

## Fear of Financial Collapse Fuels Iraq War Drive

by Muriel Mirak Weissbach

When on July 15, with stock markets diving, President George W. Bush proclaimed that “our economy is fundamentally strong,” the international press was quick to point out that Bush was repeating almost verbatim the dictum of Herbert Hoover on Oct. 25, 1929, “The fundamental business of the country, that is production and distribution of commodities, is on a sound and prosperous basis.” Bush’s tragicomic statement was amplified next day by Federal Reserve Chairman Alan Greenspan’s blather about the permanent boom of American consumer spending fuelled by credit from skyrocketing real-estate prices. But stock values plunged further after the President’s speech, and survived the Ides of July thanks only to a massive intervention by the Washington-New York “Plunge Protection Team.” More of the same followed Greenspan’s Senate testimony.

As markets around the world fell, the dollar, also, was traded at parity with the euro for the first time since late 1999, and then fell below that. The benchmark world currency has been sliding vis-à-vis the Swiss franc, the Japanese yen, and the British pound-sterling. Bank of Japan Governor Masaru Hayami told the press on July 17 that “the possibility of a worldwide move to dump the greenback is fairly high,” as we detail in our *Economics* section.

That dollar crisis which Lyndon LaRouche has been forecasting, as a marker of the global breakdown of the world financial, monetary, and economic structures, is now upon the central bankers and national governments. The way out being sought by a panic-stricken financial oligarchy, is war. Their profoundly mistaken assumption is, that once a military attack against Iraq is unleashed, institutional investors will rush to buy the dollar as a safe haven in the ensuing crisis. They make the fatal error of assuming that through military means, they can consolidate that “empire” whose financial foundations are crumbling.

Most straightforward was leading neo-conservative John Podhoretz, in a *New York Post* article entitled “October Surprise, Please!” Podhoretz, a spokesman for the Christian Zionist war-mongers and the “Likud lobby,” put it bluntly: “You’re in some domestic political trouble, Mr. President. You need to change the subject. You have the biggest subject-changer of at all at your disposal. Use it. . . . There’s a luscious double trap in starting the war as soon as possible, Mr. President. Your enemies are delirious with excitement about the corporate greed scandals. . . . If you get your troops on the ground quickly, they will go berserk.” Two weeks earlier, fascist “economist” Lawrence Kudlow had told Bush that only a war on Iraq would save the U.S. markets and economy, boosting the stock exchange by 2,000 points.

### Calling Up the Troops

Whereas public discussion of the coming war against Iraq has set a timetable for “early next year,” it is evident, that with the onrushing dollar and market crash, contingencies are being readied for a nearer-term move. The military scenarios for an Iraq war, have been leaked in the U.S. and British press in July with increasing frequency and detail. For example, the *New York Times* on July 5, leaked news of a “military planning document [which] calls for air, land, and sea-based forces to attack Iraq from three directions—the north, south, and west—in a campaign to topple President Saddam Hussein, according to a person familiar with the document.”

The plans foresee “tens of thousands of Marines and soldiers probably invading from Kuwait,” as well as “hundreds of warplanes based in as many as eight countries, possibly including Turkey and Qatar,” which “would unleash a huge air assault against thousands of targets. . . . Special operations forces or covert CIA operatives would strike at depots or laboratories storing or manufacturing Iraq’s suspected weap-



*Operation Desert Storm in 1991. Another U.S. full-scale attack on Iraq, this time, will take place under conditions of worsening financial breakdown, seeking a military solution for a financial collapse. The forces involved will unleash chaos in the region, which may well be an intended effect.*

ons of mass destruction and the missiles to launch them.”

Though putting all this merely in the preliminary planning stage, the paper added: “Nonetheless, there are several signs that the military is preparing for a major air campaign and land invasion,” among them, the following: “Thousands of Marines from the First Marine Expeditionary Force at Camp Pendleton, California, the Marine unit designated for the Gulf, have stepped up their mock assault drills, a Pentagon adviser said. The military is building up bases in several Persian Gulf states, including a major airfield in Qatar called Al Udeid. Thousands of American troops are already stationed in the region.” Furthermore, “the Pentagon has said it has stepped up production of critical munitions. The Air Force is stockpiling weapons, ammunition, and spare parts, like airplane engines, at depots in the United States and in the Middle East.” Other press accounts, though presenting variations, agree that the operation is on. The July 16 *Wall Street Journal*, for example, picked up an earlier wire story regarding a new “mid-size” war plan, which would deploy only 50-75,000 troops and massive air power. This version, would require only two weeks to assemble forces in Kuwait.

The reports of actual troop mobilizations have been independently confirmed by regional sources. Among the deployments cited are the build-up of troops into Turkey’s Incirlik Air Base, and the introduction of limited numbers of special forces into Jordan, where bases were to be made available for U.S. forces. Although the Jordanian government immediately denied the story, speculation was fuelled by the appearance of former Crown Prince Hassan at a well-publicized meeting of former Iraqi military officers in London, over the July 13-14 weekend.

The group of 60-90 former officers discussed how to implement “regime change” in Baghdad. Led by Brig. Gen. Najib al-Salihi, they debated what kind of government a post-Saddam Iraq should have, and could not agree. Najib al-Salihi predicted that once the United States were to attack, the Iraqi army would collapse; Saddam Hussein would be isolated and attempt to flee; and with U.S. air cover, rebel ground troops could take Baghdad. He urged the United States to make clear that it was targeting Saddam Hussein only, to avoid “two armies facing each other.” A committee of 15 officers, representing all ethnic and religious groups, was set up to plan the grand operation.

### **A Meeting for Show**

According to well-informed regional experts, the crew that gathered in London no more represents a viable

military alternative, than does the Ahmed Chalabi-led Iraqi National Congress represent a political alternative. Any comparison to the military capabilities and experience of the Afghan United Front (itself not in such good shape), should be treated with ridicule. The significance of the London meeting was not military, but political and psychological: It merely made very public—thanks to the mass presence of British media—that an operation to remove Saddam Hussein is under way.

The presence there of the former Crown Prince and uncle to Jordanian King Abdullah II, raised enormous concern throughout the Arab world. As Brian Whitaker, in the London *Guardian*, reported, Prince Hassan strode to the front of the hall, to take a seat next to Sharif Ali bin al-Hussein, cousin to the last king of Iraq. Prince Hassan told reporters he was there as an “observer,” adding that he supported the “Iraqis’ right to live in democracy, security, and peace.”

The following day, the Jordanian Minister of Information, Mohammad Advan, denied that the government knew about the appearance, “which does not conform to the principled Jordanian stand on brotherly Iraq.” King Abdullah II also intervened, to counter the impact of Hassan’s appearance, reiterating emphatically in an NBC News interview, that no understanding existed between Jordan and the United States for a strike against Iraq. The King also warned that any military action would aggravate Arab frustrations, isolate the United States internationally, and spark violence throughout Iraq.

The facts behind Prince Hassan’s actions are not known. It may be, that under massive American pressure exerted on Jordan, using the stick of military might and the carrot of financial aid, some forces in the Kingdom are flirting with the

option of covertly accepting the U.S. move. It is reported that other Arab nations, have been briefed by the United States that “this time” the operation will work surgically, quickly, effectively; and that anyone who does not go along will find himself in hot water afterward. Those who choose to comply, could reap the benefits of a redrawn map of the entire region.

The scenarios circulated include options for an Israeli move to expel the Palestinians into Jordan, once the attack on Iraq has begun, according to Israeli Prime Minister Ariel Sharon’s strategy that “Jordan is Palestine.” In this event, the Hashemite dynasty would be relocated to a carved up Iraq or an equally carved up Saudi Arabia, and assigned new powers. A gameplan that Deputy Defense Secretary Paul Wolfowitz reportedly discussed with regional governments, including Turkey, foresees partitioning Iraq, with a Shiite South, a Sunni Baghdad (with Hashemite presence), a “Turkic” North around Mosul and Kirkuk, and a Kurdish mountain region.

### **The Stuff That Nightmares Are Made Of**

None of the American and British scenarios and war strategies will work as planned, as *EIR* has shown in detail (“It Will Not Be Desert Storm II,” *EIR*, March 29). As American military professionals have testified, any serious attempt to overthrow the Iraqi government, would require an invasion force of 250,000, which is not readily available. It is a chimera that Kurdish forces in the North and Shi’ite groups in the South could unite to wage effective war, rallying massive popular support. The Kurds’ leaders have repeatedly insisted, that they are not eager to be U.S. pawns in a game that could destroy the relative economic and political autonomy they enjoy. Any aggression by Shi’ite groups would open another can of worms, as some are backed by Iran, a major power in the Persian Gulf, which no one in Washington wants to enhance.

Lyndon LaRouche stressed in a July 8 interview with Iranian national radio, that such a war against Iraq cannot be won, because as soon as the United States attacks, Israel’s Sharon will move to his “final solution” to expel the Palestinians, and most probably attack Iran. Iran, in this case, would not remain idle. Iraq’s response is not known, but it would resist. Turkey will be thrown into convulsions. Deputy Defense Secretary Wolfowitz tried to reassure Turkish officials that the United States would not tolerate a Kurdish entity arising from the conflict; but any break-up of Iraq would trigger civil war, whose effects would be felt in Turkey.

That the war would ignite protest and conflict throughout the Arab and Islamic world is, not incidentally, one of the aims of the entire operation. Chaos of precisely this type, threatening governments across North Africa, the Middle East, the Persian Gulf, and Central Asia, is conducive to military imposition of a new imperial control.

But this would-be empire is in collapse; such havoc intends (unsuccessfully) to save the stock market shards of a failed financial system.