the edges of the planks do not fit, the artist takes a little from both, and makes a good joint. In like manner here, both sides must part with some of their demands in order that they may join in some accommodating purpose." He then submitted a motion, where the delegates could fill in the number which he left blank: "That the legislatures of the several states shall choose and send an equal number of delegates, namely \_\_\_\_\_, who are to compose the second branch of the general legislature." This motion was passed, and so the House of Representatives would be selected according to population, but the Senate would give states equal representation. This broke the logjam in the convention and allowed the Constitution to be further filled out.

On the last day, the only remaining obstacle was whether the bitter holdouts would sink the Constitution's chances to be ratified by the states. Worn out by his pain and his incessant labors for compromise, Franklin had to ask James Wilson to deliver the following speech: "Mr. President, I confess, that I do not entirely approve of this Constitution at present; but, Sir, I am not sure I shall never approve it; for, having lived long, I have experienced many instances of being obliged, by better information or fuller consideration to change my opinions even on important subjects, which I once thought right, but found to be otherwise....

"In these sentiments, Sir, I agree to this Constitution, with all its faults—if they are such; because I think a general Government necessary for us, and there is no form of government but what may be a blessing to the people, if well administered; and I believe, farther, that this is likely to be well administered for a course of years, and can only end in despotism, as other forms have done before it, when the people shall become so corrupted as to need despotic government, being incapable of any other. I doubt, too, whether any other Convention we can obtain, may be able to make a better constitution; for, when you assemble a number of men, to have the advantage of their joint wisdom, you inevitably assemble with those men all their prejudices, their passions, their errors of opinion, their local interests, and their selfish views. From such an assembly can a perfect production be expected?

"It therefore astonishes me, Sir, to find this system approaching so near to perfection as it does; and I think it will astonish our enemies, who are waiting with confidence to hear, that our councils are confounded like those of the builders of Babel, and that our States are on the point of separation, only to meet hereafter for the purpose of cutting one another's throats. Thus I consent, Sir, to this Constitution, because I expect no better, and because I am not sure that it is not the best. The opinions I have had of its errors I sacrifice to the public good. I have never whispered a syllable of them abroad. Within these walls they were born, and here they shall die....

"Much of the strength and efficiency of any government, in procuring and securing happiness to the people, depends on opinion, on the general opinion of the goodness of that government, as well as of the wisdom and integrity of its governors. I hope, therefore, for our own sakes, as a part of the people, and for the sake of our posterity, that we shall act heartily and unanimously in recommending this Constitution, wherever our Influence may extend, and turn our future thoughts and endeavours to the means of having it well administered.

"On the whole, Sir, I cannot help expressing a wish, that every member of the Convention who may still have objections to it, would with me on this occasion doubt a little of his own infallibility, and, to make manifest our unanimity, put his name to this Instrument."

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