

cuts because, otherwise, U.S. companies would go to Mexico, where they wouldn't have to pay \$20/hour, but only \$1/hour. In Mexico, the assembly-line model was imposed, which is nothing other than producing for export, not to satisfy the needs of national consumption. But, at the same time, the Mexicans were told to take wage cuts or labor-intensive companies would move to China, where they could pay only 10 cents/hour.

"Of course, Colombia was no exception. Here, we had the 1992 'opening': State companies were sold, exchange controls were eliminated, all import tariffs were lowered. The deficit generated, because the state rejected this tax, was covered by the value-added tax. Trade union activity today is much more difficult, because the greatest employment is in the informal sector, and because of the modalities of short-term hiring and the service contracts that are in vogue these days. The trade union movement is doing well to combat this terrible tendency toward a new slavery.

"The current debt of the national government with the foreign and Colombian banks is the cost of the 'opening.' That debt is a subsidy that the state gives to the bankers. In the speech given by President Alvaro Uribe Velez in Meta, he indicated that debt service today eats more than 40% of the national budget. In fact, payment of debt service is the only budget line that has grown; when the national and international bankers demand that the budget be cut back, they never think that the only sector of the budget that should be cut is precisely that one.

"Now, these usurers say that since, despite the budget cutbacks, despite more taxes, money does not suffice to meet debt-service payments, they propose that the state appropriate the pensions of the workers so that the state can pay debt service. I am certain that if one makes a detailed study of Colombia's domestic and foreign debt, one would conclude that that debt has been paid several times over, in the same way that all the UPAC and UVR users, over a period of 15 years, end up paying six or more times the value of the initial credit granted.

"Colombia and the world need a financial system that serves the real economy, which serves production, which serves a genuine exchange of goods and services, that guarantees an improvement of the people's standards of living and not the reverse, as is occurring now. A greedy financial system that destroys nations and population. The world is realizing that the current model no longer suffices, and that it is time for change, so that it is labor, technological innovation, real physical production, education, and the health of the population which is valued.

"The state cannot abandon health, education, nor infrastructure. The state has the obligation to direct the economy to continually improving the living standards of the population, because the objective of economy is not to enrich a few, but to sustain the human species under ever-improving conditions. The objective is the general welfare."

Two Years Later: Iraq at a Crossroads

by Muriel Mirak-Weissbach

On April 9, 2003, U.S. tanks crossed the bridges into Baghdad and occupied the city, wrapping up the last phase of the invasion. Hardly a shot was fired. Iraqi military were nowhere to be seen. It seemed as if the rosy forecasts of the neo-cons' favorite Ahmed Chalabi, and his U.S. Defense Department sponsors, were coming true: The Iraqi population would welcome the U.S. troops as liberators, and a pro-American government would emerge from the rubble, to guide Iraq down the road to democracy, becoming a shining example for the entire Arab world and beyond. Oil revenues would finance rapid reconstruction, and, in the words of Paul Wolfowitz, pay for the invasion. The country would lead the "Greater Middle East" to economic prosperity, through the wonders of the free market and globalization.

Two years later, a different picture emerges. The eerie silence of that "day that Baghdad fell," has been explained; soldiers simply melted into the landscape, planning to regroup and reappear, at the appropriate moment, in an organized military resistance against the occupation.

That is what has occurred in the interim. To date, more than 1,500 U.S. troops have died, officially; almost ten times that many are reported wounded. The number of Iraqi casualties has never been tallied officially, but it is estimated that they run into the hundreds of thousands.

Politically, the United States has lost whatever credibility it had, as all the stories retailed to justify the war have been proven to be lies. Even former Secretary of State Colin Powell has publicly complained that he was fed false intelligence, which he presented in his infamous UN slide show prior to the war. The "coalition of the willing" has dwindled to a handful of allies, and even Britain has announced a reduction in forces.

The economic situation of Iraq, once the most developed nation of the Arab world, has been decimated. Basic necessities and infrastructure—running water, electricity, transportation, health care, food—are doled out at utterly insufficient levels. Malnutrition among children has risen far above the already disastrous levels of pre-war, embargoed Iraq. Health services, once the pride of the region, have disappeared. Since the first days after the fall of Baghdad, when plundering and looting destroyed every public building except the oil ministry, lawlessness has reigned, and citizens are afraid of leaving

their homes for school or jobs (those who have them). Educated women, with leading positions in society, now venture out dressed in the chador, for fear that religious fundamentalists (unheard of in pre-war Iraq) may harass them. Most Iraqis are unemployed. Those who have dared to take jobs with the occupying authorities, or with the pro-occupation Iraqi institutions, are the target of resistance fighters. The resistance, which has demonstrated its high level of organization, coordination, intelligence penetration and mobility, continues to attack occupation forces and the fledgling Iraqi military and security forces.

The 'New' Iraq

On April 7, 2005, reportedly, Saddam Hussein and other former members of the government, were put in front of television sets, in their prisons, to watch the inauguration of Jalal Talabani, leader of the Patriotic Union of Kurdistan, as the new President of Iraq. The message to be conveyed thereby, it was said, was that they should know that a new Iraq has come into being.

Formally speaking, the tasks of the new leadership are straightforward. In accordance with the results of the Jan. 30 elections, which gave the Shi'ites a majority, followed by the Kurds and other groupings, a parliament of 275 members was elected. It chose Hajim al-Hassani as its speaker and Hussein Sharastani as his deputy. Talabani was elected President, with two deputies, former interim Finance Minister Adel Abdel Mahdi and former interim President Ghazi al-Yawar. This Presidential Council elected Ibrahim al-Jafaari as Prime Minister, with a mandate to form a government to be approved by the parliament. The government's chief task will be to draft a constitution, which should be put to a referendum, after which further elections will be held for a parliament, and subsequently, a government.

On paper, the procedure, which was set up by the occupying authorities under Paul Bremer's Coalition Provisional Authority, is unproblematic. But in the reality of the Iraqi political and social process, the procedure is anything but bureaucratic.

The challenges facing the government-to-be are awesome: It must establish law and order, which requires developing the police, security, and military forces. It must provide jobs for the vast majority who are unemployed. Most important, it must take effective steps toward ending the foreign occupation.

Aside from considerations related to the U.S. agenda—which is still nebulous—regarding the duration and form of the occupation, the Iraqi government-to-be itself is in a paradoxical position. The very fact that the new leadership has been defined along almost a quota system, respecting ethnic/religious identities, points to the problem. As a result of Paul Bremer's de-Ba'athification program, which threw out any Ba'ath Party member from any occupation, and disbanded the military, the Sunni component of Iraqi society, which

had furnished its traditional leadership, was blackballed, and driven into the resistance. The majority Shi'ite population, which had been suppressed by Saddam Hussein, and the Kurds, who had enjoyed extensive autonomy in the northern part of the country (what they call "Kurdistan"), became the leading political forces.

The interim government, under the occupation, was defined along ethnic/religious lines. This process of ethnicization created a new reality in the country, whereby one's political standing depended on whether one was a Shi'ite, a Kurd, a Sunni, a Turkmen, or whatever. Thus, after the election of the parliament, the deliberative process aimed at selecting a leadership, was characterized by power struggles, not by concern for the national interest. Thus, the vicious haggling during the parliamentary sessions, ending in brawls and suspension.

What has come out of this process is a Kurdish President, one Sunni Vice President and one Shi'ite; a Sunni Speaker of the Parliament with a Shi'ite Deputy Speaker; and a Shi'ite Prime Minister. The question is: Will they function as representatives of their special interest groups, thus pitting one against the other? Or will they succeed in rising above ethnic/sectarian concerns, to serve the interests of the nation?

Parallel to the ethnic/religious aspect, is the political color of the new leadership. President Talabani is a long-term U.S. ally, to put it politely. The two Vice Presidents, Shi'ite Islamist Adel Abdel Mahdi and Sunni Ghazi al-Yawar, were both members of the former interim regime, which had been hand-picked by the United States. Mahdi had been to the U.S. at least twice, and is close to the International Monetary Fund. Thus, one would not expect such a combination to turn against the U.S. occupation.

Yet, there is a contrary process also unfolding. The most significant force on the new political landscape is the Shi'ites, not defined as a religious faction, but oriented to the guidance of Grand Ayatollah Hussein Ali al-Sistani, the highest authority for all Shi'ites in the world. Although he has no political ambitions or position, al-Sistani is the person who forced the occupying powers to schedule elections by Jan. 30, explicitly with the aim of having a government elected which would have the authority to demand the end of the occupation. Many Iraqis who went to vote, did so for this reason.

The party which gained an overwhelming majority in the elections, was the United Iraqi Alliance (UIA), backed by al-Sistani. The Deputy Speaker of the Parliament, Hussein Sharastani, is considered al-Sistani's number two man. Prime Minister Jaafari is expected to give the lion's share of ministerial posts, including finance, interior, and oil, to the Shi'ites, who got 146 of the 275 parliamentary seats. The Kurds are supposed to receive the Foreign Ministry and perhaps Planning, while the Sunnis may be given the Defense Ministry. Thus, the direction given by al-Sistani, albeit as moral, not political guidance, will shape the orientation of whatever government comes into being.

A clear majority of the population is committed to ending the occupation. Unless a new government faces this demand, there will be social disruption. Talabani, in his first public statements as President, referred to the need, not only “to consolidate national unity . . . regardless of religious and sectarian backgrounds,” but to establish security such that the foreign military presence were no longer necessary. One promising step was made, when the Parliament announced April 6, that it would move its premises to a building outside the Green Zone, i.e., the area where the occupying forces have their embassies, and where the Iraqi institutions of government were. This, as German Colo. Jürgen Hübschen (ret.), an expert on Iraq, emphasized in last week’s *EIR*, is the precondition for moving toward a government which is truly independent.

Iraq and the Region

No one is more eager for stabilization of Iraq than its neighbors, especially Turkey, Iran, and Syria. Significantly, both the Turkish and the Iranian governments welcomed the election of Talabani as President. Turkey, which fears moves by the Kurds toward greater autonomy, or even independence, accepted the choice, on the assumption that the President, largely a ceremonial position, would not determine policy. Turkish acquiescence will remain, as long as there are no moves by the Kurds toward independence. The emergence of an independent Kurdistan, which many in the Kurdish political leadership dream of, would immediately destabilize Iran, Turkey, and Syria, all of which have significant Kurdish minorities. Turkey has made known that this is a “red line,” which, if crossed, would trigger Turkish military intervention. Thus, settling the Kurdish question will be a priority for these neighbors.

At issue is the demand, made by the Kurds prior to elections, that the oil-rich city of Kirkuk be included (become the capital, in fact) of the autonomous Kurdish region. Furthermore, they demand that those Kurds who had been expelled from the city under Saddam Hussein’s campaign of “Arabization,” be allowed back, and that, in effect, ethnic cleansing be implemented against the Arab (and Turkmen) population. This had been a point of conflict in discussions between the Kurds and Shi’ites over the past weeks. No solution was found; a vague formulation was agreed upon, without any firm commitments. No stability can be hoped for in Iraq, or the region, unless this issue is settled, rigorously limiting the power of the Kurds.

The other factor in the regional complex, is the Iranian factor in Iraq. The predominance of the Shi’ites, and the close relations the al-Sistani-backed UIA enjoys with Iran, have led many to raise the spectre of a fundamentalist Shi’ite expansion, incorporating Iraq, but this is untrue. As long as al-Sistani remains the highest Shi’ite authority (and there are no contenders at the moment), there will be no way Iraq could ever become a state on the Iranian model. It has been pointed

out, by Iranian sources as well, that, given that the Iranian model has not fared so well there, even Iranians are not eager to replicate it in Iraq.

It is obvious that Iraq, under this political constellation, will have privileged relations with Iran, and that Iran will become a growing factor in Iraqi affairs. This has obvious economic implications, considering the immense (known and unknown) oil and gas reserves of the two countries, and also trade. Such Iraqi-Iranian cooperation is not what the neo-cons in Washington want to see. The United States had hoped, in fact, to put former interim Prime Minister Iyad Allawi in to form a government, but failed. What the neo-cons will do visà-vis Iranian-Iraqi cooperation, is a question mark. There have been contradictory signals coming out of Washington: some softer tones toward Iran, but at the same time, hostile rhetoric and threats against the Islamic Republic, including continuing threats from Israel.

Despite the ravages of war, and the rapidly deteriorating socio-economic crisis in Iraq, there would be the possibility of reintroducing stability, were the regional powers—Iran, Syria, Turkey as well as Arab leader Egypt—to establish security arrangements among themselves. This, as Lyndon LaRouche outlined in his April 2004 “LaRouche Doctrine,” would lay the basis for an orderly withdrawal of U.S. and other foreign troops. Thus, the ultimate question is: What will America do?

COVERUP EXPOSED!

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