

[return to home page](#)

This Week You Need To Know

War, Hitler, & Cheney

by Lyndon H. LaRouche, Jr. — March 25, 2003

((PDF version of this week's editorial

- **Nazi-like Justification Of Aggressive War**

Chancellor Adolf Hitler to the Reichstag Sept. 1, 1939, explaining why he invaded Poland:

For months we have suffered under the torture of a problem which the Versailles Diktat created—a problem that has deteriorated until it becomes intolerable for us. . . .

President George W. Bush, nationally televised address March 17, 2003:

My fellow citizens. For more than a decade, the United States and other nations have pursued patient and honorable efforts to disarm the Iraqi regime without war. . . .The world has engaged in 12 years of diplomacy.))

The immediate situation of the U.S. is summed up as follows: At this moment, as I had forewarned you in 1999-2000, we are plunging into a world depression comparable to, but worse than that of the Herbert Hoover Depression of 1929-1933. As I forewarned you in an address, broadcast at the beginning of 2001, new would-be Adolf Hitlers have now appeared, this time inside the U.S.A. Those would-be Hitlers now threaten the whole world with the kinds of wars for which the world later hung Nazi leaders, at Nuremberg: the new Hitlers from inside the U.S.A. and Blair's government, who act exactly as Hitler threatened Czechoslovakia in 1938, and invaded Poland in 1939.

The pivotal feature of that warfare, into which an already bankrupt U.S. has just been plunged, is the de facto usurpation of the function of a still-sitting President by Halliburton's Vice President Cheney, and by a gang of his organized-crime-linked lackeys polluting not only the Departments of Defense and State, but also polluting, and virtually castrating elected and other leaders of the nominal opposition, the Democratic Party.

Ironically, but not accidentally, the present war-like situation in the Department of Defense, including the public rug-chewing exhibitions by Secretary Rumsfeld, reminds today's serious historians of the way in which Adolf Hitler and his Roman Legions-modelled SS, ultimately destroyed that German military which would-be Caesar Hitler's gang feared and hated so intensely.

All too obviously, the leading war-makers inside the Bush Administration today are mere lackeys, nasty pimps like the Leporello of Mozart's famous opera. These real-life Leporellos, such as the politically pimpish Wolfowitz and Ashcroft, were spawned, chiefly, by Chicago University and associated circles of a prominent fascist ideologue, the late Professor Leo Strauss. This Strauss was a follower of the Carl Schmitt who crafted the law under which Hitler became dictator of Germany; so, are Strauss's ardent followers inside the Bush Administration today. This fascist, Strauss, who created Wolfowitz, was imported to the U.S. from the Germany of Carl Schmitt and Hitler-midwife Hjalmar Schacht, at the time that also the later Robert Hutchins-sponsored Strauss was already known to be a fanatical follower of the leading Nazi

ideologue Martin Heidegger.

However, like the Nazi SS enforcers, lackeys Wolfowitz, Perle, Bolton, Wurmser, Feith, and so on, are merely expendable hoodlums adorned with political motley. To understand them, you must look to those who created them and put them into their present positions. You must look to the London-backed Hjalmar Schachts and von Papens of the modern U.S.A., including the likes of the Conrad Blacks, the Rupert Murdochs, George Shultz, and the Shultz-allied forces behind the Halliburton firms' government and other connections.

The essence of the matter is exactly what I warned you might happen, in a broadcast address I delivered just before the inauguration of President George W. Bush, Jr. We are in an accelerating world depression, while this year's U.S. Federal deficit already soars in the direction of the \$1 trillions mark. The U.S.A. experienced its "Reichstag Fire" on September 11, 2001, and the storm-trooper legions of Vice President Cheney marched forth from those smoking ruins, brandishing their *Mein Kampf* doctrine of "preventive nuclear" war. This is the Nazi-like doctrine which Cheney had adopted in 1991, then in his capacity of Secretary of Defense. Led by Cheney's and Rumsfeld's lackeys, the depression-wracked U.S. is presently marching down the road toward self-inflicted Hell, unless the war is stopped about now.

We are, therefore, now trapped in a war for which no foreseeable exit is provided. It is not an "Iraq War"; it is a virtually endless world war, unless we stop it: unless you, personally, contribute to stopping it. It is a war already spreading, as the military forces of Turkey invade northern Iraq, in preparation to deal with a Kurdish campaign to carve a Kurdish state out of a region including large chunks of Turkey and Transcaucasia. This is a war of incalculable implications, being pushed by dangerous, and largely morally demented lunatics, such as Mother Cheney's Chickenhawks.

This is a spreading war, which threatens to topple most, or even all of the existing governments of the Middle East. As a result of the earlier foolishness of the Bush Administration policy toward the government of South Korea, President Bush's brainless launching of an absolutely unlawful war against Iraq, has created the grave possibility of an otherwise unlikely, nuclear-warfare incident between the U.S.A. and North Korea, with the possibility of a third nuclear-weapons detonation against Japan.

None of this insanity could have happened this way, had the U.S.A. been given the option of choosing a qualified Presidential candidate for the 2000 elections, instead of being presented with no real option but the utterly incompetent, but bad-tempered patsies Al Gore and George W. Bush. This war could not have begun as it did, without the role of Conrad Black's Hudson Institute in crafting the campaign to split both the Republican and Democratic Parties, to elect a "Bull Moose" ticket of a pair of pro-war fanatics, Senators John McCain and Joseph Lieberman, in 2004. Whatever wrong the under-qualified President Bush has done, he remains the poor patsy from whom the pack of Cheney-Rumsfeld lackeys have managed to gain almost anything they wished, so far. However, this would not have been possible had the Democratic Party itself not fallen under the top-down control of the same behind-the-scenes forces which control Dick "Lady Macbeth" Cheney.

Already, bad as the present, thuggish National Committee leadership of the Democratic Party is, at this moment, President George Bush's chances of reelection are less than zero. Karl Rove must face the painful truth: With the outbreak of this war, Rove's candidate has just shot his own wad. Therefore, the more important, remaining question is, will there actually be a 2004 election conducted under the auspices of the actual U.S. Constitution? If the U.S. does not get out of the present war, by such possible means as returning the Iraq issues to the UNO, the chances for civilization as a whole quickly become very, very grim.

Amid all these fearful uncertainties of war, depression, and threatened Nazi-like forms of dictatorship, even here, I can assure you of one thing: If enough of you back my 2004 Democratic Presidential pre-candidacy now, we, together with even the well-meaning, but cowardly fellows hiding under their Congressional benches, can reform the Democratic Party

organization's presently corrupt, DLC-dominated, right-wing leadership. In that case, we have a good chance of getting out of the terrible situation building up now. That is something any citizen can do. Ask yourself: Do you have the "guts" to do at least that much?

U.S. Economic/Financial News

Americans Worry More About Economy, Than Saddam

"'It's the Economy,' Says Middle America," headlined an article in the *Washington Post* March 23, with the subhead, "Concerns About Rising Prices and Unemployment Outweigh the War in Iraq." A recent Gallup Poll found that 67% of those asked, said they expect the economy to get worse; while in a *Post* poll, 49% disapproved of Bush's handling of the economy. Even as Bush took the nation into war, "something else was bothering Americans as much if not more: the economy."

"I think I'm your typical American," said a Seattle truck driver. "All we talk about is the war. But all I think about is my paycheck." A Seattle bank-loan officer was uncertain about Iraq, but worried, "But after this is over, the economy has got to bounce back, right?" She added, "Terrorism isn't real to me ... but losing my savings is." The Pacific Northwest, as a region, has the highest joblessness in the nation. A "jumpy" stock market, "consumer confidence flaccid," jobs "harder to find," and state and local governments raising taxes and fees, the "long-awaited recovery ... keeps receding into the future" the *Post* observed.

In Senate Surprise, Bush Tax Cut Halved

The U.S. Senate, by a 51-48 margin, passed an amendment to the \$2.2-trillion Y2004 Federal budget resolution, that slashes Bush's \$726-billion "stimulus" package to about \$350 billion, which would kill the stock dividend tax-cut. Three "moderate" Republicans—Lincoln Chafee (Rhode Island), Olympia Snowe (Maine), and George Voinovich (Ohio)—bolted from the majority and voted with Democrats to limit the tax cut. The move to slash the tax cut, which reverses a 62-38 vote on March 21 against a similar effort, followed Bush's request for Congress to approve nearly \$75 billion in emergency spending for Iraq war costs.

Senator John Breaux (D-La.), who sponsored the amendment, told reporters that there was "more concern than there was last week" about the war's costs. The vote, he added, "signals there's not a lot of support for the dividend [tax cut] proposal."

Likewise, Sen. Max Baucus (D-Mont.), who supported the effort, said "concern about the cost and the uncertainty" of the war had convinced undecided Senators to back a smaller tax cut.

Senator Zell Miller (Ga.), the only Democrat who supports Bush's full tax-cut plan, was absent.

The Senate was scheduled to vote March 26 on a Federal budget outline, after which a House-Senate conference will hash out differences. The House version, passed by a 215-212 vote, includes the entire \$726 billion in tax cuts.

Will Deflation 'Cause Havoc with the Anemic Recovery'?

This is the question being debated by economists and other experts, who "say record consumer debt and escalating personal bankruptcies combined with widespread deflation could tip the scales into a depression," the *New York Post*

worried March 23.

"When you have high debt ratios, this always increases the risk of a nasty deflationary scenario," said Wells Capital Management chief investment strategist Jim Paulsen. He said deflation causes prices to fall, which results in businesses cutting jobs, in a potential vicious cycle.

"In real terms, the debt is becoming more expensive because prices are going down," said American Bankers Association chief economist Keith J. Leggett.

"For most people, the principal asset is their house," said JP Morgan Chase economist Marc Goloven. "If housing prices crack, the popular perception is there would be a significant bout of deflation."

"Because we have had a significant loss of jobs, we have not had the heavy demand for housing, and that has led to a softening of prices," said Mortgage Bankers Association Vice President Jay Brinkman.

U.S. GDP Grows 1.4%: Not Much of a Figleaf for a Depression

The official growth of U.S. Gross Domestic Product (GDP) was a paltry 1.4% in 2002, according to the latest Commerce Department issuance of final, revised statistics the last week in March. While the economy is actually contracting, the Commerce Department released its latest revised figure for Q4 2002, annualizing the rate of growth as 1.4%—a *brutta figura*, even for a lie.

Retiring Bethlehem Steel Workers To Lose Benefits

A U.S. Federal bankruptcy court has given final approval to bankrupt Bethlehem Steel Corporation's plan to end health and life-insurance benefits for 95,000 retirees at the end of March. The termination is part of the deal in which Bethlehem is being bought out by the financier owned ISG company. ISG has just announced that the workforce at Bethlehem's Sparrows Point, Md. plant will be reduced by 1,000 workers, or more than 30%, once the take-over is concluded.

The Washington, D.C./Maryland Beltway area will be particularly hard hit by the benefit termination, since 20,000 steelworker retirees and their dependents live in this region. While Bethlehem has agreed to a COBRA arrangement, whereby the health insurance can be continued for six months at a reduced cost, as a sop to win Steelworkers' approval of the termination, most retirees face astronomical increases in their health-care costs once that period ends. And for the estimated 5,000 retired workers under age 65, the impact will be immediate, since even under the temporary COBRA arrangement they will have to pay an average \$700 a month. Local USWA union officials are holding out some hope to the retirees that ISG will agree to set up a retiree benefit fund, but caution that this is discretionary, and that even if set up, it would provide no immediate relief.

FERC Finally Acts—Too Little, Too Late—in California

In a series of reports and orders released March 26, the Federal Energy Regulatory Commission (FERC) said its investigators had found "significant market manipulation" during California's electricity crisis in 2000-01 by more than 30 companies, and recommended \$3.3 billion in refunds; however, the state of California has documented nearly \$9 billion in overcharges. The refunds were ordered to take into account the hikes in natural gas prices by Enron, Williams, and other suppliers and marketers, which drove up the price of electricity.

As readers of *EIR* and *EIW* know, Lyndon LaRouche and these publications are on record as exposing, at the time, the

exploitation by the energy pirates of the insane energy deregulation policy, to drive the costs of electricity through the roof, and pocket the profits, before being caught with their hands in the cookie jar.

Now, with the horses already out of the barn, the FERC has suddenly woken up, and decided to shut the barn door. FERC staff proposed requiring that the companies return "any unjust enrichment related to their misconduct," that stemmed from inflated bidding, withholding power, and other market rule violations.

The Commission could not agree on allowing California to overturn more than \$40 billion in long-term contracts that the state signed during the crisis to lock in stable prices. FERC did demand that Enron, Reliant Energy Services, and BP Energy show why their right to trade electricity should not be revoked, considering their proven manipulation of the market.

Survey Shows: Derivatives Trading Ballooned in 2002

The credit derivatives market grew 37% in the second half of 2002, to \$2.1 trillion from \$1.6 trillion in June, and was more than double the \$919 billion at the end of 2001, according to the International Swaps and Derivatives Association. The level of "plain vanilla," over-the-counter (OTC) interest-rate and currency derivatives outstanding, rose by 20%, from \$82.7 trillion at mid-year, to \$99.8 trillion, and from \$69.2 trillion at the end of 2001, a 44% annual increase. A record 108 derivatives dealers responded to the ISDA's survey.

"The continued pace of growth in the OTC derivatives markets during times of economic and political uncertainty demonstrates their importance as a mechanism for mitigation and dispersion of the risks our members encounter in the course of their business," said ISDA CEO Bob Pickel, in a fit of remarkable doublespeak. "The acceleration in use of credit derivatives in particular is testimony to the effectiveness of this product set in the redistribution of credit exposures to those firms desirous of adopting them," he added.

Perhaps Mr. Pickel is angling for Alan Greenspan's job, when it opens up?

Credit-Card Delinquencies Soar, as Unemployment Rises

Credit-card delinquencies jumped to 4.07% of a credit-card accounts, during the fourth quarter of 2002, up from a level of 4.0% during the third quarter, the American Bankers Association reported March 26. This constitutes the highest level since the ABA started to track the data in 1990. A prime driver of the process is the collapse of the economy, leading to growing unemployment, especially the elimination of 2.157 million manufacturing jobs during the past 31 months. "The rise in delinquencies is not surprising given the cumulative weight of lay-offs and the poor prospect for re-employment," said James Chessen, chief economist of the ABA.

New Home Sales Plummet, as Foreclosures Jump to Record Highs

New home sales fell 8.1% nationally in February, to the lowest level since August 2000, and the second consecutive monthly decline, despite some of the lowest mortgage interest rates since the early 1960s. Sales of new homes dropped to an 854,000 unit annualized rate, from 929,000 in January (down 12.6% from December), blamed in part on the snowstorm, but well below the level forecast by analysts.

At the same time, the percentage of home loans in the foreclosure process rose to a record 1.18% during October-December 2002, up from 1.15% in the third quarter, reported the Mortgage Bankers Association March 24.

World Economic News

World Trade Organization Agriculture Talks Break Down

WTO members will not be able to meet the March 31 deadline to set the guidelines and targets for their agricultural negotiations, to slash the agricultural tariffs and payments to farmers, that were announced with fanfare in Doha, Qatar in November 2001, *Agence France Presse* reported March 28. After four days of talks, it became clear that no agreement on key issues was possible at this stage, a "very serious matter," said the talks' chairman, Stuart Harbinson.

Insurance Giant Allianz Denies Report on Asset Sales

German insurance giant Allianz, which posted a loss of 1.2 billion euros for 2002, denied a report in the German financial daily *Boersen-Zeitung* March 23, that it was considering the sale of up to 10 billion euros in under-performing insurance assets. A spokesman for the company said that while incoming CEO Michael Diekmann had put the troubled firms under review, their sale was not planned, *Reuters* said. Allianz has said it plans to raise 5 billion euros to bolster its cash reserves.

Allianz also plans to cut its stake in reinsurance giant Munich Re from 22% to 15%; while Munich Re cuts its stake in Allianz to 15% from 20%, according to *The Scotsman*.

Chavez Says Venezuela's Foreign Debt Is 'Too Much' To Pay

Venezuela must "restructure" its debt, President Hugo Chavez announced March 26, swearing that Venezuela would keep paying the debt religiously—"We haven't missed the payment of one cent during the four years of our revolution, and we will continue paying," he said—but the government has already started talks with the banks about a "restructuring the domestic debt, as well as foreign debt," because the foreign debt owed this year is "too much money for our beaten down budget and our beaten up situation," he told a group of business executives on March 26. According to a release put out by the Presidential palace, Chavez he said Venezuela is unable to meet about \$5 billion of international bond payments due this year.

This amounts to a declaration that Venezuela is bankrupt. Chavez is trying to get the banks to accept a "voluntary restructuring," but *Bloomberg* has already put out wires from financial sharks saying the Chavez regime's leverage with the banks is far less than it was two years ago.

Venezuela owes \$22.4 billion in foreign debt, and \$7.4 billion in domestic debt, according to Standard & Poor's.

China Is Now World's Largest Machine-Tool Consumer

China has become the world's largest consumer of machine tools, worth some \$5.5 billion last year, due to its growing infrastructure investment, according to *Xinhua* March 26. The China Machine Tools and Tool-Builders' Association reported that in 2002, China's own production of machine tools, and tool imports, were each approaching some U.S. \$3 billion.

By 2005, purchase of machine tools is expected to reach U.S. \$7 billion, and annual imports will be over U.S. \$3.5 billion.

Some 26 leading international producers of machine tools, including Germany, Japan, the U.S., and Switzerland, have registered to attend the Eighth China International Machine-Tool Exhibition in Beijing, April 16-22. This exhibition is now

one of the four leading such international machine-manufacturing fairs in the world; the other three are held in the U.S., Japan, and Europe.

Israeli Cabinet Approves Killer Budget, Austerity Program

The Israeli Cabinet voted 22-2 to approve a killer budget and economic austerity program drafted by Finance Minister Benjamin Netanyahu, reported *Ha'aretz* March 26. The two ministers from the National Religious Party, Zevulun Orlev and the fascist Effie Eitam, were the only votes against the budget. Apparently, they do not mind a policy that kills Palestinians, but oppose one that kills Israelis.

The only thing in the budget that Prime Minister Ariel Sharon openly opposed was the tax on foreign workers, to be paid by their employers. The fact Sharon himself employs foreign workers on his ranch, left members of the Cabinet a bit uncomfortable at the obvious conflict of interest. The program will be brought before the Knesset on April 14.

The Histadrut trade-union federation has already announced it will carry out job actions, and even threatened to organize a general strike. Already hundreds demonstrated in front of Sharon's office, protesting the proposed cuts to welfare.

Turkey's Economy a Victim of Collateral Damage from Iraq War

On March 24, Turkey's long-term Treasury bond (due in 2030) fell to 81.5 cents on the dollar, its sixth fall in the past seven trading days. Turkey is paying a premium on its 10-year Treasury bonds of 10 percentage points (1,000 basis points) above the interest rate that would be paid on a U.S. Treasury bond of comparable maturity. Inflation-adjusted interest rates inside the country have climbed to 35%.

The nation is poised to exercise the last \$3.5 billion of a credit line from the International Monetary Fund. Internally, Turkey has a national debt that has become so large, that up to two-thirds of Turkey's budget expenditures go to the account of paying debt service on this debt. The March 25 *New York Times* reported rumors that "the government is nearing default on its domestic debt."

The war, which has cost Turkey a portion of its trade with Iraq, has exacerbated Turkey's economic crisis. Were oil prices to spike again, Turkey's economy would be badly damaged. Christian Stracke, head of emerging markets research at CreditSights, an independent research firm, reported that one option being discussed, would be for Turkey to turn on its printing press to pay its debts, "but that would ... be bad for the economy, because they have been trying to put their past of hyperinflation behind them."

"If winning the war in Iraq sends Turkey into a[n economic] spiral, that is a huge price to pay for overthrowing the regime in Baghdad," asserted Philip Gordon of the Brookings Institution.

U.S. Attempting To Dollarize Iraq

According to the *Wall Street Journal* March 24, U.S. Treasury officials are meeting with Iraqi exiles to impose a postwar currency to replace the Iraqi dinar, preferably with the U.S. dollar, or by creating a new dinar. Another sign of the utopians' "democracy" campaign.

United States News Digest

London Times: Cheney Is Running Iraq War Policy

It is Vice President Dick Cheney who is running the Iraq war policy in all its key dimensions, writes the March *Times* of London, in a piece by Roland Watson titled "The Servant Who Wields Power from the Shadows."

"Quietly, without fanfare, but unmistakably, Dick Cheney is rewriting the American Constitution," asserts Watson. "Nowhere in the 215-year-old document, does it mention the position of Co-President. But that is what Mr. Cheney, nominally President Bush's number two, has become."

"The war with Iraq, in its planning, execution and aftermath, is the latest chapter in that rewriting, but perhaps the most graphic yet. If this drive to topple Saddam Hussein is not the Vice President's baby alone, his claim of joint parentage is beyond dispute."

"Never has a Vice President played such a central role in an Administration, let alone in the policy that will decide its fate.... Amid the chaos of war, these are pivotal times for the taciturn Mr. Cheney."

Watson writes that Cheney "has an uncanny knack, displayed repeatedly over the past 30 years, of wielding quiet but enormous influence from the shadows."

The article concludes with Cheney's view of (his apparent puppet?) George W. Bush: "The notion that the President is a cowboy is not necessarily a bad idea. He cuts to the chase. The leaders who will set the world on a new course, deal effectively with these kinds of threats we've never faced before, will be somebody exactly like President Bush."

'F* Saddam'—Says President Bush**

"F*** Saddam. We're taking him out"—so said President Bush in March 2002, when he stuck his head into the office of National Security Adviser Condoleezza Rice. This according to a new *Time* magazine story reported on March 23 in the online *Drudge Report*. The *Time* article, by Michael Elliott and James Carney, focusses on Paul Wolfowitz, Deputy Defense Secretary.

McCain Getting All Arab Regimes in His Gunsights

To judge from a March 23 op ed in the *Washington Post* by Sen. John McCain (R-Ariz.), the Senator is preparing to overthrow all Arab regimes, out of "love." McCain's column repeats no less than three times that the war is not for empire or colonization, but for liberation, not only of Iraq, but the "autocratic rulers [who] have claimed to speak for all Arabs." The "liberation" of Iraq will allow a reversal of the "economic and political devastation accomplished by Baathist national socialism, reactionary Wahhabist zealotry and implacable hatred of Israel," rants McCain. Not wanting to be accused of not naming the names, he continues: "A democratic Iraq could hasten liberalization in Persian Gulf states such as Bahrain, Kuwait and Qatar," while Iraq and Syria will be overwhelmed by "democratic revolutionaries," ending "pan Arab fantasies" once and for all.

Americans are doing this, he concludes, "not for empire, not for oil, not for religion, not to shock and awe the world with our astonishing power. They fight for love—the love of freedom, our own and all humanity's." This is our nation's "real glory."

No wonder they say McCain is nuts.

Cheney Still Insisting on Leading Role in Iraq for Golf Buddy Ahmed Chalabi

Chalabi, a banker who has lived outside Iraq for 45 years, and is on the lam from a fraud conviction in Jordan, is opposed by State Department and CIA officials, but a State official told the *Washington Post* that "I suspect the Vice President will push that one to the hilt." The Cheney policy is backed up by utopian fanatic Jim Hoagland in his column in the *Post* March 23, arguing that any effort to allow a "Vichy option"—meaning bringing in anyone from within the country who may have "collaborated with Saddam Hussein's vicious occupation [!] of Iraq"—must be rejected in favor of a "Free French" approach, equating Chalabi to de Gaulle!

Neo-Con *New York Sun* Defends Perle, Screams at His Resignation

The March 28 issue of the *New York Sun*, a Conrad Black/Michael Steinhardt neo-con project, was screaming how Richard Perle, "a brilliant, honest, visionary public servant, is hounded into resignation. Not over an actual conflict of interest," but due to a "calculated smear" pushed by the Saudi Ambassador to the U.S., Prince Bandar (whom the *Sun* links to the Sept. 11 attacks because "15 of the 19 hijackers" came from Saudi Arabia) and by a "left fringe" member of Congress—John Conyers (D-Mich).

From the language, the neo-cons are truly freaked out. The *Sun's* comments on Saudi Arabia: "home to hijackers, kidnapper of American children, persecutor of Christians, publisher of anti-Semitic school textbooks ... oppressor of women ... spawner of debauched ... princes...."

On Conyers, the *Sun* lists every single effort that he has made on behalf of the Palestinians (e.g., protesting F16 attacks on Palestinian civilian apartment buildings), and suggests he is the next Cynthia McKinney, referring to the black Democratic Congresswoman driven from office this past fall as a result of neo-con pressure.

Gore's Campaign Manager Donna Brazile Backs Bush on War

Donna Brazile, who managed Al Gore's disastrous 2000 Presidential campaign, and who has been characterized as a McCain-Lieberman mole crawling around the edges of the Congressional Black Caucus, says that she backs President Bush's war to overthrow Saddam Hussein. She says, according to the March 26 *Washington Times*, that she is critical of those Democrats who have criticized Bush, such as Rep. Nancy Pelosi and Sen. Tom Daschle, whom she accuses of playing to the anti-war movement.

Brazile is using her relationship with White House adviser Karl Rove to try to arrange a meeting between the Congressional Black Caucus and Bush. Among other things, she wants the CBC to support Bush's faith-based initiative.

In terms of Presidential candidates, Brazile says she could support Dick Gephardt, and "I could support Lieberman. Gephardt or Lieberman."

Powell Says Russian Military Supplies in Iraq Endanger Americans

Secretary of State Colin Powell told Fox-TV that military supplies from Russia present in Iraq, are endangering Americans. The Rupert Murdoch neo-con/empire press outlets are building up a big propaganda campaign against Russia, based on the reports in the *Washington Post* that the U.S. has charged that Russia has been supplying Iraq with sophisticated military materiel that violates the sanctions. The lead editorial in the March 25 *New York Post*, "Moscow Betrayal," is a rabid Cold War diatribe. An article by Israeli stringer Deborah Orin reports that Powell told Fox-TV in an interview that the U.S. has confirmed that Russian companies have provided to Iraq "the kind of equipment that will put our young men and women in

harm's way." Powell also said that the Russians "had been warned" with plenty of advance notice, that they should not violate the sanctions regime by supplying prohibited items to Iraq.

Interviewed on National Public Radio March 25, Powell exaggerated that there is "widening" support for the "coalition of the willing," and argued with the reporter that the U.S. *does have* full authorization for occupying Iraq, under UN Resolution 1441, in order to set up a government to replace the one which is defeated. This is the case in any military operation like this one, Powell asserted.

Powell Opposes Major UN Role in Postwar Iraq

Testifying before a House of Representatives appropriations subcommittee March 27, Secretary of State Colin Powell made clear the United States would oppose United Nations efforts to encroach on the decision-making powers of the coalition forces in postwar Iraq. Powell said he has discussed the matter with UN Secretary-General Kofi Annan.

Powell was asked by Rep. David Vitter (R-La.) whether there were any chance the UN would try to "grab that decision-making control from the coalition that got us there," and give it "to the very group that refused to face reality."

"I don't even see a possibility of that right now," Powell said. "There may be some that think it should go that far, but we would not support an effort as precise as the one you described."

Powell also testified that he favored having "the UN presence in the form of a special coordinator."

U.S. Pressing Russia To Cut Off Alleged Military Cooperation with Iraq

Top Administration officials came out swinging March 24 over U.S. claims to have "credible evidence" that a Russian military company supplied Iraq with equipment that jams GPS satellite signals (used to guide aircraft and missiles), and the company currently has technicians in Iraq helping operate that equipment. Such sales are prohibited under UN sanctions.

The charges, reported in the *Washington Post* March 23, were denied by Russian Foreign Minister Igor Ivanov early on March 24. "Russia strictly fulfills all its international obligations and has not supplied any equipment, including military, to Iraq in violation of the sanctions regime," he said, reporting that the charges had been investigated.

That denial was rejected. Secretary of State Colin Powell called Ivanov following those remarks, and President Bush called President Vladimir Putin. At the White House briefing, Ari Fleischer said that Putin had assured Bush that he would "look into it," and when asked about Ivanov's denial, Fleischer answered: "I'm certain now, with the phone call that was made to the President, Russia will take a look at what their Russian companies are doing. That's exactly what the Foreign Minister's boss told the President of the United States he would do."

At the State Department briefing, spokesman Richard Boucher stated that the equipment "may pose a direct threat to the U.S. and coalition armed forces," and held the Russian government responsible to "interdict" the alleged activity of Russian private companies. When asked if Powell raised the possibility of U.S. bilateral sanctions against Russia, should the Russian government not act, he left the door open for that, saying, "I don't know if we've gone through the possible legal ramifications or not."

U.S. Ambassador to UN Walks Out of Security Council

John Negroponte, the U.S. Ambassador to the United Nations, walked out of the UN Security Council March 27 after Iraq's envoy accused the U.S. and Britain of waging a "war of extermination," in addition to charging that the U.S. had already arranged in 1997 for contracts to rebuild Iraq. "I did sit through quite a long part of what he had to say, but I'd heard enough," said Negroponte, adding, "I don't accept any of the allegations." Mohammed al-Douri claimed the U.S. had even planned the carving up of Iraq before Iraq invaded Kuwait in 1990.

"Britain and the U.S. are about to start a real war of extermination that will kill everything and destroy everything," al-Douri claimed.

CIA Covert Hit Teams Operating in Iraq

According to a p. 1 *Washington Post* story by Dana Priest March 29, covert assassination teams from the CIA's paramilitary division and from military special operations have been operating inside Iraq, targetting members of Saddam Hussein's inner circle. These teams of snipers are also trained in demolitions and car bombs, and, "They have reportedly killed more than a handful of individuals." Especially with difficulties in the ground war, these covert units are under pressure to "fire the silver bullet" that will kill Saddam Hussein and supposedly bring down the government, thereby bringing a quick end to the war.

Aside from the dubiousness of such a proposition, the article includes the strange fact that the U.S. government had no objection to its appearance in the press. Reports Priest: "Provided with a detailed account of the contents of this article, U.S. government officials made no request to the *Post* to withhold any of the story's details from publication, as they have sometimes done in other cases involving ongoing covert operations." This suggests American psychological-warfare operations are also at work.

White House May Cancel Bush Visit to Ottawa

According to the March 27 *National Post* of Vancouver, British Columbia, the White House may cancel President Bush's scheduled May 5 visit to Ottawa. Beth Poisson, press attaché at the U.S. embassy in Ottawa, said, "President Bush is a wartime President now, and so there is some uncertainty about his schedule." The newspaper blamed "increasingly strained relations between the U.S. Administration and the Chretien government" in Canada.

There is growing concern in the White House that President Bush might be heckled by Canadian anti-war demonstrators, and get a hostile reception from Canadian parliamentarians, particularly government MPs, who have made a series of anti-American and anti-Bush remarks in recent months.

"The White House is reviewing whether it would be a productive visit. They are wondering whether it would be constructive," said one U.S. official.

Sources reportedly told the *National Post* that White House officials remain furious over Jean Chretien's refusal to rebuke Herb Dhaliwal, the Natural Resources Minister, for saying that Bush's decision to go to war proves he is "not a statesman."

Canadian Prime Minister Cancels Trip to Washington

Canadian Prime Minister Jean Chretien, who has been criticized by the U.S. and by his domestic opposition for keeping Canada out of the Iraq war, has cancelled a trip to Washington, D.C. that was set for April. Chretien was to attend an award ceremony to honor his government's creation of 15 new national parks last year. "He felt it was not appropriate, because of the circumstances, for a leader to go there to receive a personal-achievement award," his spokeswoman Fridirique Tsai

said.

The *Toronto Globe and Mail* of March 28 wrote that relations between Canada and the United States have been on shaky ground recently. Recent polls of Canadians have shown that the majority do not support any Canadian participation in the war in Iraq.

Senator Stevens Will Introduce Airline Aid Bill

According to *Reuters* wire service, Sen. Ted Stevens (R-Ak.) will introduce airline aid this week, attached to the \$75-billion war supplemental budget. Stevens, head of the Senate Appropriations Committee, made the announcement after meeting with Senate Majority Leader Bill Frist (R-Tenn.). Other Republicans at the meeting said the amount would be between \$1.5 billion and \$3.0 billion. Stevens said the mechanism he favored would be for the government to pay the costs of some of the unfunded security mandates imposed on the airlines. The Air Transportation Association is lobbying for \$4 billion. Such an amount will not have any serious effect on the approaching bankruptcies of virtually all airlines.

Ibero-American News Digest

Brazilian Congressman: LaRouche Is Right; Time To Break with IMF, Stop the War

In his first speech before the Chamber of Deputies since he was sworn in on Feb. 1, Dr. Eneas Carneiro, elected with the greatest number of votes of any Congressmen in Brazilian history, called upon the President of the Republic to go beyond merely opposing the war, and to take the only action by which Brazil might change the current course of world affairs: to break with the IMF, and ally with China, Russia, India, France, and Germany in the construction of a new economic system, as the only effective way of stopping the Iraq war.

"The reasons which brought the United States to carry out an armed invasion of a free and sovereign country, at least in theory, have little to do with any concern for the destiny of humanity, by eliminating possible foci of international terrorism," Dr. Eneas stated. "To properly understand the process, it is necessary to go back to the agreement signed in 1944, in Bretton Woods...."

He elaborated, citing Lyndon LaRouche's work in identifying the underlying economic processes driving the outbreak of war:

"Fabulous fortunes, on the order of 1 to 2 trillion dollars, circulate daily from one point of the planet to another, by means of computer pulses. Of these, barely some 2% to 3% correspond to commercial transactions. The rest are *pure speculation*, with no correspondence with the physical world, as has been pointed out by the renowned American economist and thinker Mr. LaRouche, in the weekly *Executive Intelligence Review*, a publication in which he studies, dissects, and explains the crisis of the international financial system as heading towards an abyss which, if not stopped, will without doubt take humanity into a new dark age...."

Marches for peace will not end this war. "There is only one way to oppose that true genocide. And that is by a definitive rupture with the putrid model that is imposed on us by the international financial system, of which the IMF, the World Bank, the IADB, the World Trade Organization and company are tentacles."

Dr. Eneas called on the President of the Republic of Brazil, Lula da Silva, to "take advantage of the historical opportunity that is being offered to us by the owners of the world themselves," and "*order* that, by unilateral rupture, no more interest

payments will be made on the Public Debt, the which reached 114 billion reais in 2002."

Such a measure will bring problems, but Brazil could turn to France, Germany, China, Russia, and India—along with various other countries—for trade partners, "should retaliations from the American Empire occur. In addition, our brothers of Latin America and Asia will be ready, without doubt, to establish partnerships with us, aiming as well to liberate themselves from the octopus that sucks their blood," he elaborated.

I urge you Mr. President, he said, in the name of my party, the PRONA, and the more than 1,570,000 electors who elected me to Congress, to find the courage to "issue the cry of economic independence, almost 181 years after political independence. Take a step forward. Do not fear. Your Excellency will be followed by all the Brazilians who lifted you into your current position, in the expectation that Your Excellency would free them from the fetters of secular slavery."

Brazilian President: Only War Needed Is That Against Hunger and Misery

"The only legitimate war that a government in this world can and should develop, is the war against hunger, against misery, and the exclusion that offends the dignity of God's children," Brazilian President Lula da Silva wrote in a letter to Pope John Paul II, in which he described the Brazilian government's "Zero Hunger" program. The letter was delivered to the Pope on March 27 by Agricultural Development Minister Miguel Rosetto.

Foreign Minister Celso Amorim is to deliver a second letter from the Brazilian President, more directly dealing with the Iraq war, when he meets Pope John Paul II on March 31. In that letter, Amorim reported March 25, the President praised the Pope's efforts for peace, and "recognized the importance of the Pope John Paul II's leadership." The world needs "great spiritual leadership," such as that represented by the Pope, and because of this, John Paul II's positions have political importance, Amorim said. It is important that countries seek a "rallying point" around the leadership of the Pope, in defense of an international order based on multilateralism.

Chirac Invites Brazil and Mexico to Summit Parallel to G-8 Summit

Brazil and Mexico are among the nations French President Jacques Chirac is inviting to attend a summit, to be held parallel to the next meeting of the Group of Eight, in Switzerland June 1-3, the Swiss newspaper *Le Matin* reported over the weekend of March 22-23. Brazilian President Lula da Silva, and the heads of state of China, India, Egypt, Mexico, Saudi Arabia, and Switzerland, are among the leaders whom the French have invited, along with UN Secretary General Kofi Annan. The summit should have close to 21 countries represented, says *Le Matin*, and would serve, in Chirac's view, to break apart the idea that world decisions are made solely by the G-8 (the U.S., Britain, Canada, Japan, Italy, France, Germany, plus Russia). The agenda for the meeting is still open, but the Iraq war, and the global economic crisis are likely to be discussed, says *O Estado's* correspondent.

This is going to provoke real rage among the Chickenhawks, Lyndon LaRouche commented, when briefed. The French invitation to Brazil is bad enough, but inviting Mexico is a real slap in the face, he said.

Mexico Assumes Security Council Presidency April 1; Stands Firm on Iraq

Mexico will assume the presidency of the United Nations Security Council on April 1, as pressure intensifies on the Vicente Fox government to fall in line behind the U.S. war in Iraq. In a State Department briefing March 26, spokesman Richard Boucher denied reports that the Bush Administration is demanding Mexico dump its Ambassador to the United Nations, Adolfo Zinser Aguilar, but this did not stop the rumors to that effect. A nasty *Financial Times* article on March 27 complained that Zinser had helped coordinate the other small, undecided members of the UN Security Council, in the

battle to stop the Iraq war.

The top Mexico expert of the Center for Strategic and International Studies (CSIS), Delal Baer, told the *Financial Times* that Mexico may wish to take leadership, but it had better avoid "unnecessary conflict with the United States," better than it has so far. Baer warned, in particular, that "Mexico will have to be careful to avoid any appearance of aligning with France," the *FT* said.

Foreign Minister Luis Ernesto Derbez has confirmed that Zinser will stay at his post, however, and on March 25, the Foreign Ministry announced that Mexico will not break relations with Iraq, as the U.S. demands, but would follow its traditional policy known as the Estrada Doctrine, which stipulates that Mexico maintains relations with states, not with persons. A Foreign Ministry official added that Mexico has "no bilateral dispute with Iraq," and besides, "we decide with whom we maintain relations."

Brazilians Warn War Against Iraq Will Feed Terrorism and Nuclear Arms Race

Terrorism will increase, and the nuclear arms race will be revived by the Bush Administration's war against Iraq, Sebastiao Nery wrote in Brazil's *Tribuna da Imprensa* on March 23. "The Armed Forces of every country which does not have the atomic bomb will be convinced that, from now on, when the U.S. pirates, under the 'Bush Doctrine,' declare the right to invade any country they wish.... Every nation, if it wants to be independent, will be obliged to build its own bomb," he wrote. Brazilian Science and Technology Minister Roberto Amaral, Congressman Eneas, and the majority of the best officers of all three branches of the Armed Forces were right: "The only way for Brazil to defend the Amazon and its waters ... [is] with our own atomic bomb."

Tribuna da Imprensa editor Helio Fernandes warned also, on March 27, that the thesis, that only countries which have a nuclear arsenal will be able to confront the "preventive war" doctrine of the U.S., is gaining ground. The consequence of the Iraq war will be "an unprecedented arms race," he lamented. The UN has been pushed aside, and the U.S. has become an unreliable ally, so there are no mediators capable of leading strictly diplomatic negotiations between nations on the edge of conflict. Effectively, "globalization ... is buried," too, with this war, he noted.

Argentina Fears U.S. Attacks on Tri-Border Region

Argentina fears the U.S. would attack the region bordering Argentina, Paraguay, and Brazil—the "triple border"—in retaliation for those nations' stance against the U.S. war on Iraq. It was the recent speech by Gen. James Hill, head of the Southern Command, identifying the tri-border region—he called it "ungoverned"—as a base for Islamic terrorism (See article in INDEPTH), that sparked Argentine fears, according to Brazil's *Tribuna da Imprensa* March 25. One report circulating in Argentina also warns that the U.S. may try to establish a military base or install some kind of "control agency" in the region.

Belying his own assurances that "there is no tension" between the U.S. and Argentina, in a March 25 video-conference, acting U.S. Assistant Secretary of State Curt Struble ordered the Duhalde government to comply with several U.S. demands regarding the tri-border region, leaving implicit the threat of U.S. action, should the demands not be met. Argentina must act aggressively against money-laundering and contraband, which provide financial resources for international, and specifically Middle Eastern, terrorists, Struble said, adding that "outside terrorists" can easily take advantage of the tri-border region, with its large Muslim population, and its role as a transmission point for arms contraband. To make his point, he referred to the 1992 bombing of the Israeli embassy in Argentina, and the 1994 bombing of the AMIA Jewish social center in Buenos Aires, which Israel says Iran orchestrated, deploying terrorists from the tri-border area.

Newspapers and analysts from the area uniformly agree, however, that "there are more intelligence agents in the tri-border region" of Brazil, Paraguay, and Argentina, than Islamic fundamentalists, as the region is crawling with agents from those three nations' intelligence services, deployed as part of the effort to clamp down on money-laundering, drugs, and weapons contraband.

Narcoterrorists Mobilize Off Opposition to Iraq War in Ibero-America

Thirty thousand to 100,000 people—led by "*piqueteros*" (Jacobin shocktroops), the terrorist group Mothers and Grandmothers of the Plaza de Mayo, joined by trade unionists, etc.—marched on March 24 in Buenos Aires on the 27th anniversary of the 1976 military coup, chanting against the Iraq war, and carrying banners reading, "Bush, fascist, you are the terrorist." These were the largest demonstrations since President Fernando De la Rúa was driven out in December 2001. The same day, some 2,500 *cocaleros* marched in La Paz, Bolivia, chanting slogans against the Iraq war, and against eradication of coca. Their leader, Evo Morales, announced the *cocaleros* were "bored" with merely holding vigils, and the next day, 600 of them attacked two government offices in the coca region of the Chapare.

In Guayaquil, Ecuador, a grenade was thrown at the British consulate the same day, while a band of 30 youths handing out leaflets backing Iraq, and calling for "death to the U.S. assassin troops" in the name of a supposed "Revolutionary Student and Popular Movement" (MEPR), rampaged in Rio de Janeiro, throwing stones and Molotov cocktails at the U.S. consulate, police cars, bank offices, and McDonalds.

Brazil: A Second Anti-Narcotics Judge Is Assassinated, Colombian-Style

A second Brazilian anti-narcotics judge was assassinated, Colombian-style, on March 24, by a two-man hit-squad on a motorcycle. Judge Alexandre Martins de Castro Filho was shot as he was leaving a club in Victoria, Espirito Santo state, just 10 days after the assassination in Sao Paulo state of Judge Jose Antonio Machado Dias. Both judges were waging high-profile battles against organized crime and drug-trafficking.

This second murder is a direct challenge to President Lula da Silva, who vowed after Machado Dias' murder that he would use all the resources of the state to combat the drug gangs that inhabit Brazil's *favelas* (shanty-towns), and increasingly flaunt their power. In televised remarks made after receiving news of Castro Filho's murder, Lula warned, "We are going to win the war against organized crime and drug-trafficking." Justice Minister Marcio Thomaz Bastos immediately left for Espirito Santo to oversee the investigation of the killing.

There is growing fear that Brazil is going the way of Colombia, including with possible links of Colombian narcoterrorists to the Brazilian drug gangs. An op ed column in *Folha de Sao Paulo* March 24 warned that something must be done fast, before the Brazilian problem "takes on the dimension of what is happening in Colombia, which is on the brink of civil war."

***Folha*: Brazil Must Aid Colombia in Fight vs. Narcoterrorism**

As Brazil reels from the drug-mob murders of two judges in 10 days, one of the nation's leading newspapers called for Brazil to aid Colombia in its war on narcoterrorism. An editorial in *Folha de Sao Paulo* March 25 argued that "the security and political stability of South America," requires that the Brazilian government increase its cooperation with the Colombian government. Two critical steps are urged:

- 1) that Brazil provide Colombia with intelligence gathered through its newly operational Amazon Surveillance System (SIVAM) radar system, which is capable of monitoring as deep as 200 kilometers into the Colombian side of the border.

As this area is largely unpopulated jungle, such intelligence would be critical. The Brazilian government had promised to provide this intelligence, but according to *Folha*, this has yet to happen; and

2) that Brazil declare the FARC a terrorist force.

"Organized crime ignores the borders between the two countries," as "drugs, arms, and terrorist know-how flow with facility between the two countries," the paper wrote. The FARC is linked to the drug-and-arms trade in Brazil's large cities. Cooperation between the governments, therefore, must be strengthened.

American Rescue Plane Crashes in Colombia

A small U.S. government plane, searching the dense Colombian jungles for three kidnapped American defense contractors being held by the FARC, crashed March 25, burning up on impact. The U.S. embassy reported that three Americans were on board. According to Colombian authorities who reached the site of the crash, in the southern province of Caqueta, there were no survivors. The plane was part of an ongoing search-and-rescue effort being conducted jointly by the U.S. and Colombian governments, an effort that includes U.S. promises of reward money for information leading to the hostages' rescue, as well as the deployment of thousands of Colombian troops and Black Hawk helicopters.

Western European News Digest

French Paper Reports Saddam Aiming for Guerrilla Warfare

According to the March 25 issue of the French paper *Le Figaro*, "Drawing on the lessons of the first Gulf War, the Iraqi regime seems to have abandoned the idea of a tactical war, in favor of guerrilla warfare fought by autonomous and mobile units," in the words of reporter Isabelle Lasserre. "On the eve of the war, Saddam Hussein divided the country into four military zones, each having large powers. This military division of the country allows the regime today to face up more efficiently to the breakdown of the lines of command with Baghdad which will follow the encirclement of cities by the coalition armies. Just before the beginning of the war, members of Saddam's Feddayin, of the paramilitary organization of the Ba'ath Party, of the Republican Guard, and of the security special forces, groups loyal to the regime, were integrated in the units of the regular army, as was the case in Uum Qasr, in order to stop them from capitulating.

"Those small mobile groups, often mixed in with the civilian population, carry out ambushes in urban areas, launch attacks against the American forces, in the same way that the Chechens have been doing for years against the Russians in Grozny," Lasserre wrote.

An op ed in the same March 25 issue of *Le Figaro* claimed that the fact that the Anglo-Americans opted in the beginning for a strategy aimed at "decapitating" the Iraqi regime, gave room to the regular Iraqi army, which was able to deploy itself according to its new strategy in the different cities. In his op ed, Col. Jean Claude Dufour also wrote that since the Americans didn't want to have to reconstruct infrastructure after the war, they decided not to destroy that infrastructure, with the result that the Iraqis were able to use that to their advantage.

The Americans will also pay a penalty because they didn't deploy enough troops, and have therefore not been able to take and secure cities such as Nasiriyah and Basra, Dufour said.

Finally, also March 25, the Parisian paper *Liberation* wrote that the Anglo-American offensive "has provoked a patriotic reflex" in Iraq. "It was supposed to be like a very large police operation aimed at stopping a small number of people linked

to the dictatorship and not a war of destruction of the large Iraqi cities," but that's not how it's turning out.

Choice for U.S.: Kill 200,000 Civilians by Clobbering Baghdad, or Accept 3,000 Dead GIs

Colonel Jean Louis Dufour, military consultant with various French media, evaluated in *Le Figaro* March 30 the choices facing the Anglo-American war effort in Iraq. There is nothing more normal than to adapt the war plans according to need, he stated. But everything is up in the air, he asserted, because "The Iraqis are not playing by the rules. Their old tanks have no computers on board! Their airplanes are not flying. Saddam's army has done what the Serbs did in 1999, by not turning on their radar, rendering totally inoperative those missiles designed to aim toward radar signals aimed at them. Difficult to make war against an enemy who is not in conformity!" In essence, Dufour said, the Iraqis' new guerrilla tactics have forced the Anglo-Americans to demand more ground troops to secure their flanks.

The problem is, that "the American ground forces lack men. It had 780,000 soldiers in 1991, only 480,000 today. The 300,000 it will have to call up—an enormous proportion—will not be able to be reinforced." This means, continues Dufour, "that they must finish the job quickly." "If the Pentagon agrees to go into the battle of Baghdad, it would go, head down, into the trap set for it by Saddam, be forced to fight on unchosen territory, and to consent to fight a war, which aside from the Marines, only few units are prepared to fight." Traditionally, the American army has been able to win "through its crushing power." At this point, he said, "Firepower alone can force the enemy to concede." Nobody, no matter how combative, can bear the constant explosion of bombs. The Chechens were not able to hold for more than a month against the continuous firepower of the Russians, and the Iraqis, claimed Dufour, will not be able to hold much longer either. It is then up to the Bush Administration to choose between "two politically inconvenient choices: the death of 200,000 civilians or battle losses of 3,000 GIs."

Veteran British MP Tam Dalyell Calls Blair a War Criminal

"Blair, the War Criminal," was the title of an extremely important commentary March 27 in the London *Guardian*, written by Tam Dalyell, longest-serving member of the House of Commons. (Dalyell last weekend sent a message of greeting, and welcome for Lyndon LaRouche's efforts to stop an Iraq war, to the Schiller Institute's conference in Bad Schwalbach, Germany.)

Dalyell began his column by noting that the Labour Party in his Linlithgow, Scotland constituency, has "just voted to recommend that Tony Blair reconsider his position as [Labour] party leader, because he gave British backing to a war against Iraq, without clearly expressed support from the UN."

"Reconsider his position" is a procedural euphemism in Labour Party politics for "resign."

Dalyell wrote that he agreed with this Linlithow decision, since Blair "should be branded as a war criminal and sent to The Hague. I have served in the House of Commons, as a Labour member for 41 years, and I would never have dreamed of saying this about any one of my previous leaders. But Blair is a man who has disdain for both the House of Commons and international law. This is a grave thing to say about my leader. But it is far less serious than the results of a war that could set western Christendom against Islam."

Dalyell noted that "the overwhelming majority of international lawyers" have concluded that this war is "illegal under international law." This includes a partner in Cherie Blair's Matrix Chambers law firm (Cherie Blair being Tony Blair's wife), and Elizabeth Wilmhurst, the deputy legal adviser to the Foreign Office, who has resigned. Dalyell noted that lawyers are already "getting phone calls from anxious members of the armed forces."

Dalyell charged that Blair has given President Bush and Co. a "fig leaf" for the war, which is all the more terrible since, if Britain had held firm against the war, this might have had a strong effect on "U.S. public opinion," which might "itself have stopped the war." He insisted that he himself is far from being anti-American, having been formerly on the executive of the British-American parliamentary group, and being a distant relative of the late President Harry S Truman.

His concluding paragraph read: "As Napoleon and Hitler found with the snows at the gate of Moscow, so Blair and Bush might find that the biggest weapon of mass destruction they encounter, before the gates of Baghdad, is the Sun. They might be wise to pull out troops now, before they are cooked in the sands of the desert while laying siege to the city. They may lose political face, but the careers of Bush and Blair are of little consequence compared to environmental mayhem and military agony."

Are We Witnessing the Madness of Tony Blair? Asks London *Times* Commentator

Are we witnessing the Madness of Tony Blair? asked London *Times* commentator Matthew Paris in a March 29 column playing on the title of a movie from a few years back, *The Madness of King George*.

Commentator Paris expressed concern that perhaps Prime Minister Tony Blair is slowly losing his mind, much as King George III did 200 years ago, citing examples of Blair's behavior to suggest, "There are good reasons why those at the top can go quietly bonkers before their inferiors wake up to the warning signs."

The first example cited was Blair's ability to refer information that he can't share with anyone. Wrote Paris, "Cornered by reality, 'private sources' are the last refuge of the deluded." A second example of Blair's behavior cited was the circumstance when Blair claimed last week, during a joint press conference with President Bush, that two British soldiers were executed by the Iraqis in cold blood—without giving a thought to what impression that would make on the grieving parents. (The British government has since apologized to the families of the two dead soldiers for the remark, but stands by the charges.)

Paris also noted Blair's logic problem. "The Prime Minister has lost his sense of how his indignation at Iraqi brutality jars, coming from someone attacking a country whose puny forces are grotesquely outgunned by ours," he wrote. Furthermore, Blair's anger at the French for opposing the war shows that "he displays a demented capacity to convince himself that it is the other guy who is cheating."

And then there was his remark to Parliament that he would ignore UN Security Council vetoes that were "capricious" or "unreasonable," which, coming from a trained lawyer, is "stark, staring bonkers." "No sane lawyer could have said what Blair said," Paris wrote. After describing Blair's "hopeless, desperate optimism," Paris concluded, "Have the rest of the Cabinet tumbled yet to the understanding that this may not be about Iraq at all, but about the Prime Minister?"

France Blasts U.S. Over Iraq War

"France Blasts U.S. Over Iraq" was the title of an *Agence France Presse* wire, reporting on French Foreign Minister Dominique de Villepin's statements to France TV on March 25. "Force must be used only as a last resort, because it risks deepening the wounds of the world," said de Villepin. "No country can set itself up as the world's guardian"—if one nation does so, then "We could imagine tomorrow seeing force used in other crises in the world." Faced with various world crises, "we need to find each other," he continued. "How can we resolve the Middle East? Can one state resolve the crisis in the Middle East?"

The French Foreign Minister said the U.S. had "no choice" but to work through the UN, noting that the U.S. "needs the UN

right now to confront the humanitarian emergency" in Iraq.

Italian Government in Trouble: U.S. Airborne Brigade Moved Out from Italian Soil

The Italian government is in trouble because the U.S. 173rd Airborne Brigade moved to Iraq from Italian soil. According to a policy statement issued by the Italian Supreme Defense Council, Italy's "non-belligerent" position on the Iraq war includes the fact that military structures in Italy cannot be used as "bases for a direct attack to Iraqi targets." Bases can be used for transit, supplies, and maintenance of vehicles. Trespassing such dispositions would violate the Italian Constitution, which rejects war.

But the U.S. 173rd Airborne Brigade, which was parachuted March 27 into Northern Iraq, was flown in from the air base in Vicenza, northern Italy. This has created an uproar in the Parliament, where the opposition, and also someone from the ranks of the majority party, have called on the government to suspend U.S.-Italian bilateral agreements. Prime Minister Berlusconi has communicated to Parliament that the U.S. 173rd Airborne Brigade will have only humanitarian aims. Senators Andreotti and Cossiga have stated that those U.S. soldiers cannot be allowed to return to Italian bases if they fire one shot.

Angela Merkel, Bush Cheerleader in Germany, Increasingly Isolated in her Christian Democratic Party

Leading Bush cheerleader in Germany, Angela Merkel, is increasingly isolated among the Christian Democrats—the party she leads, which is currently in the opposition to the ruling Social Democratic/Green Party coalition.

With the sole exception of Friedbert Pflueger (who arranged Merkel's botched U.S. trip at the end of February that drew such criticism back in Germany), none of the prominent Christian Democrats is really backing the CDU chairwoman. The trouble for Merkel began at the end of the week before last, when Edmund Stoiber, chairman of the Christian Social Union, the Bavarian-based little sister and partner of the CDU, endorsed the United Nations process as a priority, and said that the passive support which Social Democratic Chancellor Gerhard Schroeder grants to the U.S. by allowing them the use of their bases in Germany, and overflight rights in German airspace, is "the maximum that a German government should do." This in itself was a slap in Merkel's face, since she has supported the war.

Over the past few days, other CDU leaders have criticized the Iraq war as wrong, including former German Health Minister Rita Suessmuth, former CDU Party General Manager Heiner Geissler, and the CDU state section chairmen of Saarland, Lower Saxony and Hesse (Peter Mueller, Christian Wulff, Roland Koch). Suessmuth and Geissler, who also said the war is against international law, were backed up by former German President Richard von Weizsaecker. It is reported that speakers at CDU meetings these days get a lot of applause, when calling this "the wrong war."

Even taking into account that many Christian Democrats have older accounts to settle with Merkel over other issues, the fact that the rebellion against her centers around the war issue, could spell big trouble for her in the near future.

Blair Calls Chirac After Summit with Bush

According to *AFP*, Blair called Jacques Chirac this morning to inform him of the results of the summit with Bush. Both reportedly agreed on "the importance of the role to be entrusted to the United Nations after the conflict." Chirac communicated to Blair "his worry about the developments of the war and its consequences" and repeated to Blair "his wish that military operations would end as fast as possible with the least possible damage." Both leaders reaffirmed their common desire "that France and Great Britain work closely together" in the aftermath of the Iraq war.

De Villepin Infuriated at *New York Times* Reports of His Remarks in London

French Foreign Minister Dominique de Villepin is said to be furious at the *New York Times* allegations of remarks he made at a London press conference March 27. The *Times* report, which has also been run on numerous European and other international media, claims that in response to a journalist's question, the French diplomat said he is in favor of the Americans winning the war in Iraq.

De Villepin declared in Paris that the *Times* report was a falsification, and he had never said what it wrote. Instead, he had told that journalist that he would not answer his question about preferences in this war, because the journalist had apparently not listened to what de Villepin had said before, at the press conference—during which he had endorsed the return of the Iraq issue to the United Nations agenda.

French diplomatic sources in Paris interpreted the *Times* story as a disinformation move designed to create obstacles for de Villepin on the eve of his meeting with the Foreign Ministers of Germany and Russia in Berlin and Moscow, respectively, this past weekend.

IMF: One More Financial Shock Could Do It

One more financial shock could be too much, says IMF Director Gerd Haeusler. On March 27, the International Monetary Fund presented its semi-annual "Global Financial Stability Report" at a press conference in Frankfurt. Haeusler, who is responsible for the report, noted at the event that banks in the U.S. and Europe have so far survived a series of very severe shocks in the recent years. However, any additional shock might be too much for some financial institutions.

He said: "Three years of heavy losses have weakened the financial institutions—in particular European insurers, which are still very much engaged in stocks. There is the danger of a vicious circle: In order to receive liquidity, insurance firms are selling stocks into a falling market, thereby worsening their solvency parameters." The bankruptcy of a single insurance firm, said Haeusler, might not pose such a high risk for the stability of the financial system as the bankruptcy of a bank. But due to the rising volume of credit derivatives, the fate of insurance firms and banks is ever more inter-related.

Very dangerous as well, he emphasized, is the exposure of the U.S. "Government Sponsored Agencies" (GSA). Should long-term interest rates go up, the bond prices of Freddie Mac and Fannie Mac, as a consequence of their exposure to mortgage credits, would sink much more rapidly than government bonds.

In the present situation, Haeusler stressed, he cannot present any outlook for the world economy or financial system. Whether the Iraq war will be short or not, "post-conflict uncertainties," including high geopolitical risks, will definitely prevail for a longer time.

Russia and Central Asia News Digest

Putin, Ivanov Lay Down the Line on Iraq

With a toughness unparalleled from Russia since the days of the "Cold War," Foreign Minister Igor Ivanov addressed the Russian Federation Council March 26, on the official Russian government position concerning the war on Iraq. Two days later, President Vladimir Putin told members of Parliament that the crisis was one of the most serious since the end of the Cold War. Putin said that the war was "in danger of rocking global stability and the foundations of international law," and that "the only correct solution to the Iraqi problem is the immediate end to military activity in Iraq and the resumption of a

political settlement in the UN Security Council."

Ivanov's speech is excerpted here (for an earlier elaboration of Russian views by Ivanov, see [INDEPTH](#), this issue).

He said: "It is already six days since large-scale military operations were launched, in violation of decisions of the UN Security Council, and in contradiction with the norms of international law. As President Putin stressed, the Iraq crisis has gone beyond the bounds of a regional conflict, and represents today a potential source of instability for other regions of the world.

"Already today, it becomes more and more obvious, how far removed from reality are the attempts, to present the military operation against Iraq as a triumphal campaign for 'liberation' of the Iraqi people with minimal destruction and human losses. Rocket and bombing strikes of enormous destructive power have been mounted against Baghdad and other Iraqi cities. As a result of massed bombardments, the number of victims is increasing, including in the civilian population. Historical and cultural monuments have been irretrievably damaged. The country's infrastructure is being destroyed, and its population deprived of electricity and water....

"All of this confirms the correctness of the evaluation of the war as a serious political mistake, made by President Putin on March 20....

"Russia together with other members of the Security Council, did everything possible, to avoid a military course in the Iraq problem. We believed, and continue to believe, that there are no solid reasons whatever, for launching war. Nobody provided convincing evidence, that Iraq supported international terrorism. And nobody demonstrated, that Iraq represents a military threat to any nation whatsoever....

"Unfortunately, the chance [for peace] was wasted, insofar as the USA and Great Britain set the main priority, not on the disarmament of Iraq, but on changing the political regime in that country. This violates not only the resolutions of the Security Council, but also the basic principles of the UN Charter....

"The attempt to impose this or that political structure upon a sovereign state is not only illegal, but is doomed to failure....

"The danger of a military solution of the Iraq problem lies also in the fact, that one illegal act inevitably leads to a further one. How can one otherwise understand, for example, the demand by the USA, that other countries should break diplomatic relations with Iraq, expel Iraqi diplomats, and freeze the bank accounts of Iraqi representatives? This concerns not a regime in Baghdad, but a sovereign nation, a member of the UN. Incidentally, we officially demanded from the USA, to supply the legal basis for such a demand....

"We continue to be committed to acting against any attempt to directly or indirectly legitimize the use of force against Iraq....

"This is why we consider, that there exists today no task, more important, than to stop the war immediately."

Russians Seek New UN Initiatives

In his March 26 Federation Council speech, Foreign Minister Ivanov presented three essentials to be discussed at a special session of the UN Security Council:

- 1) Instant cessation of war, return of Iraq issue to the agenda of the UN Security Council;
- 2) Review of the acute situation in Iraq, in terms of humanitarian needs, scope of destruction, and the like. If need be, UN blue helmets should be deployed to maintain order and security in Iraq;
- 3) Continuation of weapons inspections, with inspectors being allowed access to sites of interest, in Iraq.

Ivanov also observed that the present composition of forces at the Security Council did not correspond to the need to have all continents equally represented. Thus, he said he would like to see India, Germany, Japan, and other leading nations of Asia, Africa, and Ibero-America be seated as permanent members there. Such a reform would have to be discussed and supported by the majority of UN member states, through the General Assembly, he said.

Immediately after the Anglo-American invasion of Iraq, the Russian State Duma on March 21 called for President Vladimir Putin to ask the UN to deploy peacekeeping forces to Iraq, to intervene between the two parties. The resolution, passed 254-45, also called for Putin to "initiate the convocation of a special UN General Assembly session to discuss the aggression initiated by the U.S., Britain, and their allies," and restoration of Iraq by the UN following the war.

On March 25, Speaker of the Duma Gennadi Seleznyov issued a separate call for three measures be taken: 1) immediate cessation of war in Iraq; 2) rehabilitation of Iraq under United Nations control; 3) lifting of sanctions against Iraq. Noting the failure of the paralyzed UN Security Council to reach any decision, Seleznyov called for an emergency session of the UN General Assembly, to put an end to the war. "Citizens in the majority of countries insist on stopping the war," which should make it possible to convene such an emergency session of the UN, Seleznyov added.

Addressing the Duma March 21, Foreign Minister Ivanov said that the UNSC must "come up with a resolution that is not just an emotional outburst, but will have international effects," in regard to declaring the invasion an act of aggression.

General Ivashov Again Warns of Possible U.S. Nuclear Weapons Use

Interviewed on the popular radio station *Ekho Moskvy* on March 27, Russian General Leonid Ivashov pointed to the likelihood that a provocation would be staged to provide a pretext for U.S. or Israeli use of nuclear weapons in Iraq. Formerly chief of the Russian Defense Ministry's international section, Ivashov now works as a strategic analyst. He said the nuclear strike would most likely occur as "an answer" to an alleged Iraqi chemical or biological attack on Anglo-American forces. In fact, Ivashov claimed, Iraq is neither able to nor interested in launching such an attack. But given the fact that "lies and provocations have become the essence of U.S. policy" (Ivashov said), the danger of a staged incident, accompanied by a huge propaganda hype, is very large.

Asked why he thought a nuclear attack on Iraq is likely, Ivashov cited two reasons: First, the Anglo-Americans have not deployed sufficient ground troops to actually capture Basra, Kirkuk, Mosul, and other fortified Iraqi cities. This much "should be clear to anyone who has studied military science," Ivashov declared. Second, Ivashov pointed to the evidence of many U.S. official documents and statements, including by Defense Secretary Rumsfeld himself.

Ivashov elaborated the same analysis at a March 24 Moscow press conference. He warned that U.S. forces went into the Iraq war on the basis of propaganda, rather than real preparedness for the kind of combat they face. Now, the invaders' situation in Iraq will worsen, he said, and since winning this war is a matter of saving face, the Americans could be tempted to use small nuclear weapons. Commenting on the acute problems the U.S. and British troops have faced around Iraq's southern ports and at Nasiriya, Ivashov said that the Americans do not know really what storming a city implies. The fact that they were not welcomed as liberators but met strong Iraqi resistance, has deeply shocked them.

Russia Denies U.S. Charges of Sanctions-Busting

Russian Foreign Minister Igor Ivanov denied U.S. charges that Russian firms sold military communications equipment to Iraq, in violation of UN sanctions. Speaking March 24, Ivanov said, "Russia strictly fulfills all its international obligations and has not supplied any equipment, including military, to Iraq, in violation of the sanctions regime." He added that the United States had been asking about such sales since October 2002, and that each alleged case had been investigated.

Iraq War Causing Deterioration of Russian-American Relations

"The Iraq war is bringing about a deterioration in American-Russian relations that is deeper than you may think," a Russian strategic analyst observed in a March 24 conversation with *EIR News Service*. "There is great anger at the *Washington Post* article of yesterday [March 23], claiming that the Russians have sent armaments to Iraq. There is anger at the Americans, that is growing qualitatively and quantitatively. It is especially strong in the Russian military, and this is very dangerous. It will not be easy to stop. There are now growing calls, for Russia to supply military equipment to Iraq, to help the Iraqis, and to boycott American goods."

The United States has officially complained to Russia that Russian companies have in fact supplied Iraq with proscribed military equipment (see preceding slug).

In his March 26 Federation Council speech, Foreign Minister Ivanov demanded that the United States desist from taking steps that would endanger long-term relations with Russia. He said Russia is "seriously worried, about the attempt of certain circles in the USA, to draw Russia into the 'information war' around Iraq" by charging Russian companies with supplying Iraq with military hardware. "President Putin reminded President Bush in a telephone call, that the Russian side had repeatedly provided information about the non-existence of such deliveries. I would add, that we made the most serious efforts to check American accusations on this matter, but no facts whatsoever were found."

Meanwhile, the Russian press is full of stories about a "diplomatic war" breaking out between the Russian government and the Bush Administration.

On March 26, Ivanov told the Russian press that only "after the solution of the Iraq conflict is returned to the Security Council, will it be possible for the Russian government to work for a ratification of the disarmament agreement" between the U.S. and Russia. The Duma has deferred consideration of the Strategic Arms Reduction Treaty.

Russia Tests ICBM; Says Unrelated to Iraq War

The Russian military carried out a successful test-launch of a Topol intercontinental ballistic missile, from its northwestern Plisetsk base on March 27. "This has nothing to do with Iraq," an officer at the Russian Strategic Missile Forces press service told *Agence France Press* by telephone. "This had been in the planning for months."

Chechnya Referendum for Unity with Russia Passes

With voter turnout reported at above 85%, people in the Republic of Chechnya overwhelmingly approved a referendum calling for the territory to remain part of the Russian Federation. The vote in favor of a new draft Constitution and draft laws on Presidential and Parliamentary elections, worked out by the Akhmed-Hadji Kadyrov Administration in coordination with Moscow, was held on March 23, and came in at over 96% in favor. President Putin welcomed the result as "positive," while Kadyrov told *ITAR-TASS* March 24, "The people of Chechnya have said 'yes' to its new Constitution,

which clearly defines the status of our republic as an inalienable part of the Russian Federation."

Still, active leaders of the attempt to break away from Russia—Aslan Maskhadov and his associates—denounced the vote as a "pseudo-referendum" without legitimacy. Many voters said they supported the referendum in order to finally stop the fighting that has lasted for more than a decade.

Putin Continues To Revamp Security Services

On March 25, President Vladimir Putin signed a number of additional decrees, completing the reform of the intelligence services and determining the future of the dissolved institutions. According to *Kommersant*, the functions of the dissolved Federal Agency for Government Communications and Information (FAPSI) will be distributed between three other services—the Federal Security Service (FSB), the Federal Guard Service (in which a Special Communications Directorate has been established), and the Foreign Intelligence Service (formerly the First Directorate of the Soviet KGB).

Additionally, Putin has carried out his promise to establish a new service, the Federal Economic and Tax Crimes Service, which will include most of the personnel of the dissolved Tax Police Service (FSNP), along with the Internal Affairs Ministry's Economic Crime Directorate. The Federal Economic and Tax Crimes Service will be subordinated to a special Deputy Minister of Internal Affairs Interior—Gen. Sergei Veryovkin-Rokhalsky, a former deputy of the FSNP's Director Mikhail Fradkov. On the day of the reorganization, the Prosecutor General's Office, with assistance from the internal security department of the reformed Tax Police Service, detained two top tax police figures, seizing them red-handed, for receiving a \$20,000 bribe. These were Sergei Platonov, deputy head of FSNP's Inspection Department, and his subordinate Mikhail Petrovsky.

British Lord Bails Out Berezovsky

Exiled Russian business magnate Boris Berezovsky was detained by British police March 25 on an arrest warrant issued in Russia. He and his partner Yuly Dubov (general director of Logovaz trading company, author of a novel called *The Big Share*, and script-writer of its screen version, *The Oligarch*, glorifying Berezovsky and himself) had been wanted for the past month, on charges of embezzling funds from Aeroflot, the Russian national airline, in 1994-95.

Within hours, Berezovsky and Dubov were released on the request of Lord Bell, a former aide to Prime Minister Margaret Thatcher and ex-Soviet dissident Vladimir Bukovsky, among others. According to *Kommersant*, the pair will be represented before a London magistrate by Peter Carter-Ruck & Co., "one of the best London-based law agencies," which has worked for Berezovsky since 1998, when he launched his "Caucasus Common Market" economic project with Thatcher intimate Lord Alistair McAlpine and Chechen racketeer Hozhakhmed Nukhayev.

Mideast News Digest

Now Rumsfeld Threatens Syria and Iran

Demonstrating why Democratic Presidential pre-candidate Lyndon H. LaRouche, Jr. has warned that the current war against Iraq—unless stopped—is a "perpetual war" that will destroy civilization, on March 28 Secretary of Defense Donald Rumsfeld threatened Syria and Iran at a Pentagon briefing. Rumsfeld charged that military supplies are known to be crossing the border from Syria to Iraq, including night-vision goggles. He said these shipments pose a direct threat to coalition forces, and added that: "We consider such trafficking as hostile acts and will hold the Syrian government accountable."

He next went after Iran, saying that armed members of the Supreme Council for the Islamic Revolution in Iraq, sponsored by Iran, are known to be entering Iraq from Iran, and that such forces will have to be treated as combatants by the United States. "We will hold the Iranian government responsible for their actions," he said. Previously, Pentagon civilian warhawks had cited SCIRI among the anti-Saddam groups that would join with the U.S. in overthrowing the regime in Baghdad.

Arab League Combines With Others at UN To Call for Halt to War

On March 24, the Arab League issued a nearly unanimous resolution that called for immediate withdrawal of the U.S. and British forces from Iraq, and condemned the "aggression" against Iraq. Arab League Secretary General Amr Musa of Egypt also said the League will be calling for "an emergency session of the UN Security Council to consider demanding an end to the war." Arab League member Syria is a rotating member of the UN Security Council.

At the March 26 UN Security Council open debate on Iraq, many Arab League members called for an immediate cessation to the U.S.-U.K. war against Iraq, according to UN press releases, and some called for Syria to introduce a resolution to this effect. Among the Middle East participants in the open debate were:

*Iraq's Mohammed Aldouri, who said the U.S. and Britain had launched an aggressive war, which constituted a blatant material breach of international law and the UN Charter; also, it was a material breach of Security Council resolutions that called for respect for Iraq's sovereignty. He called on the Council to stop the aggression, and to demand the withdrawal of U.S. and British forces from Iraq. He chided the Council because, instead of considering the aggression itself, it had been busy discussing the humanitarian aspects of the problem. Wasn't that putting the cart in front of the horse?

*League of Arab States observer Yahya Mahmassani said that the resolution adopted at the end of the League's Council meeting on March 23, had stated that the aggression against Iraq was a violation of the UN Charter and the principles of international law. In addition to the demands cited above, the League had called for a reaffirmation of the sovereignty and territorial integrity of Iraq. The waging of war against Iraq was not based on the issue of weapons of mass destruction, he said, but on the imposition of absolute power. Instead of one occupation (Palestinian), there were now two to deal with.

*Algeria's Abdallah Baali said the use of force against Iraq did not meet the criteria of international legitimacy. His country endorsed the resolution adopted by the Arab League. He called for strict respect for independence, sovereignty and territorial integrity of Iraq. The United Nations, he insisted, must call for an immediate cessation of the conflict.

*Egypt's Ahmed Aboul Gheit said the Council must call for the immediate cessation of fighting in Iraq, as well as initiate political action to achieve a peaceful settlement. In addition, the Council must insist that the sovereignty of Iraq be maintained, and urge all parties to respect the principles of international law.

*Yemen's Abdullah Alsaïdi said that the military invasion was in no way justified, that it constituted a flagrant violation of international law and the Charter. The policy of regime change was an act of aggression against a Member of the UN. The international consensus against the war, must be crystallized into a UN policy.

On the following day, March 27, the Security Council members themselves had an opportunity to speak after nearly 70 non-members had addressed the Council during the previous two days. Rather than discussing—as had the non-members—the need for immediate cessation of the invasion, the Security Council focussed on a resolution to extend the Iraqi oil-for-food program. But still, key Arab League members tried to focus the debate upon stopping the war, including:

*Syria's Fayssal Mekdad urged the Security Council to make every effort to end the destructive war that was waged in

flagrant violation of international law. Unilateral action by the U.S. would lead, he warned, to grave consequences—divisions and chaos in international relations. The U.S. aggression would be recorded as a "black page in history."

*Saudi Arabia's Fawzi bin Abdul Majeed Shobokshi warned that the Arab and Islamic region was facing a war that had grave repercussions on the international system and on international relations. Reason dictated that military action against Iraq be brought to an immediate halt, that foreign forces be withdrawn, and that diplomatic efforts be resumed.

*Jordan's Zeid Ra'ad al-Hussein, citing the Arab League Resolution, said Jordan was part of an effort to end the hostilities as quickly as possible.

U.S. Fears Turkish 'War Within a War'

On March 23, reports appeared in the sensationalist *World Tribune.com*, as well as other wire services, that thousands of Turkish troops were "pouring into Iraq." Turkish Foreign Minister Abdullah Gul was quoted as allegedly having said: "As an independent state Turkey does whatever it pleases. ... We don't want to be misunderstood and therefore we are discussing this issue with our ally" (the United States). However, on March 22, the Turkish government denied sending 1,500 troops into the Kurdish area of Northern Iraq.

On March 26, *Radio Free Europe/Radio Liberty* reported that the European Commission had offered Turkey significant funding to stay out of Iraq. The European Union offered to double financial assistance in the years 2004-06, from 500 million euros (U.S. \$532 million) to 1 billion euros. At the same time, EU Enlargement Commissioner Guenter Verheugen issued a strong warning to Ankara: "[We want to] make it very clear that any crossing of Turkish troops into northern Iraq is undesirable and will have to be taken [into] account in the final assessment of whether Turkey is ready to accede [to the EU]."

Despite this bribe and warning, Turkey's Chief of Staff Gen. Hilmi Ozak said on March 26 that Turkey would "coordinate" with the U.S. before sending troops into northern Iraq, taking some of the edge off the statement by Foreign Minister Gul. Gen. Ozkok said that, "because our strategic ally, the United States, is still in war in the region, our action will be in coordination with the U.S." But the General added that "instability arising from an attack against our forces, a massive refugee flow ... an attack by one of the regional forces against another, or against civilians, is our most important security concern. If there is increased threat or danger and if ... our forces already there would not be able to prevent it, I think the Turkish Armed Forces could decide to send in additional troops."

Basra Faces 'Humanitarian Disaster'

On March 24, according to a UN transcript of his briefing, UN Secretary-General Kofi Annan citing reports from the International Red Cross said that Basra faces a "humanitarian disaster ... in that they have no water and they have no electricity." (The shutoff of electricity destroys the ability to make water potable, which had been said to be a major cause of some 1.5 million civilian deaths in 1991—far beyond the actual Persian Gulf War damage—because of the outbreak of cholera and diphtheria, particularly among those under 5.) According to Annan, the main water treatment plant which supplies the city has not been working since March 21, when the electricity was cut. "A city of that size cannot afford to go without electricity or water for long," Annan said, adding that: "Apart from the water aspect, you can imagine what it does for sanitation." Daytime temperatures can reach 104 degrees F at this time of year.

State Department spokesman Richard Boucher rejected any assertion that there was any "humanitarian crisis in Iraq at this time." In the case of Basra, he countered that the Red Cross says it has been able to get 40% of the water supply back up and running already. The Iraqis had made it very difficult to get humanitarian aid in by mining the ports, he complained;

Boucher later had to admit under questioning, that mining a harbor against an invading power is a legitimate act of self-defense!

Syria and Iraq Say U.S. Practicing 'Law of the Jungle'

On March 27, according to a UN press release, Syrian and Iraqi officials, speaking at a UN Conference on Disarmament in Geneva, said that the U.S. is following "the law of the jungle" in the attack of the stronger upon the weaker. A debate then erupted between Syria and Iraq on one side, and the U.S.-U.K. on the other, at a conference that was supposed to deal exclusively with methods of disarming countries that purportedly possessed weapons of mass destruction.

The representative from Syria intervened, charging that the war against Iraq had nothing to do with international law, but was "the law of the jungle," where thousands of innocent Iraqis were being killed. It was an aggressive war that was unjust, said Suleiman Sarra. Supposedly the war was for disarmament; yet, Israel had a stockpile of unacceptable weapons, and little was being done to report on, inspect, or eliminate those weapons. He urged the Security Council to find a peaceful solution to the crisis.

Iraq's representative, Nawfal al-Basri, said the UN should intervene to put an end to this illegitimate aggression, which flagrantly violated its Charter. The U.S. actions enshrined both the "law of the jungle," he charged, and scorn for international legitimacy. This war was being waged not only against Iraq, he asserted, but against the Arab world as a whole.

State Department Picks 'Frontmen' for Iraqi Proconsul

On March 16, according to *The Washington Times*, the U.S. State Department named more than 30 Iraqi exiles, who are mostly living in U.S., to make up the professional core of a new Iraqi government. Describing themselves as the "frontmen" of the new government, many of these are already working with the U.S. Treasury, Defense, and State Departments. They are said to have been picked for their professional skills; members of the Iraqi National Congress are not prominent in the group.

EIR Middle East Expert on Iranian National TV and Radio

Muriel Mirak-Weissbach, a member of the Editorial Board of *EIR*, was broadcast on March 27 on Iranian Channel 1. The questions asked her in a 30-minute interview, included the following: If the UN did not approve the war, do you consider it legal or illegal? If it is illegal, how do the U.S. and U.K. think they can build institutions in postwar Iraq? How do you evaluate the demonstrations against the war in the U.S. and Europe? Who is responsible inside the U.S. for the war? How can expansion of the war be prevented? Is there any role for the UN in this, if the UN failed to prevent war? How do you evaluate U.S. and U.K. claims that they want to introduce democracy into Iraq? What about the oil factor?

The answers drew on recent statements by Lyndon LaRouche, particularly his remarks during and following the recent Bad Schwalbach international conference of the Schiller Institute.

Labor Party and Histadrut To Oppose Israeli 'Killer Budget'

On March 26, the Israeli Cabinet approved what the newspaper *Ha'aretz* described as a "killer austerity budget," that may prove to be the Achilles heel of the Sharon government (see [ECONOMICS DIGEST](#)). The Histadrut trade-union federation, which has historic ties with the Labor Party, has already announced it will take job actions, and even threatened to organize a general strike. Already hundreds have demonstrated in front of Sharon's office, protesting the proposed cuts

to welfare.

According to *Ha'aretz* of March 24, the Histadrut had declared a nationwide dispute against this budget hatched by the new Finance Minister, the brutal Benjamin "Bibi" Netanyahu, which would slash public sector jobs and pay.

Shlomo Shani, chairman of the Histadrut's unions department, said, "Decisions cancelling collective wage agreements between Histadrut and public-sector employees that were signed decades ago and have been renewed periodically will not pass quietly. These agreements regulate the employment conditions of hundreds of thousands of employees. The government is abusing its power in order to rescind on its own commitments and intervene in labor relations."

And, on March 28, Labor Party chairman Amram Mitzna said: "The economic terrorism of the Likud government will strike more victims than any other terrorism."

The Labor Party will set up a joint staff for opposition parties and social organizations to spearhead and coordinate a fight against the plan. It will be headed by Labor Party Secretary General Ophir Pines-Paz and the group will launch a series of protest actions, including demonstrations in Jerusalem and Tel Aviv, court petitions, a filibuster in the Knesset (the Israeli Parliament), protests outside the ministers' homes, and the forming of a human chain around the Prime Minister's office.

Also opposing this murderous budget is Meretz, one of whose Knesset members, Haim Oron, said: "We can delay the plan's approval until the eve of next year."

Palestinian 'Killing Fields' Ignored as Iraq War Starts

Focussed on Iraq, the world has been ignoring the mounting toll of, now, 2,200 Palestinians killed by the Israel Defense Forces (IDF) since September 2000, including 429 young children and 114 women. The killings are become so routine and automatic, that even when the IDF carried out a "targetted killing" of two of its own Israeli security guards, in an open field in the West Bank on March 14, hardly any complaint was heard inside Israel. On March 16, the Israeli newspaper *Ha'aretz* finally wrote, "The IDF, from an army of values, is becoming a terminator."

Asia News Digest

Mahathir: UN Must Force Withdrawal from Iraq; Annan Should Resign

Prime Minister Mahathir bin Mohamad of Malaysia ridiculed U.S.-British talk of "rebuilding Iraq," and demanded that the United Nations act to force a withdrawal of the U.S.-led coalition, the *New Straits Times* reported March 25. Mahathir also called for Kofi Annan to resign as UN Secretary General. The Malaysian Prime Minister, who cut short his annual two-month vacation to take national and international leadership in the resistance to U.S. unilateralism, told a press conference at the Parliament that, "rather than being futuristic by discussing the rebuilding of Iraq after the ongoing destruction, the UN should be realistic and practical in addressing the demise of international law and the suffering of innocent Iraqis."

As to Annan, Mahathir said he should resign for having failed to stop the aggression against Iraq, adding that "the problem with the Secretary General [is that] he is not a free agent, he is very much subject to pressure, and therefore, whatever he says is not reflective of the opinion of the UN."

U.S. Threatens Non-Aligned: Emergency UNGA Session Would Be 'Unhelpful'

The United States has issued a threatening letter to the nations in the Non-Aligned Movement and others, warning against any call for an emergency UN General Assembly session as "unhelpful," and as a move "directed against the United States." Several countries of the Non-Aligned Movement, led prominently by Indonesia, are demanding activation of UN Resolution 377, "Uniting for Peace," which allows for the convening of an emergency General Assembly session, whenever the "Security Council has failed to exercise its primary responsibility for the maintenance of international peace and security, because of the lack of unanimity of the permanent members."

According to *IPS*, the letter tells the nations that, as long as the Security Council remains "seized" on the matter, the General Assembly has no voice, and must refrain from taking action.

IPS quotes from the U.S. letter: "We urge you to oppose such a session, and either to vote against or abstain, if the matter is brought to a vote.... [A] GA session could also further reinforce Iraq's belief that it has divided the international community, and is under no obligation to comply with SC resolutions. Finally, we are concerned that the staging of such a divisive session could do additional harm to the UN."

A second possibility for convening an emergency session of the UN, is for the Standing Emergency Session on the Mideast Crisis to be reconvened. The *IPS* wire also stated (as was confirmed by the UN spokesman for the Secretary General) that an emergency GA session under Resolution 377 was called in 1997, has met several times, the last time being in August 2002, and is still open. Thus, any nation can reopen that session, which can then move on the Iraq issue.

President Bush Courts India for Help in Iraq War

"The U.S. President George Bush has spoken to me three times, saying that India must help the USA, as Saddam Hussein had left him with no option but to go for the attack," revealed Indian Prime Minister Atal Behari Vajpayee, according to the *Hindustan Times* of New Delhi.

Vajpayee said he told Bush that war was not a solution to any problem, and so could not help. Hoping the conflict would end soon, Vajpayee said: "I have written to the heads of many countries including China, Russia, France, and the U.S.A., as we are very seriously concerned with this war, which goes against the United Nations." Vajpayee also told the *Hindustan Times* that there was no need for "harsh words," although Delhi opposed the war.

The Prime Minister did not say what kind of assistance the United States was seeking from India. In the 1991 Gulf War, India had allowed the United States to refuel planes in its territory.

North Korea Suspends Talks with South on War Threat

Park Chang-ryon, chairman of North Korea's Inter-Korean Economic Cooperation Committee, issued a statement March 22 that Pyongyang had cancelled economic cooperation and maritime talks with South Korea, scheduled for March 26-28. The talks were to have opened train service on the Trans-Korean Railroad; but that is now stalled again. Park accused Seoul of "pointing a sword" at the North, after the South raised its military alert level March 21, due to the war in Iraq. Park also referred to the enormous U.S.-ROK joint military exercises for which stealth bombers and the aircraft carrier Carl Vinson were moved from San Diego, Calif. to Korea for the first time—all simulating an invasion of North Korea on a beach in the South.

Seoul sources said the cancellation was quite serious, and occurred for other reasons. "Talks in fact collapsed due to two events which Pyongyang reads as an attack on cooperation, under pressure from Washington," one Roh official said. First, the North is "highly distressed" by South Korean President Roh Moo-hyun's decision to send 700 troops to Iraq, "and what

that implies for the ability of extremists in Washington to get what they want" from the South.

Second, he noted, South Korea's just-retired President Kim Dae-jung is about to be indicted in an insane "scandal," charging that Kim's government illegally gave Hyundai Corp. \$500 million which was used to "bribe" North Korea into holding the landmark June 2000 Inter-Korean Summit, resulting in Kim's winning the Nobel Peace Prize. Kim is being charged with illegally using taxpayers' funds to buy his Nobel Prize. Such a trial could paralyze South Korea.

"To the North, this investigation has come as more of a shock than Seoul's decision to dispatch troops," another official said. "It means a fundamental attack on North-South cooperation is to be blown up by the South Korean media." Such an attack on President Kim would clearly be another U.S. Chickenhawk operation.

President Roh Tries To Reassure South Korea that U.S. Will Not Invade North

South Korean President Roh Moo-hyun said that the United States has assured him that it will not invade North Korea, the *Korea Herald* wrote March 24. There is talk at home and abroad that North Korea may be the next target for the U.S. war campaign, but "responsible U.S. officials have not raised any such possibilities," Roh said to his advisers, according to his spokesman Song Kyoung-hee. Roh continued: "We should respect the opinions of responsible U.S. officials that North Korea is different from Iraq, and the nuclear issue should be resolved through peaceful means."

While Roh is trying to speed up North-South cooperation projects, he also has called on the National Assembly to vote to send non-combat troops to Iraq, although there is mounting anti-war sentiment in the country, and the North reads this as the South's capitulation to the U.S. policy of unilateral wars.

Iraq War Produces Tension on Korean Peninsula

"Tensions Running High on Korean Peninsula with War in Iraq," noted the *Los Angeles Times* headline March 24, saying that both South and North Korea "are closely watching the situation in Iraq, concerned that the Bush Administration might target North Korea next. People on both sides of the border believe that toppling of Saddam Hussein will embolden hard-liners in the Bush Administration to go after North Korea," they write. United Nations Special Envoy Maurice Strong, who visited Pyongyang last week, told reporters March 23 in Beijing, that the North Koreans are watching the war in Iraq "very carefully and with deep concern, and questioning what this means in terms of the U.S.'s ultimate intentions toward them."

Korean Youth Movement Opposes Roh's Support for Iraq War

"Nosamo" ("we love Roh"), the main youth-movement group which elected South Korean President Roh Moo-hyun, announced March 24 that almost all of its 82,000 members are against the President's decision to send 700 Korean troops to Iraq. A poll taken by their website, one of the most publicized in Korea, showed an overwhelmingly majority against the war.

"An internal Blue House survey showed 80% of South Koreans oppose the U.S.-led strike on Iraq," said an official close to Roh. "No one believes it when Roh says that we must cooperate with Washington's requests regarding Iraq, in order to hold Washington to its promise not to attack North Korea," a Nosamo representative told the *Korea Times*. "Everyone, including in Pyongyang, now believes that Roh is doing this simply because he's been told that otherwise, Rumsfeld will follow up on his threat to withdraw the troops, and then Washington will believe that the field is wide open for a U.S. strike against North Korea." That is, Roh is being told to follow orders "or else."

Demonstrations at South Korean Parliament Block Troops to Iraq

The Seoul National Assembly, at the last minute, postponed a vote on President Roh Moo-hyun's dispatch of 700 Korean "non-combat" construction and medical troops to the war zone in Iraq March 25, after thousands of activists staged a protest rally in the plaza in front of the Parliament building.

Protesters attempted to rush the main building, causing riot police to be called in. A host of civic organizations warned that lawmakers voting for the motion will face fierce rejection campaigns during elections next year. The influential Korean Bar Association ruled the war on Iraq illegal, and South Korea's two main umbrella labor groups, with more than 1.6 million members, threatened a general strike, if the assembly approves troops.

Even the opposition Grand National Party, which is closely connected to the warhawks at the American Enterprise Institute in Washington, and which controls 65% of the seats in the National Assembly, is turning against the troop deployment. "Our party cannot go and take the blame for sending troops alone," GNP spokesman Suh Myong-rim said. "If we send troops there, South Korea would be recorded as a war criminal in history," said GNP parliamentarian Kim Hong-shin. Lawmakers from both parties issued a rare joint statement, threatening a filibuster to stop the bill. At this point the chairman of both parties agreed to put the motion back to April 2, when President Roh Moo-hyun is to address the Assembly—so the troops are not going anywhere for now.

U.S. Ambassador Draws Fire Comparing Saddam to Marcos

U.S. Ambassador to the Philippines Francis Ricciardone betrayed his cultural and historical ignorance, proclaiming in a televised interview that the intent to bring about "regime change" in Iraq is just like the ouster of former President Ferdinand Marcos in 1986.

While the U.S. was principally responsible for ousting Marcos in 1986, the cultural/political lore of the Philippines—that the power that dumped Marcos was "People Power," the EDSA I revolution, and those who have assumed that mantle—exploded against Ricciardone's remarks, led by Sen. Joker Arroyo, former Executive Secretary to President Corazon Aquino, who succeeded Marcos.

Marcos' daughter, Congresswoman Imee Marcos, issued a thank-you to Ricciardone, saying: "Thank you, Ambassador Ricciardone, for confirming our worst suspicions of American intervention in the Philippines and other small sovereign states."

China Initiates 14 New Infrastructure Project in Western Regions

The Chinese government has decided to launch an additional 14 key infrastructure projects in the western regions of the country, an official told the *China Daily* March 25. The total investment involved will be more than 130 billion yuan (U.S. \$15.7 billion).

Projects include construction of roads, railways, power stations, water and land management, forestry, anti-desertification projects, and urban infrastructure. The Leading Group for Western Regional Development, the national group responsible for economic development of the China's 12 western provinces and regions, said, "We aim to make a breakthrough with regard to the infrastructure situation in the region by 2010."

Over the past three years, 36 projects have been under construction, with 270 billion yuan (U.S. \$32.5 billion) invested. While there has been real progress since the "Develop the West" campaign was begun in 1999, the western regions still lag behind eastern China economically. Therefore, Beijing will further strengthen support of the region with advantageous tax

policies and transfers of funds.

Arab Nations Urge Japan To Press U.S. To End War

Tokyo Ambassadors of 16 Arab nations, plus Iran and Indonesia, on March 25 urged Foreign Minister Yoriko Kawaguchi to make efforts "to achieve an immediate end to the U.S.-led war on Iraq," Japanese Ministry officials said. An Arab diplomat was quoted as telling Kawaguchi in a meeting that Arab nations strongly hope the "tragedy" will come to an immediate end, and that Japan should cooperate with the international community toward that goal.

Such pressure on Japan "indicates that Arab states may be thinking of using their oil weapon, one Tokyo source said." Kawaguchi told the envoys that Japan supports the use of force to disarm Iraq, but expressed hope it will be a quick war with a minimum number of casualties, the officials said. The request by the Arab nations follows a resolution adopted at a March 24 meeting in Cairo by Arab League ministers, which declared the war on Iraq a violation of the UN Charter, and demanded the immediate and unconditional withdrawal of U.S. and British forces.

Africa News Digest

African Leaders Respond to Iraq War

On the eve of the Iraq war, Presidents Thabo Mbeki of South Africa, Olusegun Obasanjo of Nigeria, and Abdoulaye Wade of Senegal, in coordination, each sent a letter to George W. Bush, Saddam Hussein, and Kofi Annan. They urged Annan to bring the matter of the war to the UN Security Council, as urgently as possible. They said Saddam must comply satisfactorily with UN Resolution 1441. Obasanjo wrote, "We in Africa are apprehensive that any war in Iraq will have monumental effect on African development. The destructive effect would be universal ... [it would] further the destabilization of the Middle East [and] shatter world peace."

Archbishop Desmond Tutu of Southern Africa called the war an "evil war" because "One of the conditions for a just war is that it be declared by a legitimate authority. The United States is not a legitimate authority."

African Union Secretary General Amara Essy said the launching of war has caused grief and deep regret among African Union members.

Also speaking out were Kenyan Foreign Minister Kalonzo Musyoka, urging a diplomatic solution; Somali President of Transitional Government Abdulkassim Salat Hassan; the government of Mauritius, which called it a "Tragic day for Iraq and the world"; Moroccan King Mohammed VI, who said Iraq's independence, territorial integrity, and regional security must be respected; the government of Tanzania; and Tunisian President Zine Al-abidine Ben Ali.

Strong Condemnation of Iraq War in Muslim Africa

Particularly in the Muslim nations of Africa, popular opposition to the Iraq war is prominently on display.

Police in Dakar, Senegal, used tear gas to disperse students demonstrating at the U.S. embassy. Students and lecturers also protested at the university, denouncing the "gangsterism" of the U.S. and its allies.

In Mauritania, "at least 20,000" people turned out to demonstrate in front of the U.S. embassy in Nouakchott, the capital. The March 24 protest was said to be the largest in living memory.

The Moroccan newspaper *Aujourd'hui* said that "Bush puts the whole world in danger." *Maroc-Ouest* compared George Bush to Osama bin Laden, Taliban leader Mullah Omar, and Saddam Hussein, saying they all use God to justify their wars.

In Tunisia, thousands attended peaceful rallies against the war.

Students in Khartoum, Sudan, held three days of protests, but clashed with police, resulting in one death.

In Kenya, the *Daily Nation* wrote, "Washington and London have been so intent on justifying an attack on Baghdad," that they have resorted to using evidence of Iraq having weapons of mass destruction "recycled from magazine reports."

In Uganda—which, like Kenya, has a significant Muslim minority—the government-run *New Vision* wrote on March 21, "The recklessness of the attack on Iraq may cause the existing world order to fragment. Iraq itself may break up into two or three ethnic units corresponding to the Ottoman provinces from which it was created."

Nigeria Will 'Resist Intimidation by Washington'

On March 21, Nigeria's Junior Foreign Minister Dubem Onyia summoned U.S. Ambassador Howard Jeter, and told him that Nigeria will "resist any intimidation by the U.S. over its stand on the Iraq question." Earlier the same day, Nigeria announced that the U.S.A. had suspended its military assistance, because of Nigeria's opposition to the war. The government statement said, "The decision [to cut aid] at this time when Washington has expressed its disappointment over Nigeria's position against the war in Iraq was sheer intimidation."

At a March 22 briefing, State Department spokesman Richard Boucher strongly denied that cutting Nigeria's aid had anything to do with "somebody's attitude towards Iraq." "It's a matter of longstanding U.S. policy," he said. The official reason given for the aid cut was the massacre of hundreds of civilians by the Army in Benue state in 2001. The aid is supposed to remain suspended until the massacre is investigated and the guilty are punished.

The U.S. restricted its embassy and closed its Lagos consulate and its international schools in Nigeria March 21, and Britain partly closed its missions. Similar measures have already been taken in South Africa and Kenya. The U.S. consulate in Cape Town is surrounded with razor wire.

Mbeki May Be Rethinking NEPAD in Light of Iraq War

South African President Thabo Mbeki told a meeting of church councils March 24 that the Iraq war and postwar reconstruction would push the New Partnership for Africa's Development (NEPAD) further down on the world agenda, drawing off resources that could have gone to Africa. But, he added, "In another sense, it may be a good thing that others around the world put Africa on the backburner. We will have to rely on ourselves, our own resources and our own efforts." He was addressing a joint conference of the World Council of Churches, All Africa Conference of Churches and South African Council of Churches in Midrand near Johannesburg, where 23 African countries were represented.

In "SA Despondent Over Failed Peace Mission," in the *Sunday Times* (Johannesburg) March 23, Ranjeni Munusamy wrote, "Under Mbeki's direction, South Africa threw itself into an all-out mission to avert war. The failure of diplomacy has led to an air of despondency at the Union Buildings [government offices]. 'He was very passionate about the issue. Whenever he spoke about Iraq, you could hear it in his voice. It has taken a toll on him personally,' said an aide." Mbeki's statements since the launching of war have been very subdued.

Kenyan Muslims Warn Government Not To Provide Logistical Support to U.S./U.K.

"Top officials of the Council of Imams and Preachers of Kenya, led by their chairman Sheikh Ali Shee and secretary Sheikh Mohammed Dor, said providing support to the war was a 'recipe for disaster,' " the *Nation* of Nairobi reported March 24. It continued, "Sheikh Shee advised the government to halt forthwith any negotiations that might involve Kenya in the war. He said anti-war feelings in the world were high at the moment, and any attempt to support the U.S. and British military actions would amount to endangering the lives of innocent Kenyans. Sheikh Dor warned that the Council of Imams may be forced to stage countrywide demonstrations if the government agreed to offer logistic support to the invasion of Iraq. 'We shall mobilize all Kenyans, regardless of religion, to demonstrate in the streets, because this grave danger does not know religion. Kenyans will be a soft target for terror attacks,' he warned."

Mombasa Catholic Archbishop John Njenga said, "The stand of the Church as given by Pope John Paul II is that this war is unjustified, and we stand by that."

The religious leaders were reacting to a story in the *Sunday Nation* March 23 that "64 top-level British and Kenyan military officials have held secret talks over Kenya's role in the war." The talks took place between March 13 and 18. A source told the newspaper, "The most Kenya could do would be in logistics like providing space for repair of equipment and vacation [for] fighters if it turns out to be a long drawn war."

Muslims demonstrated against the war peacefully in Mombasa March 21.

***Le Monde*: Coup in Central African Republic Backed by Chad To Protect Chad Oilfields**

"Chad can be expected to support militarily the 'friendly regime' it has just installed in Bangui [capital of CAR] as a way of providing security for its oil fields close to the Central African border, which are to begin producing this summer," *Le Monde* wrote March 25.

In Bangui, *Le Monde* says, "it is the Chadian army that is keeping order. Ten days after his coup d'etat, General Francois Bozizé is installed in power in Bangui under the protection of Chad, Congo-Kinshasa and France, whose soldiers have returned, four years after having 'definitively' left the CAR and closed their military bases. All political parties, even that of deposed President Ange-Felix Patassé, in exile in Togo, are ready to collaborate with the new regime, which has promised a 'transition by consensus' to return to constitutional order."

An extraordinary summit of the Economic and Monetary Community of Central Africa (CEMAC) decided March 22, not only to keep its contingent of 300 peacekeepers in Bangui, but to improve their effectiveness by integrating them with the Chad military force, according to *Le Monde*.

EIR notes that France's return to Africa might somewhat queer the pitch of U.S. plans, drawn up by an offshoot of the Institute for Advanced Strategic and Political Studies (Jerusalem and Washington), to grab African oil.

Opposition Leader in Zimbabwe Seeks Talks with Mugabe Government

South African President Thabo Mbeki, replying to questions in the National Assembly March 26, said, "The leader of the MDC is now saying 'please let us go back to these negotiations'—I agree with that and we'll try to do our best to help them achieve that objective." Morgan Tsvangirai, the leader of Zimbabwe's Movement for Democratic Change (MDC)—the opposition to President Robert Mugabe—when asked about Mbeki's statement, told *The Star* of Johannesburg, "It is a correct interpretation."

Until now, Tsvangirai has refused to resume talks with the government, saying they would have to wait until the MDC's court case—asking for the March 2002 election results to be declared invalid—is heard in April. And over March 18-19, the MDC led a successful two-day general strike, followed by the submission of a set of demands to Mugabe. The MDC said it would lead another, broader strike if the demands were not met within two weeks. But now, without any (public) concessions by Mugabe, Tsvangirai is asking for talks, saying that the talks can begin, even though MDC is not withdrawing its court case.

The request for talks, however, is not a substitute for the ultimatums and deadline issued after the general strike, Tsvangirai made clear at a press conference March 26 reported in Harare's *Daily News*.

In answer to questions, Mbeki said he would be "quite happy" for South Africa to host the talks, according to *The Star*. Mbeki criticized Mugabe's violent crackdown in the wake of the general strike, saying South Africa could never "agree with actions that deny the right of Zimbabweans to protest peacefully, democratically."

In response to opposition MPs' demand for "smart sanctions" against Mugabe, Mbeki replied, "It's okay to say that if you are in Canberra or London... but here, across the border from Zim, there is no possibility whatsoever, that the South African government will impose smart sanctions." He also repeated his earlier criticism that land redistribution had to meet the needs of both black and white farmers.

Earlier, the South African government "cautiously welcomed" the mediation by Anglican Archbishop of Cape Town Njongonkulu Ndungane. Ndungane is serving as a back-channel between Harare and London at Mugabe's request, with Pretoria kept informed of progress.

Ivorian President Makes Concessions to Opposition Party

President Gbagbo of Ivory Coast has made major concessions to the opposition RDR party of Alassana Ouattara, but the RDR-allied MPCCI rebels are still not happy. Gbagbo has appointed Henriette Dagri Diabaté, who is number two in the RDR, to be Justice Minister and Fofana Zemogo, also RDR, to be *provisional* Security Minister. Gbagbo appointed a member of his own FPI party, Adou Assoa, as *provisional* Defense Minister.

Presumably, the reason for the provisional appointments, is that the recent Accra agreement calls for the defense and security portfolios to be assigned by the National Security Committee (CNS) that includes all tendencies, not just Gbagbo and Diarra. The MPCCI rebels demanded March 26 that the Accra agreement be followed.

While leaders of the MPCCI are ready to join the government, the MPCCI base considers it almost a betrayal, *Soir Info* (Ivory Coast) reported March 21. Meanwhile, *AFP* on March 21 described three newspapers close to Gbagbo as "more virulent than ever" in their hostility to the rebels.

Links to articles from *Executive Intelligence Review*.*

***Requires Adobe Reader®.**

Feature:

Conference To Stop War With Eurasian Development Strategy

by Nancy Spannaus and Gabriele Liebig

'This is the first international conference since the war started, which is clearly taking a stand against this unjust war,' said Iraqi journalist Dr. Mustafa Ali of Al-Arab newspaper, in a plenary discussion. He was describing the March 21-23 conference of the Schiller Institute, 'How To Reconstruct a Bankrupt World,' held in Bad Schwalbach, Germany.

Bad Schwalbach Declaration

'This War Must Be Stopped'

The following emergency declaration was passed on March 23, 2003 by the participants in the International Conference of the Schiller Institute in Bad Schwalbach, Germany, coming from 45 countries...

Helga Zepp-LaRouche

The Eurasian Land-Bridge Concept, The Answer to the Strategic Crisis

Mrs. LaRouche delivered her keynote to the panel on the Eurasian Land-Bridge and the Strategic Triangle of the Bad Schwalbach conference, on March 22, 2003.

Academician Vladimir S. Myasnikov

The Strategic Triangle of Russia, China, and India: the Eurasian Aspect

Academician Myasnikov is Deputy Director of the Institute of Far Eastern Studies of the Russian Academy of Sciences. His presentation to the Schiller Institute International Conference at Bad Schwalbach, was part of the March 22 panel on Eurasian development keynoted by Helga Zepp-LaRouche.

Economics:

Will Argentina Take The LaRouche Option?

by Cynthia R. Rush

Argentina's Presidential elections are less than a month away, set for April 27; and as citizens of that nation observe the choices before them, there is, on the surface, little cause for hope. No candidate among the several running, offers a way out of the economic devastation still afflicting this once prosperous nation, the International Monetary Fund's claims of 'an incipient economic recovery' notwithstanding.

A Eurasian Perspective For Germany's Economy

by Rainer Apel

Amidst the crisis provoked globally by the Anglo-American war against Iraq, German policymakers are discussing—privately and not-so-privately—the need for expanded Eurasian cooperation.

Airlines Seek Federal Help To Survive War

by Anita Gallagher

The chicken-hawks behind the Iraq war can count among their 'Week One' victims, the U.S. airlines and their employees, who took a 10% cut in air traffic and 10,000 layoffs in the week ending March 23, according to the Air Transport Association.

International:

UN Focus of Growing Revolt at Imperial War of Aggression

by Mike Billington

An emergency Open Session of the United Nations Security Council began at 3:00 p.m. on March 26, and continued through March 27, allowing for a general debate by all United Nations members on the invasion of Iraq.

Amelia Robinson Again Tours Italy

by Liliana Gorini

As Europe and the world say a clear 'no' to the U.S. war against Iraq, which goes against the U.S. Constitution and international law, President Bush will have to back down. This was the message brought to Italy by Amelia Boynton Robinson, heroine of the American Civil Rights movement.

Pakistan's Musharraf Walks a Tightrope

by Ramtanu Maitra

The rope on which Pakistan President Pervez Musharraf is balancing himself and his country is getting less stable every day, as the United States impatiently is demanding more and more help from Islamabad to neutralize al-Qaeda, Taliban, and Afghan mujahideen leader Gulbuddin Hekmatyar, to ease the worsening security situation in Afghanistan.

National:

'Prince of Darkness' Richard Perle Demands 'Regime Change' of UN Charter

by William Jones

'Prince of Darkness' Richard Perle, in the week before scandals forced him to quit as chairman of the Defense Policy Board (DPB) on March 27, delivered arrogant speeches laying out the demands for imperial 'perpetual war' across the globe, which is the actual policy of the chicken-hawks behind the Iraq invasion. Perle also called for a new and revised United Nations Charter which would make U.S./British-dictated 'regime changes' into UN policy.

Ashcroft Steps Up Secret Surveillance

by Edward Spannaus

Giving a recent briefing on U.S. Middle East policy at Washington's Georgetown University, Edward Peck, the U.S. Chief of Mission in Iraq in the 1980s, cited President Bush's repeated statements that 'the terrorists hate us because of our freedom.' Peck suggested that whoever believes this, should strongly support Attorney General John Ashcroft's policy— to remove the cause of that hatred by taking away those freedoms.

House Slash-and-Burn 'War Budget' Passed

by Carl Osgood

Capitol Hill finally reacted to the reality of the Iraq war on March 25, when the Senate voted 51-48 to reduce President Bush's proposed tax cut to \$350 billion from \$726 billion. The vote, on an amendment to the Fiscal 2004 budget resolution, came hours after the White House formally presented its \$75 billion supplemental spending request for the war.

Utopians' War Plan Goes Awry in Iraq

by Carl Osgood

'The base commander's plan of action must achieve adequate protection to ensure accomplishment of missions by base elements with as small a force as necessary, since any drain of time and personnel from operational activities will adversely affect the accomplishment of their mission.' ...The utopian vision for a U.S. invasion of Iraq, however, envisioned a rapid advance north across the desert from Kuwait to strike quickly at the heart of the Ba'ath Party regime in Baghdad, take it out, and 'liberate' Iraq....

New Evidence:

D.C. General Shutdown Was Thoroughly Corrupt

by Edward Spannaus

New evidence has come to light documenting the criminal negligence and corruption involved in the privatization of health services in the District of Columbia two years ago...Even before the deal was done, spokesmen for EIR and for Lyndon LaRouche warned that the entity being given the privatization contract, Doctors Community Healthcare Corporation ...had been investigated and sued for fraud and racketeering in a number of jurisdictions.

Interview: Sen. Eugene McCarthy

Challenging the Democrats' 'War Party' With a Youth Movement—1967

This interview with former U.S. Sen. Eugene McCarthy was conducted by Nina Ogden on March 8, 2003. Senator McCarthy served in both the House of Representatives and the Senate. He challenged the incumbent President of his own party, President Lyndon Baines Johnson, for the 1968 Democratic Presidential nomination.

This Week in History

March 31-April 6

The second prong of *re-regulation* of the financial system that was passed as part of Franklin Delano Roosevelt's Hundred Days of New Deal legislation, following the Securities Bill, was the Glass-Steagall Act, also known as The Banking Act of 1933. The origins of this bill went back to 1932, or earlier, but it was only under the conditions of the re-assertion of the principle of the General Welfare, which FDR's leadership represented, that it could be passed. The battle over the bill's provisions raged throughout the entire spring of 1933, before final passage in June, but we devote this column to its provisions, because it directly follows upon the determination of FDR's Administration to crack down on the corruption in the financial sector.

Glass-Steagall split commercial banking from brokerage/investment banking. Any financial institution engaging in both activities either had to split into two entities, or forego one or the other activity. No commercial bank was allowed to own an investment bank, and vice versa. Sections 16 and 21 of the Act stated that no commercial bank could engage in the business of "issuing, underwriting, selling, or distributing, at wholesale or retail, or through syndicate participation, stock, bonds, debentures, notes or other securities." (The exception is that commercial banks could sell and underwrite U.S. government bonds.) No commercial bank could underwrite, deal with, trade, or possess for its own account, securities—since that was the domain of the investment banks. Conversely, no investment bank could take individual small customer deposits, which was the domain of the commercial banks.

To counter some of the other practices of the 1920s, the bill also forbade any bank officer from borrowing from his own institution.

Provisions Not Arcane

This enforced separation of banking activities may at first seem arcane; but it actually addresses two very important matters. First, if a single institution is allowed to carry out commercial banking and investment banking (and insurance) under one roof, a very great amount of power is concentrated in that institution's hands. Today, if the repeal of Glass-Steagall were combined with the repeal of the McFadden Act—which forbids interstate banking—the United States could rapidly consolidate to only 15 to 20 super-institutions, controlling every aspect of America's financial life. Such a process was advancing rapidly in the 1920s, and Glass-Steagall helped to halt it.

Second, by placing different pools of money in a single institution—pools from commercial banking, from investment banking, from insurance—one is creating the temptation that that institution will commingle the funds, and use them for whatever purposes it pleases. This violates a basic tenet of banking. A commercial bank is, by definition, simply a *deposit-taking institution*. An individual who puts his money into a savings or checking account in a commercial bank, expects some interest, but is putting the funds there *for safe-keeping*, not for *investment*, which is the purpose of an investment bank/brokerage house. The individual does not want the funds commingled with other funds without permission.

During the 1920s, precisely these principles were grossly abused; banks were building up enormous power, and they were using funds as they saw fit. It was this abuse, as Franklin Roosevelt and other patriots saw, that had contributed mightily to

the 1929-32 stock market crash, the breakdown of the banking system, and the physical-economic depression which had left millions destitute.

The bill carried another useful provision. It created the Federal Deposit Insurance Corp. (FDIC), which gave Federal insurance for citizens' bank deposits up to a certain amount, for the first time in the nation's history. The FDIC announced that starting July 1, 1934, all deposits under \$10,000 would be insured 100%; deposits in the range of \$10,000 to \$50,000 would be insured 75%; and deposits of \$50,000 or larger would be insured 50% (today, all deposits up to \$100,000 are insured 100%).

Regulation Needed Now More Than Ever

When the Glass-Steagall Act became law, the bankers understood that an important part of the cycle of the 1920s was being broken. W.C. Potter of the Morgan Bank-controlled Guaranty Trust characterized the proposal as "quite the most disastrous" he had "ever heard." The American Bankers Association led the fight against the bill, "to the last ditch," in its president's words.

Today, the bankers argue against the Glass-Steagall regulations with the lie that they are "outmoded." Ironically, the exact opposite is true: Such regulation is needed now more than ever. While, up to now, the banks have not been able to unrestrictedly commingle commercial banking, investment banking, and insurance, they have nonetheless built up practices that are as deadly as anything that existed during the 1920s.

All rights reserved © 2003 EIRNS

[top of page](#)

[home page](#)