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This Week You Need To Know

LaRouche's New Flanking Attack on George Shultz's Fascist Vulcans

The publication and initial widespread circulation of a book, *Confessions of an Economic Hit Man: How the U.S. Uses Globalization To Cheat Poor Countries Out of Trillions*, (Berrett-Koehler Publishers, Inc., San Francisco, November 2004.), by John Perkins, has prompted Lyndon LaRouche to launch a major new international flanking attack against George Shultz's fascist Vulcan apparatus, an attack that is likely to catapult the Perkins book to the top of the international best-seller lists, and drive the would-be controllers of the Bush-Cheney regime into new fits of irrational rage.

From Nov. 17 to Nov. 22, Lyndon LaRouche, former candidate for the 2004 Democratic Party Presidential nomination, and the head of the newly formed LaRouche Political Action Committee, issued a number of intelligence memoranda to the *EIR* staff on the subject of the revelations by author Perkins in his book.

(See this week's Latest From LaRouche, in which LaRouche's comments to a youth cadre school in Copenhagen, Denmark, are featured. LaRouche devoted most of his opening remarks to the Perkins revelations and his own assessments of the "economic hitmen.")

Under LaRouche's direction, an *EIR* intelligence team is now compiling for publication a series of case studies of how what LaRouche calls "the Venetian Complex"—the apparatus of the international financier oligarchy, run out of Europe—has deployed its "economic hitmen." The case studies—involving assassinations of heads of state like India's Indira Gandhi, and Panama's Omar Torrijos—directly intersect the economic development projects in which LaRouche was directly involved.

Writing on Nov. 19, in a memo titled, "Guidelines for a New 9-11 Inquiry," LaRouche says that the most notable feature among the many alarming points featured in the John Perkins interview on Democracy Now, is his statement: "... but, when 9-11 struck, I had a change of heart: I knew the story had to be told. Because I know what happened at 9-11 is a direct result of what the economic hitmen are doing..."

Perkins made that statement in an interview on Nov. 9, where he said he had been working on the book for over 20 years, and had been given bribes, in the form of lucrative jobs, power, and sex to *not* write the book. After 9-11, he concluded, "I knew the story had to be told." In that same interview, Perkins was asked to explain what an "economic hit man," or "EHM," is; to which he answered: "Basically what we were trained to do and what our job is to do, is to build up the American Empire. To bring—to create situations where as many resources as possible flow into this country, to our corporations, and our government, and in fact we've been very successful. We've built the largest empire in the history of the world.... This empire, unlike any other in the history of the world, has been built primarily through economic manipulation, through cheating, through fraud, through seducing people into our way of life, through the economic hit men. I was very much a part of that."

Among the controllers of the economic hitmen that Perkins identifies are Robert McNamara, the Vietnam War-era Defense

Secretary, and later president of the World Bank, and the Bechtel Corporation's George Shultz, the man who organized the "Vulcans," the controllers of puppet-President George W. Bush. Among the Vulcans are neo-conservative warmongers Richard Perle, Paul Wolfowitz, and Shultz protégé Condoleezza Rice. Behind the whole operation to fry what remained of Bush's brain was Halliburton CEO and president, Dick Cheney—who made himself Vice President and Bush's chief controller.

Today, the policies of the "Halliburton Administration" of Bush and Cheney, are run by the economic hitmen, and their sidekicks, "the jackals," who run the assassinations, if economic sabotage and takeover fails.

An Important Correction

But, LaRouche also notes that a serious correction is needed in identifying the controllers of the "economic hitmen." First, although the United States is the purported "last superpower standing" on the planet today, the Venetian Complex operation to which Perkins was, by his account, recruited, is of European, not American origin. The British have played the most central role in penetrating and subverting the United States, and turning whole sections of our financial and industrial institutions into captives of this Venetian or Anglo-Dutch Liberal blob. This is a new, more virulent form of international imperialism, and far too many people inside the American establishment have behaved like blundering fools, allowing this apparatus to move in and suck the nation dry.

The LaRouche movement has come up against this Venetian Complex throughout its history, particularly in the aftermath of LaRouche's devastating expose of the Schachtian agenda behind the bust-up of the Bretton Woods system in August 1971—orchestrated by George Shultz. LaRouche was targeted precisely because he made mincemeat out of the Congress for Cultural Freedom's apologist for Schachtian economics, Abba Lerner, at the famous December 1971 debate at Queens College in New York City. It is not the U.S. per se, but rather the neo-Venetian financier oligarchy, which uses the hitman methods, still today, to corrupt and control the U.S. government for purposes directly antagonistic to our Constitution.

The existence of that treasonous element within the U.S. establishment, has been precisely the not-so-hidden meaning of every dirty word thrown against LaRouche by such corrupt sources as the leading press and related conduits of Europe and the Americas.

But the real freakout by the Venetian Complex came later, as the result of LaRouche's *positive* intervention to forge a New Just World Economic Order, through initiatives like his 1975 International Development Bank proposal, the 1982 Operation Juárez, the 1989 European Triangle, the 1991 Eurasian Land-Bridge, the 1997 New Bretton Woods initiative, etc. Many of you were not around when, in 1976, the Non-Aligned Movement conference at Colombo, Sri Lanka, adopted, as official policy, the core features of LaRouche's debt moratorium and global financial reorganization-for-development.

LaRouche adds that, "By Benjamin Franklin's revolutionary methods, our republic was made, and by the same methods it can be saved. The catalog of the crimes of the George Shultzes and their slimy, brutish ilk, are simply the history of the Leporellos of the system of corruption for which the "economic hitman," among others, labor as lackeys."

That said, notes LaRouche, "...return to Perkins' reference to the impact of '9-11' on him. Think of the farce of the result of the '9-11' Commission's report thus far, when reconsidered from that standpoint.

EIR is cross-gridding the contents of the Perkins book, with what the LaRouche movement has learned from our nearly four decades of combat against this Venetian Complex.

Perkins' book is a *very significant expose*, coming, as it does, at a particularly critical moment in history, at the onset of the

second "Halliburton Administration" of George W. Bush and Dick Cheney.

Beginning with the next issue, *EIR Online* will take the story further, and feature the first of these case studies of the Venetian Complex and its hitmen—the financier oligarchy's 1977 attempt to crush the LaRouche-affiliated Fusion Energy Foundation, the mass-based organization of scientists and citizens, dedicated to global economic development through nuclear technology, especially fusion power. With that case study, LaRouche launches "a new flanking attack on George Shultz's fascist Vulcans."

Latest From LaRouche

PERKINS' EXPOSE OF THE 'ECONOMIC HIT-MEN' RIPS THE MASK — FROM THE ANGLO-DUTCH LIBERAL 'FREE TRADE' ENSLAVEMENT

Here are Lyndon LaRouche's opening remarks to the Denmark LaRouche Youth Movement cadre school, meeting in Copenhagen on Nov. 20, 2004.

Okay, good to be with you.

Now, many of you have probably seen the Morning Briefing for the past two days, which featured something which I've taken up, which was called to my attention, and I've analyzed it. We've gone through it, and we've have feedback from us, on this subject in the Briefing. I think most of you there, have probably either seen it, or noticed it, or wondered what it was.

I'll explain. We have a fellow, John Perkins; he's from the Boston area, and by his self-description in a radio interview which I audited, he probably is the family of Perkins of the famous, or infamous Perkins Syndicate, which is a subject of history written in large part by Tony Chaitkin among us, and also by Graham Lowry, in particular; and some others.

Now, what this fellow did, he described himself in a book, which is called *The Confessions of an Economic Hit Man*—just to review the case for those who don't know it: During the 1960s, according to his account, when he was a student at a business school, which probably was a graduate business school such as Harvard Business School, he was recruited by the National Security Agency, which is a spin-off of the U.S. Department of Defense, the U.S. military, which was the so-called signals section of U.S. military intelligence, and this was broadened to cover other areas. This was the agency that was supposed to spy on everybody, and their conversations from around the world.

Anyway, he was trained by the National Security Agency, according to his account, and then was farmed out, under the title of "chief economist" to a number of private organizations, one in particular from the Boston area, who did what he called the functions of "economic hit-man." The term, according to his account, was generic; that, among people who did this sort of thing, the term "economic hit-man" was used as a term of self-description, and also amusement among themselves. Because, that's what they did. But it was so absurd in the eyes of the average person that anybody would do it, that they would chuckle every time they described themselves as an "economic hit-man," nobody's going to believe it.

Anyway, so, he worked together, as he described it, with major companies, such as those headed by George Shultz, who you may recall was a key figure in the Nixon Administration; he's one of the fellows who shut down the Bretton Woods system of the United States under Nixon, in 1971; and Shultz, as such, went on in the Azores Conference in 1972, to lead in destroying the post-war Bretton Woods financial-monetary system—which is what we're fighting about today.

And, in the course of time, he did a number of things, as a member of this team, in manipulating governments, manipulating nations, and relations among nations, in a very ugly way. And when he, or his type, would fail to persuade a government, or a leader of a government to submit to the will of institutions such as the World Bank and the IMF, which he describes as the key thugs in running these operations against developing and other countries, that then, he would say, the "jackals" would come in. And these would be intelligence community-authorized hit-men, killers, who would come in and kill heads of state, and others, for the pleasure of these financier organizations, which he describes as the private organizations, but government-linked, of economic hit-men.

Now, he has just published a book on this, as I described it. The publication date is November 2004, this month. It is published by a house on the West Coast. And I got, through our people, who got it from someone else, who got a tape recording or a disk recording, of a radio interview he did with a radio interviewer, on a feature called "Firehouse," in which he describes what he did.

Now, the key thing that he said, in this thing, which was crucial, for me, was—I quote from him, his statement. "But," after describing why he covered up this stuff for years, he says, "But, when 9/11 struck, I had a change of heart. I knew the story had to be told, because I know what happened at 9/11 is a direct result of what the economic hit-men are doing." Talking about his profession; and talking about a profession which worked under the direction of people like George Shultz and Caspar Weinberger. Caspar Weinberger, onetime Secretary of Defense of the United States in the 1980s. And they worked as directors of companies, such as Bechtel Corp. in the United States, and, of course, the Halliburton company, which is Cheney's company.

This is all clear to me. There's no question about this. What he describes, I know many of the cases he describes; I know his description of many of the events and the *issues* as such, of the events, to be true. For example: The killing of President Omar Torrijos of Panama. I can not confirm that he was killed by a bomb inserted in a tape recorder on his plane. But I can verify all of the issues, personally, which were involved in his being killed. And what the policy changes were, as a result of his being killed. Because, at a later point, I was working with people in Japan, who had been the contractors to build the sea-level canal, through Panama. And it was Torrijos' insistence, on going ahead with that contract, with Japan, to build the sea-level canal, that got him killed.

I know similar cases in Ecuador; similar cases in Mexico—crucial cases; and so forth and so on. So, this I know.

I also know the history of this kind of organization's operations against me, particularly from 1978, where very specific operations directed against me, personally, by the people he identifies as the "economic hit-men."

I can also tell much of the history of the world: For example, the assassination of Aldo Moro, the former Prime Minister of Italy, is part of this. Many other assassinations of heads of government and state, or figures of that prominence, are part of this. This is part of the operations *against us, and against me*, over particularly the past, or more than, 30 years.

So, we're familiar with this.

Now, it laying on our plate. What's the problem? I haven't seen the book itself. I've audited this 13-minute audio interview, with him. I've gone over it carefully. The story is there; it's an important story, it's a valid story. He names names in the interview, like Stone & Webster in New York, in Boston, and so forth. Firms like that, that he worked for, which were engaged in this. I know them. I know the Boston operation, of which he was a part, the Boston-based operation: It's called "the Vault." It was the organization which controlled the Dukakis governorship of Massachusetts. And it was over this issue, that I ran *against* Democratic pre-candidate Dukakis, in 1988: Because, I knew he was, and had been, tool of the Vault, which is one of the organizations *behind* the group, which this fellow describes as the "economic hit-men," for whom he worked, out of Boston in particular.

So, we know much of this thing.

Now, what's wrong with the story, insofar as I've seen it, so far, is, essentially: While what Perkins describes in this interview, is true—that is, this is the way things happen; this is the way important things have happened; these are some of the organizations, which, to my personal knowledge, have done these things that have happened. So, the story he's telling is essentially true. I don't know to what degree there may be some fictionalization, from my standpoint, or error, honest error, included in his total story. But, the essence of the thematic feature of the story he tells is true.

What's wrong, is this: The tenor of his report alleges, essentially, that there are powerful people inside the United States, inside our government, who use our government for their personal advantage. And that the IMF and World Bank are two of the thugs responsible for much of the kinds of killing, and other causes of death, which are done by the so-called "economic hit-men."

But, he's got it backwards, historically. And it may have to do with his family background, because he identifies himself as a member of *the* Perkins family. That's the Perkins Syndicate family, which you can read about in *Dope, Inc.*, and also, more specifically in *Treason in America* by Tony Chaitkin. It refers to a process, which is referred to in a different way by Graham Lowry, the historian who died a short time ago. So, we know this. What's wrong is, that its in the direction of showing that the corruption in the U.S. government, and the corruption in international institutions, through the U.S. government and associated interests, is the story. It's not the story.

The story is, which now it comes back to Denmark and Europe in general: The story is, the evil is centered not in the United States, but in Europe!

What is the story? Well, you go back to, over 1,000 years ago; you go back to the time that the Norman chivalry, had been developed as a force, after being initially deployed against the political system of Charlemagne, by Byzantium, by forces among the Byzantines. Now, about that time, about 1000 A.D., the power of Byzantium began to disintegrate. It was no longer able to manage things in a way—and the Ottoman Empire was really a continuation of Byzantium. It was just the same Byzantine Empire, the second Roman Empire, under nominally Muslim management; and the methods were very much the same. And it lasted for a long time, because the Roman methods used by Byzantium were fairly effective.

They manipulated people, more than tyrannized them. And by manipulation, they got people to do, what they wanted. Because, they made in their own interests, apparently, the immediate interest, to do what Byzantium wanted. And that way, Byzantium was able to control all the subordinate features. And that's what the Ottoman Empire did.

So anyway: So, at that time, about 1,000 years ago, once the Norman chivalry had established itself as a power, not only in Denmark, from whence it came—in Jutland; so, be careful about Jutland, what they might find up there! There may be a few berserkers left up there.

But, these guys, who were not really just—they were not Danes; they were a collection of Saxons and everybody else, who had driven themselves, for various reasons, and because they were pirates, and thugs, and gangsters—driven themselves to this area, where they functioned as seagoing pirates, and thugs in general. And Byzantium developed these people, as a force, and used them as a force, from Norway, from Denmark, and so forth—used them as a force, to try to destroy the Saxon kingdom, or the Saxon system of kingdoms, in England. That was the objective. Because they were Christians, and this crowd were not in favor of Christianity, except the Satanic variety.

So therefore, about that time, you had, in the course of 1,000 years ago or so, to 900 years ago, you had a transformation in Europe, in which the power of Byzantium diminished. And Venice, which had been, in a sense a vassal—a part of the

Byzantine system—began to emerge as a major financier oligarchical maritime power. It used this position of emergence from the weakened Byzantine Empire, to make a coalition with the Norman chivalry: And then they began to destroy France and England.

This was the Albigensian Crusade, in France, was part of this operation. The Buggers were not much; they are Gnostics in this truest sense. But, they were slaughtered by a crusade, as a "get-going" operation. And then, of course, then they organized the Norman Conquest of England, to eliminate Christianity from England—which I think, from my experience, they pretty much succeeded in doing. It's very hard to find a Christian in the British Isles, these days.

So therefore, this crowd, this alliance between Norman chivalry, otherwise identified in history with the Crusaders—who were a real bunch of Satanic thugs, and were called "Crusaders"—working under the coordination of Venice's financier oligarchy.

Now, this system went through a great crisis in the 14th Century. It was a Dark Age: Probably half the population died out, during the period beginning about 1339, when England declared bankruptcy, and the House of Bardi went belly-up. It was chain of collapse, of the type that threatens us today: That is, when a world system, or a semi-world system, is in the control of a monetary-financial system, with an element of physical tyranny in it; and the system itself collapses on itself, what happens is, the lack of any capability of putting up an alternative system, to replace the collapsed system, results in a winding down of civilization.

So, in this period, probably half the population died out. But, as a net result of new births, at the end of the period of the so-called 14th-Century Dark Age, the net loss of population levels had been a level of one-third. Whereas, at the same time, *half* the parishes of Europe disappeared from the map, during this period.

In the aftermath of that, it was possible for those who had opposed the Venetian/Byzantine/Norman system, to come back in the form of the 15th-Century Renaissance: Which was a return from a Roman tradition to a Classical Greek tradition. The Christian church was reborn, after a period in Hell called the 14th Century, where one Pope was more Satanic than the other, virtually.

But then, Venice came back. And by a deal with Ottomans, to take over Constantinople, the power of the Venetians resumed. The Venetians then launched, beginning with Torquemada's persecution of the Jews in 1492 in Spain, started a wave of religious warfare, which continued until 1648 with the Treaty of Westphalia. In that period, following that, toward the end of the 17th Century, the power of Venice was great diminished—the power of Venice as a state. But the power of Venice as a financier oligarchy remained.

And what they did is, they changed their name, and their language, from a peculiar kind of Italian spoken up there in the northern Adriatic, into becoming known as Dutch and English. In other words, you had a reincarnation, often of the same Venetian families, their reincarnation as Dutch, English, Danish, etc. families! Along the former Hanseatic League area.

So, you had, in the North of Europe, beginning at the end of the 17th Century, the emergence around the Dutch East India Company, and later the British East India Company, you had the emergence of a maritime power, whose core was a bunch of financial families, financier oligarchy, which controlled the operation. That thing, in 1763, as a result of the Seven Years' War in Europe, became the dominant power in Europe, despite the fact that the Hapsburgs and similar types were still running around loose. But, gradually over the period from 1763 to 1848, the power of the Hapsburgs and their type, as an independent operation, vanished. And the Hapsburgs continued to exist, but essentially as controlled assets, dominated by this Anglo-Dutch Liberal system.

And it's the Anglo-Dutch Liberal system which dominates the world today, in terms of the financial system.

The American Revolution, actually, was an organized revolt, largely by Europeans, using a base existing in North America—especially English-speaking North America, but also some part of the Spanish monarchy of that period—to create a new republic in North America, for the purpose of trying to turn the situation in Europe around, to create Europe as a system of sovereign nation-state republics.

Now, that failed, because the British orchestrated the French Revolution, which was entirely run—that is, directly: the direction, and planning, and control, of the French Revolution was from July 14th, 1789 to the present day, its relics today, was a Venetian operation; but, it was by British, Anglo-Dutch, British operation. It was run right out of London out of the British Foreign Office, under Jeremy Bentham.

Now, the result is this: We had the United States emerge as a power, gradually. It became a world power of significance—it became an intellectual power, immediately. And the objective, in the French Revolution, was to crush—by the British, and the others—was to crush the existence of the United States as a republic. That was the mission: which Europe was put through Hell called the Napoleonic Wars, to consolidate again, the power of the Venetian-style oligarchy, or now, the Anglo-Dutch Liberal oligarchy.

With Lincoln's success over the British puppet, the Confederacy, the United States emerged, as a great power. From that point on, we should say the period from 1863 through 1876, the period of the first centennial celebration of the American Republic in Philadelphia, the United States emerged as the world's leading nation-state, in terms of rate and level of economic development. The most powerful nation-state on the planet, which had become a continental power, from the Atlantic to the Pacific, a growing one; and there was no individual nation-state on the planet, which matched the United States in this kind of power.

But: The British Empire, which was not a nation-state, the British Empire as the focal point, the leading feature of the Anglo-Dutch Liberal system, controlled the world financial-monetary system still. And it was only, essentially, under Franklin Roosevelt, over the period 1933 through 1945, that the United States, reached the position of challenging and taking over, temporarily, the direction of the world monetary-financial system, in a way consistent with the American System. Now, this was not—something that was not desired by many people in Europe, but it was the United States representing that policy, which enabled things in Europe to occur as in the reconstruction of war-torn Europe, during the period from 1945 through about 1964-65. So, the reconstruction of Europe, is a gift of the Americans.

Now, the result is this: Since then, the right wing, which is, in a sense identified by this fellow Perkins, when he talks about "economic hit-men," these are the typification of the private interests, which are essentially *Venetian financier-oligarchical types of family interest*: private interests, which control the inside, at the top, of the present world monetary-financial system. They've dominated the world, in one form or another, for over 1,000 years—the most powerful force in the world. They dominate it, in the form of what is today, the financier-monetary system, the financier-oligarchical system: the so-called Liberal system, the Anglo-Dutch Liberal system. What you're taught as economics in universities and so forth, is this crap. It's a continuation.

The United States was, therefore, subverted and crushed, from the moment that Roosevelt died. Truman was an agent of the enemy. Not an agent against the United States in the formal sense, but an agent in terms of the interests he worked for: These were the people who had backed Hitler, in the early 1930s—Americans who had backed Hitler, again, with Europeans who had backed Hitler in the 1930s, were the forces *behind Truman* in the United States.

That's my personal history. I came back from the war. I came back in 1946, from overseas duty, and I saw the United States as I had known it under Roosevelt, going right wing. And the people who were driving it right wing, were people like Harriman. And it was Harriman, who had led the New York bankers in the funding of Hitler, to put Hitler into power

in the 1930s. He is now running, together with his like, Truman, the President. And we were on the way down.

The power of the revolution that Roosevelt had made, during the war, was such that they could not get rid of the American System immediately, the so-called Bretton Woods system. The Bretton Woods system in its original form, was actually an American system; it was imperfect and so forth, but it was an American system. They couldn't get rid of it.

But gradually, they got rid of it. And the right wing, particularly after the assassination of Kennedy, began to consolidate its power in the form of the Indo-China War; and then, 1971-72, the change to a floating-exchange-rate monetary system: which was really a *reconquest* of the world, *against* the United States, by this bunch of financiers, who are the Anglo-Dutch, Venetian-style Liberal oligarchy, today.

Now, it is for that reason, that Europe, in facing the present crisis, world crisis, is impotent without a leading role by the United States. The reason that Europeans in the 18th Century, looked emphatically toward North America, the idea of building a republic in North America, as a necessary project for Europe, was to create a power across the ocean, across the Atlantic, which could then become the stimulant *for freeing Europe* of the Anglo-Dutch Liberal system.

We never succeeded.

We have made great reforms, particularly after Lincoln's Victory; between 1863 and 1876, there began a series of very important reforms, in Europe, on a high scale: Germany, 1877, adopted the American industrial model, for Germany, resulting in a transformation of Germany. Japan, in 1877, adopted the American System of the United States as the model for the development of Japan from a so-called feudal nation. France, after 1872, under its 1872 freedom from Napoleon the Turd, also made changes in that direction. There was a renaissance of kinds in Northern Italy, based on the same thing. Russia: From 1877 on, Russia under Alexander II, the Czar, under the influence of Mendeleyev adopted the American System for the development of the Russian economy. And the achievements of the Russian economy since that time, with all the other changes, have been largely based on Mendeleyev's conveyance of the principles of the American System to Czar Alexander II; and Count Sergei Witte was also a representative of that List American System.

So, what has happened is, we have had a war all these years, these decades, between the American System, which was a creation of Europe, but a creation of Europe with the intention of freeing Europe to do the same thing. Europe has never developed a stable system of republics. What you have in Europe, today, are financier-oligarchical-controlled parliamentary systems. And every time there's a great crisis, the parliamentary system takes a right-wing turn, or is overthrown, and something like a dictatorship comes back to replace it. Who does it? The bankers!

For example, 1931: In the result of the attempt to push through a Young Plan, to handle the great debt problem left over from World War I, they formed a new banking center in Basel, Switzerland, the Bank for International Settlements. This bank was then used to orchestrate such achievements as putting Hitler into power in Germany. And Schacht was a key agent of that process.

So, you have repeatedly, that these financier interests, financier-oligarchical interests, move in times of crisis to take their joke-system of freedom, the parliamentary system, overturn it, in the interest of bankers, under the influence of a so-called central banking system—an independent central banking system, which is really a bunch of pirates, called bankers who control the central banking system—who use the power in a crisis, to turn governments in Europe, into right-wing horror-shows, or something like that.

So therefore, since Europe has not recognized that Institutional, self-destructive characteristic, of the so-called Liberal system of parliamentary democracy, Europe has proven itself, repeatedly, impotent, to deal with that problem. Whereas, the United States, despite making the same kind of mistakes, is constitutionally of a different form: That, under the U.S.

Constitution, which is anti-Liberal, under the U.S. Constitution, we have come back repeatedly. As most notably, under Abraham Lincoln and under Franklin Roosevelt. Europe has not developed, despite the noble efforts of Charles de Gaulle in France, during the Fifth Republic period, up until 1963—Europe has not succeeded in producing a durable form of government which will not capitulate to these right-wing forces, in a time of crisis.

That's the situation we face, today.

So, what we're looking at, is: That the aim of the international financier oligarchy, the same crowd that was behind Hitler—it was called the Synarchist International, back between the 1920s, 1930s, 1940s—the Synarchist International, which is a bunch of bankers of this Venetian type, is once again moving toward world dictatorship, a more nasty one than ever before. The chief enemy and chief target of this operation, is not Europe: The chief target's the United States itself. Because, the danger is, to these bankers, that *a new Franklin Roosevelt would emerge* in the United States, and would use the Constitutional power embedded in the United States, as an institution, to lead the world, to make the kind of reform that Franklin Roosevelt made the last time around.

Therefore, that's been the effort.

So, what you have is, international forces, centered then around the friends of Winston Churchill in London: the minute that Roosevelt was dead—matter of fact, overnight!—*the following morning, after Franklin Roosevelt's death, through stooge Truman*, a stooge of what Churchill represented as the British Empire, *moved to launched a right-wing turn, using former Nazi Party and Nazi SS elements, to do it!* And they brought them into the NATO system. And they became the right wing. When you're looking at the right wing in the United States today, you're looking not only at an *imitation* of the Nazi system, you're looking at a *direct continuation* of it.

And that's the problem you have in Europe, today—the same thing. You see the Nazi International, Blas Piñar in Spain, Le Pen in France, the group around Alessandra Mussolini and her cronies in Italy—the same crowd; the same crowd that killed Moro, the same Nazi crowd that killed Moro. Then you have two groups in Germany which are uniting, which are the *tools* of an attempted Nazi operation. And you have also in the rest of Europe, various scattered organizations, which are part, actually, of a re-emerging Nazi International: Which is now—as the nation-states of Europe faced with a financial crisis, can no longer form what's called "liberal governments" of any stability, as see the threat to the Schröder government in Germany. The inability of Germany to have a clear shot at getting a government directly, which can deal with this German crisis. There are forces in Germany which could do it, but they have to be brought together, and they have to be brought together in a certain way, to assert the national interest of Germany against this operation. But, it's not happening yet. There's a struggle in that direction, which is commendable. In other parts of Europe, the same thing.

But, unless the United States turns, to assist in freeing Europe, and other parts of the world, from the legacy of this financier-oligarchical system—Heh! We're going to Hell.

And that's what we're fighting against. We're not fighting individual issues, in various parts of the planet. We're fighting for a planetary system, based on respectively sovereign nation-state republics, a system of republics, which understands its common interest; and cooperates, as sovereign republics, and as movements of sovereign republics, to create the kind of order in the world, in which we can live.

Now, what you're looking at, in terms of what Perkins describes as the "economic hit-men," you're looking at what *he* describes, accurately, as saying the basis for the operations, of the tyrannical, murderous, operations of the post-war period, have been the taken-over institutions such as the World Bank and IMF, which are effectively the instruments of fascism on the planet, today. And *murderous* fascism! That's what he's saying! He says, as a member of this operation, this is what's happening. Then, he says, in this interview, he says, as I indicated—he said, after all these years, knowing this was going

on, working within it, being corrupted by the personal advantages of being part of it, he says, then: *But! When 9/11 struck, I had a change of heart.* I knew the story had to be told: Because, I know what happened at 9/11 is a *direct result* of what the economic hit-men are doing.

That *is* what happened in 9/11, in the United States. It was not Osama bin Laden. Osama bin Laden was working for the economic hit-men. He was part of the operation! Guess why the U.S. troops moved *away from* relevant operations in Afghanistan, into Iraq at a certain point? So they wouldn't take out Osama bin Laden. This was referred to by Senator Kerry, during the campaign.

So, this is the kind of world we live in.

So therefore, the problem is this: Now, Europeans will say, "You're saying Europe is incapable, is incompetent to defend itself. Europe is incompetent to provide world leadership." That, in a sense, is true. *But:* As we've seen in the past, Europe and the United States represent, at their best, a new system, which finally came into being with the 15th-Century Renaissance, with the founding, for example, France, as a nation-state. The first modern nation-state, was France under Louis XI of France. The second modern nation-state, led by a fellow called Richmond, who was active in the court of Louis XI of France, who overthrew the tyrant Richard III and established England under Richmond himself, then known as Henry VII, as the second modern nation-state.

Immediately, there was the attempt to destroy this, led by the Grand Inquisitor of Spain, who was a real Satanic, Nazi-type—as a matter of fact, it was on the model of the Grand Inquisitor Tomás de Torquemada, that Napoleon Bonaparte was designed! Bonaparte was not an accident: He was *designed*, specifically by a fellow named Joseph de Maistre—who educated Napoleon; that is, influenced him, educated him, into what role to play. And Napoleon Bonaparte was a creation of this Martinist sect, run from London, which chose Torquemada, as the model for Napoleon. And then, later, when Adolf Hitler came to power in Germany, he was modeled on Napoleon! And why did he kill the Jews? The Jews were a great asset to Germany, why should they kill them? They killed them, in memory of Torquemada, who started that form of anti-Semitism in Europe. From Spain. And the right wing in Spain is defending the same thing. The right wing of the Catholic Church is polluted with this stuff! With real Nazism—and the Torquemada tradition, which is the same thing.

So, what we're dealing with here, is a continuing struggle, for the kind of republic, for which Europe mobilized to make possible the establishment of the United States as a constitutional republic.

So, what we have in European civilization, in particular, we have the following picture: We've come to the point in the planet, where there are essentially, two basic cultural currents on the planet, overall. One, is the cultural current of European civilization, which dates from the birth of Classical Greece, or Classical Greek tradition out of Egypt. The influence of Egypt, which gave Greece the foundation of its cultural development. And that's European civilization. European civilization is traced from Thales, Solon, Pythagoras, and Plato: That's European civilization, the heart of it. And then, the enemies of that, within Europe, are also part of European civilization. So, we have this fight, within what's called "European civilization."

But, however, we are distinct from the other dominant current on this planet, which is called, "Asian cultures." Includes India, China, Southeast Asia, and so forth. These people do not have, despite the influence of European culture, they do not have a specifically European cultural matrix.

Now, the great challenge of the planet today, to bring about a constructive peaceful order, which will solve the problems before us, is to realize that this great cultural divide of the planet, between the dominant role up to now, of European culture, European civilization; and on the other hand, a group of cultures which is known as Asian cultures, or similar kinds. They call it, in the Asian group: China, India, Japan, Korea, so forth. So therefore, the problem today, is to create a

system of republics—or to have a commitment to a system of republics—which incorporates both Asian cultures and European cultures. And to come to an accommodation, a functional accommodation, between the two, which is the basis for the positive evolutionary development of the culture of the planet as a whole.

The planet has become very crowded, not because it's smaller. It has not shrunk. But, the actions taken on one part of the planet, hit other parts of the planet more rapidly than ever before; so that distance and so forth, do not insulate one part of the planet from what happens in another part. What happens in one part of the planet, more rapidly hits every part of the planet, than ever before in human existence—and this is qualitative. Especially since World War II, this has been the case.

So therefore, we can not let this kind of mess go on. We have to, number one, be committed to establish a system of sovereign nation-states. We have to have a system which includes Asian cultures, as well as European cultures.

Now, there's a third factor here: Human beings are not animals. Human beings have a creative power, of discovering ideas, such as universal scientific principles. No monkey can do that. Only human beings can do it. Now, this quality which distinguishes a man from a monkey though sometimes we question some of our leaders as to whether they are men, or monkeys), is the ability of the individual human mind, to make an experimentally validatable discovery of a universal physical principle. These principles are two types; they're both provable, both types. One, we call physical principles, the physical scientific principles. The other, we call cultural principles; these, also, are provable. Some are right, and some are wrong. The ability to distinguish between the two, is a quality of the human mind, a potential of the human mind. And therefore, in order to develop people, we have to take the cultures they have, the national language-cultures, and the traditions associated with that; we have to treat those cultures as we would treat a work of art, in which the people in that society are given the opportunity to exercise their creative powers, to understand the errors and achievements in the specific language-culture that they represent. And it is by this basis, that we elevate the individual citizen from being like a cow, who just does what he does, or she does—and then, dies; into an individual who participates in the development and transmission of those ideas on which civilization and its progress depend.

Therefore, we need the nation-state, the language-culture-based nation-state, as the basic institution of organization of society. We need, therefore, a system of cooperation among nation-states of that type, as a way of running the affairs of the planet. That's what we should be fighting for.

The hit-men, which Perkins describes, are nothing more than the equivalent of two bums from the 14th Century, called "Biche" and "Mouche," who were banking agents for the House of Bardi, who, like the economic hit-men of the post-1945 period, run around the world, organizing wars; organize the financing of wars; organize the looting of the countries which financed the wars; organize the looting of the defeated by the predators, and so forth and so on: All to the greater name and glory of financial usury.

And we, like fools, praise this system. *We call it "free trade." Free trade, in human bodies.*

Okay. That's what I have to say: Now it's up to you.

A Time for Some Real Leadership:

IS FALLUJAH A NEW DIEN BIEN PHU?

by Lyndon H. LaRouche, Jr.

November 14, 2004

At this moment of the most deadly turning-point in world history, most of the people who should be thinking as commanders-in-chief, are acting, instead, like a pack of whimpering job-applicants who just received news that they had, probably, lost the job. I see in them, men and women who prefer to whimper, like poorly trained actors who had just failed at try-outs for the part of Hamlet. We need better leadership, political leadership like that which Gen. Douglas MacArthur showed at Inchon, for example.

The piteous wailing of professional political cry-babies and other opportunists to one side, absolutely nothing else about U.S. or world history was finally determined on the morning of Nov. 3. President George W. Bush has actually won nothing as much as a pack of troubles beyond anything he had experienced thus far.

Each currently passing day, Fallujah, for example, is looking more and more like Dien Bien Phu. The dollar is sinking; the Federal debt-crisis is far worse than anything in 1994, while the idiots are babbling like the professional losers they seem to have become, "The economy was not the issue of the campaign." The worst mortgage-based securities bubbles in history are about to pop. A raw-materials bubble in financial derivatives is ripe to explode. The added effects of an onrushing new escalation of so-called Middle East crises could send the price of petroleum way beyond even \$100 a barrel, and blow out the entire "Middle East" region for decades to come. The onrushing collapse of the U.S. economy is worse than anything experienced, or even imagined during the Twentieth Century.

With the usual babblers' dubious proclamation of W's victory, we have thus entered a period of the greatest political opportunities in history, as the Prussian military advisors of Czar Alexander I understood, at the moment the self-doomed Emperor Napoleon Bonaparte had just settled in for the occupation of Moscow. When I read the morning edition of the *Washington Post*, for example, I remember poor deluded Croesus, hearing the news from the babbling priestess of Delphi, thinking that he had actually been guaranteed a triumph.

Nothing else is settled about much of anything, except that the present Bush Administration has probably just achieved the rank of the most ill-fated, momentary, most delusory victory, in all U.S. history to date.

So, why are all those recent job-applicants for posts in the Presidency sitting around, mooning like dejected job-applicants, when the time for the most important intervention in the leadership of world affairs has just now begun? I remember how President Abraham Lincoln felt before he brought Grant, Sherman, and Sheridan into play. There is the most important battle in U.S. history needing to be fought and won right now, and the roster of applicants for leadership I see around me, are like cowards griping in the shadows, cautiously waiting to see "how it all turns out."

Amid all of the uncertainties I see clearly now, I am absolutely certain about one thing. What the so-called "news media" are implying the present situation to be, has no resemblance to the reality of what is about to burst loose on the landscape, most probably between now and Christmas, certainly before that intended Belshazzar's Feast, otherwise known as the coming January inauguration. All Hell is now about to bust loose, and there are powerful circles of people in the shadows, inside and outside the U.S.A., who know this, and who are positioning themselves to move accordingly. I do not know all the answers to my questions about what some of these folk are positioning themselves to do, but I see them clearly positioning themselves, and I understand what the situation is which is impelling them to prepare for action to deal with what is already an impossible situation for both the U.S.A. and the world at large.

I have many important questions, which any competent political leader of our nation would be asking now. I do not yet have the answers to most of these questions, but I am way ahead of both most of my putative political rivals, in addition to the abundantly misinformed proverbial man-in-the-street, because, I, at least, have the right questions.

Seeing the sheer insanity of W's lunatic campaign stunt, his lunatic lurch, sending Marines and others to die for no good purpose, in Fallujah, I know that only terrified cowards think that anything important was actually settled by the morning of Nov. 3. If you wish to be the first, or, at worst, the second, to discover what is about to happen next, stay tuned to this channel. What is about to happen, is probably something most of you would never dream to be possible. As was formerly said in China, and perhaps along the China straits, again, just now, we are "in living in interesting times."

InDepth Coverage

Feature:

On the Death of Arafat: A Turning-Point in History

by Lyndon H. LaRouche, Jr.

The death of Chairman Arafat defines a crucial turning-point in current world history. The world at large is challenged, at this ominous moment, to face the implications for the planet as a whole, of failing to take the occasion of his passing as the moment at which the world at large must act, even for the most selfish motives of many among nations, to set into motion, at last, a peace of the kind which would set the departed Chairman's soul at rest.

- **Dialogue With Maxim Ghilan**

Arafat's Legacy and The Quest for Peace

Maxim Ghilan, a long-time fighter for peace, is the editor of the newsletter Israel & Palestine Strategic Update, as well as the founder of the International Jewish Peace Union, the first Jewish organization to recognize the Palestine Liberation Organization as a partner in dialogue. He gave this briefing to EIR staff in Leesburg, Virginia, on Nov. 12, 2004.

LaRouche and Baker Call For Freeing Barghouti

by Dean Andromidas

After witnessing the deafening sounds of chanting, cheering, and gunfire on Nov. 12 as hundreds of thousands of Palestinians expressed an outpouring of emotion when the casket of Yasser Arafat was borne slowly through the surging sea of humanity to its temporary resting place on the West Bank, one must ask: Who can replace Arafat? Who can at once enjoy the popular support of the masses of Palestinians, while having the capability of leading his people to nationhood?

Sen. George McGovern:

'Arafat's Death Can Open the Way to Peace'

by Nina Ogden

In a discussion with EIR about the death of Yassir Arafat, former Senator George McGovern recommended that President George W. Bush should immediately appoint two former sitting Presidents, George H.W. Bush and Jimmy Carter, to convene new Camp David talks with Palestinian and Israeli leaders. 'A solution to the Arab-Israeli conflict, at this time of Arafat's death, is the key to solving the problem of terrorism, and the immoral war against Iraq,' McGovern said.

The Promise of Oslo, and Today, Lies in Economic Development

by EIR Staff

From 1976 forward, economist Lyndon LaRouche had argued that the only possible route to a lasting, or developing, peace between the Palestinians and the Israelis, would be through the adoption of an economic development plan that would demonstrate to both populations that the conditions of peace and cooperation were to the benefit of themselves and their posterity. Over time, LaRouche's proposal came to be known as the 'Oasis Plan,' especially because it revolved around the development of new water resources for the now water-starved region. This plan was the subject of intensive organizing activity with Israelis, Palestinians, and representatives of other nations as well.

Economics:

Free Trade Spawns Masses Of Marauding 'Maras'

by Gretchen Small

In his historic 15-point anti-drug war-plan for the Western Hemisphere issued in March 1985,* U.S. statesman Lyndon LaRouche, Jr. warned: 'The greater political threat to democracy in Venezuela, Colombia, Peru, and other countries, is the use of the billions of revenues held by the drug traffickers to fund terrorist armies, and to bring corrupted military officers into right-wing coup plots directed by former officials of the Nazi regime of Germany.'

Slave-Labor Drive Behind Bush Immigration Policy Fight

by Paul Gallagher and Dennis Small

One of the first external policy fights of the dysfunctional second Bush Administration, as it is being purged within, will be for an 'immigration reform' which enables U.S. businesses to legalize completely their large-scale importation of cheap labor from Mexico and Central America.

WHO Summit: Pandemic Coming, Vaccine Production a 'National Security Matter'

by Linda Everett

If the world were to face a global pandemic influenza outbreak today, infectious disease experts internationally have one message for you: 'We are not ready for it.' The World Health Organization (WHO) held an unprecedented two-day (Nov. 10-11) influenza summit in Geneva, with WHO officials, vaccine manufacturers, national licensing agencies, and governmental representatives, to define and address the crisis.

To Meet New Pandemic Threats, Reverse Policies Creating Public-Health Crisis

LaRouche PAC Congressional Testimony

The Lyndon LaRouche Political Action Committee delivered this testimony which was placed in the record of the House Committee on Government Reform's Nov. 17 hearings on 'The Nation's Flu Shot Shortage: Where Are We Today, and How Prepared Are We for Tomorrow?' The testimony was prepared for both hearings by EIR economics editor **Marcia Merry Baker**.

Cheney Helps Destroy UP And the U.S. Rail Grid

by Richard Freeman

Union Pacific Railroad, America's largest railroad, whose pillaging and flagrant disregard for safety have helped take down the U.S. rail grid, has benefitted from its relationship with two individuals in government: Betty Munro, the administrator of the Federal Railroad Administration, the chief agency charged with oversight of American railroads; and the U.S. President of Vice, Dick Cheney.

Trittin Headed For a Meltdown?

by Rainer Apel

Unfortunately, the greenie ideology still heavily influences politics in Germany, but judging from increasing fierce public attacks on Environmental Affairs Minister Jürgen Trittin of the Green Party, at least his days seem numbered. The drastic speculative rise of the price of crude oil is affecting motorists and industry. This has brought the message home to Germany that solar cells and windmills are not the kind of 'alternative' that will provide a sufficient supply of power in the future.

International:

ON 'THE SOCIAL DOCTRINE OF THE CHURCH'

Morals and Immortality: The U.S. Crisis Now

by Lyndon H. LaRouche, Jr.

November 17, 2004

There is a deliciously ironical aspect to EIR's receipt of the accompanying report by our Italian correspondent, Liliana Gorini. Since it was her

ancestor who, quite literally, buried Giuseppe Mazzini, there is a certain exquisitely ironical appropriateness in her informing our English-speaking audience of the Vatican's release, by the Holy See's Press Office, of the 500-page 'Compendium of the Social Doctrine of the Church.'

- **Physical Economy, Peace: Vatican's Moral Issues**

by Liliana Gorini

On Oct. 25, one week before the U.S. elections, Cardinal

Renato Raffaele Martino, president of the Pontifical Council for Justice and Peace, gave a press conference at the Holy See Press Office at the Vatican to present the Compendium of the Social Doctrine of the Church, a 500-page book published by the Libreria Editrice Vaticana, which had been commissioned by Pope John Paul II. As Cardinal Martino explained, "This document has been prepared—at the request of the Holy Father, to whom it is dedicated—by the Pontifical Council for Justice and Peace, which is fully responsible for its content. It is now made available to all— Catholics, other Christians, people of good will—who seek sure signs of truth in order to better promote the social good of persons and societies. .."

A Resolution in the Iran Nuclear Mess?

by Muriel Mirak-Weissbach

The European Union's (EU) agreement with Iran over its nuclear program was, in the words of one European diplomat, a 'win-win' situation, in which both sides got what they wanted and there were no losers. Although the United States has not yet accepted the agreement, European and Iranian sources are hopeful that the Bush Administration will be boxed in, and forced to do so.

Britain's Neo-Con Blair Is Between Bush and a Hard Place

by Mary Burdman

British Prime Minister Tony Blair showed what political pressure he is under, during his foreign policy speech at the Lord Mayor of London's dinner at Mansion House in the City of London Nov. 15. This is the second most important political speech of the year, after the Queen's Speech (actually written by the government), delivered as a 'state of the union' about a month after the October opening of Parliament.

National:

LAROCHE ON PHILIPPINES RADIO

The U.S. Election Has Settled Nothing

The following interview with former U.S. Presidential candidate Lyndon H. LaRouche was conducted by Butch Valdes on Angel Radio, Manila, the Philippines, on Nov. 16, 2004.

Establishment Figures Revolt Against Neo-Cons

We reprint here some of the recent public rumblings of military figures and Republicans against the policies of the Bush Administration.

Gonzales Unfit for Attorney General Post

by Edward Spannaus

'One Himmler was enough,' said former Democratic Presidential pre-candidate Lyndon LaRouche, in calling for the nomination of Alberto Gonzales to replace John Ashcroft as Attorney General of the United States, to be blocked by the U.S. Senate.

Evidence of Election Crimes Presented At Ohio Hearings

by Edward Spannaus

Testimony presenting dramatic evidence of criminal violations of the Voting Rights Act was presented at public hearings held on Nov. 13 and 15 in Columbus, Ohio, by a coalition of civil rights and voting rights groups and other organizations. An estimated 500 people attended the first hearing, and another 200 the second. There were so many people wishing to testify, that the Nov. 13 hearing, scheduled for three hours, lasted four and one-half hours.

Eye on Washington: **Blair Gets No Bone From Bush**

by William Jones

'Bush's poodle' needed something to boost his popularity at home, but didn't get it in Washington on the Mideast.

U.S. Economic/Financial News

How To Save Social Security Without Privatization

Edith Fierst, a member of Clinton's Social Security Advisory Panel (1994-96), has proposed four easy changes that could erase most, if not all, of the projected Social Security deficit, without eliminating the current Federal program: Raise the maximum income subject to the Social Security payroll tax; dedicate the tax on estates worth \$3.5 million and more to Social Security, and retain it; broaden mandatory coverage to include all newly hired public employees, who are currently exempt; and, adjust cost-of-living increases. The "solution" of delaying the retirement age, could impoverish the many workers who retire early.

Privatization, Fierst warned in a *Washington Post* op-ed Nov. 18, would threaten the security of retirees because: individual accounts are "inevitably insecure"; retirees may outlive benefits; administrative costs would increase; spouses, survivors and other dependents could lose their benefits.

She insists, "Privatization unnecessarily risks the security of Americans during retirement or disability. Guaranteed benefits under Social Security can and must be saved."

Baltimore's Historic GM Broening Plant To Close

The long-expected announcement of the closing of the historical General Motors Broening Highway plant in Baltimore in 2005 officially came on Nov. 17, marking another notch in the nearly complete de-industrialization of the city over the last 35 years. The history of the Broening plant takes us from the beginning of the Franklin Roosevelt New Deal to lift the U.S. economy out of the Depression, to the beginning of the current, more devastating economic depression. The plant was constructed in 1934, opening on April 9, 1935, with the 1937 hourly wage of 95 cents, that rose to \$27 an hour today. In the 1970s, plant employment peaked at 7,000, and with next year's closing, 1,000 hourly workers and 100 salary workers will be laid off. Bethlehem Steel's giant Sparrows Point complex was the other industrial center of employment in the late 1960s to early 1970s, at one point employing 30,000 workers. Today, a mere shell of its former self, it employs less than 3,000 workers.

Baltimore-area manufacturing has decreased in the last 11 years from 108,700 manufacturing jobs in 1993 to 78,400 today. Over a longer stretch of time, the state has gone from 33% of its workforce employed in manufacturing, to 6%, half the national average of 12%.

Catholic Charities Report Sharp Increase in Need for Aid

According to a new survey by Catholic Charities USA, during 2004, a whopping 73% of 86 local Catholic Charities agencies reported an increase in requests for assistance for paying rent/mortgage and utility bills, and 70% saw an increase in the need for emergency food. Overall, the survey found that 77% of local agencies are being hit by an increase in the number of families seeking help, with 63% seeing more seniors requesting aid. Even as need is increasing, government funding has been cut to 48% of Catholic Charities agencies. Here are a few horror stories:

* Galveston-Houston: For the first time ever, the food pantry was shut down—twice—because it ran out of food.

* Chattanooga: a staggering 50% increase in number of people seeking assistance for food, rent, and other basic necessities.

* Indianapolis: a 35% increase in requests for shelter due to homelessness.

Tests To Determine If Second BSE Cow Found in U.S.

On the morning of Nov. 18, the U.S. Department of Agriculture held a media conference call on six minutes' notice, to report the limited facts that its National Veterinary Science Laboratory at Ames, Iowa, is performing detailed immunohistochemistry tests on cow parts from an animal which has tested positive twice for BSE, on the Bio-Rad brand surveillance tests. Under stated USDA policy, if two field tests turn up positive, then the cow remains are to be shipped to Ames for definitive tests. A conclusive report is expected on the current suspect specimen within four to seven days. In June, two such specimens were subsequently found to be negative. The USDA will not divulge the location of the animal, only that it comes from a "high-risk" group of some 270,000 identified this summer, defined by criteria based on age and signs of illness. They say no remains have entered the food chain.

The USDA reports on its website that 113,264 tests have been conducted since June 1 this year. In July, the USDA's own Inspector General faulted the surveillance design of the agency, saying that too few animals were being tested, and also, it's a false premise to focus only on apparently sick animals, not on apparently healthy ones too.

In May 2003, an Alberta, Canada cow was found with BSE; the border has been closed for live cattle imports into the U.S. from Canada. Subsequently, in Washington State in December 2003, a BSE cow was found which had originally come from Canada in 2001.

One of the particular reasons it had long been expected that Agriculture Secretary Ann Veneman would resign (which she did Nov. 15), was that she did not want to be around for the flack over the malfeasance of the USDA and FDA over BSE. The FDA has dragged its heels over implementing a ban on recycling abattoir parts back into the livestock feed chain.

BSE Spread Reflects Over-Reliance on Single Strains

The spread of BSE in North America reflects the principle of danger of over-reliance on single-strains in livestock and crops. These items from a discussion with a U.S. agriculture expert on the dangers of monoculture:

* Only four families of Holsteins: Discussing the significance of finding a Canadian-origin in the BSE incident in Washington State last year. Why is the U.S. even importing milk cows from Canada, even in border states? The U.S. super-reliance on the Holstein breed, from really only four families of Holsteins, to the point of over 90% of all milking herds in USA now utilizing the few bloodlines of this stock, has resulted in problems. In particular, the breed is showing reproduction problems, and some cows are calving only twice. So there is a need for acquiring more milkers. Canada still has some localized, diversified family-sized herds, selling good milk cows. Hence purchases from Canada.

* Thanksgiving turkey? Better eat it up now, in case it's gone. Essentially all commercial turkeys in USA come from three breeding flocks—one in California, one in Ontario, and one in Europe. An Ohio State University turkey DNA testing program a few years ago, showed that the DNA is as close as can be.

* Crops: Soy is very limited to only a few strains. About three decades ago, there was a disaster when corn—very few strains—was hit by the Southern Corn Blight. The five seedstock agrochemical companies dominating seeds today are: Monsanto, DuPont (Pioneer Hy Bred), Dow, Syngenta, and Bayer.

Cargill itself is on the way to controlling 50-60% of all key fertilizers.

Florida Health Officials Warn of Mosquito-Borne Disease Threat

In Leon County, Florida, where Tallahassee is located, county health-department officials asked residents to avoid the outdoors when mosquitoes are more apt to bite, because in the last week, 10 sentinel chickens tested positive for eastern equine encephalitis; the previous week, there were three others, the *Tallahassee Democrat* reported Nov. 16. The chickens were located across the county, not in just one location. Eastern equine encephalitis (EEE) is a mosquito-borne disease more deadly than West Nile Virus. While EEE is rare—only 200 confirmed human cases have been reported since 1964—its fatality rate is 35%! In 2001, two childhood cases were reported; one resulted in death. The disease is spread by mosquitoes which feed on the infected birds. The mosquito season has extended past its usual end by late October, due to mild weather in Florida.

Fannie Mae Misses Deadline for SEC Filing

Fannie Mae, the bankrupt housing-finance giant at the center of the mortgage-backed securities bubble, on Nov. 15, notified the Securities and Exchange Commission that its outside auditor, KPMG, had refused to sign off on Fannie's third-quarter earnings report, causing it not to be able to file the report with the SEC on time. Fannie, which is facing a criminal probe by the Justice Department, also said that if the SEC finds it has improperly accounted for derivatives, it would post an estimated net loss of \$9 billion just during July-September. In addition, Fannie admitted that its methodology of accounting for some transactions "was not consistent" with generally accepted accounting principles. If the SEC orders Fannie to recognize the \$9 billion loss, the lender would fall about \$13 billion short of its minimum capital requirements mandated by its regulator, the Office of Federal Housing Enterprise Oversight.

PBGC Loss Grows by \$12 Billion in Fiscal 2004

The Pension Benefit Guaranty Corporation (PBGC) report for fiscal 2004 released Nov. 15 showed a net loss of \$12.1 billion from completed and probable pension plan terminations, bringing the PBGC's deficit to \$23.1 billion as of Sept. 30, the end of fiscal 2004. The annual report also calculates "reasonably possible" exposure, based on underfunded pension plans of potentially insolvent corporations, at \$96 billion.

The PBGC is a Federal corporation created under the Employee Retirement and Security Act of 1974 (ERISA), which currently guarantees payment of basic pension benefits up to \$44,386 per year for more than 44 million American workers and retirees participating in more than 31,000 private sector "defined benefit" pension plans. The PBGC receives no funds from general tax revenues; it is financed by insurance premiums paid by corporations with "defined benefit" pension plans and by the PBGC's investment returns.

While the PBGC has \$39 billion in assets, with which it can pay pension obligations for a number of years, CEO Brad Belt said its liabilities are currently greater than \$62 billion.

Belt told Congress on Oct. 7 that the administration wants changes in pension plans the PBGC insures; among them:

1) Increasing funding requirements; tighter enforcement of them, including changing the law that allows employers to stop

making contributions when they say plans are 90% funded; and measuring funding not on a current liability (payout) basis, but what the liability would be if the plan terminated. For example, U.S. Airways said its pilots' pension plan was 94% funded on a current liability basis, but the plan was only 33% funded on a termination basis, which left the pilots with a \$2.5 billion shortfall;

2) Setting the insurance premium based on risk of the corporation defaulting on its obligations. Unless premiums are tied to risk, Belt warns that the healthy corporations will opt out of the system;

3) Shortening the time corporations have to file an annual pension plan report to ERISA—now typically 2 1/2 years. The PBGC is also pushing for legislation to allow it to get liens forcing corporations to pay their pension obligations in bankruptcy, just as the PBGC would do outside bankruptcy; i.e., remove bankruptcy as a way for corporations to dump their pension obligations.

World Economic News

More Fears on British House Prices

In October, Britain saw the lowest number of property sales since 1995, and the sharpest decline in house prices since 1992, according to the Royal Institution of Chartered Surveyors (RICS). The RICS reported that 41% more of chartered surveyors it had contacted, had seen prices decline than rise in October. In September, that reading was 30%. This was the worst situation since December 1992, RICS reported. Just 3% of surveyors said that prices were rising, with the rest saying that they were stable or falling. This happened all over England and Wales, but was worst in the most costly area, the South East.

Sales were also down 25% from a year ago, and the worst rate in nine years. Surveyors averaged 23 sales in October, and the number of new inquiries fell for the sixth consecutive month.

New Labour 'Super Casino' Gambit in Trouble

The British Culture Secretary Tessa Jowell told a meeting of the Parliamentary Labour Party Nov. 15 that the number of new U.S.-imported "super casinos" opening in Britain would be strictly limited to "pilot schemes". The number should be limited to eight, rather than the 20-40 previously mooted. This is to be confirmed by Culture Minister Richard Caborn Nov. 16.

Also, medium-sized casinos would also be controlled, Jowell said. And, both Houses of Parliament would have to approve more casino "development." If the "pilot" casinos increase problem gambling, or do not bring about "economic regeneration," this would "count against future developments," according to officials.

United States News Digest

Military Chiefs Say Postwar Plan Lacking

The four chiefs of the military services told the House Armed Services Committee on Nov. 17, that the planning for the combat operations for the invasion of Iraq had been adequate, but the U.S. government as a whole failed to plan for the peace.

In response to a question from Rep. Jim Saxton (R-NJ) on the nature of the forces in Iraq, and the tactical and strategic use of this force both during the combat phase and the situation that we are in today, Marine Commandant Gen. Michael Hagee said, "I was the commanding general of the first Marine Expeditionary Force just before we got ready to go to war, so I was very involved in the initial planning. And I can tell you that we focussed on the combat part of that, and we did a good job on that, both the Army and the Marines. If I had to go back and do it again, I would spend more time thinking about phase four: in other words, the stability, security, reconstruction part of that. And of course, the U.S. military only plays a certain portion of that—more the security portion. But the integration of all elements of national power during the so-called phase-four operations, if I had to do it again, I would put much more emphasis in the particular area so that we were better prepared for that."

Army Chief of Staff Peter Schoomaker agreed: "I think the Commandant's hit the nail on the head there." General Schoomaker continued, "As we know, this is a war of ideas, it's a test of wills. It has so many more components to it, and quite frankly this is a job that is bigger than the Defense Department."

Air Force Chief of Staff General John Jumper said, "In order to bring about this full-scope look at the problems that we face after major combat operations, calls for an interagency, deliberative planning process much like the deliberative planning process we have in the military, where formal assignments are made within the interagency to get upfront commitment to what the post major combat operations requirements will be. And this is something, I think, where there's some area to in my opinion, area to make great progress."

Schoomaker said, "The postwar period in Iraq is not going to be won with bullets. It will be won by convincing Iraqis that their best interests lie in working hand in hand with U.S. forces to build a stable economy." He continued, "This ultimately is not going to be won in the kinetic sense, in battle. This is going to be won by the Iraqis investing their own sweat and blood in the solution."

FBI Procedures Faulted in Arrest of Oregon Muslim

Without using the phrase "climate of fear," a seven-member panel of forensics experts cited "human error" for the misidentification of Portland, Ore. attorney Brandon Mayfield as a potential participant in the Madrid train bombings last March, the *Washington Post* reported Nov. 15. The FBI's cover story of "poor quality of digital images" was completely disproven by the panel's findings. The report was published in the November-December issue of the *Journal of Forensic Identification*.

Mayfield was arrested and held for two weeks earlier this year, when his fingerprints were "matched" to those taken from a van found at the scene of the bombings. The "mistake" was so obvious that even the Spanish authorities disagreed, but the FBI fingerprint unit, rather than releasing Mayfield, "went into a defensive posture." The report found that an unnamed "supervisor" had made the initial mistake, and that those underneath him hesitated to point out the obvious error. "The examiners should be encouraged to step forward, without fear of reprisal, if they disagree," the report concluded.

Mayfield is now suing the Federal government, and is said to have some "high-powered" legal representation in Wyoming lawyer Gary Spence. In his suit, Mayfield is alleging that the FBI had access to his biographical information *before* his fingerprints even became an issue! He is also alleging that he was targetted because of his faith. Mayfield is a recent convert to Islam. Just prior to his arrest, he had defended a Portland man accused of aiding the Taliban, on an unrelated matter.

Changes in CIA Worry Senators Hagel and Rockefeller

Questioning the policy adopted by new CIA chief Porter Goss, which is driving the senior and experienced officers at the highest level from the CIA, the senior Senator from Nebraska and a Republican on the Senate Intelligence Committee, Chuck Hagel (R-Neb), asked Goss, "Why these people have left, how many more are going to leave, and whether it's a personality conflict or a policy conflict?," according to the *New York Times* Nov. 16. "If we find ourselves without a senior group of CIA hands, that would certainly not enhance American security and might undermine our security," Hagel added.

Equally concerned is the top Democratic Senator on the Intelligence Committee, Jay Rockefeller IV of West Virginia. Pointing out that he had opposed Goss's confirmation because of the candidate's blatant partisan politics when he was in the U.S. Congress, Rockefeller said that, the "departure of highly respected and competent individuals at such a crucial time is a grave concern." He went on to say, "Goss must take immediate steps to stabilize the situation at the CIA. The CIA workforce must understand where he is taking the agency and why, and he must provide some explanation for this rash of departures among senior officials."

Imposition of Death Penalty Declining

The number of inmates on Death Row decreased for the third year on a row, and there have also been fewer executions and fewer people have been sentenced to death, as well, according to figures released by the Justice Department. The DOJ report, while it indicates much-needed progress, also shows just how far we have yet to go.

There were 65 executions in the U.S. last year, down from 71 in 2002, and the fewest since 1996, when there were 45. (This year, so far, there have been 59.) Also, there were fewer death sentences imposed last year than any year since 1973. The number of inmates on Death Row fell from 3,374, fewer by 188 (about 7%) than last year. The vast majority of those came when Illinois Gov. George Ryan commuted the sentences of all 155 inmates on the state's Death Row in early January 2003. The five biggest offenders, accounting for well over half of all Death Row inmates, are California with 629, Texas with 453, Florida with 364, Pennsylvania with 230, and Ohio with 209.

In the wake of retroactive DNA exonerations, juries seem to be much more hesitant to inflict the death penalty. There has been much work in the recent years by groups such as The Innocence Project, which seeks to apply DNA technology retroactively to convictions. Within the past 12 years, over 150 inmates have had their convictions overturned by such means.

Supreme Court Overturns Ashcroft Deportation Ruling

In what a Washington intelligence source described to *EIR* as an institutional response against Bush Administration policies, the U.S. Supreme Court ruled in favor of a Haitian immigrant who was deported by the Justice Department in 2002 after pleading guilty to a drunk-driving conviction, which caused serious bodily injury to another person. The man, who will now be permitted to return to the United States, had lived in the U.S. legally for more than 20 years, and his wife and children are American citizens.

Although U.S. immigration law permits deportation of a person convicted of a "crime of violence," Chief Justice William Rehnquist, writing for a unanimous court, said that the Florida DUI statute does not require proof of intention (*mens rea*) to commit harm, but it can merely involve negligent conduct.

"Drunk driving is a nationwide problem, as evidenced by the efforts of legislatures to prohibit such conduct and impose appropriate penalties," Rehnquist wrote. "But this fact does not warrant our shoehorning it into statutory sections where it does not fit."

The ruling will have implications for many other deportations, including the widespread deportations carried out as a result of Ashcroft's post-9/11 wholesale detentions of Arab and Muslim immigrants, many of whom were deported on technical grounds, or for minor infractions which had nothing to do with terrorism.

VA To Undertake Real Research into Gulf War Syndrome

Thirteen years after veterans of the 1991 Gulf War began reporting unexplained illnesses, the Federal government has abandoned the explanation that the vets were suffering from "stress," as Veterans Affairs Secretary Anthony Principi announced on Nov. 12, that the VA would be putting in \$15 million of new money into research on Gulf War illnesses. None of the \$15 million, he noted, would go towards research on stress-related matters, but rather to actual chemical factors based on the wide variety of exposures that vets experienced during that war. The exposures included low levels of Sarin gas (from an Iraqi bunker blown up by Army engineers just after the end of the fighting); pesticides; pyridostigmine bromide, an anti-nerve gas agent that was given to the troops; fumes from oil-well fires in Kuwait, and experimental drugs administered to the troops, even though they had not been approved by the FDA.

Accompanying Principi's announcement was the release of a report by the Research Advisory Council on Gulf War Veterans Illnesses which, among other things, concludes that the illnesses experienced by Gulf War veterans "are not explained by stress or psychiatric illness." It also states that Gulf War veterans "exhibit evidence of neurological problems, including a significant excess in the rate of amyotrophic lateral sclerosis, or Lou Gehrig's disease." Furthermore, "Accumulated research supports a probable link between Gulf War illnesses and neurotoxic exposures encountered in the war."

Whether or not all this will mean that Gulf War veterans will actually get the treatment they need, remains to be seen. Principi acknowledged that many vets still can't get help, but the purpose of the new research program is to "find the answers that have eluded us" and to "assist vets who have undiagnosed symptoms."

Frist: Senate Chairman Serve the President

Senate Majority Leader Bill Frist (R-Tenn) made an appearance on Fox News Sunday on Nov. 14, which received wide coverage in the media, largely because he indicated he would not support Pennsylvania Senator Arlen Specter's bid to become chairman of the Judiciary Committee. More to the point, however, than Frist's rambling comments about Specter, who is under fire from right-wing evangelicals for his position on abortion, was his declaration that the duty of the Senate Judiciary Committee chairman was to get the President's nominees for judgeships approved. This is the "unitary Presidency" or Presidential dictatorship theory recently advanced by John Ashcroft, Dick Cheney, and the neo-cons generally. "I would expect Chairman Specter to ... have a strong predisposition to supporting that nominee sent over by President Bush, a Republican President, to a Republican Judiciary Committee," said Frist.

Subsequently, Specter has been sufficiently terrorized by his fellow Republican Senators, that he has given a guarantee in writing that he will support Presidential nominees.

Ibero-American News Digest

LaRouche Speaks on How To Handle Chavez, Castro

In an interview with Ambrose Lane of Pacifica Radio's Washington, D.C. affiliate, WPFW on Nov. 12, Lyndon LaRouche rejected out of hand any proposals that the U.S. should be involved in "regime change" in the Western Hemisphere.

Asked to comment on Venezuela and Hugo Chavez, LaRouche called the situation "complex, because [Venezuela] is of course, an oil state—and that has two implications: it's a state of mind, as well as a nation. Chavez, essentially, comes from a background which is the same background that fascism came from in former times, that tradition. He also represents a peculiar left-wing spin on that; he's very close in some respects to Fidel Castro. And from a standpoint, as a figure myself of some political influence and whatnot internationally, what I try to do is, I try to deal practically with these kinds of phenomena.

"I don't believe, for example, that the United States has any business going in to orchestrate regime change in countries, by military force. That's a wrong policy. I think we have to deal with countries—we're past the point we should be going to aggressive war anyway—but we have to deal with these countries with a certain amount of understanding, and sometimes, a sense of humor, even about very bad situations. Because, rather than kill somebody, or go in to kill somebody, why not try to find a way of causing the situation to evolve," he continued.

"My approach is, what we should have done a long time ago: Reverse the effects of 1971-72 and '82, and go back to helping these countries below our borders come into a kind of new system where they can reindustrialize, redevelop their agriculture, strength; and let the benefits of economic and related progress, induce these countries to decide, themselves internally, to evolve their systems in a better direction."

Asked about Castro's early-November decision to stop the use of the U.S. dollar inside Cuba, LaRouche answered that, "Castro is a guy I should meet and talk to. Because he is a problem, but we don't make him a problem. If we wanted to have an arrangement with Cuba, a rational arrangement, and I would in charge of getting it, I guarantee you, I could get a decent arrangement. You can forget about all the problems we have with Castro personally. Forget them. We need peace and stability in the Western Hemisphere."

As for what the change in the rules on the dollar use inside Cuba, LaRouche said: "Nothing wrong with it. He has to do what he has to do. And we have nothing to complain about, because we don't have a constructive relationship with him."

Will Bush Send Troops To 'Protect' Mexican Oil Facilities?

On the eve of last week's Binational Meeting between U.S. Secretary of State Colin Powell and Homeland Security's Tom Ridge, and President Vicente Fox and Interior Secretary Santiago Creel, Mexican political and media circles were in an uproar over a "casual" reference made Nov. 5 by Energy Secretary Fernando Elizondo, to the effect that, "In coordination with their counterparts in the United States, the Mexican Armed Forces are patrolling air and sea space" against the possibility of terrorist attacks on Mexican oil fields and Pemex facilities. He added, "Remember, 80% of our energy exports are to the U.S., so, if they hit us, they hit them." The word "coordination" is what set off a flurry of protests.

Although Elizondo made the comments twice—once to the Chamber of Commerce and once before reporters—he later denied that he had ever used the words "Armed Forces," but insisted that "there are patrols of the Gulf of Mexico," where Mexico has numerous offshore oil rigs. A similar denial was issued by the Office of the Presidency, the Foreign Ministry, and the Interior Ministry, with the last insisting that, "Clearly, there is an exchange of information on security, as is obvious, but there is no presence of foreign troops in our country."

A few days earlier, on Nov. 1, *El Universal* had dedicated its lead editorial to warning that the Mexican Navy, which has the task of patrolling the Gulf of Mexico, was so financially constrained, that it was unable to carry out its mission. The editorial warned that the budget cutbacks are "a false savings," which would be paid for with "losses of sovereignty." In a later commentary by *El Universal* analyst Felix Fuentes, it is suggested that Elizondo may have slipped up and "betrayed his chief, President Fox, by revealing a state secret."

The real story behind Elizondo's "slip" was exposed by Alfredo Jalife, a teacher and oft-cited "expert in geopolitics," who is quoted in the Mexican media demanding that the Fox government clarify whether Mexico is or is not a part of the U.S. Northern Command, created by Bush in April 2002 to defend U.S. territory in the aftermath of Sept. 11. An official Pemex spokesman insisted that if any security agreement between the U.S. and Mexico existed, Pemex was "unaware of its contents."

Mexican Congress Defies Fox, Puts People Before the Debt

Mexican President Vicente Fox displayed his greatest incompetence yet, when he interrupted national television broadcasting on the night of Nov. 18, to announce that he intends to sue the Mexican Congress, over its draft 2005 budget! With this, Fox has turned a major political fight into a constitutional showdown as well—between two of the three branches of government.

The day before, his spokesman, several Congressmen from his PAN Party, and high-level officials from five cabinet offices, called a press conference to threaten that Fox might veto the 2005 budget which the Mexican Congress approved last week. The original budget proposal submitted to Congress by the Finance Ministry had been substantially re-written by the lower house of Congress, raising spending 10% over the government proposal, and reallocating billions away from bank bail-out funds and Fox's "pet projects," such as the Attorney General's office, and into education and agriculture.

In response to the PAN's warnings of the "dire consequences," should Congress hold firm, the opposition PRI party fraction in the Congress issued a feisty press release on Nov. 17, which stated: "We PRI Congressmen reject the PAN's attempts to fool public opinion with lies. Mexicans do not deserve to continue under two more years of Fox, with growing unemployment. That is why the PRI sees the need to participate in economic policy from the Congress. The President must acknowledge his failures and stop blaming others. We remind the PAN party that they have sent 3 million Mexicans onto the streets, that they are the ones who denied job possibilities to the youth, that they are the ones who have systematically refused to increase resources to science and technology, condemning the country to underdevelopment. We demand that the PAN tell the truth!"

After issuing the threat to veto the budget, someone in the Fox administration discovered that the President can only veto laws, and the budget is not a law but a decree. Thus, the President's decision to sue, instead.

Financiers Score Big with Ouster of BNDES Team

On Nov. 18, President Lula da Silva fired the outspoken president and vice president of the National Economic and Social Development Bank (BNDES), Carlos Lessa and Darc Costa, thus satisfying international financiers who had demanded the heads of this dirigist team at the BNDES.

Lessa's latest attack on the financier faction, the ostensible pretext for his ouster, was his Nov. 13 interview with *Folha de Sao Paulo*, in which he called the reign of former top FleetBoston executive Henrique Meirelles at the Central Bank "a nightmare," because of his interest-rate policy. Lessa charged that Meirelles "is giving out all kinds of signals that growth at this time is a sin."

The financiers' decision that Lessa and team had to be removed, to ensure their control when the full global crisis hits, was sealed last June, when Darc Costa announced that the BNDES had returned to a policy of state intervention, based on long-term "strategic planning of the economy." The model adopted by BNDES in the 1990s of "the invisible hand which does all," without state intervention, will be replaced by the concept which guided the bank before that: that it would be again "an active instrument of development, and that long-term planning of the economy is something important." An overall

"mapping" of the economy to identify priority areas of investment was to have been completed by the end of 2004.

The assault on BNDES's institutional role in the economy was signalled by the report that Finance Minister Antonio Palocci had promised the visiting IMF mission on Nov. 9, that the Lula government would gradually do away with low-interest, directed credit over the course of 2005/2006.

Were the Palocci/Meirelles proposal to be implemented, "it would mean the end of BNDES" and of the only source of long-term credit for investment, "both for industry and agriculture," Ivoncy Ioschpe, president of Brazil's IEDI statistical agency, had immediately warned. Low-interest credit lines currently make up 36% of the country's total; of that, 10.7% goes to agriculture, 5.2% to low-income housing construction, and 19.8% is reserved for loans issued by BNDES.

One day after Palocci's announcement, Meirelles lied at a seminar in Brasilia that these low-interest credit lines were responsible for the high cost of credit overall. "By allowing interest rates for certain activities, lower than those freely agreed to by the market, the [Central Bank] is forced to raise rates on other operations," Meirelles claimed. Answering Meirelles at the same seminar, Paulo Skaf, president of the powerful Sao Paulo Industrialists Federation (FIESP), defended the low-interest credits, even suggesting rates be lowered more to further encourage investment.

Bolivian Finance Minister Packs Up, Goes Home to IMF

Shortly after announcing there would be no wage increase in 2005, Bolivian Finance Minister Javier Cuevas resigned, and made plans to take a job at the International Monetary Fund. Cuevas had clashed with President Carlos Mesa both over economic policy and the hydrocarbons law.

The government's inability to get a hydrocarbons law approved by Congress remains another source of great instability. A more radical version of the draft originally submitted to Congress by Mesa, which increases the royalties foreign energy firms would have to pay, makes delay in approval inevitable. Separatist forces in Santa Cruz and Tarija, where most of the country's oil and natural gas reserves are located, charge that the law is "confiscatory," and will discourage foreign investment. Foreign Minister Juan Ignacio Siles made a similar charge from Spain last week, after which he was publicly censured by the Lower House of Congress.

Mesa's situation is complicated by the fact that the Constitutional Court declared unconstitutional the decree he issued to fill several vacancies in the courts and government bureaucracy. Coca-producers' leader Evo Morales immediately denounced the court's ruling as part of a conspiracy to destabilize the country. Although Morales disagrees with Mesa on the content of the hydrocarbons law, he said he was forming a strategic alliance with the President to defend the country from upheaval. But separatists see Morales' action as proof the country is being taken over by radicals, and justification for splitting their region off from the rest of the country.

Haiti Still Being Left To Die

Haiti "will disappear" unless the international financial agencies and industrialized nations immediately act to get it necessary funds for reconstruction, warned Brazilian Marco Aurelio Garcia, a top aide to President Lula da Silva. "The situation is appalling. Port au Prince is like a giant *favela* [slum]," Garcia told *Ansa* on Nov. 11, during a visit to the country. Although \$1 billion in donations have been approved, and despite the gravity of the situation, "the Haitian government has no money," he underscored. "Not one dollar of the promised aid" has reached the country. Garcia reported that a European ambassador told him that it could take as long as 24 months for some projects to be approved for financing. "I told him that at that rate, Haiti will cease to exist as we know it."

Meanwhile, the financiers' career toady, Luigi Einaudi, now Acting Secretary General of the Organization of American States (OAS), still insists that the top priority for Haiti is elections.

Western European News Digest

Third Wave of Outsourcing Ravaging Jobs in Germany

Two million more German jobs are threatened by outsourcing by 2009, warns a new study by Prof. Horst Wildemann and coauthors at the Munich Technical University. The study notes that we are now witnessing the third wave of outsourcing. During the first two waves, in the years 1980 to 2001, about 100,000 German jobs were sent abroad, mainly by large corporations. But now, more and more *Mittelstand* (medium-size) firms are engaging in outsourcing as well, and the annual job losses will increase to 152,000 in the years 2005-2009. This adds up to 760,000 industrial jobs that will be transferred out by the end of the decade. However, if the effects on suppliers and partner-firms are taken into account, job losses will come close to 2 million. Most of these jobs will be shifted to eastern Europe. Some firms not only want to shift their production, but their management or R&D departments as well.

The study emphasizes that quite often, such outsourcing efforts, supposedly reducing labor costs, are ending in disaster. So far, 60% of all R&D operations by German companies sent outside the country had to be reversed because product quality was falling too much. The failure rate in the case of production outsourcing is about 10%. Wildemann has calculated that, for example, while wages in Poland are much lower than in Germany, the ratio of output to wages for an average industrial job is almost the same in both countries. Therefore, he said, the outsourcing of jobs could be easily stopped, once large corporations, the *Mittelstand*, trade unions, and politicians would collaborate to boost the productivity of German jobs.

German Poverty on the Rise

Poverty in Germany has been rising drastically, even before the Hartz IV austerity program takes effect. The German Red Cross warned that already, every third child or youth under age 18 in Berlin lives in a household (family or single mother) that is poor. The Red Cross reports that more and more children show up at its soup kitchens in Berlin, to get something to eat.

The number of "problem" cases among Berlin households that fail to achieve minimum income without welfare or other state support, has increased by more than 16% in the past 12 months, from 361,000 to 421,000.

Reliance on soup kitchens is also reported from other eastern German cities and regions. The Mansfeld region in Saxe-Anhalt, which during the coming winter will have an official (i.e., understated) jobless rate of 28-30% (!), has seen a doubling of poor citizens knocking at the doors of soup kitchens, over the recent period.

All of this is happening *before* the implementation of the Hartz IV package in January, thus putting into jeopardy an estimated 100,000 households (according to the German Residents Association, Deutscher Mieterbund), which would no longer be able to pay rent and other necessities at the same time.

For eastern Germany, welfare organizations in numerous cities have calculated what it means for lowest-income households once they get a maximum pay of 331 euros, under Hartz IV: Since rent support (*Wohngeld*) paid by the municipalities is limited to 3 or 4 euros per square meter, such "problem" households will face have to choose between paying the difference to pay the rent and cut deeply into food and other needs, or be forced to move into a less expensive flat—likely in run-down areas of the municipalities, like the "Plattenbau" housing complexes of the former East German state, in which no investment was made for the one or two decades before 1989, and none since German reunification in

1990.

German Workers Protest Income Cuts

German public-service workers took to the streets against income cuts Nov. 17. The protest is against plans of the governments of the 16 states of Germany to cut incomes, by scrapping bonus payments (Christmas bonuses, overtime work pay, etc.), and by extending working hours per week from 38.5 to 42 hours.

The protest action, for example, in the states of Lower Saxony and Bremen, involved 7,000 workers of highway and postal services, several thousand workers from altogether 70 institutions in the state of North Rhine-Westphalia, as well as workers and employees of hospitals and theaters in the state of Bavaria.

The service sector labor union pre-announced more such actions between now and Jan. 31, the day the current wage agreement expires.

Bulgarian Labor Unions Stage National Day of Protest

Bulgarian labor unions staged a national day of protest against government austerity policies. Altogether 400,000 workers and employees of various sectors of the economy took part in warning strikes lasting one hour each on Nov. 18.

This involved urban transport workers, medical personnel, customs services, metal, and construction workers—the latter were especially enraged at the fact that they have not received any pay for several months, in the case of Balkancar, the country's biggest construction firm, and some not even in one year.

This was the biggest labor protest in 14 years, since the end of the socialist regime in Bulgaria, and more will follow, labor officials warned, if neo-liberal policies of the present government and of corporate managements don't change.

Italy Shaken by Strikes in All Sectors

Italy will be the scene of 30 different labor strikes between now and the planned general strike on Nov. 30. Warning strikes and protests Nov. 15 against the government's austerity policy involved teachers, personnel in education sector institutions, and pupils in numerous cities. In Rome alone, more than 100,000 took to the streets, and similar actions will take place in the urban transport sector of numerous cities, over the coming days.

The weekend of Nov. 20, a nationwide warning strike of airline and airport workers will be staged; judges and prosecutors will follow on Nov. 24. The three big national labor federations CGIL, CSIL, and UIL will stage a national general strike on Nov. 30.

Chirac Cautions Blair on U.S. Intentions

French President Jacques Chirac warned British Prime Minister Tony Blair, in an interview Nov. 16 with the British press in Paris, that the U.S. is "not ready to make concessions to anyone, even the British." Chirac then travelled to London for a state visit with the Queen and Blair.

"I'm not sure the United States, as it is today, in its present mood, is ready to make concessions to anyone, even the British," Chirac said. "They are not in the mood to do one favor in return for another," he added. Chirac warned Blair that it

would not be easy for anyone, even the British, to be a "friendly go-between" or "honest broker. Perhaps that will change, but that is the current state of things," he said.

Chirac said he had told Blair to get something from the U.S.: "When the divergence of views between France and Britain was at its height, when the English wanted to follow the Americans and we didn't, ... I said to Tony Blair, your position should at least serve another purpose. You should obtain in exchange for it a new start for the peace process in the Middle East. Because that is vital. Well, Britain gave its support [on Iraq]—but I have not been impressed by the payback."

Chirac, however, praised Blair and the Anglo-French relationship.

He then called for a multi-polar world: "We are heading, inevitably, I have said it before, for a multi-polar world, in which there will be an American pole, a Chinese pole, a South American pole, an African I hope, and a European pole." To balance all this, the U.N. is needed, and "the two poles that are founded on the same values—that is America and Europe—get on together so that they can be an element of dissuasion towards poles which have another culture, other historical values. The trans-Atlantic link is absolutely essential in this multipolar world."

Brits Plan To Withdraw Black Watch Regiment from Iraq

British military leaders want the Black Watch Regiment withdrawn from Central Iraq at least by the beginning of December, *The Independent* reported Nov. 16. Chief of the Defence Staff Gen. Sir Mike Walker, has already told the U.S. military in Iraq that keeping the British forces in central Iraq "would be a political decision and militarily irresponsible," *The Independent* cited "senior defence sources" as saying.

The plan is to withdraw the Black Watch as soon as the Fallujah operation is over, or when the battle group's 30-day deployment ends on Dec. 3, "whichever is sooner." Britain will not support further Fallujah-style offensives.

Also, Blair promised in the Parliament that the Black Watch would be home by Christmas, which the military said "surprised" them. The Black Watch is deployed just south of Fallujah, in an area which the U.S. had left open. A senior British military source said: "There was a need to fill the vacuum, and this will continue to be the case. Other forces will be needed in the future, but it won't be us."

Chancellor Schroeder: No German Troops to Iraq

In a full-page interview published Nov. 18 in *Die Zeit*, Chancellor Gerhard Schroeder said that he will miss U.S. Secretary of State Colin Powell, who is retiring, but is looking forward to cooperating with Condoleezza Rice, who has been named by President Bush to replace Powell. As far as the German view on Iraq is concerned, it will not change with the new Bush Administration. He added: no German troops to Iraq, nor upgrading of military presence generally, because stability and peace can be brought to Iraq only by elections and a legitimized new Iraqi government that has control over the crucial aspects of the Iraqi economy and state.

Schroeder also called for the Middle East Road Map approach to be put back on the agenda, to create an Israeli state and a Palestinian state, in guaranteed and mutually respected territory. As far as Iran is concerned, Schroeder said that he believes the recent agreement between the EU and Iran on the nuclear problem will work, because the Europeans will give Tehran economic cooperation including the peaceful use of nuclear technology, in return for the Iranian "yes" to that agreement.

Asked whether he thought the U.S. will continue planning a military intervention in Iran, Schroeder answered that he could

not imagine that, and he would strongly advise against that. Afghanistan is not safe yet, nor has the Iraqi conflict been solved, therefore it would be totally wrong to even think of a military intervention against Iran—Germany will not support that in any way.

German Environment Minister 'Goes Nuts' Over Nukes

German Environmental Affairs Minister Trittin is coming under increasing public attack. Trittin—who in recent public debates with spokesmen for the nuclear power industry, lost his self-control so often that even the Greenies are beginning to consider him expendable—has come under more pressure in recent days.

Bildzeitung, the largest mass-tabloid in Germany, for the second day in a row Nov. 18 had Trittin's picture accompanying a big article with banner headlines, asking whether he "has gone nuts."

And in an interview in the *Die Zeit* weekly, Chancellor Schroeder, when asked about frictions in the ruling "Red-Green" coalition between the Greens and his own Social Democrats, said that he is quite fed up with the way certain Greens (not naming Trittin) are trying to profile themselves in public at the expense of his government, which cannot be tolerated.

Russia and the CIS News Digest

Putin Highlights Russian Nuclear Weapons Development

Addressing the Russian Armed Forces leadership on Nov. 17, President Vladimir Putin again said that Russia is developing a new form of nuclear missile, unlike those of other countries. "I am sure that they will be put in service within the next few years and, what is more, they will be developments of the kind that other nuclear powers do not, and will not have," Putin was quoted by the ITAR-Tass. As in the case of Putin's similar statements, made during a visit to the Federal Nuclear Center at Sarov last year, and at the time of his visit to view a test at the Plesetsk launch site earlier in 2004, details were not provided. Russian commentaries focussed on programs believed to be underway, for development of a hypersonic cruise missile and of maneuverable multiple warheads with which the mobile Topol-M intercontinental ballistic missile could be outfitted.

Putin Meets IMF Head, Signals Early Debt Repayment

Welcoming International Monetary Fund Managing Director Rodrigo de Rato at the start of the latter's three-day visit to Russia on Nov. 18, President Putin confirmed that he is open to talks on spending some of the billions of dollars available from Russia's "stabilization fund," to make early debt payments to the IMF and to the Paris Club. The fund is comprised of over-budget revenues from the taxation of high-priced oil exports. Putin said that "the growing capabilities of the Russian economy and financial system"—i.e., the surfeit of petrodollars—make it possible to do this.

Radical free-market advocates, including Putin's economic adviser Andrei Illarionov, have been campaigning in favor of the debt-reduction scheme and against spending the stabilization fund domestically, at all costs, in order to "prevent inflation." In a pre-trip interview in *Kommersant*, Rato concurred, and appeared eager to be the recipient of Russian petrodollars. "We would welcome advance repayment of Russian debt to the IMF," salivated Rato (perhaps thinking of monies the Fund might not be getting from Argentina), "In our opinion, this would be the right thing to do."

Putin remarked that early payment of the debt will also "help prevent the adoption in international financial practice of instruments that, in our opinion, represent a sometimes incorrect use of debt obligations." This evidently refers to a new practice on the part of some Paris Club creditors. The Paris Club deals with state-to-state loans, which, in Russia's case,

date from the Soviet Union's borrowing in the 1970s and 1980s. According to the *Kommersant* interviewer of Rato, "Germany is already issuing its own securities for the part of Russia's debts, owed to it." According to the Russian financial wire service RosBusinessConsulting (RBC), Italy's government announced Nov. 10 that it, too, might begin to securitize its approximately 1 billion euros in Russian Paris Club debt, assigning the Italian export credit agency called SACE to manage the commercial resale of this debt. Like Putin, Rato called this practice dubious, saying that "Germany's decision to securitize part of Russia's bilateral debts" raises questions from the standpoint of the Russian government's rights, as well as those of the Paris Club as a whole.

In either case, whether by securitizing the old debt or extracting cash from Russia for its early repayment, these look like attempts to use the debt relationship with petrodollar-flush Russia, to grab liquidity that's rather desperately needed by foreign governments and large banks, alike.

Russia To Invest \$5 Billion in Venezuela

Russian Ambassador to Venezuela Alexei Yermakov has announced plans for Russian investments of \$5 billion in the Venezuelan economy over the next 10 years. The first \$1 billion of this amount will go into the aluminium sector, and the remaining \$4 billion to the energy sector. Currently under discussion, are agreements on electricity generation and oil exploration, which include one between Venezuela's state oil firm PdVSA and the Russian firm Lukoil, to increase production of oil, gas and petroleum derivatives. Russia's Gazprom has also indicated interest in participating in a project to transport and process Venezuelan gas. The Russian government has committed itself to selling 40 combat helicopters to Venezuela, which the Chavez government says will be used to guard its border with Colombia. Venezuelan President Hugo Chavez will be in Moscow on Nov. 25-26 to further discuss strengthening bilateral relations.

St. Petersburg Governor on Mission to Iran

St. Petersburg Gov. Valentina Matviyenko (a former Soviet ambassador to Greece and Malta) visited Iran and Azerbaijan on a Nov. 8-12 trip, accompanied by officials and business figures. The latter included Vladimir Katenev of the major machine-producing company Power Machines, and head of the St. Petersburg Chamber of Trade and Industry Chamber. In Tehran, Matviyenko was received by Vice President Mohammad Reza Aref and other officials. The main agenda items in her talks with Iranian government and business figures on economic cooperation, were joint projects in energy, machine-building, communications, and wholesale trade (particularly, timber and beer). Katenev's company is involved in the Bushehr nuclear-power project. Other Russian firms that signed agreements were Zvezda (sale of diesel engines to Iran), the Sevkabel (Northern Cable) Plant (agreement on joint ventures with an Iranian firm that provides cable for power plants and public transportation), and Stepan Razin Brewery of St. Petersburg.

Although this official agenda featured closer ties between St. Petersburg companies and Iran, it was clear that—as with her earlier trip to Japan—Matviyenko was carrying out important diplomatic assignments for the Kremlin. A state visit to Tehran by President Putin is planned for 2005.

Ukrainian Presidential Run-off Too Close To Call

An RIA Novosti wire dated Nov. 12 was one of several indications that leading Moscow circles were preparing themselves for a possible victory by opposition candidate Victor Yushchenko in the Nov. 21 Ukrainian Presidential run-off election. Yushchenko was narrowly ahead of Prime Minister Victor Yanukovych in the first round and has picked up support from the Socialist Party (Alexander Moroz), which won over 5% in the first round. Among the pledges Yushchenko gave in exchange for Moroz's support, was a promise to withdraw Ukrainian forces from Iraq.

The RIA Novosti wire by political commentator Vladimir Simonov was headlined, "Who said Yushchenko was bad for Russia?" Although "hostile pre-election posters often depicted Mr. Yushchenko as an American cowboy with a lasso or wearing an Uncle Sam stars-and-stripes hat," Simonov wrote, "Everything is not so black and white.... I have no doubt that a Yushchenko Presidency could suit Russia, especially in terms of economic development. It is common knowledge that, when he was Prime Minister in 1999-2001, Mr. Yushchenko succeeded in halting the decline in bilateral trade and put an end to the main sore point in relations—the theft of Russian gas. He also opened the Ukrainian market for major Russian companies and insisted that the Ukrainian economy be privatized in an exceptionally transparent manner. All this can be hardly detrimental to Russian business. In stark contrast, Viktor Yanukovich's government recently put Ukrtelecom and Krivorozhstal up for privatization on terms that virtually excluded Russian industrial groups, in particular, Severstal. As a result, one Ukrainian company took control of the country's biggest metallurgical plant, the Krivoy Rog works, without an auction being held. This lucky company is rumored to be connected with a relative of a senior official in the Kiev establishment. Although this may seem inconsequential, it is rather indicative."

President Putin visited Ukraine Nov. 12-14, for the second time in a month. He appeared with outgoing President Leonid Kuchma—the political sponsor of Yanukovych—at a ribbon-cutting ceremony for a ferry boat line in the Crimea, but otherwise kept a relatively low profile.

Tensions remained high on election eve. Yushchenko warned yesterday of a "strong-arm scenario" to declare Yanukovych the winner, regardless of the true vote count. He said that "we will lead people into the streets and defend our rights," if there is vote fraud.

Tensions Rise Over Abkhazia Elections

The situation around the inconclusive Presidential election in Abkhazia, an autonomous region within Georgia, where Russian peacekeeping forces are based, heated up in mid-November. On Nov. 12, Russian Foreign Ministry spokesman Alexander Yakovenko said that Russia "will be forced to take measures to protect its interests," if tensions continue to escalate. Yakovenko accused supporters of one of the candidates, Sergei Bagapsh, of attempting to seize power by force. During the day on Nov. 12, they had seized several government buildings. He added that, "all responsibility for the likely effects will be placed on Bagapsh and his followers."

The election was in early October, but both Bagapsh and Prime Minister Raul Khajimba claimed victory. The Abkhazian Supreme Court ruled first in favor of one, then reversed itself to favor the other. A trip to Moscow by both candidates yielded no solution.

Georgian Foreign Minister Salome Zurbishvili (a French citizen and diplomat, until President Saakashvili recruited her to his government last year) said that Georgia's ambassador in Moscow would meet Foreign Minister Sergei Lavrov today to protest. At a press conference the evening of Yakovenko's remarks, Zurbishvili read a statement of "protest and indignation," calling Russia's expression of its interests in Abkhazia an "unacceptable innuendo" and "attempted interference by the Russian Federation into the internal affairs of the Georgian state."

Asia News Digest

Chinese President Tours Argentine Nuclear Tech Firm

Chinese President Hu Jintao spent the last leg of his trip to Argentina in Bariloche, where he toured the INVAP company, producer of state-of-the-art nuclear technology. There are already existing agreements between INVAP and the Chinese government, but the company noted in a Nov. 17 press release, that new agreements signed during the Chinese President's

Nov. 16-17 visit would expand existing cooperation and "promote joint development of products between Chinese firms and INVAP, to meet both nations' domestic needs, as well as to export to third markets."

INVAP is owned by the province of Rio Negro, whose governor, Miguel Saiz, said he wanted to offer President Hu nuclear reactors as well as other scientific and medical equipment produced by the company. "We are so proud that President Hu Jintao chose to tour INVAP," the company's statement said. "We see in this, recognition of the quality of work done by our scientists and technicians, whose achievements have attained international importance."

China in 'Urgent' Need of Energy Transport

China remains in "urgent" need of energy and transport, an official of the state development and reform commission warned on Nov. 13 in Shanghai, according to the *Peoples Daily* Nov. 16. Jia Yinsong said that while China's coal production so far this year was up 16% over last year, at 1.285 billion tons, the state-owned coal mines are nearly mined out, and locally owned coal mines are extremely wasteful. Electricity generation was also up 15% year-on-year, but the 24 provincial power grids were unable to meet demand, he said, and had to cut power supplies. Last summer, shortfall was 30 million kilowatts.

Crude oil production in China was up just 2.9%, and imports up 36.2%, but the refining capacity of the China Petroleum Corporation and China Petro-Chemical Corp. has almost been reached, Jia warned, forcing China to have to import.

In addition, electric "power will be in great demand for the power grids of northwest and north China, and Sichuan-Chongqing, while east, central, and southern China power grids will be facing a shortage of power supply," the national China Central Television reported Nov. 13. "Among them, the east China power grid will be confronted with the most severe shortage of power supply." Electricity rates have already been raised twice this year, due to rising coal prices.

Northern China Lacks Sufficient Coal for Heat This Winter

Cities in northern China, both east and west, do not have sufficient coal supplies for the central heating systems this winter, *China Daily* reported Nov. 15. Inadequate storage of coal for heating has become a common problem in this vast region, threatening winter heating supplies for 200 million urban residents, in 14 provinces, municipalities, and regions. Winter is extremely cold in north China, where the winds blow down from Siberia.

The problem is due to insufficient production and transport capacities for coal. China is the world's leading coal producer, producing 1.285 billion tons so far this year, but this is not enough. Due to rail bottlenecks, now more coal will be transported on the highways—a much less efficient method.

India Looks to Russia for Energy Security

India's Minister for Petroleum and Natural Gas, Mani Shankar Aiyar, announced India's intention to invest \$3 billion in Russian oil and gas fields, *The Hindu* reported Nov. 15. The investment will be split about equally between Sakhalin in the Russian Far East, and Kurmangazi in the Caspian region. Aiyar also successfully negotiated with the Iranians for India's ONGC Videsh to take a stake in the Yadarevan oil fields as part of a larger deal to purchase natural gas from Iran. India has made a handful of similar, but smaller, deals with other countries as well.

Pushing to take equity in foreign gas and oil fields is a new shift in India's policy in pursuing its energy security. It is expected that Aiyar would also co-opt private sector oil companies in the coming days, instead of championing only the state-owned ONGC Videsh.

Asian Health Ministers To Meet on Potential Pandemic

Asian health ministers will meet in Bangkok, Thailand Nov. 25-26 to devise joint strategies to combat avian (bird) flu, the World Health Organization announced Nov. 12.

"The recent avian influenza outbreak in several Asian countries continues to pose a serious threat," the UN agency said in a statement announcing the meeting.

The deadly H5N1 strain of avian influenza emerged in Asia early this year, ravaging the poultry industry, and sparking a region-wide health scare. Authorities culled tens of millions of birds in an attempt to thwart the spread of the disease, which resurfaced in July.

Bird flu has killed 20 people in Vietnam and 12 in Thailand. It has also been known to successfully jump the species barrier to mammals, infecting cats and tigers, and scientists fear the virus could latch onto the human flu virus and create a highly contagious, deadly strain.

Countries participating in the meeting are China, Indonesia, Japan, Malaysia, and Vietnam.

Thai King Calls for Peace in Southern Provinces

Thailand's King Bhumibol Adulyadej warned Nov. 17 that the kingdom's stability depends on the establishment of peace in the restive Muslim South, as police reported two more killings in the region.

Speaking before 510 newly-promoted police and army generals, the King, who usually intervenes into politics only in times of crisis, said the key to peace would be greater cooperation among security forces.

"With more serious and closer cooperation between police and soldiers, the violence could be reduced," the king said in a speech broadcast by state radio Nov. 18.

"Otherwise our nation could fail, which means the public would have no happiness or security," said the monarch, who has already called for a less "heavy-handed" approach in the South.

Thai Old Guard Critical of Prime Minister Thaksin

Social critic Sulak Sivaraksa, once a staunch supporter of Prime Minister Thaksin Shinawatra, demanded Nov. 16, that the Premier apologize for the Tak Bai incident in which 87 Thai Muslims died from suffocation, or face a rally for his removal.

Sulak was referring to the incident Oct. 15 outside Tak Bai police station in Narathiwat province where six protesters were killed in a crackdown by security forces, and 87 detainees died after being herded into trucks for transport to a military camp.

Thais Cautiously Welcome UN Probe of Tak Bai Tragedy

The Thai government on Nov. 17 cautiously welcomed a bid by Philip Alston, the UN special rapporteur on extrajudicial, summary, and arbitrary executions, to interview people involved in the Tak Bai tragedy, in which 87 people died.

Prime Minister Thaksin Shinawatra's cabinet secretary Yongyuth Tiyaiprat told AFP: "There is no problem in giving the facts, and we're willing to provide cooperation to every organization, but [Alston] should wait for the result from the independent commission."

Korea, Argentina Sign Economic, Cultural Agreements

South Korean President Roh Moo-Hyun and his Argentine counterpart Nestor Kirchner signed five agreements for bilateral economic and trade cooperation, following Roh's two-day visit to the Ibero-American country Nov. 14-15. The Argentines particularly stressed the importance of the memorandum of understanding signed between Korea's Eximbank and Argentina's Banco de la Nacion, which provides for a \$30 million credit to finance imports of South Korean goods and services. Planning Minister Julio de Vido explained that the credit line's significance rests not so much in the amount, but in the fact that it comes just as Argentina is attempting to complete its debt restructuring plan with foreign bondholders. It is the first such financing offered since the country's December 2001 debt default.

The five agreements signed deal with economic, cultural, educational, and trade cooperation, including deals on energy and mineral resources. The two heads of state underscored their commitment to expanding cooperation for the peaceful uses of nuclear energy as well. Kirchner told Roh that, "we must join our scientific and technical [capabilities] to help each other in technological and scientific development, sharing the challenge of creating new methodologies by which we can become more efficient in the creation of wealth."

Indian Premier Returns from Kashmir Empty-Handed

Despite efforts to appease the Kashmiris, and Islamabad, by withdrawing troops from the Line of Control separating the Indian- and Pakistani-held parts of Jammu and Kashmir, Indian Prime Minister Manmohan Singh's well-orchestrated visit there ended up producing nothing. His arrival in the town of Srinagar on Nov. 17 was met with boycotts and shutting down of shops and commercial centers by the Kashmiris.

On Nov. 18, after the Indian Premier announced that he is ready to talk to Pakistan on Kashmir, the main separatist Kashmiri leaders made clear that no such talks would be possible until they talk to Pakistan first. Leaders of the All Parties Hurriyat Conference, who have the capability to call the shots in the Indian-held part of Kashmir, said they also wanted a direct invitation from New Delhi for resumption of peace talks between the Kashmiris and New Delhi.

Not anticipating this aggressive proposal from the disgruntled Kashmiri leaders, Singh said the Hurriyat "demand was unfair," adding, "I have not laid down any precondition and I don't expect anyone else to lay down preconditions."

India-China Border Talks Reconvene

India's National Security Advisor J.N. Dixit was in Beijing to reopen two days of talks with Chinese Vice Minister Dai Bingguo Nov. 17-18, to resolve the China-India border dispute. The talks are to complete a process, began during former Indian Prime Minister Atal Behari Vajpayee's visit to China in June 2003, which would settle the 3,500 kilometers (2,200 miles) of undemarcated border, through negotiations.

The two countries have not established a formal ceasefire line since the 1962 border wars, but in the latest round of talks, attempted to establish the basis for a formal border that could include swapping claims on Aksai China in the west, by China, and on Arunachal Pradesh in the east by India.

Africa News Digest

Israeli Mercenaries Involved in Côte D'Ivoire Attack

"Israeli mercenaries assisting the Côte d'Ivoire (Ivory Coast) army operated unmanned aircraft that aided aerial bombings of a French base in the country," claimed French television station TF1, according to the Israeli daily *Ha'aretz* Nov. 17. On the same day, *Le Monde* reported that a group of 46 Israelis has been operating an intelligence center for the Côte d'Ivoire military.

An Israeli source told Israel Radio that the French had confiscated the aircraft at the Abidjan Airport and asked Israel to clarify the circumstances of their presence in the West African state. The source said Israel has promised to stop selling military equipment to Côte d'Ivoire, which it will have to do in any case, since there is now a UN arms embargo in place.

This source said the aircraft were sold legally. In fact, the company that sold them to Côte d'Ivoire, Aeronautics Defense Systems, proudly mentions the fact on its web site. The web site also states that the company's advisers include Jacob Perry, the former director of the Shin Beth.

The Israeli Foreign Ministry issued a statement claiming "Israel is unaware of the matter."

U.S. Fundies Told Ivorian President To Resume War

An Ivorian local official aligned with President Laurent Gbagbo told *EIR* Nov. 12 that, "it is the men of God who told us that we had to make war against war, that this is the only way to establish peace and unity in our country." He confirmed that he was referring to the Pentecostal churches that have been growing up like mushrooms in the country.

Gbagbo's wife is a member of the Foursquare Gospel Church, a Pentecostal sect based in the U.S. During the 2002-2003 war with the insurrectionary northern forces, U.S.-based Pentecostal churches sent clothing and other supplies to Côte d'Ivoire to "support the troops."

When reminded that the Gbagbo government was allied with the U.S. neocons and Israel, the worst possible partners, the local official claimed that they had allied with these "powerful financial forces" to "develop the country"! He blamed the French for blocking its development.

U.S. State Department Keeps Low Profile on Côte D'Ivoire

The U.S. State Department issued a press release Nov. 4 condemning Côte d'Ivoire President Gbagbo's bombardment of the northern forces, but also the failure of "all sides" to put the welfare of the people above "narrow political interests." State Department spokesman Richard Boucher, at a press briefing Nov. 12, said the U.S. supports the African Union (AU)-mandated mission of South African President Thabo Mbeki, to seek conciliation on the basis of the Linas-Marcoussis accords (shaped by France) and the Accra III accords. The U.S. also supports other AU efforts respecting Côte d'Ivoire, he said.

When France responded to the bombardment of the North (killing nine French soldiers involved in DMZ operations), by destroying most of the Ivorian Air Force on Nov. 6, Gen. Charles Wald, Deputy Commander of the U.S. European Command, strongly backed the French. Wald said Nov. 9, that Gbagbo had "made an exceptionally ignorant and stupid judgmental mistake by actually having these guys bomb people.... We strongly believe that the French took the exact right

action," *New York Times* reported Nov. 10.

Marcoussis Accords Must Be Implemented in Côte D'Ivoire

French Defense Minister Michele Alliot-Marie, speaking of Côte D'Ivoire, said the Marcoussis Accords of 2003 are the only issue, and must be implemented, in an interview with *Le Monde* Nov. 15. The accords call for the formation of a government that includes opposing political forces—forces whose ethnic and religious hatred of each other have been built up since the implementation of IMF conditionalities in the early 1990s.

French President Jacques Chirac said Nov. 14 that France would not let "a system develop that could lead to anarchy or to a fascist regime." Alassane Ouattara, the leading opponent of Ivorian President Laurent Gbagbo, and himself a synarchist in democrat's clothing, echoed Chirac in an interview on Radio France Internationale (RFI) Nov. 17, saying, "It is necessary to halt the drift into fascism." Opposition newspapers have been shut down since Nov. 4. The gangs attacking Europeans and Ivorian northerners are controlled by Gbagbo, who also operates hit squads.

South African President Thabo Mbeki, charged by the African Union with seeking peace and reconciliation in Côte d'Ivoire, told the European Parliament in Strasbourg Nov. 17 that he was confident that Ivorians would come together to establish a stable peace and elect a representative government.

All of these assertions suppose that some political algebra can be made to work without addressing the centrifugal force of fascist IMF policies, which no one mentions.

Nigeria: What Happened to the 'Mother of All Strikes'?

As of Monday morning, Nov. 15, all sectors of Nigerian society were primed for the mass strike scheduled to begin on Tuesday, a strike that would have included the stoppage of oil production. A *Daily Champion* headline Nov. 15, "Banks Prepare for Panic Withdrawals," is indicative. President Olusegun Obasanjo had declared a 10% reduction in the price of kerosene (used as cooking fuel) Nov. 12, but this was not seen by strike leaders as anything like a sufficient basis for stopping the strike.

On Nov. 15, Obasanjo's government announced a cut in gasoline and diesel-fuel prices from niara 52 to 49 for an eight-week "experimental" period (what's the experiment?). The Nigeria Labour Congress (NLC) had demanded a reduction to N 44, period. In response to the small reduction, an NLC spokesman told Associated Press, "We have decided to suspend the strike for now, to give the government a chance. It's not exactly what we want."

It may not be irrelevant that U.S. press coverage of the impending strike was almost non-existent, despite the importance of Nigerian oil for the U.S., as if it had been a "non-event" long before Nov. 15.

London Was 'Informed' of Coup Plot vs. Equatorial Guinea

In a remarkable admission, British Foreign Secretary Jack Straw confirmed that London had been "informed" of the coup plot against Equatorial Guinea, the *Observer* reported Nov. 14. Straw said the British government received the information "in late January 2004." On March 7, British mercenary Simon Mann was arrested in Zimbabwe, en route to Equatorial Guinea, where he is accused of having helped carry out the abortive coup. In August, Mark Thatcher, son of former British Prime Minister Margaret Thatcher, was arrested in South Africa for allegedly financing the coup attempt.

Straw's admission was in response to a question put on the table in Parliament by Conservative Party Shadow Foreign

Secretary Michael Ancram. Straw gave no further details in his answer.

Ancram commented, "Jack Straw's reply raises very significant questions which require answers. Who informed the government, exactly when, and what did the minister do with this information?" Ancram now has proffered a list of further questions on this case.

So. African Mercenaries To Testify vs. Sir Mark Thatcher

Three South African mercenaries—Loutjie Horan, Harry Carlse, and Crause Steyl—have confessed to being involved in plans to launch a coup against the Equatorial Guinea government, News 24.com reported Nov. 18. Moreover, they have agreed to testify in an upcoming trial of Sir Mark Thatcher, who is accused of have helped finance the coup.

According to documents read in the court, the coup was supposed to have taken place Feb. 17-18, but was postponed. On Feb. 19, some 60 mercenaries left for Ndola in Zambia via the South African Wonderboom Airport. Because the weapons they were to purchase were not ready, the operation was called off. It resumed in March when Simon Mann, with 60 mercenaries, flew to Zimbabwe to buy weapons en route to Equatorial Guinea, but ended up being arrested and convicted in Zimbabwe for illegally buying weapons.

Thatcher's role was to finance the purchase of helicopter gunships, and he in fact deposited \$245,000 into Steyl's bank account for the purchase.

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