

[return to home page](#)

['They Would Die To End Their Pain!' Pennsylvania Banker Howls](#)

[by Lyndon H. LaRouche, Jr.](#)

October 3, 2007

When would a banker beg, "Let us die to end our pain"?

On October 2, 2007, Daniel J. Reisteter, Vice-President of the Pennsylvania Bankers' Ass'n, uttered a wild-eyed screech of pain, in reaction to the surging support for the draft Federal legislation in defense of the nation's imperiled householders *and bankers*. Reisteter's outburst ("You peeked!") suggests, that he ought to calm himself by reflecting on Robert Burns' celebrated reference to the case of a louse on the bonnet of a woman in church: Mr. Reisteter should see himself as others see him, and, then, perhaps, the pain of fearing that others might discover his true self, would go away....

[\*\*In-Depth articles from Vol. 34, No. 40\*\*](#)

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## Feature

['They Would Die To End Their Pain!':](#)

[\*\*Pennsylvania Banker Howls\*\*](#)

**Lyndon H. LaRouche, Jr.** responds to a banker's hysterical reaction to the support for LaRouche's 'Homeowner and Bank Protection Act of 2007.' Instead of a fanatical adherence to the axiomatic rules of today's economic practice, the survival of the economy depends upon both a radical overturn of the currently accepted rules of economic behavior, which are the cause of the problem, and a return to the principles of constitutional law employed by President Franklin Roosevelt.

- [\*\*Reisteter's Letter\*\*](#)

[\*\*LYM To Congress: Erect Firewall, or Be Fired!\*\*](#)

Matthew Ogden, of the LaRouche Youth Movement, reports on the progress toward implementing LaRouche's Homeowner and Bank Protection Act.

['What Banking Crisis?':](#)

[\*\*Congress Is Faking Help to Homeowners\*\*](#)

The measures that Congressmen are proposing to deal with the foreclosures crisis are only going to make matters worse.

[\*\*At Ground Zero:\*\*](#)

[\*\*Loudoun County Real Estate Bubble Implodes on Residents, Local Government\*\*](#)

# International

## Britain's 'Managed Chaos' Drives the World Toward War

The British gameplan is to stick the United States with the legacy of crushing failure in Iraq and Afghanistan, and the hatred of much of the Arab and Islamic world.

## Urgent Measures for Defending the General Welfare in Germany

by Helga Zepp-LaRouche, chairwoman of the Civil Rights Solidarity Movement (BüSo) party in Germany.

## What Indian Voters Must Demand Now

Ramtanu Maitra outlines three priorities for whatever new national government takes power.

## Southern Africans Rally Against British Assault on Zimbabwe

## Amelia Robinson Takes Denmark by Storm

## International Intelligence

# Economics

## Behind 'Carbon Trade' Hoax: George Shultz, Felix Rohatyn

The pretext for the cap-and-trade scheme is global warming, and the political nexus behind it involves the same circles who are pushing for perpetual war in the Persian Gulf region and elsewhere.

## Ethanol Bubble Pops; Biofoolery in Congress

## Germany Is Getting 'ReMagleved,' Finally

## Business Briefs

# Conference Report

## Schiller Institute: Construct the Land-Bridge, Prevent a New Dark Age

Part 3 of the proceedings of the Schiller Institute's Sept. 15-16 conference in Kiedrich, Germany, on 'The Eurasian Land-Bridge Is Becoming a Reality!'

## The U.S. Neo-Cons and Iran's Nuclear Energy Speech

by Dr. Pirouz Mojtahed-Zadeh, professor of political geography and geopolitics at Tarbiat Modarres University in Tehran.

## Lyndon LaRouche and the Muslim World

by **Dr. Ahmed Kedidi**, professor at Doha University in Qatar, and president of the European Academy of International Relations, Paris.

## **CargoCap: A New Way To Transport Freight**

by **Dr. Holger Beckmann** of the Ruhr University, Bochum, Germany.

## **Great Projects Are What the World Needs**

by **Pierre Chiquet**, the founder of the space centers of Bretigny and Toulouse, France, and the rocketlaunching platform of Kourou.

## **Civil Rights for All People of the Planet**

by **Amelia Boynton Robinson**, heroine of the civil rights movement.

## **Cultural Paradigm of the New Millennium**

by **Jacques Cheminade**, leader of the LaRouche movement in France.

## **Thomas Sankara on Africa's Debt Burden**

An excerpt of a speech in 1987 by Burkina Faso President **Thomas Sankara**.

# Science

## **On Vernadsky's Space:**

## **More on the Calculus**

**Lyndon LaRouche** resumes his discussion with a LaRouche Youth Movement team researching Carl Gauss's method. These thoughts were provoked by Vladimir I. Vernadsky's work on spacetime, and draw the team's attention to a still deeper epistemological implication of the same subject-matter. How was the appearance of spherical boundedness generated for the mind of man? Does that appearance not imply that a quality of 'sphericalness' bounds the universe? If so, does something else, of a still higher epistemological authority, bound that apparently spherical quality of boundedness?

# Editorial

## **Defeat Today's Fascist Threat**

# U.S. Economic/Financial News

## **Second U.S. Bank Failure in One Week**

Oct. 5 (EIRNS)—Less than a week after the failure of NetBank, Federal regulators announced the closure of a second bank, Miami Valley Bank of Ohio, with \$86.7 million in assets. The bank's uninsured deposits, those in excess of \$100,000 per depositor, amount to \$14 million. These deposits will only be made good to the extent that the Federal Deposit Insurance Corp. (FDIC) can sell Miami Valley Bank assets to cover them.

Miami Valley was a very small bank specializing in residential mortgage lending, reports thestreet.com. Its non-performing assets were about 3% of total assets on Dec. 31, 2006, but rose to about 13% by the end of March 2007. It lost \$6 million in the first quarter and another \$5 million in the second quarter.

## **U.S. Financial Sector Has Lost 130,000 So Far This Year**

Oct. 5 (EIRNS)—The U.S. financial sector cut 130,000 jobs in the first nine months of 2007, according to a study released today by Challenger, Gray and Christmas. And CNBC forecast yesterday that Merrill Lynch will soon report big third-quarter losses, and cut 15% of the jobs in its fixed-income division. Last week, the number of new claims for unemployment benefits jumped by 16,000, up to 317,000, the biggest rise in four months.

## **'Death Zone' Report: Housing Crisis Creating More Social Chaos in Baltimore**

Oct. 4 (EIRNS)—Home foreclosures in Baltimore, Md. have doubled in the past few months, and reached 1,630 in the second quarter, alone. They are now reaching into places like Belair Edison, where homes are occupied by teachers, police officers, shop owners, and university workers.

In addition to the blight of empty homes, local government spending—which relies in part on a transfer tax, which is collected each time a house is sold—is contracting. The foreclosure epidemic is contributing to the ongoing breakdown of communities, where there is now a rapid increase in crime and drugs, crippling certain neighborhoods, as political activists have reported.

## **\$1 Billion Shortfall in Florida Due to Housing Collapse**

Oct. 3 (EIRNS)—The state of Florida is facing a \$1 billion budget shortfall due to the collapse of the Greenspan real estate bubble. Cuts in social services, health care, and education, a tuition increase in state universities, and a variety of tax measures are on the table in a special session of the legislature which began today.

## **Mortgages: 'The Tsunami Hasn't Hit the Shore Yet'**

Oct. 5 (EIRNS)—Merrill Lynch announced it will report a quarterly loss, after writing off \$5 billion in mortgages, mortgage backed securities (MBS), and collateralized debt obligations (CDO). This compares with a UBS write-off of \$3.4 billion, and Citibank of almost \$6 billion, announced earlier this week.

Washington Mutual, the largest U.S. savings and loan, wrote off \$1.39 billion. With more than 100 mortgage companies closed or sold off this year, *Bloomberg* quotes Mark Adelson, a mortgage consultant in New York City, saying that the trouble in mortgages has just begun. "The alarm is going off from the detector on the ocean floor, but the tsunami hasn't hit the shore yet."

The LBO market collapse is also rolling ahead: Barclays withdrew its bid for ABN Amro—leaving it to Royal Bank of Scotland and Bank Santander, whose joint bid of 70 billion euros, 93% of it in cash, may be a wee bit trickier to come up with than originally planned.

Finally, KKR claims it will begin selling loans to finance its \$32 billion buyout of the Texas energy utility TXU next week, sources told *Bloomberg*. KKR says it sold \$9.4 billion last week to cover a part of their First Data buyout, but still have \$3 billion in loans and \$9 billion in bonds to sell for that deal.

## **Merrill Lynch Top Executives Ordered To Walk the Plank**

Oct. 4 (EIRNS)—After job cuts in September, and forecasts that the company will have to write down as much as \$4 billion in assets, two top figures at Merrill Lynch have walked the plank. Osman Semercis, head of Merrill Lynch's fixed income, currencies, and commodities business, and Dale Lattanzio, head of the U.S. operations division, have left the company just ahead of their announcement of third-quarter results. One insider is quoted by the *Daily Telegraph* as saying they were "carrying the can for the problems at the investment bank." Indeed they are. According to Goldman Sachs, Merrill could have to write down fixed income assets by as much as \$4 billion. Already in mid-September they announced job cuts at their First Franklin subprime mortgage unit.

## World Economic News

### Worldwide 'Sad September' for Auto Sales

Oct. 3 (EIRNS)—The impact of the accelerating mortgage meltdowns and banking crisis in many countries on their real economies, showed clearly again in September data on auto sales, an important indicator of economic growth or its reverse.

In the United States, the biggest market for automobiles was a "Sad September," with sales down 3% from September 2006 and 12% from August. After falling by 3% from 2005 to 2006 as a whole, U.S. auto sales have fallen by at least that much from 2006 to 2007, in every month except August, in spite of sales "incentives" which now average 10-12% of the total cost of a vehicle. September sales were only about 1.25 million cars and light trucks, indicating an annual rate of less than 16 million sales. Sales were over 17 million two years ago—a level below 16 million, which would take the industry back to 1995-96 levels, is considered a possible "red line" for bankruptcy of one of the "Big Three," most likely, Ford.

This pattern was found in the biggest national markets outside China. Japan's sales were down 9% from a year ago, the 19th consecutive month of decline for Japanese auto sales.

Korea's "Big Six" sold 16% fewer cars worldwide than one year earlier. Total Canadian car sales were 2.9% down from September 2006; and Germany, Europe's biggest national car market, experienced an 11% drop.

### Iran Cuts Oil Deals in Dollars

Oct. 3 (EIRNS)—Under increasing pressure from the United States, which is waging financial warfare against the country, Iran has decided to further reduce the share of oil transactions conducted in dollars. As reported by AFP and Iranian wires today, only 15% will be in dollars. Mohammad-Ali Khatibi, deputy head of the National Iranian Oil Company in charge of marketing, was quoted on state television saying, "Iran is selling about 85% of its oil in the non-dollar currencies. Currently, about 65% of the oil sale income is in euros and 20% in yen," Khatibi added.

Japan, which buys 20% of Iran's crude oil, recently agreed to pay in yen, he said. Khatibi also cited the United Arab Emirates dirham as one other possible currency for use in oil transactions.

Khatibi said the main reason for the move was fluctuations of the dollar on the currency markets and the depreciation of its value since 2004. It should be added that, due to U.S. pressure on foreign banks dealing with Iran, the country has had difficulties in making dollar transactions.

### Lord Oxburgh of Shell Projects \$150 Per Barrel Oil

Oct. 2 (EIRNS)—Sir Ernest Ronald Oxburgh, former chairman of Shell Oil, a Knight of the British Empire, issued a stark warning in a Sept. 17 interview with the *Independent* of London, that the price of oil could hit between \$100 and \$150 per barrel. In this environment, he asserted, investment in prohibitively expensive alternative fuels would be appropriate.

With oil prices at those levels, Lord Oxburgh and the British Crown's Royal Dutch Shell assert, alternative fuels, such as ethanol and bio-diesel, could become profitable. "And once you see oil prices in excess of \$100 or \$150 a barrel," Oxburgh told the *Independent*, "the alternatives simply become more attractive on price ground if no others." Oxburgh, who is a fanatical supporter of global warming, heads D1 Oils, a firm that produces "bio"-diesel.

## Europe Not Immune to Financial Fallout

Sept 29 (EIRNS)—Europe may still hold some delusions that it is immune from the financial turmoil shaking the U.S. financial markets—that the bailout of Northern Rock Bank in Britain was just a coincidence—but continuing shocks hitting the European economy may bring it to its senses:

\* The strengthening of the euro against the dollar is "threatening to choke" economic growth, according to the Sept. 29 *Financial Times*. The euro hit a record of \$1.42 against the dollar last week, leading to fears of inflation and loss of exports. The European Central Bank has declined to raise interest rates.

\* In Germany, the retail sector is being hit by widespread pessimism among German consumers, who are not buying enough goods to prop up the flagging export markets, according to the *FT*.

\* The credit crunch and oversupply have hit the real estate market in parts of Europe hard, especially in the price of second homes. From Spain to Estonia, to the U.K., property values are dropping, while mortgage payments for many with ARMs are due to rise—a timebomb for overstretched borrowers.

## United States News Digest

### Cheney, Addington Behind Reauthorization of Torture

Oct. 4 (EIRNS)—Within months of the 2004 "lawyers' revolt" in the U.S. Department of Justice, and the DOJ's repudiation of the infamous "Bybee Memo" which had authorized what any reasonable person would consider torture, Justice Department officials, operating under the sway of Dick Cheney and his lawyer David Addington, secretly re-approved "the harshest interrogation techniques ever used by the Central Intelligence Agency," the *New York Times* reports in a blockbuster article today.

The new, February 2005 legal opinion "provided explicit authorization," reports the *Times*, "to barrage terror suspects with a combination of painful physical and psychological tactics, including head-slapping, simulated drowning, and frigid temperatures."

The methods that were secretly re-authorized by the Bush-Cheney Administration, according to the *Times* account, were part of a program that was hastily put together in 2002, and had never before been authorized by the United States. "With virtually no experience in interrogations," recounts the *Times*, "the CIA had constructed its program in a few harried months by consulting Egyptian and Saudi intelligence officials and copying Soviet interrogation methods long used in training American servicemen to withstand capture."

EIRNS has been advised by multiple sources that the use of such methods was opposed from the beginning by the military officer corps and also by most experienced CIA officers.

The policies were forced through, according to the *Times* (and many other accounts) by a group of White House and Justice Department lawyers dominated by Addington. In June 2004, after the Abu Ghraib atrocities had become public, the Bybee memo was withdrawn by the conservative head of the DOJ's Office of Legal Counsel (OLC), Jack Goldsmith—who had also concluded that the Administration's warrantless wiretap program was illegal. Goldsmith resigned from the DOJ shortly thereafter, in a maneuver intended to make sure that his withdrawal of the Bybee memo would stick.

In February 2005, Alberto Gonzales took over as Attorney General, and put in Steven Bradbury, a Federalist Society activist, as head of the OLC. When at the White House, Gonzales "seldom resisted pressure" from Cheney and Addington, reports the *Times*, and this continued when Gonzales became Attorney General.

Within a short time, the secret torture re-authorization was issued by Gonzales and Bradbury, over the fierce opposition of then-Deputy Attorney General James Comey, described as one of the few Administration lawyers willing to take on Addington.

### **Bush's Health-Care Plan: 'No Child Left Alive'**

Oct. 4 (EIRNS)—Yesterday, George W. Bush threw 6.6 million American children—poor children—off the State Children's Health Insurance Program (SCHIPS), a program enacted ten years ago as part of the so-called welfare "reform." Now, in the midst of the biggest financial crisis in the post-war era, Bush has cancelled health coverage for poor children by vetoing a bipartisan compromise bill that would have continued the coverage for these children, and would have added 4 million more uninsured children, whose families do not have health coverage on their jobs.

According to the *Sacramento Bee*, "The Senate has enough votes to override a Bush veto. In the House, 220 Democrats and 45 Republicans voted for the bill," but 291 House votes are needed to over-ride Bush's veto.

### **More Evidence of Democratic Leadership Corruption**

Oct. 2 (EIRNS)—An investigation by the organization Truthout has confirmed what Lyndon LaRouche said shortly after the November 2006 elections which turned control of both the Senate and the House over to the Democrats: The victory could have been much bigger. Investigative reporter Matt Renner and the Truthout staff have now done their own investigation, focussing on the Democratic Congressional Campaign Committee (DCCC), headed by Illinois Rep. Rahm Emanuel, and have presented four case studies which demonstrate that Emanuel, an appointee of House Speaker Nancy Pelosi (D-Calif.), acted to thwart activist anti-war candidates in favor of more conservative Democrats, candidates who were much less accountable to the citizenry.

Quoting from the report: "Thirteen of the Democratic members of the House [that Emanuel helped elect] in 2006 joined The Blue Dog Coalition; a group that, according to its spokesperson, has no official stance on withdrawal from Iraq or the president's warrantless wiretapping program... 30 out of 47 of the Blue Dog members broke with the majority of Democrats and cast votes in favor of the recent Protect America Act, a bill that greatly expanded the power of the executive branch to spy on Americans. The caucus also broke with the majority of Democrats when 40 of the Blue Dog members voted to continue funding the occupation of Iraq without a timetable for withdrawal...."

### **'Revolution in Military Affairs,' Not Blackwater, Is Real Problem**

Oct. 4 (EIRNS)—Blackwater is not the problem; it's much, much bigger than that. In a recent *EIR* exposé of British mercenaries and gun-running in Africa linked to the dirty operations of the Britain's BAE Systems, and Saudi Prince Bandar bin Sultan, Lyndon LaRouche identified this swamp as "a no-man's land, ... a world in which the hand which loads the sniper's rifle denies any culpability for the eye which aims at the target, or the finger that pulls the trigger." The current round of investigations, including those in Congress of the trigger-happy mercenaries known as Blackwater, is of the same character.

LaRouche PAC warned in an April 2006 mass pamphlet, "Halliburton's War," that mercenary death squads are the intentional policy of the Dick Cheney/Donald Rumsfeld "Revolution in Military Affairs."

So, on Oct. 2, Erik Prince, the founder and CEO of Blackwater, testified for four hours at the House Committee on Oversight and Government Operations, chaired by Rep. Henry Waxman (D-Calif.). The same day, Salon.com published reporter Ben Van Heuvelen's outline of the ties between Blackwater and the Bush-Cheney Administration; including part of Jeremy Scahill's 2007 book, *Blackwater: The Rise of the World's Most Powerful Mercenary Army*. Both document Prince's ties to the Christian fundamentalist fascists and neo-conservatives that make up the support for the Dick Cheney/George Shultz war party.

Challenged by reports on its abuses, Blackwater employed Alexander Strategy Group to run its public relations, until that lobbying firm the main agency of then-House Majority Leader Tom DeLay's (R-Tex.) "K Street Project"—closed its doors with DeLay's indictment and Jack Abramoff's imprisonment in 2006.

## **Radical Fundies Threaten To Split GOP; Will Romney Benefit?**

Oct. 1 (EIRNS)—A group of "religious right" fundamentalists and others, meeting separately during the Sept. 29-30 weekend gathering of the secretive Council for National Policy, is threatening to split from the Republican Party and to back a third-party candidate, if Rudolph Giuliani gets the GOP nomination. According to the *New York Times* and other publications, this is a grouping of about 50 right-wingers of both the secular and religious stripe, such as James Dobson, Tony Perkins, and Richard Viguerie. These so-called "Christian conservatives" complain that Giuliani is too liberal for them on social issues such as abortion. (However, as the *Los Angeles Times* points out, many religious conservatives are willing to overlook their disagreements with Giuliani on social issues, because they agree with his major focus on terrorism.)

Lyndon LaRouche commented that these threats against a GOP nomination of Giuliani, are likely to benefit another GOP candidate, Gov. Mitt Romney of Massachusetts, who profiles himself as promoting so-called "family values." Romney, along with Dick Cheney, addressed the CNP conference, and, according to the *Salt Lake City Tribune*, both Romney and Cheney were warmly received.

## **Ibero-American News Digest**

### **LaRouche Youth in Ibero-America Honor López Portillo**

Oct. 1 (EIRNS)—On Oct. 1, the LaRouche Youth Movement (LYM) in Ibero-America commemorated the 25th anniversary of the historic Oct. 1, 1982 speech given by then-Mexican President José López Portillo before the United Nations General Assembly, with activities throughout Ibero-America. Their goal was to organize their countrymen to emulate López Portillo's courage, and join with U.S. statesman Lyndon LaRouche to bring about a new international financial system today. López Portillo's statement in 1982—"the place is here, and the time is now"—to change history before civilization collapses in a new dark age, applies even more today.

Events were held in Buenos Aires, Argentina and in Mexico City. Some 20 people attended the two-hour event in the Argentine Congress Annex—12 of whom were youth. The broadcasting of the López Portillo speech over loudspeakers in front of the famous Juárez Monument in downtown Mexico City drew a steady stream of discussions, and a polarized response from the population.

For the occasion, the LYM released a special issue of its electronic publication *Prometeo*, now circulating around the continent, entitled a "Youth Pay Homage to José López Portillo—25 Years Later." The LYM explained that it is "paying homage to then-President José López Portillo for the courage he had to confront international financial interests ready to destroy our economies." *Prometeo* points out that the youth of today need to know what López Portillo, the last great President of Mexico (1976-1982), actually did, because they have only heard slanders generated by the financiers, who hate him because he fought to transform Mexico into a modern agro-industrial nation, and fought publicly alongside LaRouche to bring about the just international economic order required for that project to succeed.

### **Kirchner: We Want a United States We Can Work With**

Sept. 29 (EIRNS)—Speaking Sept. 27 at the Global Initiative gathering in New York organized by former U.S. President Bill Clinton, outgoing Argentine President Néstor Kirchner had some words of advice for the next U.S. President, and for a United States he referred to as "beloved."

Kirchner's remarks had a distinct Franklin Rooseveltian tone to them, and reflected ideas that Lyndon LaRouche has repeatedly discussed. The world, he said, "must dare to hold a great debate on ideas, so that from the relative truth of each of us, we can formulate a higher truth, that will allow us to arrive at the truth that will bind us all." He expressed his desire "that the United States become much closer to the region. It would be very important. This is a country whose closeness we value, and whose absence we feel when it distances itself" from us.

"In recent years," the Argentine President remarked, "we never felt we were supported by the United States.... We had different visions of the solutions that had to be offered to the world. But, all of our efforts tend toward—and we're sure that future U.S. administrations will also do this—seeking points of agreement with a region that will have to be very important for the United States of America, and that is all of America, all of Latin America."

Kirchner then underscored, "We really hope that we can come together with the United States in the task of building together, to be able to complement each other; and it's not the help that's so important, but being able to work together to jointly build a better society that we have no doubt our brothers and sisters here in the United States also aspire to."

The President minced no words in describing the "disastrous" effects that IMF and World Bank policy had had on his country, and pointed to the irony that with its supposed financial (free-market) "orthodoxy," the U.S. today has a huge deficit, while Argentina's "heterodox"—anti IMF—policies, have allowed it to grow enormously and generate a healthy surplus. Chastising the Bush Administration, he noted that if "during the crisis of 2001-2002, the U.S.A. had responded differently to Argentina"—without the bludgeoning that followed its debt default—"the contradictions would not have intensified as they unfortunately did" in the country, or caused such dire consequences.

### **Correa Gets a Mandate To Sweep Away Neo-Liberal Economics**

Oct. 1 (EIRNS)—With exit polls and a "rapid count" projecting that the government received more than 60% of the vote in the Sept. 30 Constituent Assembly elections, Ecuadorians have given President Rafael Correa a mandate to proceed rapidly, with leading the transformation of the state into an instrument to defend the general welfare.

We have won "the mother of all battles," Correa declared, as the size of his government's victory became clear late on Sept. 30. In interviews and speeches since, Correa and members of his cabinet stress that "dismantling the current economic model, to benefit the most dispossessed layers of the nation," is a top priority of the Constituent Assembly, which is to convene by the end of this month to draft a new constitution. Its tasks include both providing the state with the power to regulate the national financial system and advance crucially needed regional integration projects, such as the Bank of the South, Correa said.

Correa's message to the elite who destroyed the country, the richest 2-3% who made the decisions on people's lives and the nation's resources, who said nothing when 2 million Ecuadorians were forced to leave the country to seek a livelihood, many dying in the attempt, and who are now worried that they are about to lose their privileges: "Take a Valium." The elites screamed that we were dividing the country, he said on Oct. 1. Well, the vote shows that it has never been more unified.

Correa dismissed the drumbeat in the financiers' international media that now Ecuador has joined "an anti-American leftist axis" led by Venezuelan President Hugo Chávez. As he told the *Washington Post's* nasty Lally Weymouth in an interview published Sept. 30: "We are not anti-American at all.... Perhaps [Americans] can be convinced that we are honest people who are doing what anyone would do in our country with huge inequalities."

## **Blackwater Recruited Pinochet's 'Dirty War' Criminals**

Oct. 5 (EIRNS)—The murderous mercenaries of Blackwater USA, now under international scrutiny for war crimes in Iraq, recruited South American war criminals, particularly in Chile, in one of the clearest examples of Lyndon LaRouche's charge that Blackwater "is an Allgemeine SS"—a private mercenary operation modelled on the British East India Company.

In the Fall of 2003, while the Chilean government and population fiercely opposed the U.S. invasion of Iraq, Blackwater's representative José Miguél Pizarro and his Tactical Network Group, deployed to that country in search of former military commandos to recruit as mercenaries in a colonial army. Pizarro claims to have recruited 750 men to go to Iraq, in flagrant violation of Chilean law.

The destruction and discrediting of Ibero-America's military institutions in the 1980s and 1990s, a prelude to Felix Rohatyn's "Revolution in Military Affairs" now ongoing in the United States, facilitated the task. The fact that Chile experienced a "dirty war"—the savage conflict orchestrated in the 1970s and 1980s by Henry Kissinger's Nazi Operation Condor, which specialized in torture, murder, and disappearances of political opponents—made it a particularly attractive recruiting ground to Blackwater.

As a Kuwait-based intelligence officer told Pacific News Service in 2004, the dirty wars that occurred in several South American nations had produced "military men well-trained in dealing with internal subversives. They are well-versed in extracting confessions [read: torture] from prisoners."

José Miguél Pizarro's role in helping to create what he described to author Jeremy Scahill as "a private army in the twenty-first century," is instructive. He was an ardent defender of Pinochet's 1973-1990 dictatorship and the atrocities it committed. The "commercial manager" of his mercenary recruitment operation was Herman Brady Maquiavello, son of Pinochet's former Defense Minister Herman Brady Roche. When his illegal recruitment in Chile forced him out of the country, he set up shop in Uruguay, boasting that "we are bullet-proof. They can do nothing to stop us."

Chilean officers purged from the military when it was downsized, including those charged with human rights atrocities

under the Pinochet regime, eagerly responded to the advertisements that Pizarro brazenly placed in Chilean newspapers. Knowing that their past war crimes could make them vulnerable to arrest, either in Ibero-America or Europe, these mercenaries arranged with Blackwater to travel directly to the U.S.A., and then straight to Southwest Asia, to avoid arrest, according to several Ibero-American media sources.

## Western European News Digest

### Strikes, Protests Across Europe

Oct. 2 (EIRNS)—Six of the eight major unions of France's railroad workers (CGT, CFDT, Sud, FO, CFTC, and CGC Railroad) confirmed today that they will strike on Oct. 18 against the government's pension "reforms." The strike also opposes the planned "restructuring" of rail freight, implying the shutdown of some 400 allegedly "unprofitable" stations.

In the energy sector, the CGT, the dominant union at the EDF utility (electricity) and GDF (natural gas), has already decided to support the strike. The unions of the Paris metro will shortly decide whether they will do the same. A union official said that if things did not change, "the response will be proportional to the brutality of the announced measures. In terms of strike, this will not be a simple one-day strike, but a long and tough one."

In Germany, the GDL, union of the railway engineers (locomotive conductors), confirmed its commitment to begin walkouts in passenger as well as freight transport, on Oct. 5. GDL chairman Manfred Schnell, in Berlin yesterday, detailed the unacceptable situation in the railway sector: drastic downsizing of the workforce, resulting in severe overtime work by remaining personnel, along with disinvestment and other problems. He blamed it on the fact that "there is not a single member of the railway executive board with a railway background; they believe driving a locomotive is just like pushing a small cart."

In both countries, the government has responded with a hard-line posture on "reforms." French President Nicolas Sarkozy has reiterated his intent to go ahead with his "streamlining" of public sector "special regime" pensions. German Transport Minister Wolfgang Tiefensee and Deutsche Bahn CEO Hartmut Mehdorn have denounced the railway strike, both reiterating their intent to move ahead with the privatization of Deutsche Bahn, Germany's railway system.

### Italian Parliament To Discuss Nuclear Energy Bill

Oct. 2 (EIRNS)—The conservative party Alleanza Nazionale (AN) has introduced draft legislation to build nuclear energy plants in Italy, which will be discussed in the Parliament starting next week. The bill was signed by the party chairman, former Foreign Minister Gianfranco Fini, and by 40 AN members of Parliament. Italy has no nuclear power stations, as a result of decisions to close them down after a 1986 referendum.

The bill calls for incentives to local communities that accept a nuclear power station in their "backyard," in the form of permanent tax relief on real estate and waste disposal, two major taxes that citizens currently pay to their municipalities. The bill also calls for equal treatment of all Italian provinces: Each one of them must accommodate an "inconvenient" plant, be it a nuclear plant, a waste disposal plant, or a regassification plant.

Although AN is the first party to make such a move, there is a support for nuclear energy in most Italian parties, reflecting a shift in the popular sentiment. Two years ago, an opinion poll showed 54% of Italians supporting nuclear energy, and recently another poll published by the monthly *Espansione*, confirmed it. Italian industrial firms pay 12.1 euros per 100 kwh, while their competitors in nuclear-driven France pay 5.8 euros. Italian families pay 15.48 euros (about \$20), the highest in Europe. French families pay 10.8 euros.

## **Soros To Father European Council on Foreign Relations**

Oct. 4 (EIRNS)—The French publication *Reseau Voltaire* reported today that megabucks-meddler George Soros held preparatory meetings in New York recently, for the launching of a European version of the American Council on Foreign Relations. The official start-up is scheduled for Nov. 9, the 18th anniversary of the fall of the Berlin Wall, with bureaus in seven major European capitals: London, Paris, Madrid, Berlin, Rome, Sofia, and Warsaw.

The new CFR is primarily financed by the George Soros Foundation, by the Foundation of International Relations and Foreign Dialogue, and by the Communitas Foundation (i.e., the Bulgarian bank BRIB). On the front burner in the form of "workshops" are the independence of Kosovo and the integration of the Balkans, and the inclusion of Turkey in the European Union. The new institution will favor the total integration of foreign policies of member states so that the EU "speaks finally with only one voice."

## **Social Democrats Acknowledge Hartz IV Policy Disaster**

Oct. 2 (EIRNS)—In a major change for Germany, prominent Social Democrats, including SPD national chairman Kurt Beck, have demanded in recent days that the Hartz IV legislation of 2004 be changed. This package, named after its author, Peter Hartz, has led to the impoverishment of several million Germans, through its drastic cuts in state support for the longer-term unemployed. As a first step, the group wants to restore regular unemployment pay for citizens without a job for more than 12 months—i.e., 67% of the worker's last pay level, before Hartz IV cut it to a shameful 345 euros (about \$480) per month, which is roughly the welfare level. Only citizens unemployed less than one year still receive the 67% today.

Beck has said that the party bears a special responsibility for the working people and low-income families, and that Hartz IV cannot remain as it is. This momentum among the two leading political parties of Germany, which also form the governing Grand Coalition, reflects a broad sentiment among the German population against the Hartz IV legislation. In the case of the SPD, it also acknowledges the fact that the legislation has been a political disaster for the Social Democrats. The SPD's voter base has been drastically eroded to the benefit of the Linkspartei ("Left Party"), a party only created at the beginning of 2005, which is already above 10% support.

## **Belgium Close To Forming a New Government**

PARIS Oct. 1 (EIRNS)—In a surprise move Sept. 29, the King of Belgium assigned Christian Democrat Yves Leterme for a second time to form a new government, following the June 10 federal elections. Negotiations so far were sabotaged by Flemish neo-conservatives, who were determined to break up the country into a collection of new "entities." The problem now becomes economic. While the whole executive continues to operate with the old team, any budget reform for 2008 is frozen, including financing for the five major cities. While there is a mechanism to allow the government to continue operating on the same budget as the preceding year, the companies that the government contracts with, have not been paid for four months. Tensions will explode soon when the new parliament goes into session on Oct. 9, since the elected parliament is radically opposed to the old executive still in place. Since an agreement has finally been reached on "state reform," a new executive might be formed in the coming days while tensions remain high.

## **U.S. Diplomats Oppose Armenian Genocide Resolution**

Sept. 29 (EIRNS)—Eight former U.S. Secretaries of State and three former Defense Secretaries have appealed to Speaker of the House Nancy Pelosi to not let a resolution recognizing Armenian genocide reach the House floor. Those signing the Sept. 25 letter are former Secretaries of State Madeleine Albright, James Baker III, Warren Christopher, Lawrence

Eagleberger, Alexander Haig, Henry Kissinger, Colin Powell, and George Shultz. It was supported by former Defense Secretaries Frank Carlucci, William S. Cohen, and William Perry.

The Armenian genocide resolution is becoming a big issue among the Armenian lobby in the U.S., which supports it, and the Anti-Defamation League of B'nai B'rith section of the Jewish lobby, along with Turkey's lobbyists, which have opposed it. A mobilization against the Turkish government on the same issue is being mounted by the European Parliament, which is to host the second Convention of European Armenians in Brussels on Oct. 15-16, on the 20th anniversary of the parliament's first resolution recognizing the genocide.

By contrast, a more rational approach to reducing Armenian-Turkish tensions was taken by religious leaders of Armenian Christians and Turkish Muslims, who celebrated the Muslim daily Ramadan fast-breaking (*iftar*) together earlier this week.

## Russia and the CIS News Digest

### LaRouche Interview Nailing London's Role in Strategic Threat Appears In Russia

Oct. 1 (EIRNS)—The Russian web journal RPMonitor.ru on Sept. 29 posted the interview with Lyndon LaRouche, given to its director Andrei Kobayakov last May, during LaRouche's visit to Moscow. The headline characterizes the thrust of the interview well: "Lyndon LaRouche: The danger comes from London—The shared mission of America and Russia is to prevail over the world oligarchy."

A section of this interview, in the original English, appeared in the June 15, 2007 issue of *EIR* (see [www.larouche.com/lar/2007/interviews/3424rpmmonitor.html](http://www.larouche.com/lar/2007/interviews/3424rpmmonitor.html)). The full version that is now out in Russian includes this same passage, beginning, "The enemy was Britain in 1945-46; the enemy of Russia is Britain today. It's not the United States, it's Britain. It's London, what it represents as a financial clique center of the world."

LaRouche also emphasized in the interview the importance of the "Roosevelt, Roosevelt, Roosevelt, Roosevelt" refrain, heard from circles around Russian President Vladimir Putin in recent times. "If you are Russian and you understand how the world works," LaRouche told Kobayakov, "then you want to get the United States back to the ideas of Roosevelt. It's the only chance."

In an editorial introduction to the LaRouche interview, RPMonitor notes that Sept. 8, 2007 was LaRouche's 85th birthday, and calls LaRouche "a social philosopher of the first magnitude, a brilliant politician and public figure, enthusiast for scientific and technological progress, and exposé of the world oligarchy that blocks it, as well as the author of numerous bold projects for economic development."

The introduction continues: "This extraordinary mind was able to detect the internal erosion of Soviet communism, and to expose its essence, 35 years before the disintegration of the U.S.S.R., and to forecast the current world financial crisis 30 years before it became obvious. In the early 1980s, Lyndon LaRouche was a developer of the SDI program, and in 1989-1994 he was a political prisoner in this own country, the U.S.A. The first country he visited after his release from prison was Russia. He was the first politician in the West to call the Russian liberal reforms a catastrophe, and the first to believe in the rebirth of our country—in its ability to carry out a special mission in the world. That was back when we ourselves saw the situation as almost hopeless.

"His youthful passion, amazing energy, and unshakable belief in the victory of good over evil have inspired many thoughtful and engaged people in dozens of countries, and has moralized many Russian scientists and specialists, who

have waited a long time for there to be demand for their ideas and projects."

## **Russian Media Cover Cheney's Drive for War Against Iran**

Oct. 1 (EIRNS)—The latest report on specific plans by U.S. Vice President Dick Cheney for an attack on Iran is receiving major attention in Russia. From RIA Novosti wire service to newspapers to dozens of online publications, Russian media today reported on Seymour Hersh's article in the Oct. 8 issue of *The New Yorker*, about Cheney's plan for air strikes targeting the Iranian Revolutionary Guard.

Two weeks earlier, Russian media gave wide publicity to reports Cheney had pushed for an Israeli strike against alleged nuclear facilities in Iran.

## **Putin Will Run for Duma, Offers Succession Scenario**

Oct. 1 (EIRNS)—Russian President Vladimir Putin today accepted an offer to head up the United Russia slate in the Dec. 2 elections for the State Duma. In announcing this decision, Putin opened the door to the prospect of his becoming Prime Minister, after a new President of the Russian Federation is chosen next March 2. These indications followed a speech to the United Russia party congress, in which Putin emphasized the stabilization of Russian society over the past seven years, the need for continuity of policy, and the magnitude of problems still facing the country.

Keynoting the meeting, Putin attributed Russia's "state of depression" when he became President, to two main factors: the "shock therapy" policies of the 1990s, with their culmination in the financial collapse of 1998, and the threatened fragmentation of Russia through the North Caucasus insurgencies. Now, he said, "we cannot miss the historic chance for peaceful and stable development." As Putin presented the case, the key to such "stable development" of Russia is a victory by United Russia, the party he helped to found in 2001. Now is the time, he added, "that we have every opportunity to provide that Russia is truly a great country."

Among today's pressing issues, he mentioned infrastructure construction, especially roads, and the gap between rich and poor in Russia.

While saying that he is "not a party man," Putin agreed to head the United Russia slate. As for the other "suggestions," put forward by people at the United Russia meeting, Putin said, "Heading up the government would be an entirely realistic proposition. But it's early to think about that, because it would require at least two preconditions: United Russia has to win in the Dec. 2 State Duma elections, and a decent, competent, efficient and modern person, with whom it would be possible to work as a team, has to be elected President."

The speech was carried on the Kremlin website, the United Russia website, and major Russian media, with excerpts aired on national television.

## **Russian Radar for Joint Use with USA Nearly Ready**

Oct. 4 (EIRNS)—The commander of the Russian Space Forces, Gen.-Col. Vladimir Popovkin, told the military newspaper *Krasnaya Zvezda* today that the state-of-the-art radar under construction in southern Russia, near Armavir, will be ready for duty in late 2007. Previously, Popovkin had stated it would be ready in 2008. Located just 450 miles northwest of the Iranian border, the new, next-generation technology radar facility, together with the older Gabala radar in Azerbaijan, was offered by President Putin as an element for cooperation with the USA in ballistic missile defense. In mid-October, the group of Russian and U.S. experts is scheduled to meet, followed by a meeting of the Russian Foreign and Defense

Ministers, with the U.S. Secretaries of State and Defense.

## **Sputnik Anniversary Celebrated in Russia, USA, Germany**

Oct. 5 (EIRNS)—Yesterday's celebrations for the 50th anniversary of the first satellite launched into Earth orbit were held in the three historic centers of rocket development: Russia, Alabama, and Germany.

This week marks the 65th anniversary of the world's first successful launch of a rocket into space, at the German Army rocket test site on the Baltic Sea coast at Peenemünde, on Oct. 3, 1942. What had been accomplished by the German rocket team, became the foundation for the programs in the Soviet Union and also in the United States, when many of the top German experts came to Huntsville, Alabama to build the Saturn V rocket to take men to the Moon.

In Huntsville, standing in front of a replica of Sputnik, and a real Saturn V rocket that never flew to the Moon, enjoying a champagne toast, two rocket team members, Konrad Dannenberg (95) and Dr. Ernst Stuhlinger (93) recalled the spur to create the American civilian space program in response to the surprise of Sputnik. "Without the 'wake-up call' from Sputnik," Stuhlinger said, "who knows if we would have ever gone to the Moon." A banner hung from the Saturn V said, "Thank you, Sputnik," in Russian and English.

Attending a ceremony at the Russian Academy of Sciences, NASA Administrator Mike Griffin likewise said: "I am convinced that the Sputnik accomplishment by the Russian people was responsible for the creation of the American space program that I head today. Without Sputnik, there would have been no Apollo." During Griffin's visit to Moscow, he and Russian Space Agency head Anatoli Perminov signed an agreement on Oct. 3 for cooperation in the scientific exploration of the Moon and Mars.

The Russian celebration of the Sputnik anniversary coincide with the 150th anniversary of the birth of Konstantin Tsiolkovsky, who laid out the basics of space flight in 1903, and contributed imaginative stories and detailed plans for the space age. In addition, Jan. 12, 2007 was the 100th anniversary of the birth of Russia's "Wernher von Braun," Sergei Korolyov, who succeeded in turning Tsiolkovsky's work into reality.

President Putin sent a congratulatory message for the Sputnik celebration, saying: "The launch of the Earth's first satellite was a truly historic event, which started the space age." A delegation of officials paid homage to Korolyov and the first man in space, Yuri Gagarin, by laying flowers at their tombs in the Kremlin wall. A monument commemorating Sputnik was unveiled at the cosmonaut training center in Star City, outside of Moscow.

## **Another Electoral Stalemate Looms in Ukraine**

Oct. 6 (EIRNS)—Yet another election for Ukraine's parliament, the Supreme Rada, has produced a tense standoff among the forces of the 2004 Orange Revolution, Prime Minister Victor Yanukovich's Party of Regions, and a handful of smaller, swing parties. Ex-Premier and Orange Revolution demagogue Yulia Tymoshenko (her bloc got 30.71% of the vote) demanded the go-ahead to form a new government "within 48 hours" of the Sept. 30 election. But Yanukovich also said he should form the government.

The Party of Regions ended with 34.37%. Neither the PoR plus the Communists (5.39%), nor Tymoshenko's bloc plus the Our Ukraine party of President Victor Yushchenko (14.15%), has a clear majority. The Socialist Party slipped below the 3% threshold for entering the Supreme Rada. A new bloc under Speaker of the Rada Vladimir Lytvyn received 5.39%.

PoR spokesman Taras Chornovil accused Tymoshenko of boosting her vote level since last Spring's election by promising

everything to everybody, in various parts of the country. The fourth Supreme Rada election in the last three years has left many Ukrainian citizens disgusted with the inability of the parliamentary process to produce workable leadership for the country.

## Southwest Asia News Digest

### Israelis, Arabs Find No Reason To Meet

Oct. 7 (EIRNS)—According to sources close to Israeli Prime Minister Ehud Olmert, he does not have any desire to attend George W. Bush's "legacy summit" on the Middle East. The Israeli government is going to find a reason not to participate, reported a well-informed source close to the Israelis. At the same time, the Arab nations, other than Jordan and Egypt, that U.S. Secretary of State Condoleezza Rice is trying to lure into the summit—especially Saudi Arabia—do not plan to attend. Syria has been "invited," but only as an observer; it would be forced to sit silently, even though the return of the occupied territories of the Golan Heights, like the West Bank, is one of the major outstanding issues of the 1967 War. Under these conditions, Syria will decline.

On the Saudi front, a source with longtime experience in U.S. operations in the region, reported that the Saudis are "sick of" the Palestinian "problem" and want it resolved. But, they have no desire to be part of a summit where Israel continues to defend its occupation of the Palestinian lands, and to wage war against the Palestinian people—economically by boycotts, stealing land via the Wall, and militarily, with killings of Palestinian civilians in the name of "counter-terror." In Saudi Arabia, the oppression of Palestinians by Israel is considered the "number one *domestic* issue" in public opinion polls.

Israeli opposition to the summit boiled to the surface Oct. 7, according to a *Ha'aretz* report of that day's Cabinet meeting. Foreign Minister Tzipi Livni, from Olmert's own Kadima Party, complained about Israel "being dragged into making strategic concessions to the PA [Palestinian Authority] just for the sake of arriving at the summit with a piece of paper." Avigdor Lieberman, head of the right-wing Yisrael Beiteinu and Minister of Strategic Threats, said, "We must make sure ... the summit will not become a forum where the whole world pressures us." And Labor Party leader Benjamin Ben-Eliezer said Israel has to make sure "we don't come out as losers." But, sources say it is Olmert himself who told some of his closest allies that he will not go to the summit.

Reuters reported Oct. 7 that Israeli and Palestinian negotiators are deeply divided over the content of a joint document they are drafting for the summit. Chief Palestinian negotiator Ahmed Qurie reported that "we can say, ahead of the real discussions beginning between the negotiators, that there is no agreement on any issue yet."

On the reported Israeli unwillingness to participate, Lyndon LaRouche said, "I think that's confirmed. That's our best intelligence as of now. The Israelis are in a funny situation, at least the sane ones. They want to avoid these involvements they also consider to be insane. They're going to have to have a period of respite from operations against Syria, before going into peace negotiations. Israel's interest is to secure its last significant unsecured border—the one with Syria.

"It's a situation where the U.S. is crazy, and stuck on its agenda. A period of uncertainty. Perhaps they also sense that some people in the U.S. are acting effectively to prevent George Bush and company from launching another war at this time."

LaRouche has backed Israeli President Shimon Peres's call for peace negotiations with Syria.

### Cheney's 'Extraordinary Renditions'

PARIS, Oct. 2 (EIRNS)—Presidential Airways and Aviation Worldwide Services (AWS), two subsidiaries of Erik Prince's mercenary outfit Blackwater USA, are named by the European Parliament in the "extraordinary renditions" scandal that strongly implicated Dick Cheney and Attorney General John Ashcroft. In 2005, *Washington Post* staff writer Dana Priest revealed that after 9/11, prisoners from Iraq, Afghanistan, and Guantanamo were shipped to prisons in Eastern Europe (Poland, Romania) or North Africa/Near East (Morocco, Egypt), where widespread torture has been documented. Aircraft involved in these "extraordinary renditions" made stopovers in many European countries (Spain, Cyprus, Italy, Germany, France) often with, sometimes without, local government awareness.

Working Document #4 of the European Parliament, established by Giovanni Claudio Fava, names Blackwater and its two subsidiaries, saying, "Both companies fly Spanish CASA C-212 wide-body passenger/cargo aircraft. These carry paratroops and oversized cargo and can operate from short and unimproved runways. In Europe, Malta is the base for these planes." Dick Marty, a former Swiss state prosecutor and member of the European Parliament, addressed a special report on these violations of international law to the European Council on June 7, 2006, which confirmed that 14 countries had assisted "in the perpetration of such abuses."

### **Iraq Charges Blackwater 'Deliberately' Killed 17 Civilians**

Oct. 7 (EIRNS)—Iraqi government spokesman Ali al-Dabbagh charged today that Blackwater USA employees "deliberately" killed 17 citizens in a Sept. 16 incident in Baghdad.

The spokesman reported that the special investigative committee set up by Prime Minister Nouri al-Maliki had found no evidence whatsoever that Blackwater's guards had come under "any direct or indirect fire, or that it was even hit by stones." On the contrary, he said, Blackwater "violated rules governing the use of force and should be held legally responsible for the incident."

Blackwater claims that its employees had come under fire from "threatening targets."

### **State Department Ignored Warnings About Blackwater**

Oct. 7 (EIRNS)—Current and former U.S. diplomats have told the *Los Angeles Times* that the State Department ignored many warnings about the brutal behavior of Blackwater USA employees in Iraq, despite the fact that it was endangering Iraqi civilians and undermining U.S. efforts to win support from the population.

According to unnamed former and current State Department officials in Iraq, the June 2004 decision by Coalition Provisional Authority (CPA) head Paul Bremer to grant immunity to foreign contractors from Iraqi courts was "a bomb that could go off at any time." One former official, Janessa Gans, told the *Times* that during her two years in Iraq, she saw Blackwater guards frighten Iraqi civilians and destroy their property.

When she protested after witnessing one incident of Blackwater's mistreatment of civilians, she was told that Blackwater employees are trained to consider all Iraqis as potential terrorists. She replied, "If they weren't terrorists before, they certainly are now."

### **Cholera Spreads to Iran, Threatens Refugee Camps**

Oct. 7 (EIRNS)—The United Nations High Commission on Refugees (UNHCR) and World Health Organization (WHO) are warning that the cholera outbreak that now affects half of Iraq could spread to refugee camps on Iraq's borders, as well as inside Iran, Syria, and Jordan.

Since mid-August, according to the WHO, 3,315 people in Iraq have been infected with cholera. The WHO has identified 10 cholera cases inside Iran, but Iranian authorities put the figure at 43.

Refugee camps are particularly vulnerable, due to lack of adequate sanitation facilities, medical care, and clean water. Jordanian epidemiologist Dr. Abdel-Kareem Imad warns that there are more than 2 million Iraqis living as refugees in neighboring countries. They are in constant contact with new arrivals from Iraq, "and if the disease isn't controlled, it will spread fast in neighboring countries."

## **Iraqi Official Denounces U.S. Plan for Attack on Iran**

Oct. 6 (EIRNS)—Iraqi National Security Advisor Mowaffak al-Rubaie, spoke out Oct. 5 at Center for Strategic and International Studies in Washington against any attack on Iran: "Attacking Iran? I say a big fat no. It's a fatal mistake. It should never be an option." He said a U.S. attack "is not a strategy. It's a mistake of Chernobyl magnitude. The whole area will be in flames and Iraq will be the battlefield for all this, and we will pay heavily," he said. "What we need from the United States government is to engage seriously with Iran," Reuters reported.

## **Was Israeli Raid on Syria a Screw-Up?**

Oct. 3 (EIRNS)—The reason for the Israel Defense Forces' censorship of their Sept. 6 air raid against Syria was to cover up a failure, Israeli journalist Amir Oren wrote in the Oct. 3 issue of the daily *Ha'aretz*. Oren explains that the real losers were those who expected that Assad would respond militarily, which would serve as a pretext for another war.

Oren's comments come after the Israeli Defense Forces (IDF) finally admitted they conducted a raid, but gave no additional details. The decision to lift the censorship occurred after Syrian President Bashar Assad told BBC two days ago, that an Israeli air raid against an empty military building had taken place on Sept. 6.

Oren writes that "we can safely say that behind the successful black-out campaign lies an enormous failure."

"Whoever expected [Syrian President Bashar al-Assad] to respond to the operation with a military operation, was wrong. If there is one quality characterizing Israel's efforts to decipher the actions of the Assad dynasty in the past four decades, it is the consistency of error...." Oren then lists how many times Israel failed to provoke Bashar's father, Hafez al-Assad, since 1981.

Such miscalculations, which could be on both sides, could "lead to disaster in the end," Oren concludes.

# **Asia News Digest**

## **India Strengthens Its Border with China**

Oct. 3 (EIRNS)—There are indications that India-China relations have worsened. On Oct. 2, the Indian Air Force (IAF) announced that it has started building an avionics lab and tech-flight hangar in Bareilly in the north. In its statement, the IAF said Bareilly is strategically located and that it is in the process of being converted into a hub for Su-30MKIs. One senior officer was quoted saying that, after the Chinese aggression in 1962, India realized that the area was left without any credible air defense capability.

India-China relations have been deteriorating for some time now, but took a steep downward turn following India's participation in the quadrilateral alliance-led naval exercises in the Bay of Bengal in early September. The participants were, beside India, the U.S.A., Japan, Australia, and Singapore.

## **Rise of al-Qaeda Unabated in Pakistan**

Oct. 3 (EIRNS)—Even as the powers-that-be in Islamabad, and tinkers abroad, put together the "desired" leadership package for Pakistan, the country itself is slipping steadily into the hands of the lawbreakers, and—no solace to Washington—particularly into the hands of al-Qaeda militants.

As a result, violence has become endemic.

On Oct. 3, the Pakistani military clashed with militants in the al-Qaeda and Taliban-infested tribal agencies, losing two soldiers and killing ten of the militants, according to reports. Another roadside bomb went off in the North Waziristan tribal area killing 14 people.

According to a Pakistani terrorism expert, these are not isolated incidents. Al-Qaeda has moved from a hitherto fringe existence in Sudan and Afghanistan, to a substantial one in Pakistan. It may be referred to by a number of names—the Taliban, the jihadis, or the militants—but the goals of all are identical. Conditions have never been so favorable for the promotion of the militants' objectives. The Iraq and Afghanistan wars are perceived today as failed attempts by Western powers to curb al-Qaeda's progress, the analyst said.

Similar statements have been issued by U.S. Major Tim Williams, a future operations intelligence planner. Williams told reporters at the Bagram Air Base in Afghanistan that he expects al-Qaeda to continue its re-emergence in sanctuaries in Pakistan's tribal areas. Sanctuary was provided to al-Qaeda and Taliban rebels after Islamabad signed a peace deal with militants, in a desperate attempt to quell the unrest in its tribal areas in September 2006, Williams said.

## **Simultaneous Attack on Iran and Pakistan Forecast**

Oct. 3 (EIRNS)—American forces will try to hit Iran and Pakistan simultaneously in an upcoming war, according to both Pakistani and Indian analysts.

The possibility of a U.S. attack on Iran has risen sharply, according to the Pakistani news journal *Weekly Pulse*. This became evident from French Foreign Minister Bernard Kouchner's statement, in an interview last month, that France should prepare for a war against Iran, in case negotiations fail.

*Weekly Pulse* points out that, besides Iran, Pakistan is also one of the "problematic" states, which Washington insiders believe could be saved by invading the western parts of the country where the Islamic militants have congregated. Both Republican and Democratic Presidential hopefuls have reiterated their opinion that the imbroglio in Afghanistan cannot be solved without first taming Pakistan. The nuclear capability of Pakistan and its suspect role in nuclear proliferation cases is also a matter of concern in Washington.

Indian military analysts agree that the Americans will not carry out two separate military operations, but will try to hit both Iran and the western part of Pakistan simultaneously. When in September, the Pentagon raised the number of U.S. attack targets in Iran from 1,000 to 2,000, Indian experts pointed out that the new targets were mostly in western Pakistan.

The Pakistani weekly also notes that a report, released last month by the U.S.-based Institute for the Study of War, employs the term "proxy war," and claims that with the Sunni insurgency and al-Qaeda in Iraq "increasingly under control," Iranian intervention is the "next major problem the coalition must tackle." The dual attack on Iran and Pakistan could come as early as November 2007, they say.

### **U.S. Puts Ducks in a Row in Pakistan, But...**

Oct. 5 (EIRNS)—Those who in Washington believe that setting up the chessboard is all that is necessary to win the game, think that they have their pieces in place in Pakistan. However, this "masterly act" will not help, even an iota, the chaotic process in Pakistan that was set in place by the advent of the Taliban in 1995, and the U.S. invasion of Afghanistan in 2001 to eliminate them.

The Bush Administration is nonetheless happy. President Pervez Musharraf, a secular friend of the United States, will remain as President but not simultaneously as Chief of Army Staff (COAS). Stripping him of the COAS post is intended to show Washington's commitment to a "democratic" form of government and opposition to military dictators.

Lt. Gen. Ashfaq Pervez Kiani, the former head of the powerful intelligence agency ISI, will take over as army chief once Musharraf steps down. Once that happens, the army as an institution, will become the contractor of the U.S. interests in the region, one Pakistani analyst pointed out.

Once Musharraf steps down on Oct. 8, a new team will be leading the strategic and political affairs of the country. The team will be led by Musharraf (who will then be a retired general) and would include Kiani, Gen. Tariq Majeed, the chairman of the Joint Chiefs of Staff Committee (previously the 10th Corps Commander Rawalpindi), and the new head of the ISI and former head of military intelligence, Lt. Gen. Nadeem Taj.

In addition, former Prime Minister Benazir Bhutto, who is shuttling between London and Washington to become one of the ducks in the row, has been trying to work out a power-sharing agreement with Musharraf, in order to return to power. On Oct. 5, an amnesty agreement was reached between the two, and Bhutto will arrive in Pakistan from London on Oct. 18.

### **Myanmar Junta, Suu Kyi Move Toward Talks**

Oct. 5 (EIRNS)—Gen. Than Shwe, the head of the Myanmar military government, announced that he would be willing to hold talks with the opposition leader Aung San Suu Kyi, if she would drop her support for international sanctions against their country, and stopped urging confrontation against the government. Suu Kyi, still under house arrest, is reported by AFP to be considering the offer positively, according to her party's spokesman.

This unexpected turn follows the visit of UN Special Envoy Ibrahim Gambari, who reported today to the UN Security Council on the potential for opening up discussions. Gambari called on Myanmar's government to release the approximately 1,200 people arrested during last week's demonstrations, but he also thanked the junta leaders for their cooperation during his trip, calling this an "historic opportunity." While in Myanmar, Gambari was allowed to visit Suu Kyi, both before and after his meeting with Gen. Than Shwe, and it is likely that he delivered the general's offer of talks to her on the second visit.

The dissident groups, both in Myanmar and around the world, have been less and less supportive of Suu Kyi's hard-line support for the failed policy of sanctions from the West, a policy fostered by the British and the Project Democracy networks in the United States.

While the United States officially demands UN sanctions and other measures against Myanmar, Washington knows that China and Russia will veto any such breach of Myanmar's sovereignty, or any effort to declare Myanmar a "threat to international peace and security," the threshold for UN Security Council action. Chinese Ambassador to the UN Wang Guangya insisted that "no internationally imposed solution can help the situation." The U.S. State Department circles which brought about the recent progress in Korea, despite screaming and yelling from the neo-cons, are also suggesting a more sensible policy of engagement with Myanmar.

## **UN Report: Most Violent Year Since U.S. Invasion**

Oct. 2 (EIRNS)—Contrary to the glowing reports from New York last week, by President Bush and his Afghan counterpart, Hamid Karzai, a newly published report by the UN indicates that Afghanistan is currently suffering its most violent year since the U.S.-led intervention in 2001. According to the report, "The security situation in Afghanistan is assessed by most analysts as having deteriorated at a constant rate through 2007." During the first half of this year, there were 525 security incidents—attacks by the Taliban and other violent groups, bombings, terrorism of other kinds, and abductions—on average every month, up significantly from 425 incidents per month in 2006.

According to coverage by the McClatchy newspaper chain, the nature of the attacks has also changed. Representing the desperation of the occupied country, the report notes, "Guerrillas have been staging fewer conventional attacks on U.S.-led NATO forces and Afghan troops and [are] relying more heavily on suicide attacks, improvised explosive devices, assassinations, intimidation and abductions."

## **Africa News Digest**

### **Will Darfur Violence Accelerate UN Deployment?**

Oct. 2 (EIRNS)—In the predawn hours of Sept. 29, the African Union camp at Haskanita in the southern part of Sudan's Darfur region, was attacked, killing ten soldiers of the AU peacekeeping contingent, seven of whom were Nigerian. Eight were wounded, and 40 were reported missing, according to the French daily *Le Figaro* on Oct 1. The attackers, who had 30 trucks equipped with modern weaponry, looted the camp.

According *Le Figaro*, the Sudanese government thinks the massacre was carried out by rebels who want to sabotage the peace talks scheduled for Oct. 27 in Tripoli, Libya. *Le Figaro* reports that the independent Moroccan daily *al-Ayam* says that "no one knows exactly who committed the massacre, but no one doubts its objective: to scare the hybrid force and to sabotage the peace process."

The UN aims to have 26,000 troops deployed by Dec. 31, at the latest, but the White House is now calling for the intervention to take place "as soon as possible." One of the killed AU peacekeepers was from Senegal, and its government made it known that it could pull out its 550 troops, "if the security conditions of its contingent and those of other African troops are not guaranteed." The other two peacekeepers who were killed came from Mali and Botswana.

The attack shows again that the nature of the "genocide" cannot be reduced to a simplistic conflict between "Islamic" Arabs and "Christian" Africans. The number of combatant groups in Darfur has grown from 6 to 16, according to the report.

*Le Figaro* cited sources who blamed the massacre on a dissident faction of the anti-government Justice and Equality

Movement (JEM). The JEM has been linked to Hasan al-Turabi, a former high government official, associated with the Muslim Brotherhood, who was pushed out of the government at the time it decided to implement a peace accord with rebels in southern Sudan. *Le Figaro* reported that elements of another rebel group, the Sudan Liberation Army, could also have been implicated.

### **'Elders': Darfur Atrocities 'Horrible'; But Not Genocide**

Oct. 4 (EIRNS)—Some of the false axioms upon which the anti-Sudan propaganda relating to the crisis in Darfur has been based, were confronted head-on by a group of elder statesmen, who arrived in Sudan Sept. 30 for a three-day visit.

At a press conference in Sudan at the end of the trip, former U.S. President Jimmy Carter said that the atrocities in Darfur were horrible, but they did not meet the legal standard of genocide.

The day before the group arrived in Sudan, ten of the African Union peacekeepers in Darfur were killed by anti-government rebels. The fact that their deaths were at the hands of well-armed rebels (the peacekeepers ran out of ammunition), threw a different light on the crisis: The press always blames the Sudan government for the violence there.

Another member of the group, veteran UN envoy Lakhdar Brahimi, stated that the international community had acted irresponsibly in the past, by pampering the rebels without bothering to check if they represented anybody, and whether they were acting responsibly.

After arriving in Khartoum, the group of four well-known international leaders—South Africa's Archbishop Desmond Tutu, Jimmy Carter, Graca Machel (wife of Nelson Mandela), and Brahimi visited southern Sudan, where a peace agreement between the government and rebels has been reached, and the Darfur region. The four are part of the "Group of Elders" that is chaired by Nelson Mandela. Tutu led the delegation.

The group called for the 27,000-man hybrid peacekeeping force that Sudan has agreed to, to be implemented as soon as possible, and said that the smaller African Union peacekeeping unit there now, should be better equipped.

### **Brown Losing Fight To Keep Mugabe Out of EU Summit**

Oct. 1 (EIRNS)—The attempt by British Prime Minister Gordon Brown to bar the attendance of Zimbabwe President Robert Mugabe at the European Union-Africa Union heads of state summit in Portugal in December, has so far failed, according to today's *Guardian*. Although Portugal has yet to issue an invitation, there is no sign that it will bar Mugabe from attending, thereby risking a collapse of the summit, since several key African countries would then boycott the event.

"It's the working assumption that Mugabe will be coming if invited by the Portuguese as expected," an unnamed European Commission official told the *Guardian*.

### **Mbeki Confident Zimbabwe Agreement Will Succeed**

Oct. 6 (EIRNS)—South African President Thabo Mbeki expressed confidence that the opposition in Zimbabwe, the Movement for Democratic Change (MDC), will stick to its agreement with the ruling Zanu-PF, which will enable national elections to go forward. "We are quite confident that there will be a positive outcome that will create the political conditions to address the very serious economic crisis in Zimbabwe," Mbeki said yesterday, during a joint press conference with visiting German Chancellor Angela Merkel.

Trying to throw cold water on the agreement, a report in today's London *Financial Times*, says that the MDC questions whether Zimbabwean President Robert Mugabe will honor the agreement.

Merkel told the press that Germany would not go along with British Prime Minister Gordon Brown's effort to bar Mugabe from attending the European Union-African Union Summit in Portugal. According to today's South African *Mail & Guardian*, Merkel said, "I have said right from the start that the President of the Republic of Germany wanted to invite all African countries to the summit, and it's up to countries themselves to decide how they are going to be represented at the table." Nonetheless, the Chancellor added, "I also said [to Mbeki] that obviously we will make all our assessments heard. We will also raise all our criticisms. We would do so in the presence of each and everyone and obviously each and everyone has the right to attend."

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[top of page](#)

[home page](#)