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This Week You Need To Know

War Party on Campus: Lynne Cheney's Circles Call for Mass Murder

by Harley Schlanger

On Oct. 16, 2006, with the mid-term election less than three weeks away, and time slipping away for a Bush-Cheney Administration "October Surprise" military strike against Iran, a speaker told students at the University of California at Los Angeles (UCLA) that a genocidal attack against Muslims was required to generate "a resurgence in the pride for Western civilization."

In covering this speech, the *Daily Bruin* on Oct. 17 reported that the speaker, Dr. Yaron Brook, the executive director of the Ayn Rand Institute (ARI), warned that "Islamic totalitarian states pose a severe threat to the security of the United States," adding that a way to defeat these regimes "is to kill up to *hundreds of thousands* of their supporters." This, he said, would "shrink popular support for extremist ideas to a small minority of the population," instead of the 40% which he claims supports such regimes now.

While some might wish to dismiss this as the demented rant of a lone madman who was, perhaps, off his meds, the reality is clear to anyone who has read the LaRouche PAC's latest pamphlet, "Is Joseph Goebbels on Your Campus?" Dr. Brook and his ARI are an integral part of the "war party" run by the Vice President's wife, Lynne Cheney, and are deploying to America's campuses to whip up support for new imperial wars, while intimidating their opponents with tactics which would make Nazi propagandist Joseph Goebbels green with envy.

Brook's presentation was sponsored by LOGIC (Liberty, Objectivity, Greed, Individualism, Capitalism), an ARI-linked organization at UCLA, which also has ties to the right-wing "Collegiate Network" of "conservative" campus throwaway newspapers. The UCLA affiliate is the *Bruin Standard*, whose editor is LaRouche-slanderer Garin Hovannisian, a protege of David Horowitz, who is one of the coordinators of Lynne Cheney's campus Gestapo. (See *EIR*, Oct. 20, 2006.)

It is this network of money-grubbing, self-promoting liars which is recruiting the shock troops for the Cheney-John Train imperial war party....

[...full article, PDF](#)

Latest From LaRouche

The Case of Poor Marcel Lefebvre: Liberalism As Anti-Liberalism

by Lyndon H. LaRouche, Jr.

October 17, 2006

Citizens! Your Honors! Let us recall Shakespeare's Lady Macbeth. The Liberally fascist-in-fact, Sister Lynne Cheney, is the relevant, veritably modern Lady Macbeth who virtually picked her husband out of a trash bin, is today's more appropriate example of a particular form of the evil which that pair represents, in menacing civilization globally today. It is therefore notable, that she plays that role as of a type actually much closer to the tragic figure of the late Archbishop Marcel Lefebvre, than Lefebvre's implicit defense of the post-Hitler prototype of fascism might suggest to the unwitting.

Lynne Cheney herself, who is otherwise identified as the author of her novel, *Sisters*, is a product of the type of patronage provided by the circles of sometime Bertrand Russell accomplice Robert M. Hutchins at Chicago University. There, she fell into the cultural sewer of Hutchins' special protégé, the Carl Schmitt-created, fascist ideologue and hoaxster, Professor Leo Strauss. There, she came to devote her permitted pretensions at scholarship to the worthless example of one of the more degenerate intellectual parasites from British literary circles of his time, Matthew Arnold. Nonetheless, despite her lack of serious scholarship, she, like Shakespeare's notorious character Lady Macbeth, has achieved a certain special kind of academic notoriety, chiefly through her picking that boorish human failure, her husband, from a rubbish-bin of history. She has made that three-penny villain, her spouse, into the image of a very wicked Golem, all this in her own attempted role as a modern Lady Macbeth....

[...full article, PDF](#)

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National:

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FDR Club Debates Mass Organizing Strategy With Calif.Dem Leader

by Sky Shields

Oct. 12 saw the fourth monthly meeting of the Franklin Delano Roosevelt Legacy Democratic Club, the official LaRouche arm of the California Democratic Party. In keeping with the club's mission, each month's meeting has consistently brought the best of the Democratic Party's elected leadership into an environment where they can be developed by their exposure to the LaRouche Youth Movement's university on wheels, and the products of the LYM's organizing among labor, industry, and scientific-engineering professionals.

The CIA Is *Not* Demanding The Right To Torture Prisoners

EIR: When President Bush announced the transfer of the 14 detainees on Sept. 6 to Guantanamo, he gave the impression that the CIA was very anxious to proceed with these interrogations, but they couldn't do it because of the Supreme Court, and he said we've gotten all this valuable information, and we have to proceed with this. What is wrong with that picture?

For The Record:

THE 1988 ALEXANDRIA HOAX

How I Terrorized the Fascist!

by Lyndon H.LaRouche, Jr.

October 15, 2006

Very few Americans, and also others, realize how much of the ruin our nation and their lives have suffered, increasingly, since February 1983, is the side-effect of the fraudulent charges and conviction directed against me as an immediate reaction to President Ronald Reagan's March 23, 1983 presentation, in which the President confirmed what I had presented in my role in conducting a back-channel discussion, over the interval February 1982-1983, with the Soviet government, a proposal which President Reagan named 'a Strategic Defense Initiative (SDI).'

Documentation

How John Train Targetted LaRouche

This Jan. 20, 1992 deposition was filed by EIR reporter Herbert Quinde, who conducted a thorough investigation of how banker John Train organized a defamation campaign against Lyndon LaRouche and his associates, carried out through the media. It was submitted to the United States District Court, Eastern District of Virginia, in the case of United States v. Lyndon H. LaRouche, Jr., William F. Wertz, Jr., and Edward W. Spannaus, as a Motion to Vacate, Set Aside, Correct Sentence under 28 USC section 2255. It was filed Jan 22, 1992.

International:

London Leaves U.S. To Hold the Bag In Iraq-Afghanistan Debacle

by Dean Andromidas

The British security establishment has signalled that Her Majesty's troops will be pulled out of Iraq sometime soon, leaving the United States holding the bag, in a mess which London was instrumental in creating. This is precisely at a time when powerful New York and London-based financial interests, through their lackey, Vice President Dick Cheney, are about to unleash a military attack on Iran. London has indicated that it will not stop Cheney, while positioning itself to exploit new 'opportunities' that will arise with the inevitable collapse of the United States' policy resulting from Cheney's attack on Iran.

Putin's Circles Fear 'New Cold War' Pact

by Scott Thompson and Jeffrey Steinberg

Circles around Russian President Vladimir Putin fear a combination of new right-wing governments in the West succeeding Bush/Cheney/Blair, to be led by British Conservative Party leader David Cameron, Sen. John McCain (R-Ariz.), and French Interior Minister Nicholas Sarkozy. According to well-informed Washington sources, President Putin recently received a memorandum from a senior policy advisor, suggesting that an emerging McCain-Cameron-Sarkozy bloc could shift trans-Atlantic policy even further in a 'new Cold War' direction, hostile to Moscow.

Cheney Wants War, Plays North Korea Card

by Mike Billington

'The Bush Administration did everything that it could to push North Korea to conduct this minor nuclear test—they wanted it. There is no one to blame but the U.S. All the North Koreans wanted was food.' This was the analysis of Lyndon LaRouche immediately following the Oct. 8 (Oct. 9 U.S. time) partially successful test of a plutonium nuclear device by North Korea.

Kirchner Takes On Regional Warmongers

by Cynthia R. Rush

In an Oct. 19 ceremony before 4,000 people in the Bolivian city of Santa Cruz, Bolivian President Evo Morales and Argentine President Néstor Kirchner signed an historic 20-year 'strategic association,' by which Bolivia will sell Argentina much-needed natural gas, and the two countries will collaborate closely in a wide range of mutually beneficial projects for cooperation in energy, infrastructure, and economic development.

Economics:

The News Is the 'Non-News' Of the Financial Collapse

by the Economics Staff

Lyndon LaRouche warned earlier this year, that September/ October would be the likely time period for this crash phase of the collapse. Now it has come to pass, despite any pre-U.S. elections happy talk you may hear about the 12,000 level of the Dow Index, and all the polite, reserved 'warnings' on hedge funds. What is evident is merely an attempt to contain the panic.

One-Third of Germans Are Poor, or Nearly So

by Rainer Apel

With remarks, Oct. 15, on the 'new underclass,' Kurt Beck, national party chairman of the German Social Democrats (SPD), unleashed an intense public debate about poverty in Germany. Beck referred to a survey carried out by the TNS Infratest polling institute, for the SPD-linked Friedrich Ebert Foundation, a survey which will be published in full detail by the end of this year.

NERC Forecast: 22 Necessary Actions Required To Save U.S. Electric Grid

by Marsha Freeman

Every Fall, the North American Electric Reliability Council (NERC) issues a forecast of the adequacy of the electric grid to deliver reliable power throughout the United States, Mexico, and Canada over the following decade. NERC's '2006 Long-Term Reliability Assessment,' released on Oct. 16, confirms the recent warning by EIR, that without massive investment in electric generation and transmission infrastructure, manpower, and new technology, reliable electric power will become a thing of the past.

History:

AGAPÉ AND THE FOUNDING OF THE AMERICAN REPUBLIC

A Temple of Hope. . . A Beacon of Liberty

by Robert Ingraham

Let it not be grievous to you that you have been instruments to break the ice for others who come after with less difficulty; the honor shall be yours to the world's end.

—**Rev. John Robinson**, writing, at Leyden, in a letter to the colonists at Plymouth, Dec. 23, 1623

On Dec. 18, 1620, the ship Mayflower arrived at Plymouth harbor. On the next day, her passengers began to go ashore. Within five months, 51 of those original 102 colonists would be dead, including the colony's first governor, John Carver, together with his wife and children. During most of the next ten years, the colony suffered through periods of famine, disease, near starvation, and repeated attempts by King James I's Privy Council, and the leadership of the Church of England, to destroy the colony. But they persisted, and their example inspired others. And the friendship and help which they provided to the Puritans, first at Salem in 1628, and later to John Winthrop, helped secure the creation of a new commonwealth on the shores of America.

Editorial:

The Disintegration of Iraq

Iraq today, with the dramatically escalating death rate among Iraqis and American troops, is a microcosm of the New Dark Age that the synarchist bankers who demanded this war, were dead set upon triggering. A country that once had admirable levels of development and technology, especially in the area of health care, is now being dismembered in full public view. Violence escalates, with a level of religious violence and savagery that rises relentlessly.

U.S. Economic/Financial News

Hamilton Project's 'Wage Insurance' Policy Meets Democratic Opposition

Together with expansion of Medicare into a more universal health insurance, some economists for the Hamilton Project, based at the Brookings Institute, are pushing a Democratic economic policy which embraces globalization and free trade, and uses new forms of "wage insurance" to compensate for outsourcing and the service economy—accepting both as inevitable and beneficial for growth. The proposed Democratic policy, as explained in several Hamilton Project pamphlets (e.g., "Fundamental Restructuring of Unemployment Insurance"), would establish a new universal payroll tax, building up a fund to pay workers temporary "wage compensation" when they lose well-paying jobs and have to take lower-paying service jobs, etc. The "wage insurance" can also apply to disability or illness job loss; and in some versions of the Hamilton proposal, would entirely replace the 1935-vintage Federal unemployment insurance program.

Since the idea is a new universal payroll tax, workers would, in effect, take a small pay cut, to partially, and temporarily, insure themselves against—a large pay cut. The Hamilton pamphlets contain data on household wage drops: The chance of a worker seeing his or her income cut in half during a given year was 7% in the 1970s, but 17% in 2002. Average annual income swings (up or down) were 15% for a household in the 1970s, but are over 30% now.

Basically, the idea its sponsors accept is that the ongoing loss of skilled and well-paid industrial jobs to outsourcing and globalization, is irreversible and positive for the economy. The idea is generating opposition from organized labor, and in Congress.

On Oct. 19, Democratic Congressional aides reported to the LaRouche Political Action Committee (LPAC), a "revolt from below against globalization" among many veteran aides anticipating Democratic victories in 2006 Congressional elections. This, they say, is supported/joined by some few senior Democrats in the House, but not by the Democratic leadership. "There's a real debate going on between 'New Democrats'—free-trade Democrats—and 'Old Democrats' who have more the FDR model. You're [LPAC] the FDR Democrats; you're in this debate," one aide said.

UCLA Study: Southern California Housing in 'Freefall'

The University of California at Los Angeles (UCLA) Anderson Center released its "Orange County: Economic Outlook

for 2007" Oct. 13, which reported that in Orange County, California—one of the most populous counties in the country—sales of existing homes were down 29% compared to the same period one year ago. The rate of home sales over the last five months has been "brutally low," the study reported, according to CBS TV's local affiliate KCAL-9 Oct. 13. The whole of California is experiencing a collapsing housing market. By itself, California accounts for one-eighth of all existing homes and home sales in America.

The Anderson Center report stated that, "the long-awaited real estate correction is under way, but there's little agreement about how brutal the landing will be." The report observed that it is possible there will be a long slow decline in home prices, "the economic equivalent of Chinese water torture." However, it acknowledged that "there is a growing notion" that this year's decline may be "the roughest, most sudden correction ever observed."

The problem is not restricted to Southern California. Humboldt County, in Northern California, home prices dropped to \$289,500 in August from \$316,000 in July, a sharp 8.3% one-month decline.

It's Official: The Fed Lady Sings

In a speech Oct. 16, Janet L. Yellen, President and CEO of Federal Reserve Bank of San Francisco, had some scary things to say about the housing market in her jurisdiction. Addressing the Hong Kong Association of Northern California, Yellen reported that, for the first half of 2006, "quarterly average home sales in California are down nearly four times as much as they are nationwide." And it gets worse. She was told by a major home builder that "the share of unsold homes has topped 80% in some of the new subdivisions around Phoenix and Las Vegas, which he labelled the new 'ghost towns' of the West."

Meanwhile, California mortgage lenders have sent out 26,705 default notices during the July-to-September period, up from 12,606 during the same quarter in 2005, the *Los Angeles Times* reported.

Home 'Gambling' in Nevada Goes Bad; Foreclosures Rise

In Nevada, the number of home foreclosures increased to 2,016 in August, more than triple the level of 568 in August of last year. Nevada has 20,000 existing homes on the market. But reflecting Nevada's role as the capital of U.S. gambling, real estate experts estimate that more than 40% of these Nevada unsold existing homes were bought by "investors"—that is, gamblers (speculators)—in late 2005, looking to "flip" the property. But, they gambled wrong: the red-hot Nevada real estate market crashed.

According to Richard Krein, president of national REO Brokers Association, which works with real estate agents specializing in foreclosures, some of the investors who bought these homes for investment, have rented out their properties, while others can't sell them, and can't afford to cut their prices, because it wouldn't be enough to cover the mortgage loans. "This is the tip of the iceberg," Krein stated.

Simultaneously, in Arizona, existing single-family home sales for the first nine months of this year are down a stunning 45.7% compared to the same period last year.

One of the largest national builders, NVR, announced Oct. 17, that its earnings during the third quarter fell 32%, compared to the same quarter last year. NVR reported that the cancellation rate for its homes, during the third quarter, jumped to 24% in Baltimore, and 39% in the large Washington, D.C. market.

Home Building Permits Fall to Five-Year Low

Permits for new home construction fell in September for the eighth month in a row, dropping 6.3% from August, and down 28% in the past year, according to the Commerce Department Oct. 18. Housing starts, although up 5.9% in September, are down 18% in the past year. By region, new construction of homes dropped 14.1% in the Northeast, and declined 2.2% in the West.

World Grain Supplies Cut by Drought, Ethanol Use

Now, as corn harvesting in the United States—accounting for nearly half of all the world's corn production—is drawing to a close, there is an extraordinary run-up in corn futures prices, and in numbers of contracts traded in Chicago. Speculative funds are buying like crazy, with 10,000 contracts traded there Monday—a wildly "overbought" situation. December corn futures hit a new contract high of \$3.17 per bushel Oct. 16.

Greenspan: Oil Price Rise Fueled by Hedge Funds

Former Fed chairman Alan Greenspan admitted to the Wall Street Journal online Oct. 13 that the recent surge in oil prices was fueled by "hedge funds and other private market players." Financial speculators "did us a great favor in buying oil contracts," he added, by supposedly triggering an "improvement in technology." Now, "speculative positions have come down and prices have come down with it [sic]."

Fact Sheet Details Horrors of Highway PPPs

Rep. Ted Strickland (D-Ohio), now running for governor, has sent out a handy fact sheet on Interstate highway PPPs (public-private partnerships), showing that in Indiana, not only will the tolls nearly double over the next four years, but the state is *paying subsidies* to the private consortium to keep tolls from rising even further! Toll could actually increase each year for the remaining 71 years of the lease. In Illinois, after the 99-year lease of the Chicago Skyway, the foreign operators immediately raised tolls 25% and will double them in the next ten years. In Toronto, a highway leased to "a foreign company" in 1999 led to seven court challenges to the "toll cap" the company had agreed to. The courts did not uphold the cap and the operator retains the right to raise tolls without government approval.

In Ohio, where Strickland's Republican opponent Ken Blackwell wants to sell the tollroads to raise cash, Strickland's campaign against the PPPs has resonated with voters, and he is running far ahead in the polls.

World Economic News

Ford Closes Production at Hermosillo Plant

The Ford Motor Company temporarily shut down production at its assembly plant in Hermosillo, Mexico, because parts supplier Collins Aikman halted deliveries Oct. 13, in a dispute over Ford's refusal to cover the rising costs of plastics in parts made by CÁ, the *Wall Street Journal* reported. Ford said it will sign no new contracts with the supplier.

Financiers Expand Global Infrastructure Privatization

On Oct. 11, the AIG Insurance Group, long associated with pirate Maurice "Hank" Greenberg, took over London's City Airport for \$1.4 billion. Thus far this year, the value of infrastructure acquisition/take-over deals has reached a record \$145 billion, nearly three times the level of \$54 billion for all of 2000, the *Financial Times* reported Oct. 13. This year has

witnessed five infrastructure privatizations of greater than \$10 billion, led by Spain's Ferrovial's \$30.2 billion takeover of Britain's BAA (which operates Britain's airports) on Feb. 6; Spain's Abertis Infraestructuras' \$28.4 billion takeover of Italy's Autostrade (which operates highways, and inspects and repairs motor vehicles) on April 23; and a U.S. private equity consortium's \$27.5 billion takeover of Kinder Morgan (natural gas transmission) on May 29.

Fitch, Standard Poors Downgrade Italian Debt

The Fitch rating moved from AA to AA-, while the S&P rating moved from AA- to A+. Both "oracles" motivated their decision with Prime Minister Romano Prodi's "difficulty in reducing primary surplus to 3.5% of GNP in the short of medium term." The primary surplus is the budget surplus once debt service is not considered.

One year ago, the European Central Bank announced that it would no longer discount sovereign debt under an A- rating; this is two steps below the current S&P rating of Italy.

Italian Central Banker: Hands Off My 'Independent' Bank

Mario Draghi, governor of the Bank of Italy, warned the government not to take back political control over the central bank, as threatened by the reform bill passed in the previous legislature, which mandates the government to buy back a majority stake from private banks. "Property must have no interference in the institutional functions" of the central bank, Draghi said in a testimony before the Joint Senate and House Finance Committee on Sept. 26. "A plurality of shareholders is therefore important in relation to this principle," added Draghi, who before being appointed governor was head of Goldman Sachs Europe.

In a related move, the chairman of the Italian Banking Association (ABI), Corrado Faissola, warned the government Oct. 3: "There should be no seizure" of assets, and if the government wants really to buy back shares, shareholders should be "adequately paid. According to ABI, the government should pay something between 10 and 21 billion euros—which of course the government does not have. The former government had instead estimated a figure of 800 million euros. Faissola, like Draghi, opposes the reform bill on a crucial issue: that private banks' ownership of the central bank jeopardizes the latter's independence. The current situation, Faissola said, "has never generated problems concerning independence" of the Bank of Italy.

United States News Digest

Bush Asserts 'Unitary Executive' Privilege vs. Congress

On the same day that President Bush held a televised ceremony to sign his torture bill, he quietly accompanied his signing of the 2007 Defense Authorization Act with the issuance of a "signing statement" objecting to no less than 17 of its provisions. Among requirements that Bush asserts he may ignore: a provision that his defense budget submissions include Afghan and Iraq war funding; and a detailed justification of the war funds. He also objected to the requirement that he name a special coordinator of policy for North Korea within 60 days, and that he provide Congress with a report on the program to replace some nuclear warheads on Trident submarine-launched ballistic missiles with conventional warheads.

The statement says: "The executive branch shall construe these provisions in a manner consistent with the President's constitutional authority to supervise the unitary executive branch and to recommend for the consideration of the Congress such measures as the President deems necessary and expedient."

Senator Carl Levin (D-Mich), the ranking Democrat on the Senate Armed Services Committee, was unaware of the signing statement until he was told about it by a reporter at a press conference. Asked about the requirement that funding for the Iraq and Afghanistan wars be included in the regular Defense budget, Levin said: "I'm very dubious he'll abide by it. He's ignored it when we've stated it before." Levin pointed out that this was "a bipartisan expression about responsible budgeting ... to ignore them in the regular budget is to be irresponsible. But that's the way he's handled the funding of this war."

Clinton Defends the Common Good

Speaking at his *alma mater* Georgetown University Oct. 18, former President Bill Clinton challenged his audience to realize that the 18th-Century concept of our Founding Fathers for a "more perfect union" means today "a permanent mission for America, designed to make America a permanent work in progress." What he took away from his college experience is that "ideas matter, ... that thinking and reasoning matter, that ideas have consequences, and that in politics that means ideas lead to policies" which impact people's lives.

That mission, now, is threatened by an "ideological right-wing element of the Republican Party" which insists on "unilateralism." He pointed to Bush's new national security space policy released Oct. 18 whereby U.S. dominance, it argues, must prevail, and that when 160 countries were asked to vote on "making outer space weapons-free, the vote was 159-1 to do it." Next, he raised the "legitimate concern about North Korean nuclear tests [and] Iran's nuclear ambitions." But, he noted, for the last six years, U.S. policy funding development of a "nuclear bunker buster" bomb and a "tactical battlefield nuclear weapon," has "weakened our position" to negotiate. "There is a sense that the world is divided between the good guys and the bad guys, and the good guys should have their nuclear weapons and the bad guys shouldn't." Rather, he argued, "I think a common good approach on national security worked."

Finally, Clinton recounts that the "ideologues in the current government" tag him and "even moderate Republicans like Colin Powell and Admiral Scowcroft, as lesser political mortals" because from their perspective, "we are trapped in 'the reality-based world.'" By that, he said, "they mean 'we are an empire, we're the world's only military superpower, and you can use power to change reality. And if you don't see that, then you'll always be condemning your country to a lesser status.'"

LaRouche: Dems Can't Win; But GOP can Lose

The Democrats are incapable of winning, but the Republicans can lose, noted political strategist Lyndon LaRouche, on May 19. Indeed, a survey of changing electoral winds and the "wisdom" of political pundits from today's media outlets confirms this analysis. GOP House Majority Leader John Boehner (R-Ohio) told Fox News, "all of our numbers look pretty bad. And there's no question that there's a jet stream in our face.... I think that we'll lose a few seats in the House." A *Time* magazine report says that unnamed Republican officials "now concede they could lose a net of 23 to 27 seats in the House." The Democrats only need net 15 to take control. Here's a sample of the line-up:

Virginia: The Oct. 18 "Allen Report" of *Time* magazine says "strategists for both parties ... believe control of the Senate could turn on a race that wasn't on anyone's toss-up list two months ago," i.e., Democratic challenger Jim Webb of Virginia could defeat Sen. George Allen, whose desperate response is to bring in President Bush to campaign for him. Latest polls show Webb, the former Navy Secretary in the Reagan Administration, in a statistical dead heat with Allen, whose campaign has been dogged by charges of racism and other problems.

Ohio: Desperate gubernatorial candidate Ken Blackwell (R), who is trailing Rep. Ted Strickland (D) by 27 points in the polls, dredged up an old 1990s misdemeanor sex scandal involving a staffer hired by Strickland. The charge has long been refuted and Strickland, a psychologist and minister, has won election to Congress twice since then.

In the U.S. Senate race between Rep. Sherrod Brown (D) and incumbent Sen. Mike DeWine (R), National Republican Committee chair Ken Mehlman, defensively reacting to an Oct. 16 *New York Times* report that the RNC had given up on the DeWine race and planned to spend its money elsewhere, told *Time*: "No state will receive more resources from the RNC than Ohio." Mehlman also announced the RNC will now spend "millions more on turn-out and message," as a new attack ad against Brown was released.

Maryland: The Nat'l Republican Senate Committee will spend \$650,000 on Lt. Gov. Mike Steele's campaign for U.S. Senate against Ben Cardin (D) in a race that is too close to call. Steele has distanced himself from the President's policies on the campaign trail.

Minnesota: CQ Politics.com now rates the House contest in Minnesota's 1st CD as "leans Republican, from Republican favored." Poll data and reports from state political analysts indicate Democrat Tim Walz, a retired command sergeant in the Army National Guard and high school teacher, is gaining steam in his bid to upset six-term Republican Rep. Gil Gutknecht. Walz just got an infusion of cash too.

Another GOP Candidate Calls on Rumsfeld To Resign

Washington State GOP Senate candidate Mike McGavick, who is challenging Democratic incumbent Maria Cantwell, called Oct. 16 for the replacement of Defense Secretary Donald H. Rumsfeld and the creation of a bipartisan panel to propose new directions for the Iraq war. Asked if he was breaking with the White House, McGavick told AP, "I am trying to concentrate on what Congress should be doing when confidence [in the Bush Administration's Iraq policy] is sliding. Congress has been standing by, watching this." While McGavick indicated that his statement was inspired by the criticisms of Administration policy by Republican Senators John Warner (VA) and Chuck Hagel (Neb), Warner distanced himself from McGavick's call for Rumsfeld's resignation and for a bipartisan panel.

Former FDA Chief Owned Stocks in Regulated Companies

Former Food and Drug Administration Commissioner Lester Crawford pleaded guilty Oct. 17 to conflict-of-interest and false-reporting charges, for owning stocks in companies considered "significantly regulated" by the FDA, while acting head of the agency for a year, and then confirmed head for two months in late 2005, before resigning abruptly. While serving, he earned nearly \$42,000 from illegally owned shares and owned between \$188,000 and \$336,000 in shares of Pepsico, Inc., Sysco Corp., Kimberly-Clark Corp., Wal-Mart stores, and biotech company Embrex.

Crawford, while serving as acting FDA head, tried to get rid of the whistleblower who revealed that the drug companies were calling the shots at the FDA, and who refused to approve importation of flu vaccines from Canada or Germany in the 2004 "go flu yourself" epidemic. According to the *Washington Post* Oct. 17, the agency, which regulates almost one-quarter of the U.S. economy, has had a confirmed commissioner for less than two years since the Bush Administration came into office.

Kerry: Bush Administration in 'World of Make Believe'

Sen. John Kerry (D-Mass.), who gave a high-profile speech in New Hampshire Oct. 14, appeared Oct. 15 on Fox News Sunday, and was interviewed by Bob Woodward in the *Washington Post*. In each venue he attacked the Administration strongly, including characterizing the North Korean nuclear test as the "Bush bomb," and the Administration as a "house of lies."

Kerry's aggressiveness vis-a-vis Chris Wallace of Fox News was reminiscent of Bill Clinton, as he challenged the set-up, lying, narrow questions. Substantively, he called for bilateral talks with North Korea, and the abandonment of a policy of "regime change" for that nation. He cited Eisenhower and Nixon a couple times for having taken a reasonable approach to diplomacy, and blamed the Administration's "ideological" approach for having derailed the previous agreements with North Korea.

Murtha Restates Case for Iraq Withdrawal

In a *Washington Post* op-ed Oct. 15, Rep. John Murtha (D-Pa) said that the Republicans are "running scared," and reiterated his sound arguments that the U.S. military has done all it can do in Iraq, and that the Administration had better come up with a reasonable timetable for withdrawing. Murtha declared his regret for voting for the war authorization, cited the retired generals' statements, and asked if the Administration is prepared to label the likes of Eisenhower, Colin Powell, and James Baker III as "defeatists."

Murtha concluded: "Democrats are fighting a war on two fronts: One is combating the spin and intimidation that defines this Administration. The other is fighting to change course, to do things better, to substitute smart, disciplined strategy for dogma and denial in Iraq.

"That's no defeatism. That's our duty," the war hero said.

Ibero-American News Digest

Lopez Obrador Announces National Tour

Andres Manuel Lopez Obrador will announce his cabinet on Nov. 3, as the kickoff for a 28-city, ten state national tour between Nov. 3 and 18, organizing towards his inauguration as the legitimate President of Mexico, in Mexico City's Zocalo on Nov. 20, his website (www.lopezobrador.org.mx) announced this week. Also announced was the launching of a new internet TV channel, www.votoxvote.org.mx, where the activities of the resistance will be reported, so people can participate.

Lopez Obrador's tour is likely to make more history than the just-announced meeting between the illegitimate President and President-to-be, George Bush and Felipe Calderon, who are to meet in Washington on Nov. 9, to discuss free trade and security for North America.

IMF Official To Run Economy for Mexico's Calderon

Mexico's "official" President-elect Felipe Calderon announced on Oct. 16 that he had named Agustin Cartens, the Deputy Managing Director of the International Monetary Fund, as economic coordinator on his transition team, with responsibility for drafting the economic policy of the new government, including its 2007 budget. The appointment confirms the widespread rumors that Carstens would be named as Calderon's Finance Minister come inauguration day Dec. 1. Calderon singled out Carstens' doctorate in economics from George "Pinochet" Shultz's notorious University of Chicago as a key reason he had been chosen.

Hinting at Carstens' new responsibilities was an IMF report on Mexico released on Oct. 11, which advises the incoming Calderon government to promote "greater competition" in Mexico's financial system, and more "risk-sharing" with private investors on the part of Mexico's state oil company Pemex. The report states that, for Mexico, "The challenge ahead will

be for the new government to put in place structural reforms that will remove remaining obstacles to growth while fully entrenching macroeconomic stability." Specifically urged are tax reforms, financial reforms, and investment reforms.

Drive Is On To Privatize Mexico's Public Universities

Students should have to pay part of their tuition to attend Mexico's public universities, a "Council of Education Specialists" advising the incoming Calderon government recommended on Oct. 13, in releasing a report on how to overhaul education in the country. The proposed measure is the cutting edge of a drive to rip up Article Three of the Constitution which requires the state provide free education to all. The Zedillo government tried in 1999 to require students pay tuition to attend public universities, but was forced to back down, in the face of a lengthy strike at Mexico's giant National Autonomous University (UNAM).

There is a broader plan involved. UNAM researcher Gian Carlo Delgado revealed on Sept. 19, that the World Bank has been working since 1999 to revamp Mexico's university education and scientific and technological centers to meet "the necessities of the market." The plan, first called the Knowledge and Innovation Project and now renamed the Innovation for Competitiveness Project, argues superior education must be financed by "public-private partnerships," and teaching and research should be refocused to increase "competitiveness," by setting up formal ties between universities and private companies, including foreign companies. On Sept. 12, Felipe Calderon asked one of the entities cooperating with the World Bank on the plan, the National Association of Universities and Institutes of Higher Learning, to draft a national education plan for his government, one of whose three major objectives is to increase "competitiveness."

On Sept. 10, legitimate President Andres Manuel Lopez Obrador denounced the fact that "the right wing" has set out to shut down public education, to provide education run by "the market, as if it were a commodity, to see who could acquire it."

Computer 'Glitch' Leads to Second Round in Ecuador

In Ecuador's Oct. 15 Presidential elections, front-runner Rafael Correa, an anti-free market nationalist, slipped to second place behind right-wing billionaire banana tycoon Alvaro Noboa, after the computerized vote-counting system broke down with only 70% of the vote counted. Correa has charged "shameless fraud" on the part of the country's "political mafia," and is calling for a strong and united showing behind his campaign in the Nov. 26 run-off election, when he will face off against Noboa.

From the Archives: Pinochet's Banker Train Fears Bachelet

Synarchist banker John Train's hedge-fund operation, Genesis Chile Fund (CGF), hysterically warned in a December 2005 evaluation, that Chile could slip from synarchist control, were Michele Bachelet to become President (which she has). At the same time that it was undergoing "voluntary liquidation," reportedly due to "regulatory breaches," the Genesis Chile Fund, of which John Train was a director, warned that the January 2006 runoff in Chile's Presidential elections could be influenced by the "socialist/nationalist/populist trend already seen with Messrs. Chavez in Venezuela, Kirchner in Argentina, and Castro in Cuba."

The GCF's "fortnightly update" for Dec. 30, 2005 lied that Venezuelan Hugo Chavez was the big problem, because he was throwing money around to people like the "reptilian" Argentine President Nestor Kirchner. This had led to "working class and indigenous" elements taking over in Bolivia and threatening to declare sovereignty over the country's hydrocarbon resources, it added.

In reality, the Train outfit knew very well that a phase-change was occurring in Ibero-America, as several Presidents joined together to coordinate anti-IMF policy. They feared that were Bachelet to join this emerging "Presidents Club," the grip that synarchists had held on the country since the Pinochet coup of 1973, could be loosened. Already anticipating a Bachelet victory, GCF shrieked, Chile's state oil firm ENAP was considering investments in Venezuela, while copper workers were striking for higher wages.

GCF suggests that the Christian Democracy (which helped overthrow Salvador Allende) could be an important factor in the elections, since some of its internal factions were backing billionaire fascist Sebastian Pinera. Even though Pinera lost, the CD has in fact acted as the saboteur within the ruling Concertacion coalition on several occasions. But the "wealthy and well-to-do" whom GCF said would play a key role in determining the electoral outcome, couldn't beat the majority of the Chilean population who had had enough of the Pinochet crowd, and elected Bachelet last March.

Western European News Digest

Proposal Mandates Racial Profiling on British Campuses

In an example of "Big Sister" targetting universities, The British Department of Education has been circulating an 18-page document with proposals for university lecturers and staff to spy on "Asian-looking" students who could be suspected of involvement in Islamic extremism and supporting terrorist violence, the *Guardian* reported Oct. 16. The paper acknowledges that there will be "concerns about police targetting certain sections of the student population." The document has been circulating for the last month.

News of this document is causing outrage among students. Gemma Tumelty, president of the National Union of Students, said; "They are going to treat everyone Muslim with suspicion on the basis of their faith. It's bearing on the side of McCarthyism."

The document actually calls for teachers and staff to turn over information to the Special Branch of the police. Acknowledging there were "a number of concerns about working closely with Special Branch. Some common concerns are that institutions will be seen to be collaborating with the 'secret police.'" The document tries to reassure the department, saying that the "Special Branch are not the secret police and are accountable."

U.S. Gestapo Methods Provoke Outcry in Germany

For the first time, the case of Murat Kurnaz, who was kept a U.S. prisoner for almost five years in Afghanistan and then at Guantanamo, was presented to a broader audience in Germany, on the primetime television show "Beckmann" Oct. 16. Kurnaz, a German citizen from a Turkish family living in Bremen, was abducted and arrested during a visit to Pakistan, on Dec. 1, 2001, and released from Guantanamo on Aug. 24, 2006. Kurnaz told on the TV audience about the kinds of tortures he had suffered, from being hung by his feet, beaten, denied sleep, food and clothing, interrogated for days without interruption, being moved from one camp to another, and often worse, during his five years in U.S. imprisonment.

The case of Kurnaz brings disgrace not only to the Bush Administration: he said he was beaten and interrogated by two Germans, probably soldiers, in Afghanistan in December 2001; he was repeatedly interrogated by German anti-terrorism interviewers in Guantanamo as well; the Americans are even reported to have offered his release to Germany in November 2002, but the German government at that time refused, urging the Americans to transfer Kurnaz to Turkey instead. Kurnaz's reports have so far been denied as "absurd" by German officials. His case, however, will be on the agenda of a parliamentary investigation committee, which will also deal with the cases of Khaled el Masri (Lebanon-born German abducted by the CIA in Macedonia, in 2001, since released) and Mohamad Zamar (Syrian-born German, abducted by CIA,

transferred to Syria, still kept prisoner in Damascus).

British Army Drugs-for-Guns Ring Busted in Germany

British military police have busted a drugs-for-guns ring operating within the British Army, the *Daily Telegraph* reported Oct. 13. Soldiers from the 3rd Battalion, the Yorkshire Regiment, were arrested and charged with buying cocaine in Germany, and then selling it to soldiers serving in Iraq in return to arms such as AK-47s, Glock pistols, and ammunition. The latter are shipped in containers filled with military equipment which has been shipped out of Iraq and sold at very high prices to criminal gangs in Europe. The Glock pistols had been issued to British-trained Iraqi police. Over the past year, 120 police recruits have "lost" their pistols.

Similar rings are reportedly operating in Afghanistan and Kosovo, where British troops are also stationed. Similar gun-smuggling operations also have been uncovered in the U.S. Army.

Princess Diana Murder Investigation Reopened

The Royal Coroner, Lady Butler-Sloss, will start forensic hearings into the 1997 death in Paris of Princess Diana: a process that is expected to lead to several leaks harmful to the Queen, Prince Philip, and MI6. Meanwhile, Paris authorities reopened their investigation, that originally blamed the "accident" on drunken driving, following leads published years earlier by *EIR*.

It is not known at this time what else the Paris investigation is probing, but the British former Commissioner of Police, Lord Stevens, has had to postpone his report to the Royal Coroner due to many new leads pointing to a conspiracy to murder Princess Diana, who had become a leading adversary of the British royal family. As *EIR* noted at the time, the authorship of Diana's death could have been enemies of the British royal family, who hoped to embarrass it on the basis of *cui bono*.

Gorbachov: Western Geopoliticians Ruined Hope of 1989

In what comes as a late corroboration of what Helga Zepp-LaRouche wrote several years ago in her book, *The Missed Chance of 1989*, former Soviet President Mikhail Gorbachov, said in Berlin Oct. 13, that the big chance to make the world a better place, after the fall of the Berlin Wall in 1989, was missed. He said it was missed because Western politicians opted for geopolitics, and therefore, most of the big problems which the world is faced with, today, have to do with that missed chance.

Gorbachov, the Russian co-chairman of the Petersburg Dialogue today, is staying in Germany for a couple of more days of talks, after the Dresden Dialogue forum Oct. 8-11.

NeoCon Group Moves to Capture British Conservative Leader

In its website's lead editorial of Sept. 21, entitled, "David Cameron: 'Neo-con' or 'Lib-con'" the Cambridge, England-based Henry Jackson Society lays down the writ to "liberal-conservative," David Cameron: He must join with the "neo-conservatives" on a more "robust" and "value-based" foreign policy in such areas as Iran, Sudan, and North Korea. In particular, the Society slams Cameron for his soft spot for moderate "dictatorships" in the Middle East. "Mr. Cameron should find inspiration from Cold War history and the debates regarding Detente with the Soviet Union, advises the editorial. "The arguments he made above with reference to the Arab World are eerily similar to sentiments expressed in the 1970s by pro-Detente supporters."

McCain Addresses British Conservative Party

British Conservative Party leader David Cameron invited Sen. John McCain (R-Az) to address his party's conference in Bournemouth, England, on Oct. 4, and *EIR* is investigating leads from U.S. intelligence sources that the Synarchist International and its neo-con underlings want a McCain-Cameron-Sarkozy electoral victory by 2008. Sen. McCain's speech focussed on President Ronald Reagan's "big tent" and the Anglo-American "special relationship." He made numerous references to the historic role and "friendship" shared between post-war U.S. administrations with former Prime Ministers Lady Margaret Thatcher and Sir Winston Churchill.

Government Buy-in of EADS Increases State Control

Following talks with French President Jacques Chirac in Paris Oct. 12, German Chancellor Angela Merkel announced that her government is considering buying shares of Daimler-Chrysler—which will sell another 7.5% package soon. The Spanish government has increased its share from 5.4% to 5.6%, planning to increase it to 10%. And—something which comes as a big surprise to many—the Russian government has, through the state-owned Vneshtorgbank, quietly increased its share from 4.8% to almost 7%, as the French economic journal *Les Echos* reported Oct. 13.

Russia and the CIS News Digest

Russia, China Try Diplomacy in North Korea Crisis

Russian Deputy Foreign Minister Alexander Alekseyev travelled to North Korea Oct. 13 to examine ways to defuse the nuclear test-related crisis. Alekseyev handles activity related to the Shanghai Cooperation Organization (SCO) in which China and Russia, along with the Central Asian nations are involved in promoting peace and stability in the region. In addition, Russian Prime Minister Mikhail Fradkov announced he would visit South Korea the week of Oct. 23, for talks focusing on North Korea's nuclear test, as well as Russian-South Korean bilateral ties. South Korean President Roh Moo-Hyun was in Beijing on Oct. 13 to discuss the North Korea crisis with his Chinese counterpart, Hu Jintao.

At the United Nations, U.S. Ambassador John Bolton circulated a revised draft resolution on North Korea at the Security Council, and pressed for a vote. Russian Ambassador Vitali Churkin urged Bolton to hold off. Russia and China both moved to soften the proposed U.S. resolution for sanctions against North Korea.

Russia Seeks Unmanned Lunar Base By 2011

Vladimir Shevchenko of the Astronomy Institute of Moscow State University said at an Oct. 5 conference in Moscow, that if the mission of the Russian Lunar satellite Luna-Glob is successful, there will be a series of projects for new landing modules and Lunar research vehicles. Russia might be able to establish an unmanned base on the Moon by 2011, Shevchenko said.

Yanukovych Moves To Change 'Orange Revolution' Policies

At an expanded session of the Ukrainian government Sept. 28, Prime Minister Victor Yanukovych raised the issue of government efficiency in the country's regions. Citing figures on an economic decline in a number of regions, he called for replacing the governors of Poltava, Kharkov, Ternopol, Kherson, and Chernigov regions. These five had all been selected by President Victor Yushchenko from the ranks of Orange Revolution activists. Since the Ukrainian constitution requires

the nomination of governors by the President, Yanukovych could not himself remove the officials. He did, however, establish a special executive body, the Central Operational Staff, with representatives in every region. Taras Chornovil, speaking on behalf of Yanukovych's Party of the Regions, declared that the staff's mission is "to establish order in the country."

Members of Yushchenko's Our Ukraine party, as well as the opposition Bloc of Yulia Tymoshenko, accused Yanukovych of exploiting the economic crisis "to establish his own pyramid of power." Yushchenko refused to take part in the cabinet meeting. In the Supreme Rada, the parliament, Our Ukraine chairman Roman Bessmertny announced disagreement with other members of the government coalition (the Party of the Regions, Socialist Party, and Communist Party) and urged government ministers who are Our Ukraine members, to abandon the cabinet.

Southwest Asia News Digest

Physicist Warns vs. Bush-Cheney Push for Nuclear War

On Oct. 16, Information Clearinghouse published the important warning by University of California San Diego physics professor, Jorge Hirsch, that "voting Republican in November is voting to wage nuclear war" on Iran. Hirsch, who has led a campaign by physicists against the 2002 Nuclear Posture Review and related pro-nuclear-use policies of the Bush Administration, issued a documented warning that if the Republicans are not defeated in November, then the U.S. will likely go to war with Iran "before President Bush leaves office."

EIR founder Lyndon LaRouche commented that the Hirsch assessment, and his concerns and proposals, are, for the purposes of policy making, without getting into detail, fundamentally correct.

On North Korea, Hirsch writes that "the nuclearization of North Korea only helps the plan to nuke Iran, which is why the administration did everything it could to encourage it."

He argues that the Rumsfeld "transformation" policies of downsizing the military ultimately lead to nuclear weapons use. Despite many calls for Secretary of Defense Rumsfeld's resignation from across the political spectrum, says Hirsch, Rumsfeld will not go until he has succeeded in overriding the "nuclear taboo," by "detonating a small tactical nuclear weapon against a U.S. enemy," probably Natanz or another Iranian facility.

Hirsch is also clear that the "cause" of the war has nothing to do with Iran's nuclear capability, because even hitting Iran with nuclear weapons won't destroy that. He says: "The nuclear weapons that the administration is planning to use against Iran are low-yield earth-penetrating weapons expected to cause 'reduced collateral damage.' Their real purpose is not to destroy facilities that are too deep underground to be destroyed by conventional weapons: it is primarily to erase the nuclear taboo, and secondarily to shock-and-awe Iran into surrender."

Hirsch argues that, although the decision to employ nuclear weapons in time of war lies with the President (according to NSC Memorandum 30 of 1948), the Congress nonetheless has the constitutional authority to "make rules for the government and [for] regulation" of the Armed Forces (Article 1, Sect. 8, Clause 14). The Congress could thus "block the authority of the President to order the use of nuclear weapons against non-nuclear-weapon countries by passing legislation." Since "Bush, Cheney and Rumsfeld, with the advice of Kissinger, are hell-bent on pursuing" a nuclear attack on Iran, and since "a military takeover of government is not likely, and military refusal to carry out immoral orders is uncertain at best," therefore, Hirsch concludes, Congress must use its power to stop it. While there are many Republicans who agree, "a Republican Congress is likely to rubber-stamp any White House plan on Iran," and thus "voting Republican is voting to wage nuclear war."

Iraqis Face Genocidal Conditions; White House Denies Reality

During the week of Oct. 15-21, CNN aired a video made available to it reportedly by the Islamic Army of Iraq, through intermediaries, which documents the manner in which resistance forces target and kill U.S. troops, with sniper fire. The film shows how members of the resistance identify a group of U.S. troops, with Iraqis nearby, and wait until they are able to kill the U.S. forces, without attacking the Iraqis. Retired Gunnery Sgt. Jack Coughlin, who was a top Marine sniper in Iraq, commented on the film, saying the team of three people carrying out one recorded attack, must have been very well-trained, because they demonstrated great calm.

At the same time, reports are that death squads, thought to be operating out of the Interior Ministry, are continuing their killings in Baghdad, more than ever before. The number of deaths reported for Baghdad for September is 1,536; the Health Ministry therefore announced it would build two more morgues to handle 250 bodies per day.

In the face of such increasing violence, Iraqis who have the means to do so, are seeking safety abroad. According to Ron Redman, spokesman for the UN High Commissioner for Refugees, at least 914,000 Iraqis have left since the war began in 2003. The agency says that there are 754,000 displaced Iraqis internally; the Iraqi government figures speak of 1.5 million internally displaced, but this includes 800,000 from before the invasion.

Most Iraqis who leave the country, go to Syria, at a rate of 40,000 per month, over the past four months. There are about 1.6 million Iraqis in the region, outside their homeland, mainly in Syria and Jordan, according to the UNHCR figures.

According to a report in the *Independent*, 18,000 of those leaving Iraq are doctors and nurses. More than 2,000 physicians and 164 nurses have been murdered. As a result, the hospitals are understaffed, not enough medicine is available, and people are dying needlessly. There were 34,000 doctors registered before the war.

The U.S. allocated \$243 million to build 142 private clinics. By April 2004, twenty had been built. No funds remain. The U.S. has spent \$1 billion on the health-care system, while eight times that is needed for the next four years. Seventy percent of deaths among children are caused by "easily treatable conditions," like diarrhea and respiratory problems. Over one-quarter of a million children have never been vaccinated.

To appreciate the tragic dimensions of these figures, one should remember that Iraq, prior to the 1991 war, was the showcase of the region as far as health care was concerned, with hospitals, clinics, and medical personnel at the same level as modern European countries.

Meanwhile, the White House continues to deny this reality. The administration has issued strong criticism against CNN for—in the White House view—adding to the demoralization of Americans about the war.

Top U.S. Military Official: Baghdad Security Plan Has Failed

U.S. military spokesman Maj. Gen. William Caldwell said on Oct. 19, that the plan to secure Baghdad, launched in August, is under review. "We are obviously very concerned," he said, "about what we are seeing in the city. We are taking a lot of time to [look] back at the Baghdad security plan." He said "an intense amount of discussion" was taking place about how to alter the plan. "The violence is indeed disheartening," he said. "In Baghdad alone, we have seen a 22% increase in attacks during the first three weeks of Ramadan, as compared to the three weeks preceding Ramadan." Caldwell said that the joint U.S.-Iraqi operation, named "Operation Forward Together," begun in August, "has made a difference in the focus areas, but has not met our overall expectations of sustaining a reduction of levels of violence."

Speaking of the resistance forces, he said, "They are pushing back hard. In the focus areas where we conducted operations, there has been an increase in the amount of sectarian violence." The "focus" areas are specific neighborhoods that were targeted.

Saudis Reject Possible Partition of Iraq

At a meeting of the Saudi cabinet with King Abdullah on Oct. 16, a statement was issued regarding the Iraqi Parliament's recent vote for federalism, saying, "The Kingdom will stand with all patriotic forces that work for Iraq's unity. The Cabinet hopes that the leaders of Iraq and its wise men and Islamic scholars would uphold their duty of standing against attempts to partition the country under whatever guise."

This comes just days before a meeting is to take place of Iraqi religious leaders, to discuss reconciliation between Shi'ites and Sunnis. The meeting has been organized by the Organization of Islamic Conference (OIC), in Mecca. Saudi King Abdullah met with a delegation of Iraqi Sunni and Shi'ite scholars on Oct. 14. Included in the delegation was Harith al-Dhari, leader of the Association of Muslim Scholars. On Oct. 17, the King met Jordan's King Abdullah II, to discuss both on Iraq and Palestine. Both Saudi Arabia and Jordan would be torn apart by any Iraqi partition.

Lebanese Shi'ite Leader Endorses Saudi Peace Initiative

The Speaker of the Lebanese Parliament, Nabih Berri, has called for the resumption of peace talks with Israel based on the Saudi Peace Initiative of 2002, reported *Ha'aretz* Oct. 20.

"Now is the time to raise the issue of returning to peace negotiations," he told the Al Arabiyah network from Paris. He was also quoted in the London-based *Asharq Al Awat* daily. He made similar statements at a conference of the Inter-Parliamentary Union in Geneva, where he said now that Hezbollah had triumphed over Israel, the time for holding comprehensive talks had come. He was not referring to bilateral talks with Israel, but comprehensive talks based on the Saudi Peace Initiative of 2002 which is supported by all the nations of the Arab League.

Berri is leader of the Shi'ite based Amal Movement which is a rival of the Hezbollah, although the two are working together politically.

Bush Administration Blocks Israel-Syria Talks

"The U.S. is not interested in seeing Israel and Syria move ahead with a separate channel" from their own anti-Syrian policy, an Oct. 20 article in the Israeli daily *Ha'aretz* said. The article points out the fact that Israeli Police and Security Minister Avi Dichter, who was in Washington, met with National Security Council Director Stephen Hadley Oct. 17. Several weeks ago, Dichter had made positive statements about the possibility for negotiations, but after the meeting with Hadley, Dichter backed off his earlier statements.

Asia News Digest

China To Proceed with Fusion Energy Development

Welcoming the 21st IAEA Fusion Energy Conference at Sichuan Province's capital, Chengdu, Chinese Vice Premier Zang Peiyan called for expanded interest in nuclear fusion development, and assured the scientists that China expects to join the

international community in this field. Zang said that fusion is an efficient way for people to generate infinite and clean energy, the *People's Daily* reported Oct. 18. A total of 830 scientists from China and abroad will attend the six-day conference that began Oct. 17. China became the first developing nation to host the IAEA's fusion conference. The most likely reason why Chengdu was chosen as the venue is the recent successes achieved in the Southwestern Research Institute of Physics, located in Chengdu, in the areas of controlled fusion and plasma physics research. Last month, China's other major facility, Experimental Advanced Superconducting Tokamak (EAST), located at the Institute of Plasma Physics under the Chinese Academy of Sciences (CAS) in Hefei, Anhui Province, reported achieving fusion of hydrogen isotopes reaching a temperature of 50 million degrees Celsius.

China Outlines Space Accomplishments; Future Plans

In stark contrast to the ten-page Bush "space policy," released Oct. 6, the Information Office of the State Council of China released a white paper Oct. 12, on "China's Space Activities in 2006," in order to "give people around the world a better understanding of the development of China's space industry over the past five years and its plans for the near future." The paper stresses that China's space program serves "the country's overall development strategy"; that it provides a "cohesive force" for the country; and that while over the past 50 years, China has made progress in space technology "independently," it is "adhering to the policy of opening up to the outside world, and actively engaging in international space exchanges and cooperation." The paper reviews progress in the design of satellites and new launch vehicles, remote sensing applications, and manned space flight. Over the next five years, China plans to improve launch capacity, enable astronauts to engage in extra-vehicular activity, send an orbiter around the Moon, and develop scientific satellites. China plans to "guarantee [the] input of funds for space activities"; to "encourage people of all walks of life to participate in space-related activities"; and foster the education of talented people into space industry. Over the past five years, China has signed 16 international space cooperation agreements with 13 countries, space agencies, and international organizations. The irony of the coincidental concurrence of the release of the U.S. and Chinese space policy papers is that while the Bush Administration has used the fact that China's People's Liberation Army oversees its manned space program to stymie cooperation with China's space program, China has outlined an extensive civilian-based program, whereas the Bush Administration has rattled its space assets in a unilateral attempt to "militarize" space.

Rice 'Assures' Japan Full Defense vs. Nuclear N. Korea

The visit of U.S. Secretary of State Condoleezza Rice to Japan last week seems to have been triggered by increasing concern in the U.S. about the growing pressure on Tokyo to become a nuclear weapons nation, especially in the face of recent threats from North Korea. Washington knows Japan is a few turns of the screw away from becoming so. The issue in Tokyo, however, is the consequences of taking such a decision in light of its relations with the U.S., as well as with China. For that reason, Secretary Rice, with little to show, told the Japanese upon her arrival: "I want to make sure that everybody wants that the U.S. fully act on our defense obligations under the [U.S.-Japan] mutual defense treaty...." But the rumblings in Japan have begun. Shoichi Nakagawa, chairman of the governing Liberal Democratic Party's policy council, told an Oct. 15 TV talk show: "We need to find a way to prevent Japan from coming under attack. There is an argument that possession of nuclear weapons is one of them." Although the subject of nuclearization is a taboo in Japan, even Foreign Minister Taro Aso, who received Rice at the airport, told a lower house panel on foreign affairs on Oct. 18 that he believes "...it is important to have various discussions on it [possessing nuclear weapons] as one more way of thinking." But, Washington does not have to panic—at least as of now. Both Aso and Nakagawa made sure to get across to the United States that "the Japanese government has no intention now of preparing to possess nuclear weapons."

Some 2.5 Million Afghans Face Food Shortages

According to an assessment released by the international aid group, Christian Aid, some 2.5 million Afghans in the provinces of Badghis, Farah, Faryab, Herat and Ghor, devastated by crop failures and drought, face acute food shortages,

Reuters reported Oct. 18. Most of these people have lost 70% to 80% of their rain-fed crops because of drought. With a potentially severe winter approaching, many people are leaving their villages and coming to major cities like Qalat or Kandahar. With the fifth anniversary of the initial defeat of the Taliban in Afghanistan approaching, some Afghans have begun to take stock of what has been achieved since. According to Qadam Ali Nikpai, public information officer at the Afghan upper house of the parliament, "Unfortunately, there is a direct link between worsening security, rising opium production, and corruption, and they work in parallel with one another in endangering the future of our war-torn people." They also point out that the discussion in the West still centers around what level of military success has been achieved. Or, is it possible to completely subdue the Afghans. Very few have pointed out that the life of 30 million Afghans have become more difficult than ever.

Cheney Protégé Rattles Sabers vs. Kim Jong-il

Princeton University's Aaron L. Friedberg, formerly Dick Cheney's National Security Advisor for China affairs in 2003, published a blood-curdling op-ed in the *Washington Post* Oct. 16, titled "An Offer Kim Can't Refuse." The operative statement, after a string of vituperative attacks on North Korean leader Kim Jong-il, is: "The only way to move him is by confronting him with a stark choice—turn over existing nuclear weapons, dismantle production facilities and submit to rigorous international inspections, or face a steadily rising risk of overthrow and untimely death." Friedberg was a founding member of the Project for a New American Century (PNAC) with arch-Straussians William Kristol and Gary Schmitt. Cheney brought him in with a specific task in 2003—prepare to end the relatively peaceful interlude in U.S.-China relations after 9/11, in preparation for confronting China in the second Bush term. That Friedberg (and his Cheneyac allies) are delighted with the current crisis with North Korea is demonstrated in the following quote from Friedberg's *Commentary* article, "Struggle for Mastery in Asia," on overcoming resistance to confronting China: "Only a sudden, severe crisis could galvanize American domestic opinion, overwhelm the objections of business groups and others with a strong vested interest in continued commercial contacts, and lead to the imposition of near-total restrictions on imports, exports and capital technology flows." While he was talking of China, these are exactly the sanctions just imposed on North Korea, with China in the sights.

Charge Aussie SAS Engaged in Combat with Philippine Insurgents

The Australian SAS (Special Air Service) allegedly "training" Philippine soldiers in Jolo is actually engaged in combat with the Abu Syyaf and Jemaah Islamiah, according a report leaked by the *Australian* Oct. 16. Since this is explicitly against the Philippine Constitution, the Philippine government is loudly denying it, while the opposition is screaming. Moreover, since there are also at least 100 U.S. special forces in the same small island off of Mindanao in the southern Philippines, and the opposition in Manila has long charged that the U.S. forces are illegally engaged in the combat there, there is a potential explosion over the leaked report. Australia is trying to sign a Visiting Forces Agreement with the Philippines based on that between the Philippines and the U.S., but that is now in trouble.

Philippine Dereg, As Predicted, Drives Up Energy Prices

As *EIR* warned in 2001, the Philippine deregulation of electricity has not reduced prices, but driven them up. The first order of business for the newly installed government of Gloria Macapagal Arroyo in 2001, following the U.S.-orchestrated military coup against President Joseph Estrada, was to deregulate the energy sector along the lines of the California model—even though California's energy costs had just exploded under the manipulation of Enron and company. *EIR* produced a White Paper at the time, providing the necessary evidence to stop the disaster, but the nation's sovereignty was already lost, and the process went forward in a rush. The spot market, which is central to the "free" energy market, took five years to get set up, finally opening just three months ago. Already, the price of electricity is skyrocketing, and everybody is pointing fingers. The government has opened an investigation into the organization set up to manage the privatization, claiming that they are fixing the price on the spot market, but the proponents are panicked that someone

might start trying to put the toothpaste back in the tube. For example, the *Manila Times* editorialized that the price spike could "unsettle the public, which is naturally adverse to price increases. Worse, this controversy, if it gets out of hand, risks rousing public clamor against the open-market scheme."

This Week in American History

October 24-30, 1814

Robert Fulton Launches the First Steam Warship

By 1810, the British Empire had embarked on an attempt to recapture the former colonies which had been lost to the Empire by the successful American Revolution. British ships were actively harassing American commerce, and the British Navy was kidnapping American seamen from their ships and forcing them into British military service. In this crisis, the leading American inventors who had been dealing with steam navigation advocated the development of steam-powered warships.

Oliver Evans, who had designed the first fully-automated flour mill, and was about to build steamboats for the Ohio River, proposed warships with armored decks. John Stevens, who had invented the screw propeller for steamships, proposed a sophisticated design that was eventually brought to fruition by his son just before the Civil War. And Robert Fulton, after the success of his steamboat on the Hudson River, began turning his thoughts to the designs for torpedoes and submarines which he had developed in France.

By early 1810, Fulton was giving a series of lectures in Washington, D.C. on the subject of the "Mechanism, Practice and Effects of Torpedoes. His talks were well-attended by U.S. Senators and Representatives, who subsequently allocated \$5,000 for the Navy Department to conduct research on the subject. In 1813, Fulton patented the Columbiad gun, which fired below the surface of the water in order to hit enemy ships below the waterline. Fulton's largest project, however, was the design and construction of a massive steam-powered warship which could defend America's harbors.

When the War of 1812 began, the memory of the disastrous British occupation of New York City during the Revolution was still fresh in people's minds. Using the present technology, there seemed to be no way to defend the harbor and city against the awesome power of the British fleet. But Robert Fulton was instrumental in forming the Coast and Harbor Defense Association, which contracted to build a steam warship at the cost of \$320,000, provided that Congress would reimburse the group when the ship succeeded. In March 1814, Congress so agreed. Fulton also contracted to build a similar ship to protect the City of Baltimore and its harbor.

Building a large ship of any kind was a very difficult undertaking, because the British Navy had blockaded the American coast, so no imported goods could reach America, and no material could be moved up or down the coast by water. All supplies had to move laboriously on wagons, utilizing the very primitive American roads. Nevertheless, Fulton worked night and day to gather the materials, and the keel of his new ship was laid on June 29, 1814. By Oct. 29, the warship, without its armaments and engine, was ready to be launched. Fulton named it the *Demologos* (Word or Spirit of the People), but the Navy christened it as the *Fulton the First*.

Fulton designed the first steam warship in the world with a double hull, measuring 167 feet long, 56 feet wide, and 13 feet deep, weighing 2,475 tons. He anticipated the basic principle of the ironclad by building her sides and deck of five-foot-thick lumber, which protected the paddle wheel between the twin hulls. For armament, he called for thirty 32-pounders shooting red-hot shot, and added a hose attached to a steam pump which could spray the enemy decks, forcing the sailors below and wetting the guns so they could not fire. The ship's engine was to have 120 horsepower.

The British were keeping a close watch on the development of the ship, and the exaggerated press accounts in Europe reflected their growing fears. The *Edinburgh Evening Courant* reported the warship's capabilities as follows: "Length on deck, three hundred feet; breadth two hundred feet; thickness of her sides, thirteen feet of alternate oak plank and cork wood—carries forty-four guns, four of which are hundred pounders; quarter-deck and forecastle guns, forty-four pounders; and further to annoy an enemy attempting to board, can discharge one hundred gallons of boiling water in a minute, and by mechanism, brandishes three hundred cutlasses with the utmost regularity over her gunwales; works also an equal number of heavy iron pikes of great length, darting them from her sides with prodigious force, and withdrawing them every quarter of a minute!"

Britain's naval officers were somewhat taken aback, as well. Lord Napier told the British Parliament that: "When we enter His Majesty's naval service and face the chances of war, we go prepared to be hacked to pieces by cutlasses, to be riddled with bullets, or to be blown to bits by shell and shot; but, Mr. Speaker, we do not go prepared to be boiled alive."

The British intelligence service utilized spies to watch Fulton's every move, and finally they were ready to pounce. Fulton was scheduled to spend the night at a house on Long Island, and that evening, the British launched a commando raid on the house, either to kidnap or kill Fulton. Fortunately, Fulton had been delayed by a slight accident, and he was still miles away.

The festive launching of the *Demologos*, complete with shore batteries booming in her honor, took place as scheduled on Oct. 29, 1814, and Captain David Porter, who had been appointed to command her, wrote to the Secretary of the Navy: "I have the pleasure to inform you that the *Fulton the First* was this morning safely launched. No one has yet ventured to suggest any improvement that could be made in the vessel, and to use the words of the projector [Fulton], 'I would not alter her if it were in my power to do so.'" Porter also said that Fulton had told him that the warship's machinery would be in operation in about six weeks.

That timetable could not be kept, due to the grinding effect of the blockade and dozens of unavoidable delays. Before the engine was finished, in January of 1815, Robert Fulton had to travel to Trenton to give testimony about his New Jersey patent on the steamboat. When he and his companions returned to cross the Hudson, it was partially iced over and the ferryboat had not been able to leave the Manhattan shore. So the group went to inspect the ships which were a-building at Fulton's New Jersey workshop.

Finally, they heard the ferryboat's whistle signalling that it was entering the slip, and Fulton led the group in a shortcut across the ice. His close friend and lawyer, Thomas Emmet, the brother of Irish patriot Robert Emmet, fell through the ice and Fulton successfully rescued him. But Fulton's doctor recorded that: "In this moment of great peril, Mr. Fulton was exceedingly agitated, at the same time that his exertions to save his friend left him much exhausted." By the time Fulton reached his home in New York, he could hardly speak and had to take to his bed.

But three days later, a problem arose with equipping the *Demologos*, and Fulton, against everyone's advice, left his bed and took a carriage and ferry to the workshop. Severe lung symptoms developed, and he died on Feb. 23. Although his death stopped the work on the Baltimore warship, the *Demologos* was continued by his superintendant Charles Stoulinger. Fulton had trained his employees well and had planned and recorded every step of his design so that others could carry it out.

On July 4, 1815 the warship, with all her armament on board, reached a speed of five and a half miles an hour, well above the four miles an hour that Fulton had guaranteed to Congress. But the war was now over, and the Navy ordered her moored at the Brooklyn Navy Yard. In 1821 she became a receiving ship, and in 1829, the *Demologos* was accidentally blown to pieces, with much loss of life, by the condemned gunpowder which had been stored in her hold.

In 1815, three commissioners of the Coast and Harbor Defense Association had tried in vain to convince the U.S. Navy to use the *Demologos* to train its sailors in the new steam technology. They wrote to the Secretary of the Navy on Dec. 28: "After so much has been done, and with such encouraging results, it becomes the Commissioners to recommend that the steam frigate be officered and manned for discipline and practice. A discreet commander, with a selected crew, could acquire experience in the mode of navigating this peculiar vessel. It is highly important that a portion of seamen and marines should be versed in the order and economy of the steam frigate. They will augment, diffuse, and perpetuate knowledge. When, in process of time, another war shall call for more structures of this kind, men, regularly trained to her tactics, may be dispatched to the several stations where they may be wanted."

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