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From the LaRouche in 2004 committee...

You are cordially invited to attend a webcast hosted by LaRouche in 2004 on July 15, 2004. The subject of the discussion, which will be keynoted by Democratic Presidential pre-candidate Lyndon LaRouche, is encapsulated in the following statement, issued by LaRouche on June 20.

The webcast will begin at 1:00 p.m. Eastern Daylight Time, and will be accessible through the campaign website, www.larouchein2004.com. Those wishing to attend the event, which will occur in the Washington, D.C. area, must pre-register. Please call 1-800-929-7566 for more information.

THE NEW THREAT OF FASCISM TODAY

by Lyndon H. LaRouche, Jr.

Now, that we might hope that Vice-President Dick Cheney and his neo-conservatives are apparently, at last, on the way out, the remaining, new great strategic threat to the U.S.A. today, is currently radiating from Liberal Britain's infamous Fabian Society. That Society is the principal accomplice, and virtual master of Vice-President Cheney and his accomplice, Britain's Liberal Imperialist Prime Minister Tony Blair. The new overt threat to the U.S.A. itself, is expressed by those in Europe who foresee as their tool, a continued expansion of an expanded European Union under the influence of British Liberal imperialists such as London's Blair/Cheney crony Baroness Symons, and overtly fascist, imperialist technician Robert Cooper. That is the assigned, imperial role for a bloated anti-American collection of increasingly failed states, the virtual Tower of Babel which displayed itself in a recent election of the new European Union.

Under this circumstance, the great challenge facing the late-July Democratic National Convention, is to launch a campaign for the November 2004 Federal general election, which will bring into power not only an appropriate new President, but also a winning combination of elected Democratic and Republican members of Congress, a combination which will function in cooperation with the new President, as Congress did under the Administration of Franklin Delano Roosevelt.

Today, as the U.S.A. and the world wobble on the brink of the greatest world monetary-financial crisis in modern history, we need a new quality of Administration of the U.S.A. We require, absolutely, a new Administration which is qualified in both intellect and commitment, to lead the planet wracked by this new crisis as Roosevelt saved the world from the fascist world tyranny which would have conquered the world but for a Roosevelt-led U.S.A. over the 1933-1945 interval, until that President's untimely death.

The most important of the valid reasons for optimism about the world's future, should such a new Administration be installed in January 2005, is that the world has a presently crying need for such a role of inspiring leadership from a post-Bush new Administration which is cast in the memory and spirit of FDR.

Should an November election victor with those qualities not be selected, the spread of a new London Liberal Imperialist fascist tyranny controlling the European Union, would take an increasing role in leadership in world affairs, as the rise to power of Mussolini and Hitler had already virtually ensured that fascist takeover of a continental Western and Central Europe leading into World War II by the time of FDR's inauguration. This danger is to be recognized as merely typified by the influential role of frankly fascist and imperialist Robert Cooper's and the "Euro-Socialist's" dogma within the European Union now. It is a danger inhering in the dismal potential for electoral chaos within the European Union, under the inevitable near-term effects of any approximation of the present, neo-Schachtian, fiscal austerity rules. The fascist policies being promoted within the orbit of the European Union, from Blair's London, are currently already in the ascendancy there, if not yet consolidated forces in power.

The danger is not yet irreversible, but the threat is growing, and spreading, as the recent European Union elections showed that Union to be becoming, in effect, an aggregation of "failed states."

The danger does not lie within European culture as such. After all, the culture of the U.S. itself was then, in FDR's time, and now, predominantly a sampling of the best we brought into this continent from Europe. The problem is, that under the impact of that prolonged Anglo-Dutch imperial hegemony against which we fought for our own national independence, Europe is still, up to the present day, dominated by systems of government which have yet to be fully freed from the radiated effects of that 1763 Treaty of Paris which established the Anglo-Dutch British East India Company of Lord Shelburne and others, as the hegemonic imperial, financier-oligarchical power in Europe. That was the essential, historical root-cause of the two World Wars of the last century, and is the root of the conditions leading into the presently imminent economic doom of the world's present monetary-financial system today.

At this coming Democratic Convention, we must turn the clock back to the anti-colonialist and related policies which President Franklin Roosevelt had intended for the postwar world, until he was taken from us by his moment of death. We must resolve to become, once again, what we as a nation were created to become, a temple of liberty and justice, and a beacon of hope for all mankind.

The danger is terribly great, but the opportunity for building a peaceful and prosperous future is great, and we, of the U.S.A., are blessed to have the responsibility for taking those first steps which will help to put a threatened world back, once more, along the pathway toward peace and progress, a better world to be established among a world community of perfectly sovereign peoples and nations.

Our task is not only to forge a coalition of the best traditions of our two major parties, as the FDR coalition expressed this, but to craft the kind of new Presidency and a new partnership among Presidency, Congress, and Federal states, which can tap the power of the special national genius embedded in the crafting of our Federal Constitutional republic.

The Democratic Party must agree, however reluctantly, to put aside the petty wheeling-and-dealing of its presently opportunistic habits of money-grubbing, petty-minded politics, to rise to the nobility of overturning those failed habits of policy-making which have, in the main, ruled and ruined our nation, during the drift of the recent forty years.

30-30-30

This Week You Need To Know

How 'The Sexual Congress of Cultural Fascism' — Ruined the U.S.A.

and Gave Us 'Beast-Man' Cheney

Preface

by Lyndon H. LaRouche, Jr.

During the 1964-81 interval, from the launching of the U.S. official war in Indo-China, through the inauguration of Paul Volcker as chairman of the Federal Reserve System, the United States of America was transformed from the world's leading producer society, into what became that presently, terminally bankrupt "post-industrial" wreckage, which has been bestowed upon the currently crumbling Administration of Vice President Dick Cheney's puppet, George W. Bush, Jr. So far, as the worsening horrors now reported from U.S. operations in Iraq attest, what the world has seen there, is a growing image of that U.S. display of a quality of sheer, literally Hitler-like "beastliness" toward mankind, of which only depraved man were capable of becoming, at home, and, therefore, also abroad.

The available remedy for these perilous conditions, would be a return to the successful precedents of the Franklin D. Roosevelt Administration.

President Franklin Roosevelt's strength was expressed in both his leading the U.S. recovery from the 1929-33 world depression, and the U.S.A.'s decisive role, under his leadership, in preventing the fascists of Europe, led by Adolf Hitler, from establishing their intended world-empire in that time. Roosevelt's resources for these purposes, were derived from what are, presently, certain poorly understood, often neglected, special features of the U.S. Constitution's Presidential system. His Administration expressed a Constitutional tradition of resistance to that Venetian-style practice of usury which had been the source of the 1922-1945 emergence of fascist power in Europe. The advantage drawn upon by Roosevelt, was a U.S. Constitutional tradition which was rooted in the best parts of U.S. culture: that culture's shared commitment to the same Platonic, Classical forms of artistic and scientific culture which have been the root of all of the net achievements of European civilization since the great anti-usury, 15th-Century Renaissance.

The great afflictions which our republic has suffered since that President's most untimely death, have been chiefly the work of a faction, in both leading parties, which had sought to prevent that President's election in 1932. That was a faction whose faulty moral and intellectual character was subsequently expressed to a most notable degree, in the role of a source of moral and other corruption associated with a subversive phenomenon known as the Congress for Cultural Freedom (CCF). That project, CCF, reflects as much the result, as it did the cause, of the kind of decadence which has led to the increasing ruin of our nation, step by step, over the course of the recent four decades.

The characteristic feature of that deep moral corruption which the Roosevelt tradition's typical enemies of the Congress for Cultural Freedom came to represent, was its subversive commitment to fostering what became known as the "counterculture" launched during the middle to late 1960s. This development expressed CCF's commitment to uprooting all of those factors of U.S. culture which had been the determining factors of Roosevelt's leading the U.S. to economic recovery, and its leading role in the defeat of fascism.

There have now been 40 years of acceleration of that specific form of cultural decadence, since the mid-1960s rise of that rock-drug-sex youth-counterculture for which the work of the founders of CCF had done much to set the stage. It is that, and related developments of the mid-1960s and beyond, which have brought the U.S. to the point of both the presently onrushing monetary-financial-economic collapse, and the lunatic resurrection, as by Vice President Cheney, of the role of Bertrand Russell's doctrine of "world government through preventive nuclear warfare." This legacy of Russell et al., was that global strategy of perpetual nuclear-armed warfare, which the Cheney faction has revived, since 1991-93, from the aftermath of Hiroshima and Nagasaki.

In two earlier mass-circulated reports of this Presidential campaign, my collaborators and I have already identified the specific characteristics of Cheney's policies. In those reports, I emphasized that it were impossible to understand the mechanisms shaping the policies and practice of Cheney's crew of so-called "neo-conservatives," unless we recognized that crew as of the same specific cultural quality of a collective "Beast-Man," which should be recognized from the character of the Adolf Hitler regime. We emphasized there, that the present U.S. Administration under Vice President Cheney's domination, is a modern echo of the consummately evil Count Joseph de Maistre's favorite Satanic figure, the inhuman Grand Inquisitor Tomás de Torquemada: the same Mephistophelean Grand Inquisitor implicitly, aptly, insightfully depicted by Fyodor Dostoyevsky's characterization.¹

As coming developments will show more clearly, Mrs. Lynne Cheney's adopted rogue, her husband, the brutishly bungling Vice President Dick, is no self-made man, and certainly no genius. That snarling creature on that lady's leash, is a consummately greedy and culpable creature, but not a notably intelligent one. When one speaks of that Vice President, think of something more along the lines of Mrs. Mary Wollstonecraft Shelley's lurching Frankenstein Monster.² In short: Dick Cheney did not create the beast he has become today. He is only a very bad actor, playing a part created by such cleverer men as Nazi "crown jurist" Carl Schmitt's one-time protégé, the Hutchins-appointed University of Chicago Professor Leo Strauss.

Now, in this third report of that series, our attention is focussed on the way in which we, as a nation, were induced to allow this destructive transformation of our nation's institutions to occur. In the following pages, we turn attention now to the role of the rise of the youth counterculture of the middle to late 1960s, in pre-shaping events such as both the presently onrushing global monetary-financial collapse and the ominous, present Iraq quagmire. To that end, we expose the role and character of that Congress for Cultural Freedom which is exemplary of the circles which worked to induce us, at least many among us, to wreak such moral and economic destruction upon our nation, and such relative depravity upon ourselves.

The fact that such a fiendish, intellectually challenged wretch as Cheney, could become the virtual puppet-master controlling the pathetic, current President of the U.S.A., is merely a symptom, not the true source of our present national catastrophe. Every society has produced its nasty personalities; of which some are merely serious nuisances, but some others, national catastrophes. Cheney's access to his present role as one of our national catastrophes, is not the cause, but, rather, an included outcome of changes, including Allen Dulles's deals with certain Nazis, which we have allowed to be imposed upon our republic, and also upon the cultures of Europe, over the course of the more than 59 years, since the untimely death of President Franklin D. Roosevelt.

To cure that, our current catastrophe, we must show how this degeneration of our great republic was brought about over those intervening six decades. To recognize how we were transformed from the world's leading producer economy, into the sick, "post-industrial," economic parasite we have become today, we must focus attention on trends in both U.S.A. and global developments, which have appeared since the aftermath of the assassinations of such as President John F. Kennedy, the attempted assassinations of France's Charles de Gaulle, and the 1968 killings of the Rev. Martin Luther King and Robert Kennedy.

I repeat the point. We must ask ourselves: What evil principle, which enemy of everything our Constitutional republic was established to become, has brought about our presently catastrophic role, under Cheney's puppet George W. Bush, Jr. and his ally Tony Blair, the role of a grotesquely failed attempt at creating a global, Anglo-American caricature of the Roman Empire? If we, as a people, wish to escape the terrible consequences we have brought upon ourselves, when you allowed such a caricature of a U.S. Presidency to come into that office, you must ask yourself: How was this evil, utopian dogma, of nuclear imperialism, deployed, especially since the closing moments of World War II, that in such as a way as to bring about this awful transformation of our nation? How shall we, therefore, come to know, and to uproot that evil among us

which now threatens us with our republic's self-destruction?

My intention here, is to aid us in identifying, and removing, that factor of principled evil which our present national catastrophe expresses. The case which I state and develop in the following pages, is, in summary, as follows:

For as far back into pre-history as we can trace the development of cultures, prior to the 15th-Century birth of the modern European nation-state, the practiced forms of the organization of society, were principally those forms of evil in which a relatively few men and women had subjected the majority of other men and women, to the condition of either hunted, or herded, human cattle. The 16th-Century launching of the African slave-trade into the Americas, by the Portuguese and Spanish monarchies, combined with the launching of that modern murderous anti-Semitism by Isabella I's Spain which was later copied by the Hitler regime, typifies the persistence of this evil into modern European times. Nonetheless, through the great achievement expressed by the outcome of the 15th-Century Renaissance, until the recent four decades, European civilization, with all its included wrongs and even evils, had nonetheless led, until recently, in raising the standard of living and freedom of the peoples of this planet. Now, during the recent four decades, we have reversed direction, turning back the clock of European history, economy, and culture, toward a now-threatened, new, planetary dark age.

So, in this process of the recent four decades, we have adopted changes in our popular and related culture, which have had the effect of causing the clock of human progress to run backwards. As the history of past slavery, and presently continued racial discrimination in the U.S.A. attests, still today, and as our currently prevalent doctrines of public education also reflect this, we live in a society which seeks to control the mass of its own people by, as we say, "dumbing them down." Like the decadence of doomed ancient Rome, the ostensible rulers of America today, seek to divert the attention of the greater part of even the upper 20% of the population's income-brackets from the ugly reality of these days, with the bread and circuses of sexually and otherwise depraved forms of mass-entertainment.

As I and others shall show in the course of this present report as a whole:

This condition the U.S.A. is presently suffering, as a nation, increasingly, is the effect of the induced cultural transformation of so many of the men and women of the Americas and Europe today, who have been captured by the morally and intellectually corrupting effects of a post-modernist culture. They have become captives of a trend of change in mental life, in the direction of becoming herded human cattle, becoming the willing victims of a society of little bread and much entertainment, increasingly degraded entertainment, as the self-doomed Roman Empire entertained itself before us.

This trend of nearly two generations in our own culture, reflects a principle of evil which is merely typified by such precedents as the introduction of both peonage and the African slave-trade into the Americas, by the 16th-Century monarchies of Portugal and Spain. The principle of evil expressed by this reversal of the clock of human progress, continues the doctrine of perpetual conflict of Galileo Galilei's student Thomas Hobbes, a doctrine expressed in such forms as the practice of the systems of fascist government which were spread across Continental Europe from 1922 until the close of war in 1945.

This same principle of evil was given a concentrated expression in the widespread, influential practice of what has come to be regarded, unfortunately, as a highly respected U.S. organization, an organization known under such titles as the Congress for Cultural Freedom.

This corruption was set fully into motion, by influentials such as Allen Dulles, as soon as President Franklin Roosevelt was dead. Dulles, who conducted the secret agreements to bring elements of the Nazi SS within the postwar Anglo-American establishment, typified those who then worked to bring the ostensibly sanitized elements of Nazi existentialist

doctrine back even into the Anglo-American/French government of occupied postwar Germany, as the roles of Theodor Adorno and Margaret Mead are examples of the spread of this specific form of corruption there. This was typified by the spread of that same corruption in the U.S. itself by Adorno, Bertrand Russell's Mead, and Adorno's truth-hating, existentialist crony Hannah Arendt.³ As the evidence is documented, summarily, in the pages of this report, the CCF's radiated, bestializing influence to that explicitly intended effect, has dominated trans-Atlantic and other parts of our planet's civilization, increasingly, from the 1945 close of that war, until the present day.

The motive for the broader, systemic corruption of mind and morals which that *Commentary* magazine-associated CCF only exemplifies, has been to poison, and even eradicate the intellectual and cultural roots of the modern sovereign form of nation-state republic. The intent of that corruption has been, to do this in a way which clears the pathway for the subversion and replacement of existing sovereign states by a new name for imperialism, called "globalization."

One principal outcome of that mass-brainwashing by CCF-related influences, was the eruption of the mid-1960s "rock-drug-sex youth-counterculture." Since President Abraham Lincoln led the U.S. into its role as a continental power, through the defeat of Lord Palmerston's asset, the Confederacy, it has been the case, since President Lincoln's victory, that to conquer that powerful nation of the American people, one must first corrupt their minds, as the work of the CCF is thus more appropriately named the "Sexual Congress for Cultural Fascism." Our enemies, those from without and from within, must first induce us to corrupt and destroy ourselves, intellectually and morally. When that post-Kennedy youth-countercultural ferment fostered by CCF, is compared with its equally evil twin, today's right-wing "fundamentalist" insurgency of Pat Robertson, Tom DeLay, et al., we have in those combined, intertwined cases, a leading example of that which typifies the CCF-centered process of cultural corruption of the minds of Americans and Europeans alike.

The change of the character of the U.S.A., since the mid-1960s, from the world's leading producer nation, to its presently looted condition as a lurching "post-industrial" wreckage, is an expression of the degree to which the intention of the CCF has been carried out in the U.S.A. and the United Kingdom, as also in Australia and New Zealand, as also in Continental Europe. For reasons which will become clear during the following pages of this special report by my campaign, I have preferred to designate that U.S.-based organization by a title more consistent with its typical role in crafting the characteristically inhuman, madly rutting, "rock-drug-sex youth-counterculture" of the middle through late 1960s: "The Sexual Congress for Cultural Fascism" (SCCF).

Now, you should ask yourselves: Who were the clever ones, who had begun to do this to us, even long before Lynne Cheney's presently lurching monster had been born? Who has, thus, put the legendary "mark of the beast" upon our nation? How shall we remove that ugly, menacing stain?

That crucial information which your family's protection demands so urgently, is the subject of the following pages of this present report.

—*Lyndon H. LaRouche, Jr.*

Footnote 1: See Helga Zepp LaRouche's speech to the Feb. 15, 2004 session of the Schiller Institute/ICLC conference, with reference to Fyodor Dostoyevsky's *The Brothers Karamazov* (speech published in March 26, 2004 issue of *EIR*).

Footnote 2: Lynne and Dick Cheney are closely associated with the Prime Minister Tony Blair-linked Baroness Liz Symons and their U.S. and other confederates, who have played a leading part, on behalf of the Cheneys' special influence, in their concerted efforts in spreading a wild-eyed, lying libel against me personally, throughout corrupted sections of the British and other press in Europe. Symons' activities are closely allied with the notorious fellow-travellers of the CCF, such as John Irwin III's American Family Foundation (AFF), in the U.S.A. (cf. Appendix).

Footnote 3: Adorno, Theodor W., *The Authoritarian Personality*, John Wiley & Sons, New York, 1964. See Lyndon LaRouche, *The Essential Fraud of Leo Strauss*, *EIR* magazine, March 21, 2003; *The Roles of Church and State*, *EIR* magazine May 16, 2003; *When Even Scientists Were Brainwashed*, *EIR* magazine, April 30, 2004.

THE 'URO-SOCIALISM' THREAT TO THE USA

by Lyndon H. LaRouche, Jr.

Any attempt to define a competent national security doctrine for the U.S.A. now must take into account the threat to Trans-Atlantic civilization represented by the rapid emergence of some Europeans' ideas for which the gentlest possible of appropriate technical terms, is "a comic-opera farce": a new, secular, and frankly lunatic echo of medieval ultramontanist in Europe: a London-steered, frankly imperialist, and implicitly fascist, anti-American cult parading under such banners as "Euro-socialism."

The admittedly bad recent behavior of the U.S. did not create this problem, although Lynne Cheney's connections to the Liberal Imperialist British government of Tony Blair are relevant parts of the picture. Nonetheless, the blame for assisting the spread of this London-directed psychosis inside continental Europe, is to be found among the side-effects on the European mind which have been fostered by a too long toleration of the antics of the frankly lunatic, current Bush-Cheney regime, as tolerated by the institutions of the U.S.A. itself. The guilt for this includes the role of the corrupt elements, such as the recently, once again ranting-and-raving, mad, far-right-wing war-monger, Senator Joe Lieberman, within the leadership of Terry McAuliffe's U.S. Democratic National Committee.

Overall, what the U.S.A. has done, or tolerated among its own leading political circles, during the recent years, especially since President George W. Bush, Jr.'s January 2002 State of the Union address, was as much as was needed to drive an increasing number of continental Europeans, and some others, over the edge into madness. We did not create the idea of a secular ultramontanist notion of an imperial European Union, but we have not prevented our government from driving some of the more fragile minds among influential and other Europeans over the edge, into the state of madness expressed from within growing, Euro-Socialist-centered circles in continental Europe today.

The notable characteristic of this current "Euro-socialism"-linked fad of moral decay among continental European circles, is the delusion that that design for a "Tower of Babel," an "enlarged" (in the prostate sense) European Union of reduced reproductive potential, will come to represent the means for establishing an effective, long-lasting triumph of revenge over Bush-Cheney insolence.

Such a wet dream of those European Union fanatics, however pleasing they may find it momentarily, will never be productive; but it can make a terrible mess of what remains of Europe today, and could contribute greatly to the risk of setting off a chain-reaction of effects contributing to bringing a protracted new dark age upon humanity generally. Several of the most ominous threats from this source are to be noted here. - The Threat to the Americas -

On the continent of Europe, the leading edge of this political cancer, this contemporary caricature of medieval anti-nation-state ultramontanist, is represented by the so-called "Euro-Socialists," which are, in fact, a subsidiary of the British Liberal Imperialist circles associated with the current 10 Downing Street of Prime Minister Tony Blair and of such among his nastier notable Fabian accomplices as Baroness Liz Symons. However, a variant of the same mental disorder is also reflected in the Euro-Socialists' de facto accomplices among certain nominally, sometimes explicitly, fascist Catholic circles whose network spreads from Italy into parts of Central and South America, including the frankly feudal ultramontanist of such as those lunatics dreaming, still today, of a miraculous restoration of the Spanish Empire of the Grand Inquisitor and Hapsburgs, including all of the American territories once claimed by that royal house.

The Threat of Nuclear Warfare

We should also take note of the deadly implications of a clearly expressed intent among these foolish admirers of an imperial destiny for a European Union. The greedy intent of these fools, in a way already correctly perceived among relevant Russians, is to colonize, loot, gobble up, and enslave what remains of the former territory and people of the Soviet Union. This predatory lust is featured prominently among the noble predatory zeal of the converts to the cult of this would-be new European Union version of a "Tower of Babel." The toleration of such a lunatic ambition among the liberal Euro-Socialist ultramontanists, puts a sharpened thermonuclear edge on the already existing, growing prospect for global asymmetric warfare as the not-too-distant future of, in particular, Eurasia as a whole.

Unfortunately, fanatics such as these Euro-Socialist imperialists, are, like Adolf Hitler, not the sort who would let little things such as reality, spoil their ideological devotions. The "Triumph of the Will" fanaticism of the hard-core converts to the ultramontanist goals for Euro-Socialist ideologues today, is such that their retort to the warnings that their project is insane, will be: "So what? If we go to Hell, we will take you with us." You think that would never actually happen? Do not fool yourself so; Hitler continued the war past the point, during 1942, when it was already, correctly evident, even to circles of Hermann Goering et al., that Hitler's ongoing war was already lost in principle, after Stalingrad and Midway. The observable, maddened flight from intellectual rigor among today's leading intellectual advocates of an ultramontanist's European Union, when closely considered, shows that they are no saner, no less fanatical in such respects, than the Nazi ideologues before them.

I have encountered the spread of other expressions of this particular form of corruption on the edges of some circles, in Europe, as in Mexico, Venezuela, Brazil, and Argentina, which had associated themselves with me in the past, but have subsequently chosen a morally defective, neo-feudalist imperialist orientation today. The links of these developments to providing a basis for terrorist activities within the Americas, is part of the general strategic threat of forms of warfare. My counterintelligence investigations into those cases of moral decay, have been helpful in discovering essential facts about the "Uro-Socialist" streams from which such currents flow to pollute the gutters of world politics. - Blair's London Runs Them -

The determining feature of this new ultramontanist attempt to uproot the institution of the sovereign nation-state, is to be recognized as a continuation of the same methods by which the Anglo-Dutch Liberal imperialism of the British East India Company was established by the 1763 Treaty of Paris.

As I have presented this history lesson earlier, this was the policy associated with the overreaching influence of the notorious Lord Shelburne, who was the first to codify the notion of an Anglo-Dutch Liberal form of a British empire. Since that time, the methods used by London in orchestrating the so-called "Seven Years' War" concluded at the 1763 Paris Treaty, have been used repeatedly by London, with similar intent, to similar effect: to turn the nations of continental Europe into mortally squabbling fools, as a means for promoting and defending the Venice-style financier hegemony of the Anglo-Dutch Liberal interest. Such were the British intentions in orchestrating the French Revolution of 1789-1794, the Napoleon wars, and the two World Wars of the last century.

Today, the British Liberal Imperialist outlook of Shelburne et al., is continued by the Fabian Society's Liberal Imperialist tradition of H.G. Wells, Bertrand Russell, et al., all the way down, down, down to Blair, Cheney crony Symons, et al.

In short, those continental Europeans lured into the view of the enlarged European Union as a wet dream of anti-American fantasy-life, are once again proving some people on the continent to be the species of great fools the Anglo-Dutch Liberals have made, repeatedly, of continental Europeans, over preceding centuries. The only way to understand such continental European propensity for becoming dupes, over and over again, is to think of the ideological implications of the concluding

performance by the actor playing the role of the Professor, in the film featuring Marlene Dietrich, "The Blue Angel." Think of the proposed European Union rock-opera-style remake of that film as appearing under the title of "Uro-Socialism."

- U.S. Security Interests -

Meanwhile, we must hope to help save Europe from the grip of such babbling mass-insanity. It really does need saving, and that urgently, considering the trends of the most recent several months. This psychotic fad of Euro-Socialist anti-Americanism, must be put into custodial safekeeping now, before the effects become irreparable. We in the U.S.A. have a deep moral responsibility, to pay for our nation's recent sins, especially those of the Bush-Cheney regime, by taking steps to ensure that that correction in both Europe's outlook and the improvement of its people's life-expectancy, occurs now.

An affirmation of the proper common goals of globally extended European civilization, as such goals were variously stated and implied by a pre-Truman, Franklin Roosevelt Presidency, is the urgently needed adoption of a common perspective and common cause, by the U.S. and Europe, including equal Russia's partnership, today. Anything, from inside the U.S.A., or outside, which threatens the prospect of the partnership dedicated to what must become the common aims of mankind, is to be regarded as of no less rank in importance than a political threat to the most vital long-term, Constitutional interests of the U.S.A. itself.

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Feature:

How 'The Sexual Congress of Cultural Fascism' Ruined the U.S.A. and Gave Us 'Beast-Man' Cheney

by Lyndon H. LaRouche, Jr.

During the 1964-81 interval, from the launching of the U.S. official war in Indo-China, through the inauguration of Paul Volcker as chairman of the Federal Reserve System, the United States of America was transformed from the world's leading producer society, into what became that presently, terminally bankrupt 'post-industrial' wreckage, which has been bestowed upon the currently crumbling Administration of Vice President Dick Cheney's puppet, George W. Bush, Jr.

- **'CHILDREN OF SATAN III'**

- LaRouche Bares Roots Of Cheney's Fascism**

- by the Editors**

- The third of the series of 'Beast-Man' reports... The new pamphlet, which exposes the U.S. and British pro-imperialist forces behind the crimes of Lynne Cheney's carpet-chewing husband Vice President Dick Cheney, went like hot-cakes in the Super-Watergate atmosphere of the nation's capital.

- **What Does Culture Do?**

- by Lyndon H. LaRouche, Jr.**

- As we have documented this fact in locations published earlier, the turn in direction of pathway, away from President Franklin Roosevelt's leadership, toward the catastrophe which is our nation's terrible condition today, was begun as part of an operation in which the later head of our Central Intelligence Agency, John Foster Dulles' brother Allen...

- **The Congress for Cultural Freedom: Making the Postwar World Safe for 'Fascist Kulturkampf'**

- by Steven P. Meyer and Jeffrey Steinberg**

Theodor Adorno and Max Horkheimer were two of the earliest leaders of the Frankfurt School, and were co-directors of that Authoritarian Personality project of the late 1940s, that willfully engineered the Baby Boomer drug/rock/sex counterculture two decades later.

- **The CCF and the 'God of Thunder' Cult**

by Stanley Ezrol, with Jeffrey Steinberg and Anton Chaitkin

In 1974, the well-known British psychiatrist, Dr. William Sargant, published a book, *The Mind Possessed: A Physiology of Possession, Mysticism and Faith Healing*. The book was sequel to his 1957 study, *The Battle for the Mind: A Physiology of Conversion and Brainwashing*, the earlier book being a how-to-do-it manual for producing a 'cultural paradigm shift' towards an existentialist, irrationalist dark age society, which was precisely the agenda of the Congress for Cultural Freedom.

- **The American Family Foundation Wardens in Dirty Bertie's 'Lethal Chamber'**

by Barbara Boyd and Michele Steinberg

Lord Bertrand Russell, one of the honorary chairman of the Sexual Congress for Cultural Fascism, spilled the beans on the network's efforts in mass social engineering in his 1951 book, *The Impact of Science on Society*. But this mind-control dictatorship was not a passing thought; Russell had been working on the idea for decades. Russell describes the profounded gram in a 1931 book, *The Scientific Outlook*—a totalitarian manual...

- **The Bizarre Case of Baroness Symons**

by Jeffrey Steinberg

The LaRouche in 2004 Campaign has amassed a vast amount of evidence that the British Fabian Society 'New Labour' inner circles around Prime Minister Tony Blair and the 10 Downing Street intelligence and dirty tricks apparatus, are engaged in a trans-Atlantic criminal intervention to disrupt the upcoming Democratic Party nominating convention, scheduled for late July 2004 in Boston, Mass.

Economics:

Interview: Rep. Jimmy Milligan:

Farm System Takedown Behind High Food Prices

by Marcia Merry Baker

Rep. Jimmy 'Red' Milligan (D-86th District), is the Chairman of the Agriculture Committee of the State House of Arkansas. He has played a key policy role, not only in agriculture as such, but on the need for water, navigation, and other vital infrastructure.

United States, Britain: Housing Bubbles Doomed

by Richard Freeman

The U.S. housing bubble is showing notable signs of stress. The housing market has been propped up by several years of super-low interest rates, but since interest rates began to rise in April, households have made a significant retrenchment in financing and refinancing of home purchases. Such a retrenchment normally is the first phase of a serious housing bubble crash.

International:

European Parliament Voters Oust Incumbents, Reject EU Austerity

by Rainer Apel

The elections for the European Parliament on June 13 led to a drastic loss of votes for the governing parties in all 25 member countries except Slovakia, as a result of increasing discontent among voters with the budget-cutting policies of governments, in line with the European Union's Maastricht Treaty rules.

- **New Tower of Babel Flops at Starting-Gate**

by Lyndon LaRouche

The combination of the slap in the face to Britain's Prime Minister Tony Blair in the British municipal elections, and the confusion and widespread popular indifference shown in the pattern of election-results in [June 13] European Union elections, marks the beginning of a

phase-shift in Anglo-American financier circles' policies of imperial globalization.

Election Fiasco 'Kicks' Blair, New Labour

by Mark and Mary Burdman

British Prime Minister Tony Blair suffered his worst humiliation, in June 10 local elections and European Parliament contests across England and Wales, since he was elected in May 1997. The result of Blair's Labour Party's miserable showing in both, is that the Prime Minister is now, at best, a lame duck, ripe to be removed from power at some early date in the coming months.

Israeli Military Intelligence Leaders Expose Lies of Sharon and His Generals

by Dean Andromidas

Israeli Prime Minister Ariel Sharon and his hardline generals have, for the last three years, openly called for the assassination of Palestinian President Yasser Arafat. They have told the Israeli public and the world, and convinced the Bush Administration, that Arafat wants to destroy Israel and therefore there is no "partner" for peace negotiations. Known in Israel as the *konseptzia*, or "concept," it has been used by Sharon to justify the continuation of a brutal policy that has led to the death of over 3,000 Palestinians and over 1,000 Israelis.

Is Taiwan the Pawn in Neo-Con Push for an Anti-China War?

by Leni Rubinstein

A recent Pentagon study which contains an unambiguous threat to bomb China's Three Gorges Dam, is causing a political earthquake in Asia. One of the major reasons for concern is that the current leadership in Taiwan is highly susceptible to being used as a pawn in this neo-con scenario, as my recent visit to the island showed.

Conditions in Iraq Are Worse Than a Year Ago

by Hussein Askary

As Iraqis prepare to go into another horribly hot Summer, literally and politically, many people are losing hope, or desperately express a paradoxical longing for the days of Saddam's dictatorship. At least—some would say—then there was enough drinking water, electricity for air conditioning, and security.

Dangerous 'Window of Opportunity' in Korea

by Kathy Wolfe

South and North Korean officials announced a set of economic agreements on June 5, which featured a statement that a 'test train' may travel across the DMZ on the Trans-Korean Railway (TKR) this Fall, for the first time since 1945....

National:

Cheney, Halliburton Under New Fire on Hill

by Edward Spannaus

'All we know for sure, is that what the Vice President has said so far, is false,' declared Rep. Henry Waxman (D-Calif.), at the opening of a major hearing on Iraq contracting and Halliburton held by the House Government Reform Committee on June 15—a hearing featuring a clumsy attempt by the Pentagon to cover up Dick Cheney's role.

National Security Mandarins Assail Bush and Cheney

by Jeffrey Steinberg

A prestigious group of several dozen retired American diplomats and military commanders held a standing-room-only press conference in Washington today, to assail the Bush Administration's disastrous foreign and national security policy record, and demand that the Administration be swept out of office in the November elections.

Did Lieberman Resign From Democratic Party?

by Michele Steinberg

On June 16, at the Mayflower Hotel in Washington, D.C., Senator 'Neo-Con Joe' Lieberman delivered a speech which was—or at least should be—his resignation from the Democratic Party.

Warrior Diplomat: The Zinni Story

by William Jones

Battle Ready

by Tom Clancy, Gen. Tony Zinni (ret.), and Tony Koltz

New York: G.P. Putnam's Sons, 2004

450 pages, hardcover, \$26

If anyone hopes to find a reiteration of Gen. Tony Zinni's now widely circulated and devastating indictment of the Pentagon neo-conservatives around those ill-starred friends of Ahmed Chalabi—Richard Perle and Paul Wolfowitz—in the autobiography of the General, they may be somewhat disappointed, as little has been said about the issue of the neo-cons' 'rush to war' in Iraq, with its multifarious and unfolding scandals.

U.S. Economic/Financial News

Mega-banks Pose 'Systemic Risk,' Warns Fed Official

The recent step-up in creation of \$1 trillion mega-banks in the U.S., heightens concerns about risks to the entire financial system, and to the real economy, a senior official at the San Francisco Federal Reserve Bank asserted, in a highly unusual warning. "[T]he ever-growing scale of bank mergers raises challenging policy questions, including banking concentration at the national level and systemic risk concerns," cautioned Simon Kwan, the head of financial research at the San Francisco Fed. Policymakers must address these concerns while safeguarding the nation's financial system, Kwan wrote in an "Economic Letter" on Banking Consolidation, dated June 18.

Until this year, Citigroup was the only \$1 trillion-asset banking organization in the U.S. Now, there are two more: Bank of America, which merged with FleetBoston; and J.P. Morgan Chase, which is about to complete a merger with Bank One Corp.

Bank mega-mergers, Kwan said, raise anti-trust concerns, as well as worries about diminished local market competition.

More importantly, "The creation of mega-banks also heightens concerns about systemic risk," he warned. "When banking activities are concentrated in a few very large banking companies, shocks to these individual companies could have repercussions to the financial system and the real economy."

"The increased potential of systemic risk created by mega-banks," continued Kwan, "also intensifies concerns about these banks being considered 'too-big-to-fail' (TBTF)," or likely to be bailed out by the Federal government in the event of a crisis. "Mega-mergers create more such potentially systemically important banks," he said, "and put a higher premium on credible policies for the orderly resolution of troubled large banking organizations."

EIR has previously reported that in the United States, the share of all banking assets held by the top 10 commercial banks has risen from about 30% in 1995, to about 45% today. That is, the failure of just the top 10 commercial banks would bring down half of the assets in the commercial banking system.

In parallel, this consolidation process of the banking system has concentrated derivatives holdings, so that the top 10 U.S. commercial banks hold almost 90% of all derivatives held by the commercial banking system.

U.S. Trade Deficit Soars Again in April

The U.S. trade deficit on goods and services climbed to a record \$48.33 billion in April, the U.S. Department of Commerce reported June 14. This is \$1.8 billion greater than the March level. Not a month has gone by in 2004, in which the U.S. trade deficit has failed to hit a new record.

At the same time, the U.S. merchandise trade deficit—goods, but not services—jumped to an unprecedented \$53.18 billion in April.

- Table 1 -

U.S. Physical Goods Trade Deficit (\$ Billions) Jan.-April

2002	147.75
2003	184.12
2004	203.94

Table 1 shows that for 2002, for the January through April period, the physical goods trade deficit was \$147.75 billion, whereas for the comparable period for 2004, the physical goods trade deficit reached \$203.94 billion, nearly 40% higher. This is an insane upward spiral.

U.S. physical goods imports in April were nearly identical to the level that they stood at in March. Therefore, the widening of the U.S. physical goods trade deficit in April is attributable to the exports side: in April, U.S. physical goods exports were \$65.76 billion, down from the \$67.30 billion which they stood at in March. The U.S. dollar has declined relative to its value last year, and according to the "authoritative" academic economics "theory", U.S. exports, being cheaper to foreigners, should have risen in April; instead they fell.

To finance the trade deficit, the U.S. economy, which is based on the Imperial Rome model, requires foreigners to accept dollars as IOUs for the goods they ship to the United States, and then that foreigners invest those dollars back into the United States. John Williamson, an economist at the Institute for International Economics said, "It's possible that there will be a gradual, orderly adjustment" in which the dollar and the trade deficit subside. "But the longer it goes on, the greater the risk that the contrary will happen—that the dollar will suddenly fall, because nobody's willing to lend [Americans money] any more, and other countries won't be expanding their demand at that time." The likely result of such a process, Williamson said, would be a "world recession."

The spread of the news of the record size of the U.S. April trade deficit caused the dollar to tumble \$1.207 to the euro, with one currency trader predicting that the dollar would fall to \$1.25/1 euro.

Treasury Secretary Continues Economic Snow Job

U.S. Treasury Secretary John Snow spoke to reporters in San Francisco June 17, ahead of a closed-door breakfast meeting, sponsored by the investment firm Charles Schwab, to reassure these influentials that rising U.S. interest rates are not enough to derail a "robust" U.S. economic "recovery," Reuters reported June 17.

To underline the point, Snow pointed to some rising mortgage rates and other borrowing, which he explained away: "A rise in interest rates is not an inhibitor of the recovery; it's part and parcel of the recovery and what you'd expect to see

However, in factoring-in the situation in Iraq, Snow said attention to the conflict has "crowded out the good news on the economy," but that should all change after the transfer of authority June 30. Asked about oil prices, Snow mimicked Fed chairman Alan Greenspan, saying, "I don't expect oil prices to produce a big negative for the recovery we're in.... What [would be] troublesome is a significant spike that stays.... It appears that maybe some of the geopolitical risks or uncertainties are being looked at more benignly by the markets, because we do see this fairly significant and quick reversal of the energy price picture." Snow's remarks concluded with a nudge to China to revise its monetary peg.

Greenspan: Unemployment Benefits *Cause* Unemployment

Sen. Paul Sarbanes (D-Md), voicing "great concern" about jobs loss, confronted Federal Reserve Board chairman Alan Greenspan on the continuing plight of the 1.8 million long-term unemployed workers, during hearings of the Senate Banking Committee June 15. The numbers of long-term unemployed have "not substantially improved over these last several months," during the purported economic recovery, and now constitute 22% of all jobless. That percentage has remained elevated above 20% for the past 20 months—a record for a "recovery," said Sarbanes. These workers have lost their jobs, but the economy is "not creating jobs and they're not getting back to work"—even as they exhaust their state jobless benefits (which expire after 26 weeks).

After touting the growth in invisible jobs, Greenspan, who was testifying on his renomination as Fed chairman, dismissed all this with his usual doublespeak, insisting unemployment insurance *causes* unemployment! A "fairly generous, unemployment insurance program will tend to create unemployment," he proclaimed. Were the Senate to approve a Federal extension of unemployment benefits, which he said was "presumably appropriate," he recommended a "short-term" one only, agreeing with 13 weeks.

Immediately after, Greenspan said he would "strongly disagree" with the assertion of Sen. Jim Bunning (R-Ky), "This economy is the worst economy since the Great Depression,"

California Files Lawsuit vs. Enron for 'Massive Fraud'

California Attorney General Bill Lockyear filed a lawsuit June 17 to recover potentially hundreds of millions of dollars "for the massive, unlawful market manipulation and fraud it committed during the California Energy Crisis of 2000-01, the Sacramento *Business Journal* reported June 17.

Filed in Alameda County Superior Court, the complaint alleges that Enron's manipulation violated the state's Unfair Competition Law and commodities fraud statute. The lawsuit seeks restitution, damages, and disgorgement of unjust profits. Additionally, the complaint asks the court to award civil penalties of \$25,000 for each commodities fraud violation, and \$2,500 for each violation of the Unfair Competition Law. The complaint does not specify the total relief sought, but Lockyear said the damages, restitution, disgorgement, and civil penalties could well total in the hundreds of millions of dollars.

The named defendants include: Enron Corp., Enron Energy Services, Inc., Enron Energy Services Operations Ind, Enron Energy Services LLC, Enron North America Corp, and Enron Power Marketing.

Lockyear said: "Enron was the architect of a rip-off scheme that bled billions of dollars from our state's economy. The suit goes through all the phone fronts and games created to maximize the looting."

This article does not mention the crucial role of the LaRouche movement in mounting the campaign against these looters.

Enron Stole More Than \$1 Billion from Western State Customers

Enron records show how the company ripped off Western state customers for no less than \$1.1 billion in 2000-2001, when it manipulated the energy market practically every day during the deregulation-induced "electricity crisis," according to audiotapes and financial documents. The records were released by the Snohomish Public Utility District, the same utility that uncovered profanity-laced audiotapes of Enron traders gloating about gouging "those poor grandmothers" in California. Enron's market-rigging, even during blackouts, inflated electricity bills and bankrupted California.

Sen. Maria Cantwell (D-Calif), speaking at a June 14 press conference, demanded the Federal Energy Regulatory Commission open a new investigation and take effective action against Enron. "Unfortunately, FERC has fallen down on the job by conducting an inadequate investigation of Enron's market manipulation," she charged. "You have to ask yourself, what has FERC been doing with all this evidence of illegal activity? Certainly not protecting 'Grandma Millie.'"

The latest documents show Enron manipulated the energy market on 473 of 537 days—88% of the time—from January 2000 to June 2001, the utility said. As a result, Enron illegally pocketed at least \$1.1 billion in profits.

In one scam, Enron made \$222,678 in a three-hour period by shipping power from California to Oregon, masking the original source of the power, then sold it back to California at the highly inflated rate of \$750 per megawatt-hour. The records show Enron used at least five other schemes, dubbed "sidewinder," "ping pong," "donkey punch," "spread play," and "Russian roulette."

In one new audiotape, an Enron employee brags, "If the line's not congested then I just look to congest it.... If you can congest it, that's a money-maker no matter what."

The documents also show that Enron kept *five* separate sets of accounting records.

States Eliminate Critical Functions as June 30 Looms

Blacked out by the national media's electioneering mind-control, are the state-by-state horror stories of cuts in essential services. One example, is Georgia. There, hundreds of nursing home residents may have their Medicaid benefits cut off on July 1. The Georgia Department of Community Health, under orders from Gov. Sonny Perdue to make cuts, is eliminating a program called Nursing Home Medically Needy Medicaid. The program helped people whose income exceeds \$1,692 a month, but who are unable to afford the \$3,500 to \$4,000 a month needed for a typical nursing home. Hundreds now have nowhere to go. The state is readying the termination letters now.

These kinds of fiscal austerity cuts, come on top of a fast-eroding base of physical infrastructure to deliver medical care. Nationally, the average number of public hospital beds per 1,000 persons is dropping. In the state of Pennsylvania, for example, the ratio dropped by 23%, from 1995 to 2001.

Millions Under 65 Without Health Insurance

One-third of the U.S. population under the age of 65—almost 82 million people—lacked health insurance sometime in the last two years. Most were uninsured for more than nine months, according to the health-care advocacy group, Families USA. The Census Bureau gives the number of those uninsured as those without insurance for the entire year. But, when the number of uninsured are counted over a longer time-span, or, even for less than a year, the figures are much higher.

Everyone, including much of the middle-class (even families with \$75,000 incomes) are affected. Forty-three percent of

African-Americans and 60% of Hispanics were uninsured, while all minorities are disproportionately affected. The state of Texas had the highest uninsured levels in the country—about 8.5 million or 43.4% of the non-elderly population. Rates among other states: New Mexico has 42.4% uninsured; California, 37.1%; Nevada, 36.7%; Louisiana, 36.2%; Arizona, 35.7%; Mississippi, 35.1%, and Oklahoma, 35%.

The crisis is worse, given that employers are passing on more of the fast-rising costs of health care to employees, many of whom can't afford them. At the same time, states are cutting safety-net programs.

Pensions in Older Households Disappearing; Income Declining

The results of analysis of 18 years of Federal Reserve data, on households headed by "older" Americans (ages 47-64), was surveyed in the *New York Times* June 13. In 1983, over 65% of this grouping had someone earning a pension, but today, it's less than 50%, and dropping. An "elite minority" in the upper 20% income bracket, have fat retirement plans. But most others are finding pensions less and less common, especially when workers are forced to switch jobs, and lose pension plans altogether. The net worth of "older" households is also dropping in lower income brackets. The *Times* reported, "Mr. Wolff [an New York University researcher] found that the average net worth of an older household grew 44 percent, adjusted for inflation, from 1983 to 2001, to \$673,000. But much of that growth was in the accounts of the richest households, which pushed the averages up. When Mr. Wolff looked at the net worth of the median older household—the one at the midpoint of the economic ladder, a better indicator of what is typical—the picture changed. That figure declined by 2.2 percent, or \$4,000, during the period, to \$199,900."

World Economic News

Top Bond Trader: World Economy on the Ropes

The world economy is in the worst shape it's been in 20 or 30 years, worried Bill Gross, head of Pimco, the largest bond trading fund in the world. In an interview with London's June 17 *Financial Times*, Gross notes: "Too much debt, geopolitical risk and several bubbles have created a very unstable environment which can turn any minute. More than any point in the past 20 or 30 years, there's potential for a reversal." "We have become a leveraged global economy, specifically in Japan and the U.S. With all this consumer debt, business debt, government debt, smaller movements in interest rates have a magnified effect ... a small movement can tip the boat."

Gross then pointed to various specific bubbles such as commodities, the British housing market, and the U.S. currency. "The U.S. dollar is being supported by the kindness of strangers—Japan and China. It should be 20 per cent lower than it is. Japan and China will change their stance, we don't know when, but we know they will."

The threat of economic instability, he said, stemmed in part from "the advent of financial alchemy"—in particular, the growing use of hedge funds. "Even banks are employing the carry trade—borrowing short and lending long. They're doing things they haven't done before. There's lots of risk in the economy now compared with even five years ago.... They are amazingly similar in the leverage they use, and have the same structure, borrowing at 1 per cent and lending or investing longer, and they take it to an extreme because they go into stocks, commodities, real estate. If banks are regulated, hedge funds should be. I think there's a lot of risk here", he said, citing the 1998 collapse of Long-Term Capital Management.

Underfunded UK Transport System Threatens Economy

Congestion in the British transport system will cause "serious" damage to the economy unless there is at least 252 billion pounds' worth of investment over the next 10 years, said the Confederation of British Industry in a warning to the

government June 14. This much investment would only put British transport on a "middling" level compared with the rest of Europe. The Labour government's transport plan, begun four years ago, has been a failure, the CBI said. CBI director-general Digby Jones reported that, despite the spending of 50 billion pounds in the last four years, the lack of improvement in road congestion or train performance was "exhausting tolerance."

"We have a first-rate economy which deserves a first-rate transport system, not the substandard infrastructure that is letting down the country," Jones said. "The government cannot make any more mistakes, nor permit more delay, in delivering the transformation we need."

Currently, spending on roads is just half what it was, in real terms, 25 years ago, says the CBI, and, per capita, below the European average.

The CBI calls for a new 10-year program, to widen highways, upgrading the East Coast, Great Western and London-Brighton main rail lines, and building delayed projects such as Crossrail rail tunnel in London.

The government's own 10-year program, had called for 180 billion pounds' investment, 60 billion pounds of it from the private sector. This was to have let Britain's transport network "rival Europe's best" by 2010, the government claimed. But all the road work is years behind schedule; almost all the planned rail upgrades were shelved indefinitely, because the budget increases have gone to expanding maintenance costs.

United States News Digest

Dick Cheney on the Ropes; Attacks 'Outrageous' Media

Vice President Dick Cheney is such a negative factor in the 2004 election campaign, insiders report, that he is frantically giving press interviews to try to rescue his standing on the Bush ticket. On June 16, following George Bush's hysterical denial of the report of the 9/11 Commission that there was no relationship between al-Qaeda and Saddam Hussein, Cheney outdid the President in *insisting* on such a relationship.

In an interview with Alan Murray and Gloria Borger on CNBC-TV, Cheney denounced the *New York Times* for its June 17 lead editorial headline, "Panel Finds No al Qaeda-Iraq Tie," calling it "outrageous," and accusing the paper of undermining the Administration's credibility.

Cheney got so riled up, that Borger remarked on his uncharacteristic state of agitation.

Cheney was confronted with the question: The 9/11 Commission found "No credible evidence that al-Qaeda collaborated with Iraq or Saddam Hussein. Do you disagree with its findings?" He exploded, "I disagree with the way their findings have been portrayed. This has been enormous confusion over the Iraq-al-Qaeda connection, Gloria. First of all, on the question of whether or not there was any kind of a relationship, there clearly was a relationship. It's been testified to. The evidence is overwhelming. It goes back to the early '90s."

Cheney then went through a series of alleged "facts" to demonstrate this, facts he was to repeat several times during the interview, reading from a prepared script. The cited "facts" are very close in content to a series of articles by Stephen Hayes, a writer for the neo-con *Weekly Standard*, who is believed to have based his information on a leaked classified report that was prepared by Assistant Secretary of Defense Douglas Feith, when the intelligence community repeatedly found that no evidence of Iraq-al-Qaeda collaboration.

Cheney insisted on quibbling that there are *two* questions involved: whether there was an Iraq-al-Qaeda link (which he insisted there was), and whether Iraq was involved with al-Qaeda in 9/11. The Commission merely found "no evidence" of the link, said Cheney—who is apparently still dedicated to looking for the Saddam-al-Qaeda links (as well as the nuclear weapons that he insisted already existed in Iraq's arsenal). Bush claims that "the Administration" *never* claimed a 9/11-Iraq link—a difficult claim to prove.

So, Cheney railed at the media: "What the *New York Times* did today was outrageous. They do a lot of outrageous things, but the headline, 'Panel Find[s] [No] Qaeda-Iraq Tie.' The press wants to run out and say there's a fundamental split here now between what the President said and what the Commission said. Jim Thompson is a member of the Commission who's since been on the air. I saw him with my own eyes. And there's no conflict. What they were addressing was whether or not they were involved in 9/11. And there they found no evidence to support that proposition. They did not address the broader question of a relationship between Iraq and al-Qaeda in other areas, in other ways."

His brutish statements have provoked new rounds of investigations of previous Administration claims.

Ethics Complaint Filed Against Tom DeLay

A new flank is being opened against House Majority Leader Tom DeLay (R-Texas) with an ethics complaint filed by Rep. Chris Bell (D-Texas) against the former exterminator. Bell lost his seat as a result of the redistricting plan pushed through the Texas legislature by DeLay. The complaint focusses on DeLay's relationship with Westar Energy Inc., and Texans for a Republican Majority Political Action Committee. DeLay is also under investigation within Texas by Travis County (Austin) District Attorney Ronnie Earle, who is looking into both illegal fundraising and use of PAC money.

Bell's action against DeLay led to a completely hysterical response from the Congressman's spokesman Jonathan Grella. "These are warmed-over and factually deficient allegations from a bitter partisan seeking liberal martyrdom on his way out of office." California Republican Rep. John Doolittle said GOPers are "going to have to respond in kind" to the charges against DeLay, and said a prominent Democrat, whom he declined to name, would be charged with an ethics violation. The Republican heavy threatened, "From now on," it's a matter of, "you kill my dog, I'll kill your cat." Bell replied that this kind of response is expected from the DeLay people, adding that "I'm glad I don't have a cat."

Bell's spokesman, Eric Burns, said that the charges against DeLay "are very serious and well documented"; they are said to include fraud, extortion, bribery, and "abuse of power." An NPR radio report of June 15 said DeLay is guilty of "extremely serious criminal actions."

DeLay, a "born-again" religious nut, actively pursuing a genocidal war in the Middle East, is under increasing pressure in his Congressional district, as activists in the LaRouche Youth Movement have targeted him for defeat. Local Democrats, who have generally submitted, meekly, to DeLay, have been energized by the LaRouche Youth Movement campaigning, so he cannot take his reelection for granted.

Bush's Church Organizes Ad Against Torture by U.S.

Expressing their "deep sorrow" for the Abu Ghraib abuses in Iraq, top U.S. religious leaders, including Bishop Melvin Talbert, the ecumenical officer of the United Methodist Church, President Bush's denomination, organized the placing an advertisement for Arab television viewers, delivered in English (with Arabic subtitles). Other religious leaders, include Rabbi Arthur Waskow, director of the Shalom Center in Philadelphia; the Rev. Donald W. Shriver Jr., former president of Union Theological Seminary in Manhattan; Imam Feisal Abdul Rauf, founder and president of the American Sufi Muslim Association; and Sister Betty Obal, a United Nations representative and a member of the Roman Catholic Sisters of

Loretto.

The text is as follows: "As Salaam A'alaykum. As Americans of faith, we express our deep sorrow at abuses committed in Iraqi prisons. We stand in solidarity with all those in Iraq and everywhere who demand justice and human dignity. We condemn the sinful and systemic abuses committed in our name and pledge to work to right these wrongs." Talbert organized an interfaith group, FaithfulAmerica.org, to place the ads. Ten spots begin airing June 15 on Al Jazeera and Al Arabiya. Commenting to newsmen about reports of Administration memos on bending law to allow torture, Bishop Talbert said "If the law allows torture, then no way can I as a religious person condone it. We are speaking out for the human family."

Rift Within Bush Family Over Iraq War

Former President George H.W. Bush disagrees with his son's decisions on the invasion and occupation of Iraq, which is why he won't comment publicly on the war, reported the Washington leak sheet *Capitol Hill Blue*, on June 14. The elder Bush, a former CIA Director, also faults his son for pressuring the CIA to provide hastily-prepared and faulty intelligence to justify the war. The report says that Bush has told his son that he "messed up big time" in trying to link Saddam to the 9/11 attacks against the United States.

As support for the war declines, political aides allied with the Bush "43" have urged the father to come out in support of the war, which he has refused to do.

Key CIA Functions Being Outsourced and Privatized

CIA officers are being recruited right out of the Agency by private companies, and then sent back into their old jobs as much better paid private contractors, writes author James Bamford, in the June 13 *New York Times*.

"Private contractors are taking over jobs once reserved for highly-trained agency employees: regional desk officers who control clandestine operations around the world; watch officers at the 24-hour crisis center; analysts who sift through reams of intelligence data; counterintelligence officers who oversee clandestine meetings between agency officers and their recruited spies; and reports officers who act as liaisons between officers in the field and analysts back at headquarters," Bamford wrote.

Because of classification, Bamford continues, it is almost impossible for Congress to get any information about the practice. The process involves "hundreds of millions of dollars and thousands of contractors," and the quality of intelligence often suffers.

Democratic Activists Not Fooled by Kerry's Poll Lead

On June 14, the *Washington Post* news story and a *New York Post* op-ed both reported on the dissatisfaction among Democrats with Sen. John Kerry's campaign, despite his latest small lead in national campaign polls over a President Bush whose popular support is falling dramatically. Both cite Democratic leaders and activists (the *New York Post's* are all unnamed; the *Washington Post* names the Soros-funded former Clinton aide John Podesta and Rep. Bart Gordon of Tennessee) to the effect that Kerry is avoiding a grassroots mobilization of the party constituencies, is relying on a money-and-ads campaign, and has fallen far behind the Bush campaign in what the *NY Post* calls "the ground game" of mobilization.

A late-May ABC News poll showed Kerry and Bush even. But, 77% of the likely Bush voters said they were voting for

Bush; while only 38% of the likely Kerry voters said they were voting *for* Kerry. Of the Kerry voters, 62% said they were voting *against* Bush. Podesta is quoted in the *WP* saying, "You can't just be against something." Another, anonymous "top Democratic aide" said many in the House of Representatives find it hard to explain what Kerry stands for, or what he has stood for in the past.

Las Vegas Slots More Secure Than Voting Machines

The *New York Times* recently visited the State of Nevada's Gaming Control Board laboratory, to compare the security procedures applied to electronic gambling machines (almost the only kind used these days), to those for electronic voting devices. "To appreciate how poor the oversight on voting systems is," the *Times* said in its lead editorial of June 13, "it's useful to look at the way Nevada systematically ensures that electronic gambling machines in Las Vegas operate honestly and accurately. Electronic voting, by comparison, is rife with lax procedures, security risks and conflicts of interest."

Gamblers are better protected than voters, it writes:

- * The state has access to all gambling software, and it is illegal to use software which is not on file with the state. In contrast, electronic voting machine vendors claim that their software is a trade secret.

- * The software on slot machines and other gambling devices is constantly being spot-checked, with unannounced inspections that compare the computer chip in a slot machine to the one on file. Nothing of the sort is required for voting machines.

- * "There are meticulous, constantly updated standards for gambling machines ... intended to cover anything that can possibly go wrong." In contrast, voting machine standards are out of date and inadequate.

- * "Manufacturers are intensively scrutinized before they are licensed to sell gambling software or hardware," but, "When it comes to voting machine manufacturers, all a company needs to do to enter the field is persuade an election official to buy its equipment. There is no way for voters to know that the software on their machines was not written by programmers with fraud convictions, or close ties to political parties or candidates."

- * "The lab that certifies gambling equipment has an arms-length relationship with the manufacturers it polices, and is open to inquiries from the public," but in contrast: "The federal labs that certify voting equipment are profit-making companies. They are chosen and paid by voting machine companies."

- * "When there is a dispute about a machine, a gambler has a right to an immediate investigation," but a voter has little recourse if he suspects a problem.

The editorial concludes saying, "a vote for president should be at least as secure as a 25-cent bet in Las Vegas."

Ibero-American News Digest

Fuses Lit on Brazilian Debt Bomb...

Brazil and Mexico face phenomenal financing needs in 2004, exactly at the point that external capital is drying up, and becoming expensive—a recipe for blowout.

Take the case of Brazil, which has over \$300 billion in public debt alone. In June, the Central Bank changed strategy, opting to roll over bonds and exchange-rate swaps coming due, rather than paying them off out of reserves, as they had been doing. To do so, however, they had to agree to offer so-called "post-fixed interest rate bonds," in which the government agrees to pay the bondholder any difference that has accrued between the interest rate at the time of purchase, and what it may have risen to when it comes due. After months of trying to reduce the percentage of Brazil's public bonded debt which carry these floating interest rates, the percentage is now rising again.

Between January and the end of May, the Central Bank had spent US\$17.6 billion in paying off debt coming due, almost equal to the US\$19.1 billion thus spent over the entirety of 2003. Treasury officials claim the government still has enough of a reserve "cushion" to cover nearly three months of maturing debt, should that become necessary, not bad, given that the debt coming due in July, August, and September totals R\$67 billion—roughly US\$21 billion, at today's exchange rate.

That figure doesn't include exchange-rate swaps coming due, nor the over \$10 billion more which comes due in October, November, and December. These looming obligations broke the Central Bank's policy of not offering "post-fixed" bonds, because had they not offered them, investors would not have accepted the roll-overs, and would have demanded their money, instead.

...And Mexico, Too:

According to *La Jornada* of June 13, Mexico has an unprecedented \$47.9 billion in public and private debts coming due over the next 12 months.

In the recent period, a (relatively) steady flow of foreign capital coming into Mexico, viewed as a "safe refuge," has allowed it to meet debt payments. Stories such as that run in the Mexican daily *El Financiero* June 11—headlined "Hidden Debt, A 'Time Bomb'; Represents at Least 50% of GNP"—warn that those days are about to end.

El Financiero's article featured a warning by Walter Molano, chief economist at BCP Securities, that the institutional investors who consider Mexico a secure refuge might want to look again, more closely.

This is not news to *EIW* readers, as the real story on how Mexico has become, once again, another debt bomb, was reported in *EIW* #20. (See InDepth, "No Recovery for Mexico, but Argentinization.")

But given the prominence Molano often receives in the international financial media, his warning itself could well set off capital flight, and bring about the onset of a new crisis. Because Mexican debt is rated investment-grade by the rating agencies, many investors stopped looking closely at its numbers, Molano said. Mexico has a lot of sovereign debt hidden under other categories (Pemex, Pidiregas, pensions, etc.—see *EIW* #20), and, Molano warned, at some point, holders of Mexican assets are going to be hit with disagreeable surprises, and some people are going to suffer.

South America Descends into Barbarism

On the night of June 14, Aymara Indians from the town of Ayo Ayo, Bolivia, kidnapped the mayor while he was in La Paz, drove him back to their town of 7,000, near the Peruvian border. There, a mob beat and stoned him, burned him alive, and left his corpse hung upside down from a lamppost. His crime: alleged corruption.

The Ayo Ayo murder was no isolated case. On April 26, the mayor of the city of Ilave, Peru, in the region bordering Bolivia, was also seized by a mob of Aymara Indians numbering over 5,000, and murdered in a similar brutal manner, for alleged "corruption." Leaders of that Ilave murder now threaten to shut down the south of Peru, until the central

government recognizes them as the legitimate local authorities.

More is involved here than the Aymara "nation" asserting its right to practice its ancient custom of "communal justice," as some radical voices claim. When the Ilave lynching occurred, the Lima office of this news service, noting that Ilave is no small Indian village, but a center of the drug trade, identified the bestial murder as the opening of a phase-shift in the region, favoring the narco-terrorist mafia that dominates the region of the Peru-Bolivia highlands.

This disintegration of civilization is the direct result of the Synarchist financiers' policy of treating entire nations as "dogs." That policy was made explicit by Roger Scher, head of Latin American Sovereign Ratings for the British rating agency, Fitch, who told London investors on June 8 that the government of Brazil must impose yet more austerity on its people. "Brazil is still a prisoner of market sentiment. If the market says Brazil is a dog, then Brazil is a dog," Scher pronounced. It is because South American governments can no longer provide for even the most minimal necessities of their people, after two decades of such looting policies by the financiers, that the drug mob has established sufficient power to assert its will through mob violence.

National Strike Called in Peru

Labor unions have called a national strike in Peru for July 14, demanding nothing less than a total "change in direction" by the Toledo government. Juan Jose Gorriti, Secretary General of the General Workers Federation of Peru (CGTP), charged that the political, social, and economic policy in the country is so precarious, because "every day we hear that Peru is growing, that there is more investment, but people are in the same conditions they were in before." CGTP leader Mario Huaman suggested on June 6, that either President Alejandro Toledo changes policies, or the strike will become his political "grave."

The IMF points to Peru as an economic success story, because increased exports from Peru's mines by foreign-run companies have helped pay the foreign debt, but Peruvians are increasingly unemployed, without services, and starving.

Some estimate Toledo's support at 6% of the population, but others dispute the figure, saying it is only 4%! The President is so desperate, that the notorious neo-cons of the International Republican Institute (IRI) have hired one Ralph Murphine to help Toledo come up with a strategy to "improve his public image."

Peru Congressman: Fight Drugs with Cultural Optimism

Peruvian Congressman Ivan Calderon Castillo reports that he is preparing a bill for Congress, which calls for creating a National Program of Education Against Drugs, based on the concept of "cultural optimism"—fighting against the rock-drug counterculture and for Classical culture, especially music, while simultaneously "battling poverty and pushing for jobs, economic and social development, preservation of the environment, and the social peace." The program would be a collaboration between the Education Ministry and the state anti-drug institute DEVIDA.

In the part of the bill motivating the project, Calderon urges certain aspects of "LaRouche's plan to wage a successful war against narcoterrorism." The bill also cites Luis Vasquez, who heads LaRouche's work in Peru, in emphasizing the need to counteracting the fallacies of the narco-legalizers, and in favor of "the aesthetic education of man" as defined by Friedrich Schiller.

Calderon has previously proposed legislation to turn the nation's central bank into a Hamiltonian National Bank, has endorsed a call for Lyndon LaRouche's New Bretton Woods proposal, and was the sole voice in the Peruvian Congress to oppose the U.S. invasion of Iraq.

Argentina Threatened: Bend Before Vultures—or Else

The IMF and the U.S. State Department issued new threats against Argentina this week: Make a deal with the vulture funds, and implement austerity, or forget about investment or new funds.

IMF Deputy Managing Director, "Freddy's mother" Anne Krueger, warned the Argentines in a New York press conference on June 14 that unless the government comes to an acceptable agreement with foreign creditors—the vulture funds—it will receive no new investment. Since he took over as the IMF's Managing Director, Rodrigo Rato, has also threatened that Argentina must reach an agreement with *all* its creditors, and implement other "reforms" it has promised to put through, if it wants support from the international financial community.

Finance Minister Roberto Lavagna has admitted that the Kirchner government will have to request a waiver from the IMF, as it has not yet implemented the revenue-sharing plan it had promised would be in place by the time the Fund began its third review of its \$13 billion loan agreement with the country. That review is now underway.

President Nestor Kirchner has intentionally postponed debate on the revenue-sharing plan—the Fund wants provinces to get less money from the Federal government—because it is so politically contentious. However, during a seminar sponsored June 9-10 by the Center for Strategic and International Studies (CSIS) in Washington, attended by Krueger and her IMF cohort Anoop Singh (*Pagina 12* called him "Snoop"), Assistant Secretary of State for Western Hemisphere Affairs Roger Noriega threatened that the U.S. government would not support Argentina financially, unless the revenue-sharing plan were implemented right away.

Argentine legislators attending the CSIS seminar remarked that Krueger-Singh duo is "only interested in collecting the debt." Congresswoman Sonia Escudero of Salta province observed June 14, "I don't think they have any great interest in Argentines' future. They want more money to go to the primary surplus, [so we can] pay more debt. We told them that in the context of a 50% poverty rate, and very high unemployment, it is absolutely impossible to prioritize that [debt] payment." But, she added, the American financiers had no interest in the complexities of Argentina's reality.

Argentine Post Office To Remain in Gov't Hands

On June 11, President Nestor Kirchner signed a decree establishing the "Official Post Office of the Argentine Republic, Inc." (CORASA), owned 100% by the state. Last November, Kirchner had rescinded its contract with the company which had run the nation's basic and universal postal service since the Menem government had privatized it in the 1990s. The concession had been held by the Macri group—headed by Mauricio Macri, one of these named by Kirchner last week as out to destabilize his government—which looted it into bankruptcy. Initially, the government said it would re-privatize the company within six months. Now, Kirchner instead extended state control indefinitely, with the formation of CORASA, all the while repeating that the government has not ruled out privatizing it again.

Calls for Creating State-Run Railroad in Argentina

Political allies of Argentine President Nestor Kirchner, grouped in the Alberti National Railroad Forum, are calling for creation of a state-run railroad agency, or perhaps one in which private capital might play a role, in order to guarantee proper functioning, as well as expansion of the country's railroad grid.

The group is calling for the creation of the National Railroad Company, or Enafe, whose responsibilities would include: management and oversight of rail services; control of rail infrastructure and train operations; strategic planning; and, very

importantly, oversight of privatized rail companies. Rail specialists belonging to the above-named Railroad Forum, point out that today, some 15 to 20 years after Argentina's railroads were privatized, using the argument that they were generating enormous deficits, privately-owned rail companies spend far larger amounts of money, and produce larger deficits, than anything done by the Argentine state of the 1980s. The state today has to pay out annual subsidies to the privatized rail companies, to the tune of 300 million pesos, in addition to investing in infrastructure, as stipulated in privatization contracts, but also to compensate for the investments *not made* by private companies—as they were obligated to do.

As a result of the privatization of Argentina's railroads, 76,000 state-sector employees were fired, and hundreds of routes and lines which previously served important sectors of the country's interior, were shut down—just as occurred in the 19th Century, when British railroad companies and bankers destroyed native Argentine railroad lines that interfered with their looting operations.

Western European News Digest

Blair 'Mortally Wounded' by Election Results

A leading British strategist and military historian told *EIR* June 14 that "the whole push for a 'New American Century' is now in big trouble, and the neo-conservative crowd pushing it are more dangerously isolated than ever, because their main ally internationally, Tony Blair, has been deeply damaged, mortally wounded, by the June 10 election results." His comment led to a discussion of Henry Luce and the origins of the "New American Century," as documented in the new LaRouche Campaign's "Children of Satan III" report.

"Look at what this 'New American Century' drive has brought," he said. "First there is Afghanistan, which is now under control of the warlords and heroin traders. Then comes the Iraq debacle, a crashing error of judgment. The whole idea has been thoroughly discredited."

"Tony Blair is now almost entirely diminished, effectively his efforts to be a charmer are thoroughly discredited. He'll try to hang on, but the reality is now that the more he stays on, the more his problems will multiply, and will make his ability to rule all the more impossible."

Bank of England Governor Warns of Overspending

At the annual City of London dinner, on June 14, Mervyn King, Governor of the Bank of England, cautioned the Chancellor of the Exchequer Gordon Brown, politely but pointedly, about expanding government spending, and over-expectations on increasing tax revenues. Brown has claimed that, based on a supposed 3% growth of the British economy, tax revenues will rise by almost 15% by over the next three years, from 455 billion to 522 billion pounds!

King said that the Treasury's scales were "tilting more towards the spending side. I am assured that the projected rise in tax revenues over the next three years will allow the scales to swing back to what is known in the trade as a sustainable fiscal position.

"This is important because the improvement in the fiscal stance in recent years has been a key element in achieving macroeconomic stability."

The Independent reported June 17 that the Treasury projections of rising tax revenues have "raised eyebrows in the City."

Also, there have been a series of warnings from think tanks, including the Institute for Fiscal Studies, that Brown is "over optimistic" about increasing tax revenues, *The Times* reported.

French Elections Trapped in a Roman Circus

The European elections in France were non-elections: 57.2% of the voters abstained and, among the 42.8% who did vote, about 29% voted for the Socialist opposition, 5% for the Communists, 7.4% for the ecologists, 9.8% for the extreme-right wing National Front and 8.4% for the "sovereignists," anti-European chauvinists of all colors. The centrists of the UDF got about 12%, leaving the UMP, the pro-Raffarin, pro-Chirac forces with only a bit less than 17%. In a word, the same happened in France, as in England, Germany, and Italy.

The punishment meted out Prime Minister Jean-Pierre Raffarin was the same or worse, than that given to Blair, Berlusconi, and Schroeder. The tragicomic element is that the French Socialists (PS) got very good results for the same reason as the German Christian Democrats (CDU): They are in the opposition, and most of the votes went for the opposition, whatever its name, to avenge the social austerity of their governments!

Public and private television, on government orders, decided to give minimal coverage to the elections, a circumstance spectacularly aggravated by the fact that the results were given during the France-England football match! Some paper chose to put a picture of two goals in the last two minutes of play rather than election results. Even the Paris mayor's house had big screen video in front of city hall running the match.

Both the extreme-right and extreme-left parties lost votes, to the benefit of the Socialist opposition. Indeed, it was the night of the living dead.

Mussolini Elected to European Parliament

Alessandra Mussolini, granddaughter of *Il Duce*, Benito Mussolini, the fascist leader of Italy in the 1920s and 1930s, was elected to the European Parliament on the *Alternativa Sociale* list, which won almost 400,000 votes at the national level (about 1.2%), and, therefore, was able to elect one member to the European Parliament. Second after Mussolini was Roberto Fiore, an MI6 veteran of the Strategy of Tension and member of Blas Piñar's Synarchist International, who received 18,144 votes.

Mussolini was also elected, with 7% of the vote, to the provincial council in Latina, a central Italian city founded by *Il Duce* on a former swamp, the Paludi Pontine, the locale of a famous, although controversial land-reclamation project under Fascism. Mussolini populated the newly drained areas with very poor families from the Veneto region, whose descendants are still partially affected by a local cult of Mussolini's "greatness" (indeed, that region overcame poverty only in the postwar period). Mussolini got her highest percentage, 13.8%, in Ponza, a famous island in the Latina province where *Il Duce* used to jail his political opponents.

Italian Elections Upset Government and Opposition

At first glance, Italy seemed to have escaped the general debacle of government parties in the European elections which took place June 12-14. In fact, the government coalition slightly increased their votes. However, Prime Minister Silvio Berlusconi's party, Forza Italia, fell from 25.2% to 21%, losing six parliament seats. The coalition gained only because other partners gained: The Christian Democrats (CDU) went from 4.8 to 5.9%; the neo-fascists (Alleanza Nazionale) from 10.3 to 11.5%, the Lega Nord (Northern League) from 4.5 to 5%, the rightwing socialists from 0% to 2% and the Liberal Democrats from 0.5 to 0.7%.

Berlusconi's losses and the gains of his government partners are due to the fact that the partners had publicly disassociated themselves from Berlusconi's fiscal policies, especially the tax-cut proposal which had become the main issue of the campaign. Berlusconi's party also suffered severe losses in the local elections. He lost the regional governments in Sardinia and Apulie, and his party lost votes in Sicily, three former strongholds.

The results will have several implications, of a different nature. First, Berlusconi might be forced to sacrifice Finance Minister Giulio Tremonti, who had become a target especially of the AN representatives. At the same time, Alemanno invited his party to pay attention to Mussolini's electoral results. These synarchists claim that they would push a more "social" policy than the current government one. Secondly, some heads could roll in the neo-con cabal which has run Berlusconi's Forza Italia, and which is ultimately responsible for the election failure. Especially Sandro Bondi, the national coordinator of FI, is now at risk. Bondi, a former communist, is part of a *trio infernale* together with (former) P2 member Fabrizio Cicchitto and Berlusconi's old buddy Marcello dell'Utri. In his public interview last year, old P2 puppetmaster Licio Gelli praised both Bondi and Cicchitto. Now, Bondi could see the comeback of Claudio Scaiola, the very same man he replaced. Scaiola, a former Christian Democrat, is more of a traditional conservative. His city, Imperia, is the only place where FI gained votes.

Elections Spell Trouble for Romano Prodi

Romano Prodi, leader of the opposition, and candidate to replace Italian Prime Minister Silvio Berlusconi in the next elections, did not perform well in the European and local elections in Italy. How could the Italians vote for the head of the technocratic EU Commission? The Olive Tree coalition did get more votes than Berlusconi's party (31.1%), but less than in the last European elections (32.5%). The reason is, that they were divided on the Iraq issue, and they supported the Maastricht "stability pact," accusing Berlusconi of violating it!

However, Prodi's leadership and program are now challenged by former trade union leader Sergio Cofferati, who won the race for Mayor in Bologna on a united front platform. Cofferati included in his coalition all the left-wing parties that the Olive Tree considers to be too extremist, which in the European elections collected together 12.5% of the vote. In October 2002, Cofferati had led the successful anti-war demonstration in Florence, which drew between 500,000 and 1 million people, isolating and neutralizing the black bloc terrorists who had previously devastated Genoa. At that time, "clash of civilizations" prostitute Oriana Fallaci blew up at Cofferati's success, calling him a new "Napoleon" taking over the anarchist troops.

For further news and analysis of the European elections, see [InDepth](#) this week.

Russia and the CIS News Digest

Shanghai Cooperation Organization Summit Held in Tashkent

Russian President Vladimir Putin attended a summit meeting of the Shanghai Cooperation Organization (SCO) on June 17, the first of three summits he took part in in Central Asia. The leaders of the SCO member countries (China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan) met in Tashkent, the Uzbek capital, where the organization is headquartered. One of the top orders of business was the official opening of the SCO's regional anti-terrorism office.

According to remarks made by Putin at the summit, the talks also focussed on the illegal drug trade, including its role as a source of financing for terrorism. Afghanistan's President Hamid Karzai took part in the meeting, as did Mongolia's Foreign Minister Luvsangiin Erdenechuluun. Mongolia has official observer status in the SCO, and has formally asked to

join.

Putin said that economic cooperation was also high on the agenda. Chinese President Hu Jintao announced that China will extend \$900 million in trade credits to finance the development of trade among the SCO member nations. "We should fully take advantage of the high complementary economy among members and the rich natural resources and start cooperation in various forms," said Hu. At a press conference after the summit, Putin hailed the Chinese move as "a serious step" in economic cooperation. Putin noted that the countries have "many joint infrastructural interests," for which multilateral efforts are appropriate.

Kyrgyz President Askar Akayev called for better cooperation in energy and transportation, and Uzbek President Islam Karimov proposed a Central Asia Common Market. Putin flew on to Astana, Kazakhstan, where, on June 18, he attended summits of the Eurasian Economic Community (EurAsEC, which has the same members as the SCO, minus China and Uzbekistan and plus Belarus) and the Collective Security Treaty Organization same membership as EurAsEC, plus Armenia).

Russia Receives Chinese Three-Point Cooperation Proposal

Meeting with President Putin on June 17 in Tashkent, where both attended the SCO summit, Chinese President Hu Jintao offered a three-point proposal for implementation of the China-Russian Friendship Treaty on Good-Neighborly Cooperation through major economic cooperation. The areas of cooperation would be trade, local cooperation, and joint investment projects.

Putin said Russia and China have rapidly growing cooperation in trade, military technology, and culture, and said he agreed with Hu's three-point proposal. Russia will give "full consideration" of China's interest when making decisions on any projects related to China, he said. Bilateral trade grew by more than 37% year-on-year. The two Presidents also discussed Korea, Southwest Asia, and the G-8 meeting.

Putin To Visit Brazil in November

A November date has been set for President Vladimir Putin's visit to Brazil, Russian Ambassador to Brazil Vasili Gromov reported June 14. When the two Presidents spoke last March after Putin's re-election, President Lula da Silva's spokesman, Andre Singer, reported that Putin had accepted Lula's invitation, as the two Presidents agreed "on the necessity of advancing the dialogue between the two countries, to make bilateral commerce more vigorous and dynamic, and tighten scientific-technological cooperation."

Russian Markets on Rollercoaster

Trading was suspended June 17 on the Moscow Interbank Exchange, after stock shares in Yukos Oil soared by 23%. This was triggered by President Putin's remarking, in Tashkent, that the Russian state has an interest in such a big company as Yukos not going into bankruptcy. Yukos stock had been leading the Russian stock market in a downward plunge, ever since the company's warning several weeks ago, that it was just months from bankruptcy and would not be able to pay the \$3.5 billion in back taxes, assessed by the government. Then, at the beginning of the week of June 14, Yukos announced that it *did* have a payment plan (involving installments, and possibly the sale of some stock to the government, i.e., partial renationalization), which prompted a further plunge because the government—with Putin out of the country—did not respond enthusiastically. On June 15, the Russian Trading System (RTS) index briefly hit a two-year low.

The trial of former Yukos CEO Mikhail Khodorkovsky and two other Yukos owners and execs was supposed to begin

during the same week, but was postponed till June 23, due to the illness of an attorney.

On June 10, the International Energy Agency issued a warning that the bankruptcy of Yukos could affect world oil supplies, insofar as approximately one-fifth of this year's planned increase in Russian crude output is supposed to come from Yukos facilities. The approaching trial has occasioned other, fairly hysterical commentaries in the international financial press, such as the London *Financial Times* June 15 headline, "Turmoil at Yukos drains confidence in Russia."

The specter of "renationalizations" hangs in the Russian air, even as the government presses ahead with Western-modelled reforms in the social services sector (cash pay-outs instead of free services for elderly and invalids, partial privatization of pensions and health care, introduction of a mortgage market, etc.). Members of the United Russia majority in the State Duma are pushing legislation that would permit renationalization of privatized companies that did not meet certain standards of performance.

Southwest Asia News Digest

Arafat Interviewed in Israeli Daily

Palestinian National Authority President Yasser Arafat was interviewed in the June 18 issue of *Ha'aretz*, Israel's second-largest daily, in what appears to be an institutional attempt to "rehabilitate" his image in the Israel, after three years of demonization, at the insistence of Prime Minister Ariel Sharon.

What is especially significant, is that the Arafat interview was published in the context of three interviews given in the prior 10 days by top military and intelligence officials in Israel, including Gen. Amos Malka and Col. Ephraim Lavie, both former Military Intelligence officers, and Mati Steinberg, a former adviser to the Shin Bet. All of them were to some degree criticizing the false reports by other Israeli security service officials that called Arafat an obstacle to peace (see this week's InDepth).

The combined effect of the interview with Arafat and the three intelligence officers, is that they debunk the Sharon-orchestrated demonization of Arafat, which has been totally supported by U.S. Vice President Dick Cheney, and of course, Cheney's dummy, President George W. Bush.

Arafat answers the question as the statesmen he is, and therefore, refuses to make comments that go beyond agreements that have made so far.

First, Arafat made clear he supports the right of Israel to exist, and said that the Palestinians "accepted that openly and officially in 1988 at our Palestinian National Council," and that they remain committed to it. The commitment to Israel's existence was reaffirmed at the Madrid conference of 1991, and through the Oslo Accords. He also reaffirmed that he is not at all interested in changing the Jewish character of Israel, saying it was "clear and obvious."

Arafat also reiterated his commitment to a territorial agreement based on the 1967 borders, with 1-to-1 swaps of territory where changes have to be made, with East Jerusalem as its capital, and the al Haram Al Sharif/Temple Mount (in East Jerusalem) under Palestinian sovereignty. The Western Wall would be under Israeli control.

Arafat refused to comment on a question about whether Jews would be allowed to hold prayers on the Al Haram Al Sharif/Temple Mount. It was a stupid question in any case, because Israeli law prohibits Jews from holding prayers on the site, which Israel, even since 1967, has recognized as being administered by the Muslim Trust.

When asked whether he supported the recent Geneva Peace Initiative, he said he sent one of his representatives to the opening ceremony, making clear that he supports the effort, but cannot officially accept it, since it has no official status. By contrast Sharon had dismissed the peace effort with contempt.

As for the refugees, he said the Palestinians fully supported the Saudi Peace initiative which called for resolving the refugee question through UN Resolution 194. Arafat said, "First of all, we had an agreement, after Oslo, we had an agreement that the displaced refugees of 1967 can return openly, if they like to return back to Palestine." Not all of them have returned, he said. He said he was mostly concerned about the refugees in Lebanon, which number over 200,000.

He would not go so far as to say that Palestinians would give up the right to return to their homes, since this is a negotiating point, not to discuss with journalists. He chided his interviewers by presenting them an article from *Ha'aretz*, which revealed that 63% of the Russians that have come to Israel are not Jewish, but either Christian and Muslim. This would represent well over 300,000 people. Arafat asks, "Why does the Muslim from Russia have a right to return, while the Muslim from Palestine does not have the right to return? And why does the Christian from Russia have the right to come, and the Palestinian Christian does not have the right to come?"

Israeli AG Attacks Prosecutor Who Investigated Sharon

As *EIR* reported in its analytical interview with Israeli author, Maxim Ghilan (see EIW #22), the fix was in for letting Prime Minister Ariel Sharon off the hook in the recommendation that he be indicted in the follow-up investigation of the bribes paid to Sharon and his son by convicted criminal, David Appel. On June 15, Israeli media reported that Israeli Attorney General Meni Mazuz, while dismissing a proposed indictment of the Prime Minister, has gone one step further, and attacked Edna Arbel, chief prosecutor in the case, and now a Supreme Court judge. Mazuz's unprecedented, vicious attack on her integrity kicked up a storm among many prosecutors who have been circulating letters and petitions demanding that he retract his statements.

Mazuz, who refuses to retract his statement on Arbel, released a statement saying that he was not attacking anyone else, that he has full confidence in the prosecution. Meanwhile criminal law Professor Modechai Kremnitzer called on the government to remove Mazuz from his post if he fails to take a public stance in support of Arbel. He said that the questioning of the integrity of Arbel could "constitute contempt of court."

IAEA Passes Harshly Worded Resolution Against Iran

The International Atomic Energy Agency (IAEA) passed a harshly worded resolution June 18, rebuking Iran for alleged non-compliance regarding its nuclear program. The resolution, written by Britain, France, and Germany under pressure from the United States, was adopted unanimously by the International Atomic Energy Agency's 35-nation board of governors.

Iranian Foreign Minister Kamal Kharazmi criticized it, but said Iran would meet its commitments to the United Nations' nuclear watchdog.

The resolution called for the IAEA's 15-month-old investigation into Iran's nuclear activities to be stepped up and for Tehran to do more to help it complete the probe within a few months. The resolution repeats a call by IAEA Director General Mohamed ElBaradei "that it is essential for the integrity and credibility of the inspection process to bring these issues to a close within the next few months." Furthermore, it "deplores ... that overall as indicated by the Director General's written and oral reports, Iran's cooperation has not been as full, timely, and proactive as it should have been."

The chief Iranian delegate to the IAEA, Seyed Hossein Mussavian, had been cooperative in the days before the vote, saying the Islamic Republic would continue to cooperate with the IAEA. But Iranian Foreign Ministry official Amir Hossein Zamaninia said that the resolution was "a major departure from the reality on the ground," where Iran claims to be cooperating fully. He said Iran would decide whether to continue voluntary measures, which go beyond the requirements of the Nuclear Non-Proliferation Treaty (NPT), according to "the degree of implementation of the reciprocal commitments," a reference to Iran's desire for peaceful nuclear technology transfers in return for carrying out so-called confidence-building measures.

State Department spokesman Richard Boucher said June 17: "The United States has felt that it's important for the IAEA to continue its pressure on Iran, to continue its investigation, its inspections, to continue finding things out about this program." Boucher also accused Iran of new attempts to hide sensitive activities, particularly razing nuclear sites to hide banned nuclear activity. "I can't give you any independent information, but commercial satellite photography shows the complete dismantling and the razing of a facility at Lavizan Shiyan" a Tehran suburb.

Will There Be An Independent Commission To Investigate Iraq Prison Torture?

At a special event organized on June 16 at the Rayburn House Office Building, by Democratic Congressional leaders, Rep. Jane Harmon (Calif), Rep. Henry Waxman (Calif), Rep. John Conyers, Jr. (D-Mich), and Rep. Ike Skelton (Mo), legal experts with experience in the U.S. Army's office of the Judge Advocate General (JAG), the CIA, and human rights organizations, provided briefings and answered representatives' questions on the Abu Ghraib, Afghanistan, and other cases of prison abuse and torture. The briefing—which was not a formal hearing—discussed the significance of memoranda *justifying* torture, which were prepared at the highest levels of the White House, the Department of Defense, and the Justice Department, for the Bush Administration. The meeting discussed the possibility that a Congressionally mandated Independent Commission, be formed to investigate the abuses. At present, there is no investigation by the military or the Defense Dept. itself that can handle the job, since under Army rules, for example, an investigator is not permitted to question any official or officer whose rank is equal to, or above his or her own.

The Democrats' briefing took place at a point that House Republicans continue to stonewall, and block any official hearings from taking place.

Karpinski, Scapegoated, Speaks Out on Abu Ghraib

General Janis Karpinski, who is being scapegoated in the Abu Ghraib prisoner-abuse scandal, offered striking revelations in an interview with *The Australian* June 16. Australian military lawyer Major George O'Kane had "aggressively warned" about possible Geneva Conventions violations at Iraq's Abu Ghraib prison and urged his American superiors to allow Red Cross inspections, according to the U.S. general suspended over the Iraqi prisoner-abuse scandal. Karpinski said Major O'Kane and Australian colleague Colonel Mike Kelly, who was also in Baghdad, were more knowledgeable and supportive of the Geneva Conventions than some U.S. military lawyers.

The government of Prime Minister John Howard has gagged Major O'Kane, despite calls for him to appear before the Senate following revelations he had a role in producing the letter.

Asked if Major O'Kane should give public testimony to the U.S. Senate Armed Services Committee, which was investigating the scandal, Karpinski said it would be useful for him to talk. "Sure. He is safe now, and he doesn't have to worry about retaliation from Coalition Joint Task Force 7 (the military headquarters in Iraq)! It brings perspective; they should talk to someone." The general also called on the Howard government to let Major O'Kane speak publicly about his knowledge of the scandal.

O'Kane has been the focus of intense scrutiny for his role in helping draft a letter, signed last December by General Karpinski, to the International Committee of the Red Cross, in which she insisted prisoners at the jail were being treated humanely. That was a month before the now infamous photographs showing guards assaulting prisoners. Karpinski, 51, told *The Australian* she did not regret signing the letter and stood by Major O'Kane as "a dedicated and professional officer." She said O'Kane was involved in all legal aspects of detentions in Iraq and worked closely with U.S. military lawyers as they thrashed out a response to the ICRC, but was not the author of the controversial response.

"It wasn't O'Kane's letter," Karpinski said. She said the most influential author was Col. Marc Warren, a senior lawyer working for Lt.-General Ricardo Sanchez, the top U.S. military officer in Iraq.

She said O'Kane had also sided with her legal staff in trying to block a more restrictive letter barring the ICRC's access to the jail. He had told her, "We don't ever like to tell the ICRC that they can't come into a facility and that's what they were trying to do."

Asia News Digest

Korean DMZ Silent; Calls for 'Peace, Reconciliation'

Silence descended on the DMZ at midnight June 15 for the first time since the 1953 end of the Korean War, as the plug was pulled on the ear-splitting propaganda broadcasts of the two Koreas attacking each other from dozens of high-power batteries. The two also began to rip down all of the 300 billboards, electronic displays, and religious signs along the 248-km (154 mile) border. In a last broadcast, North Korea called for inter-Korean reconciliation and a joint campaign to drive out U.S. troops. South Korea flashed a last message which read, for the first time ever: "Peace, reconciliation and cooperation."

Also on June 15, the South and North Korean navies successfully exchanged radio communication for the first time since 1953, the first test of an inter-Korean military hotline, as well as using a common radio frequency, flags and light signals, in a plan to prevent accidental clashes. Contacts were made at five different locations for two hours.

North and South are also planning this fall to open a segment of the DMZ on the eastern seaboard, so that ordinary citizens may drive in their cars across the former no-man's land to visit Mt. Kumgang in the North.

Successful Test of India-Russia Cruise Missile

The seventh flight of BrahMos, the 2.8 mach-speed cruise missile, jointly developed by India and Russia, took place successfully on June 13, reported the Indian news daily, *The Hindu*. The missile stands eight meters tall, weighs three tons, and carries conventional 200 kg warhead.

A consortium of major industries of India and Russia are manufacturing various systems, sub-systems and components required for assembling this sophisticated missile. It was launched vertically from a container on a mobile autonomous launcher, with a fire-control system developed by a firm in the Indian state of Gujarat.

Afghan Warlords, Terrorists, Criminals United by Drug Money

Tayeb Jawed, the Afghan Ambassador to the United States, told the *Washington Times' Insight* magazine, recently, that the availability of enormous sums of money from the illicit drug trade has united warlords, criminals, and terrorist groups, in

an unholy alliance cited above is capable of wreaking havoc across the world.

On June 13, Gen. Rick Hiller of Canada, now in charge of the 6,500-strong NATO-led International Security Assistance Forces (ISAF) told reporters in Brussels that the Afghan parliamentary and Presidential elections due in September might have to be postponed again. He cited the deteriorating security situation inside Afghanistan as warlords and militia groups have stepped their attacks on civilian targets, including aid workers. The NATO commander said that al-Qaeda, criminal gangs, and militia groups are "all determined to protect their fiefdoms," and want to disrupt the elections.

General Hiller was particularly critical of the slow pace of reform inside the Afghan Defense Ministry, which has often turned a blind eye to the activities of the warlords and militia groups.

Afghan Elections Are Sure To Be Delayed

While interim Afghan President Hamid Karzai, who met with U.S. President George Bush on June 15 in Washington, is continuing with his campaign to hold Afghan elections in September as promised, the Afghan Electoral Commission told AFP on June 16 that the polls will be delayed for the second time. Elections were originally scheduled to be held this month.

"The election cannot happen in September," spokeswoman Ghutai Khawrai said, citing a failure to meet a new law that the boundaries of electoral constituencies must be certified 120 days before voting can be held. A Presidential decree establishing the boundaries was only signed on June 5. "Since we plan to hold parliamentary and Presidential elections at the same time, the delay is for both," she said.

Also mitigating against near-term elections is the fact that voter registration is progressing very slowly. Out of 10 million eligible voters, only 3.7 million have been registered so far. The delay is caused by threats of violence and acts of violence by the anti-Kabul, anti-U.S. groups within Afghanistan. According to the United Nations, a national election is considered valid when a minimum of 70% of eligible voters are registered.

Violence Continues in Afghanistan

A rocket hit a military base near the U.S. Embassy and NATO Headquarters in Kabul on June 15, wounding an Afghan soldier, while gunmen shot dead a government official in a southern province. Officials generally blame Taliban guerrillas or allied Islamic militants for the attacks.

In the city of Faizabad in the northeastern province of Badakhshan, a bomb exploded at the office of the British Agencies Afghanistan Group (BAAG), a British aid group which provides information to foreign groups in the country. The explosion blew out windows and the front gates of the building belonging to BAAG.

Attacks on the foreign aid workers is the new tactic adopted by the anti-Kabul and anti-U.S. militants. recently three Europeans working for Doctors Without Borders were killed in an attack believed to have been carried out by Taliban remnants. On June 10, eleven Chinese road builders were killed at night while they were sleeping. These attacks have created an atmosphere of fear among all aid workers.

Thai Violence Prompts Rush To Buy Weapons

In a continuing climate of what appears as random violence in three southern Thai provinces, citizens are rushing to sign up for licenses for weapons. Some 1,300 applicants have applied, and unusual cooperatives are sprouting up. A teacher's

cooperative in Pattani has reportedly issued loans to teachers to buy guns, offering monthly payment plans.

Meanwhile, Thai Defense Minister Gen. Chatta Thanacharo, on a three-day visit to the troubled areas, complained of the lack of support from the populace in the form of information about who is behind the spate of attacks, and information from local police about personal conflicts. In the latest incidents, six wooden shophouses were destroyed June 14 in Pattani, a fish seller was gunned down, a Pattani resident was shot with a 9mm pistol while on his motorcycle, and a territorial defense training instructor was critically injured after being shot several times by two men on a motorcycle. One-hundred forty-six people in the three provinces have killed from Jan. 4 to April 28.

Indonesia Objects to Renewed U.S. Sanctions on Myanmar

Indonesia, which currently serves as chairman of the regional ASEAN 10-nation alliance, strongly objected to the U.S. renewal earlier this month, for another year, of a total ban on Myanmar imports, and other sanctions. ASEAN has always opposed sanctions and punitive measures, preferring dialogue and engagement as more likely to achieve a positive outcome.

The renewed sanctions are most prominently backed in the House of Representatives by the likes of neo-con Dana Rohrabacher.

New Paramilitary Unit To Guard Straits of Malacca

Malaysia will launch its own version of the United States Coast Guard to patrol and provide security along the Straits of Malacca, beginning in March 2005, the *Malaysia Star* reported June 15. A bill for a Malaysia Maritime Enforcement Agency Act 2004, which provides for the setting up of the agency, was tabled in Parliament on June 14.

A minister in the Prime Minister's office, Datuk Seri Mohammad Nazri Abdul Aziz, in tabling the bill, said the agency would be recognized as "a combatant military troop" according to the Geneva Convention. He added that the personnel will be responsible for safeguarding a quarter of the world's commerce and half of the world's oil supply, which passes through the Straits each year.

He also referred subtly to the American pressure to beef up patrols in the Straits. "The safety of the Straits of Malacca is important. If not guarded properly, foreign powers may be prone to intervene in its management and this will pose a threat to the country's sovereignty," he said.

Foreign Investment in China Slow Its Pace

Foreign investment in China, while still growing, is at a much slower pace than last year. This, despite the fact that the SARS epidemic had slowed investment coming into China in 2003.

Actual foreign direct investment (FDI) was U.S. \$25.91 billion in the first five months of 2004, up 11.34% year-on-year basis, the Ministry of Commerce reported. During the same period last year, actual FDI grew by 48%, and contractual direct investment by 49.76% to U.S. \$57.24 billion.

Chinese officials said that the slowdown was due to government efforts to "cool down" several industries, including steel, cement, and real estate.

China's Electricity Shortages Threaten Foreign Investment

China's worsening electricity shortages could cause foreign investors to reconsider their operations in China, an article in *China Daily* on June 14 warned. Even if investors continue building plants in China, they could move to interior provinces like Sichuan and Hubei in the Yangtze valley, where electricity is more available, Tsinghua university scholar Zhang Jianyu told *China Daily*. "Those provinces rich in energy supply will be investment targets," Zhang said.

Coca-Cola and General Motors in Shanghai and Hangzhou, and in Guangdong province, have recently had to stop production temporarily due to power shortages during peak hours. China is constructing many new power plants, but they will not be finished until 2006.

The Hong Kong media have recently been reporting that electricity shortages could slow down overseas investment in China, but this was denied by officials of the National Development, and Reform Commission.

Australia's Synarchist Press Goes Berserk Over CEC Ad

At least two semi-hysterical articles appeared in the media—in the *Melbourne Age* ("Former Defence Chief shies from petition linked to cult") and Murdoch's *The Australian* ("General Regrets Signing Far-Right Group's Letter")—about the CEC ads published on June 13. As usual, both papers had their hacks call the leading figures on the petition, attempting to terrorize them into backing off in their support, which they did not do. The main target this time was Gen. Peter Gration, the former Chief of Australian Defence Force, who had taken a strong stand against Iraq war some months ago.

Africa News Digest

Congo: Rwanda Jerks Leash of Attack Dog Nkunda as Pressures Mount Against Rwandan Designs

Less than a week after threatening to immediately resume aggression in South Kivu province, Congo, if the Congo government did not set up an inquiry into "genocide" against the Banyamulenge (Congolese Tutsi) in Bukavu, Gen. Laurent Nkunda has reversed himself. Nkunda told AFP June 17, "We are not going to fight and we are not going to leave our positions, provided the army doesn't attack us." Nkunda's troops are encamped at Minova in South Kivu province, where they received additional Rwandan soldiers, arms and munitions June 12. The Congo government never responded to Nkunda's June 13 ultimatum, in which he also said, "I think we will soon liberate Eastern Congo," and "We are in a regional community of interest with Kigali," AFP reported June 13.

Nkunda's claim of "genocide" against the Banyamulenge is a hoax—he said himself it wasn't true less than a week before his June 13 ultimatum. Nkunda is himself accused of war crimes for executing 160 pro-government fighters in revenge for an attempt to oust him from Kisangani in May 2002, not to mention the rampage of rape and pillage by his troops in Bukavu this month.

Rwandan Foreign Affairs Minister Charles Murigande told the press in Kigali June 15 that "One can say that there has been an attempt to commit genocide in Bukavu.... And if Gen. Nkunda intervened to stop it, his intervention was probably justified."

But a UN inquiry has concluded that there was no such genocide, and Human Rights Watch drew the same conclusion June 13, Radio Okapi, UN radio in Congo, reported June 15.

Congo's Minister for Regional Cooperation, Mbusa Nyamwisi, at a press conference in Dodoma, Tanzania, with Tanzanian Foreign Minister Jakaya Kikwete June 19, said, "We have need of you [Tanzania] and the region to discourage those who want to overturn [Congo's] transition process.... This support can be diplomatic or military." Nyamwisi delivered Congo President Kabila's written request to Kikwete, who stood in for President Benjamin Mkapa, who is recovering from a hip operation.

Nkunda's partner in crime, Col. Jules Mutebusi, is still occupying Kamanyola, south of Bukavu, with the help of Rwandan armored vehicles, even though his forces are "surrounded" by government troops. Between June 10 and 19, more than 30,000 Congolese from the Kamanyola area have taken refuge in Cibitoke province in Burundi. Provincial Gov. Antoine Buzuguri told AFP June 19 that there was a site for Banyamulenge and one for the other communities.

Congo's RCD Splits Over Leadership's Loyalty to Rwanda

The Congolese Rally for Democracy (RCD) has split over the leadership's loyalty to Rwanda. The split has emerged since the June 2 seizure of Bukavu by one of Rwanda's Congolese generals, Laurent Nkunda, AFP reported June 16. The members of parliament leading the party's new "courant renovateur" (renewal tendency) announced in Kinshasa June 16 that the tendency "reaffirms its commitment to defend the territorial integrity of the Democratic Republic of Congo and its national unity." They denounced "all interference in Congolese national affairs" and strongly criticized RCD President (Congo Vice President) and Rwandan agent Azarias Ruberwa "who still has not condemned the aggression" of Rwanda in Bukavu. The tendency is not planning to leave the party; instead, it demands "the immediate and unconditional dissolution" of the RCD leadership clique and calls for an extraordinary party congress "without delay." The RCD, it says, has become "a propaganda tool ... of foreign powers."

SADC Sends Mission to Congo and Rwanda

The Southern African Development Community (SADC) will send a mission to Congo and Rwanda to "evaluate the situation," the Foreign Minister of Lesotho, Mhlabi Tsekoa announced June 16. The two-day mission was to begin June 20. "We hope to meet [Congolese] President Joseph Kabila and others who he would like us to meet. At Bukavu, we will meet the Governor of Bukavu and others," Tsekoa said. He added that the team will also go to Rwanda, since "there are strong suspicions that Rwanda supports the rebel troops that are disturbing the peace process in Congo." "In Kigali, we have asked the Foreign Minister to arrange a meeting with the President of Rwanda," he said.

South Africa, Congo Sign Major Defense Agreement

The defense ministers of South Africa and DR Congo signed a major defense agreement in Pretoria June 18, providing for close cooperation in training, cartography, military health, technical consultation, and procurement. It provides for the exchange of personnel at all levels and regular visits of high-level "military and industrial" delegations, and South Africa will sell its military equipment to Kinshasa.

Its primary objective, according to AFP June 18, is to aid in integrating all of Congo's armed bodies into a unified defense force, "an exercise in which South Africa has some experience, with the integration after 1994 of the apartheid army and the black liberation movements into a single army."

The agreement follows bilateral accords on diplomacy, administration, health, and fiscal matters, all signed in March. Accords on commerce, agriculture, mining, transport and communications are to follow. AFP comments, "These accords confirm the position of Pretoria... as the preferential partner of Kinshasa for reconstruction."

Zimbabwe Buys New Jet-Fighter Fleet from China

Zimbabwe has purchased 12 FC-1 jet fighters from China, Shadow Defense Minister Giles Mutsekwa told AFP June 13. The FC-1, a lightweight, multi-purpose fighter, is based on the Russian MiG-33. He said the purchase was disclosed in a quarterly Defense Ministry budget review, and was defended by Defense Ministry Secretary Trust Maphosa on the grounds that it was impossible to get spare parts for the fleet of Chengdu F-7s (also Chinese) now in use, and that the arms embargo against Zimbabwe by Europe and the U.S., reinforced the choice of China as a supplier.

Zimbabwe provided critical support with troops and jets for the Congo government in August 1998.

The Zimbabwe government is sponsoring the study of the Mandarin Chinese language. Chinese tourists have been coming to Zimbabwe since the their government gave Zimbabwe "approved destination status" in December 2003.

Sudan Orders Mobilization To Disarm Darfur Militias

Sudanese President Omar al-Bashir ordered a "complete mobilization" to disarm illegal armed groups carrying out attacks in Darfur "including Janjaweed" that have been attacking insurgents and civilian populations, according to a statement released by the Presidency June 19. The government has been accused of backing the Janjaweed Arab militias.

U.S. Secretary of State Colin Powell said that, "the government of Sudan did provide support to these militias" who are accused of ethnic cleansing or genocide in Dafur, in a telephone interview with the *New York Times* June 11. The Bush Administration was considering a tougher policy toward Sudan, according to the *Times* article.

The *Times* report acknowledges that the situation is extremely confused, with conflicting stories describing the situation in Dafur as "calm," or as "genocide." This is in contrast to most media reports, such as those of BBC, which assert that over a million people are dying in refugee camps, and that the Sudan government is preventing access.

Sudanese Vice President: West Creating Darfur Insurgency

Sudanese Vice President Ali Osman Taha accused the West of creating the insurgency in Darfur. While speaking before a gathering of Egyptian and Sudanese intellectuals and politicians in Cairo June 10, Taha said that the insurgency was "fabricated" by the international community, and the West in particular. According to *Arab News*, he said that the same parties that were responsible for creating war in southern Sudan decades ago, are the ones responsible for the conflict. Taha also said that the international media have created an image of genocide or ethnic cleansing in Darfur to gain leverage in the final negotiations between Khartoum and the SPLA, in favor of the SPLA.

At a Cairo press conference with his Egyptian counterpart, Sudanese Foreign Minister Mostafa Osman Ismail said, "There are pressure groups, some of them used to operate in the south and now they are becoming active in Darfur.... These groups want trouble," and want to create a situation similar to that in the South. "We are not saying that there is no problem in Darfur," he added.

South Africa: Knives Out To Derail SWAPO Succession Plan?

"Some African nation states are headed back to big man tribal leadership: Nujoma has followed Mugabe's lead of late in several distasteful ways," insists Roger Bate, a visiting fellow at American Enterprise Institute, in an op-ed in South Africa's *Business Day* June 9. Bate continues that although the mines continue to pump out the diamonds, "[Namibian President Sam] Nujoma's violent threats and obvious desire to emulate Mugabe's land grabs are more worrying as they

would destabilize the country and prevent inward investment." Bate adds that a "revival of the big man syndrome" would be a disaster for Africa and "would be a threat to those fighting terrorism by potentially providing a safe haven for evildoers."

The London *Financial Times* June 18, not quite so rabid, nevertheless attempts to make a similar case. The *FT* quotes Sigi Eimbeck of the Namibian Farmers Support Initiative that "Everybody is contemplating a Zimbabwean scenario, and that's the government's fault." The *FT* adds that the "expropriation drive is being led by Hifikepunye Pohamba," the Lands Minister. The South West African Peoples Organization (SWAPO), the ruling party, which led the country to independence, nominated Pohamba in late May to run for President in the November elections when President Nujoma will step down. Soviet-educated Pohamba won the nomination over U.S.-connected former Foreign Minister Hidipo Hamutenya, in a move seen as keeping Namibia moving in the same policy direction as Sam Nujoma. At the SWAPO congress, the land-reform policy that Pohamba has championed with Nujoma's backing was solidly supported. The land reform policy emphasizes redistribution of massive blocks of white-owned land to poor black farmers, with compensation for the owners.

SWAPO Youth League Secretary-General Paulus Kapia June 18 blasted the media campaign against President Nujoma and the ruling party. Kamia singled out the U.S., the UK, and Germany as using "white-owned" media in Namibia to attempt to "rubbish our President." According to Kapia, "We have established that the white-owned media outlets have been given sizeable resources to demonize, cause confusion, and plant seeds of division within the SWAPO party."

Namibia Development Bank To Finance Infrastructure

The April launch of the Development Bank of Namibia has meant a change in the financing of development projects. The Development Bank Act of 2002, stated the bank's CEO David Nuyoma, provides that, "The focal areas are to provide long-term finance to large types of industries and infrastructure projects. Second, it is to mobilize financial resources towards development projects in the country." He continued: "The bank is literally an investment bank with a heavy emphasis on development. The ultimate impact of this intervention will benefit Namibia in terms of those functions to facilitate other developments to unlock the development potential and contribute to the increased welfare of Namibians."

The main business of the bank is to provide capital and services to large scale, viable and sustainable public and private enterprises and development projects, especially infrastructure projects.

"We have noticed that one of the fundamental weaknesses in financing projects in Namibia is the long-term financing beyond five years or so. Here the bank can come in and finance projects in a way that they are able to breath instead of being pressured to pay back loans," the CEO said.

This Week in History

June 21-27, 1964

Mississippi Freedom Summer

We move this week to June 21, 1964, the day on which three civil rights workers—James Chaney (21) of Meridian, Miss.; Micky Schwerner (24) of New York; and Andrew Goodman (20) of New York—disappeared in Mississippi, after having visited a church which had been burned on June 17. All three were eventually found to have been murdered, their bodies discovered on Aug. 4, under a vast mound of dirt, on a farm near Philadelphia, Mississippi.

The three—one of them black, and the two New Yorkers white—had been part of a project called Mississippi Freedom Summer, which had been pulled together by the joint efforts of the Student Non-Violent Coordinating Committee (SNCC), the Congress of Racial Equality (CORE), and the National Association for the Advancement of Colored People (NAACP). The three organizations formed COFO (Council of Federated Organizations), which was aimed at coordinating mass voter registration and education efforts in the state with the fewest registered voters among African-Americans in the nation.

Hideous as these deaths were, they had been anticipated. The organizers of the voter registration project, who had been working in Mississippi for a long time, and seen black people beaten or even killed for their efforts at getting their rights, had calculated that bringing in large numbers of Northern white youth would put a national spotlight on the ongoing atrocities. Those who went South as part of Freedom Summer, were all told to communicate constantly with their families, their Congressmen, and others. SNCC's James Forman told them to be prepared for death: "I may be killed, You may be killed. The whole staff may go." They were also taught to practice non-violence in response to persecution and attacks.

Approximately 1,000 young people, mostly white and middle class, responded to the call from civil rights organizations to go to Mississippi in the summer of 1964. Some ministers joined them, for varying lengths of time. They were entering a situation which had been prepared by SNCC voter-registration project head Bob Moses, and which was geared toward preparation for the Presidential elections of 1964.

Freedom Summer can be seen as the high point of the student civil rights movement, before the pressures from black nationalism began to cause dissension in the ranks of SNCC and other organizations. The philosophy of SNCC (born in 1960 out of the sit-in movement) at that time was reflected in the organization's statement of purpose:

"We affirm the philosophical or religious ideal of nonviolence as the foundation of our purpose, the presupposition of our faith, and the manner of our action. Nonviolence as it grows from Judaic-Christian tradition seeks a social order of justice permeated by love.

"Through nonviolence, courage displaces fear; love transforms hate. Acceptance dissipates prejudice; hope ends despair. Peace dominated war; faith reconciles doubt. Mutual regard cancels enmity. Justice for all overthrows injustice. The redemptive community supersedes systems of gross social immorality.

"Love is the central motif of nonviolence. Love is the force by which God links man to himself and man to man. Such love goes to the extreme; it remains loving and forgiving even in the midst of hostility. It matches the capacity of evil to inflict suffering with an even more enduring capacity to absorb evil, all the while persisting in love."

While it cannot be said that every young person who went to Mississippi to expose him or herself to the dangers of the voter-registration project believed in this credo, there is no doubt that many did. They put themselves in danger of beatings, firebombings, and other harassment, simply by congregating, white with black. They were constantly being attacked in the local press as "race-mixers," or worse. They canvassed for voter registration, picketed outside voter-registration places, held Freedom schools, and worked toward the growth of the Mississippi Freedom Democratic Party.

Through the course of the summer, 17,000 black residents of Mississippi attempted to vote, although only 1,600 of their completed applications were accepted. But, more than the short-term gains in voters, was the fact that the focus of the nation was put on Mississippi and its brutal inequities. The murders of Chaney, Schwerner, and Goodman were never successfully solved—but their deaths on behalf of the cause of racial equality, and the dignity of every man and woman, served to bring a moral challenge to the nation, which was at least partially fulfilled in the passage of the Voting Rights Act of 1965, and which resonates among fighters for justice even today.

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