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This Week You Need To Know

Backlash Builds Against Cheney's 'Guns of August'

by Jeffrey Steinberg

As millions of copies of Lyndon LaRouche's July 27 "Cheney's Guns of August" statement circulate worldwide (see www.larouchepac.com), a Washington policy brawl has erupted into public view, over the Bush Administration's now-confirmed contingency plans to stage a pre-emptive military strike against Iran—possibly using nuclear weapons. The report that Vice President Dick Cheney had tasked the Strategic Command (STRATCOM) to develop military contingencies for a massive aerial bombardment campaign against Iran, in the event of a new 9/11 attack, was first revealed in *The American Conservative* magazine's Aug. 1 edition. The story highlighted the likely use of nuclear weapons, and the widespread military opposition to the pre-emptive nuclear war scheme.

Since that initial story by former CIA officer Philip Giraldi, this news service has confirmed the accuracy of the report from a significant number of horrified U.S. government officials—from Senators on both sides of the aisle, to military officers, diplomats, and spies. One former U.S. ambassador in the Persian Gulf reported that he had received angry reports from officials of the Central Command (CENTCOM), who have been tasked as part of the contingency planning.

Another military source suggested that there are probably pre-positioned tactical nuclear weapons at the U.S. military base at Diego Garcia, in the Indian Ocean, under the new military reorganization, which created a "Global Strike" plan for rapid, massive assaults anywhere on the planet.

The bottom line: Vice President Cheney, the architect of the pre-emptive nuclear attack plan, has gone stark raving mad, and is prepared to bring the world to the brink of chaos, before he is driven from power. Democratic Party figure Lyndon LaRouche describes Cheney's state of mind as "like Hitler in the bunker."...

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Latest From LaRouche

LAROUCHE ON THE JEFF RENISE SHOW:

THIS CRISIS GIVES US A GREAT OPPORTUNITY — TO TAKE OUR COUNTRY BACK

Lyndon LaRouche gave the following interview on Aug. 4, to Jeff Rense, whose program is broadcast nationwide on the GCN radio network, and worldwide, on the Internet at www.rense.com.

JEFF RENSE: Welcome back. The heat continues—and there's a lot of heat in this world that's not measured by thermometers and temperature gauges.

Lyndon LaRouche has warned everyone—he did so on July 27—about Dick Cheney's "Guns of August" mentality, which he says, threatens the world. Let me read the first paragraph from the statement from Lyndon LaRouche, from Executive Intelligence Review News Service. Lyndon said, that on Wednesday, July 27, in his statement, he issued an international alert covering the period of August 2005, which is the "likely time frame," he says, "for Vice President Dick Cheney, with the full collusion of the circles of British Prime Minister Tony Blair, to unleash the recently exposed plans to stage a pre-emptive tactical nuclear strike against Iran. The danger of such a mad Hitler-in-the-bunker action from the Cheney circles would be even further heightened were the United States Congress to stick with its present schedule and go into recess on July 30 until Sept. 4. With Congress out of Washington, the Cheney-led White House would almost certainly unleash a 'Guns of August' attack on Iran." This said by Lyndon LaRouche on July 27.

It is now Aug. 4. We wanted Lyndon to come on and talk about this. And we have asked him, he has said "Okay," and he is standing by.

Hello Lyndon, welcome back to the program.

LYNDON LAROUCHE: How do you do?

Q: Gee! You sound better than I do!

LAROUCHE: Well, I'm in fair shape for an old geezer.

Q: No, I mean the ISDN line. I mean, you always sound good, but wow—what presence! You could have been a politician, or an economist! [they laugh]

LAROUCHE: Well, I did sort of pass through those things.

Q: You did, indeed. And you still are.

Listen, for those of you who don't know much about Lyndon LaRouche, I would urge you to familiarize yourself with his brilliant work over the years, and the *EIR*, the *Executive Intelligence Review*. We're going to give you some numbers later on to get you some free information. Former Presidential candidate, of course, Lyndon has acquired, earned, and deservedly so, a tremendous worldwide respect. Here in America, he is not as well known, as he is, for example, in Europe, in the Middle East, in India, and in other places. He's quite an interesting and fascinating American patriot. He is a great mind, when it comes to the economy, but he is also a visionary, in the best geopolitical sense of that term, when it comes to looking at the world.

Tell us why these madmen in Washington may use August—I just hinted at that—but tell us more, Lyndon.

LAROUCHE: Well, to get the background, I had this information coming at me earlier, from sources, intelligence sources, leading people, and also checked it with people in the Senate, and other people around the Congress.

Q: What did you get back?

LAROUCHE: There was no question—that this is a "go." This is what the operation is. And I said, "Well, if you're going to run an operation like this, then you're have to run it, pretty much, while the Congress is off-watch. Now, the Senate is not going to go away. The Senate could come back in, in 24 hours, could be back in business. But the opportune time for someone like Cheney, or Cheney's mentality—remember, these are a tiny minority, of our intelligence and military community who are involved in this thing. Most people in the military, top-level professionals. are afraid of this thing. They know it's insane. But you have a President who is going back to Crawford Ranch to drive his tricycle, and the Vice President, who is a sociopath, frankly—that's not an slander, that's true!

Q: What term—you had a great term for these people. What did you—"the beast-men," "the beast-men"?

LAROUCHE: Yeah, they are! Their sense is, their attitude is—. Well, this is Cheney. Everybody knows that, who knows Cheney in Washington, everyone says the same thing. The guy comes on like a beast. He snarls, he's like a caveman with a club, attacking a child. He's a bully. He's a brute.

Q: He's got nothing to lose. He's on borrowed time, with that heart of his, too. So, he's got no accountability, right?

LAROUCHE: I don't know where his sense of identity is, exactly. It's somewhere I don't want to be!

Q: I hear you!

LAROUCHE: But, the unfortunate thing is, he is the Vice President. He is also a tool, like a Mafia hit man, who works for people like George Shultz and others who put him in the position he's in now.

So, this crew around him, which includes Tony Blair and his crowd, pulled off the Iraq war. Now, there was no reason to go into Iraq. And now, anyone who knows about it, says, "This was terrible. This was stupid, it was wrong, it was criminal."

Q: And by the way, the word that I'm getting now, from men who have been there, and women, is that virtually *all* Americans are on steroids and other things. They are scared—and understandably so—they know what's being done to them; and sure, they volunteered for it, but that doesn't change the situation.

LAROUCHE: Well, if you're in the National Guard and you sign up for weekend service, that does not mean you were—you belong over there!

So, this is a horror-show. The Afghanistan thing is also a horror-show. It's less conspicuous. It's this big drug-running operation in a failed state—that's no good for us, either.

So, in this kind of situation, you have people who are faced with the greatest financial crisis in modern history, which is coming down fast. It's something we could deal with, but they don't like the answers, they don't like the solution. So therefore, they're saying, there's only one they could do, and that's get a dictatorship. Now, we saw the attempt to do that, with 9/11: That it was obvious to me, that that was going to happen, that we were going into a severe crisis that the Bush-Cheney crowd could not handle, and therefore, the temptation would be, to have an incident, or to exploit an incident, in order to get dictatorial powers, which is what they did with Patriot I, Patriot II. Exactly that.

Now, again, you have the housing crisis, which is about the blow, especially in—well, Australia/New Zealand also, but especially in the United Kingdom and the United States. I mean, you have houses which could go down to \$200,000, which are now mortgaged at \$1 million, that kind of thing. It's in various parts of the United States.

Q: Sure.

LAROUCHE: The hot, mortgage-bubble speculation is the biggest inflationary factor, of the type that people are right up against, in modern times.

So, the whole thing can come down. All these things can be handled. *But!*—

Q: By the way, when that happens, it will wipe out what's left of most of the American middle class.

LAROUCHE: It may not. See, the point is, that's what comes up. Because we are a special kind of nation. Other nations have many of the qualities we have. But our nation has very specific, in the powers of the government, we are committed above all to protect the general welfare. It's what Franklin Roosevelt did, within the limits of what he could do. And it's what any decent government of the United States would do. It's what most people in Washington, really, would do—most people in the Senate, for example, would think that way. When you've got a banking crisis, you're not going to let the country get shut down. You're not going to let people get thrown out of their houses *en masse*. You're going to reorganize the thing, so that people can get on with their lives, and rebuild the economy, as we did under Roosevelt.

But, there are some people who don't want to do that—

Q: There're a lot of people who don't want to do that, and they happen to be in control of this country right now.

LAROUCHE: More or less—but not as much as most people think. Because people in the Senate, for example, that I deal with, and I could say the majority—the overwhelming majority of Democrats in the Senate, a great number of Republicans in the Senate—they're human beings! They may have their quirks and their this and their that, but when push comes to shove, they are concerned about the country, and a lot of them—

Q: That's why—excuse me! That's why they read the Patriot Act I, before they passed it; they're concerned about the country?

LAROUCHE: Sure!

Q: They didn't read the damned thing! They just passed it!

LAROUCHE: I know, they were panicked. They're panicked.

Q: No excuses. Sorry! I don't buy it.

LAROUCHE: I know! But, the point is, in my position, I have to say, "Well, I have to pull these guys out of it. So, they do bad things—"

Q: I understand, I understand where you're at. That's okay. That's all right. There're some good people there.

LAROUCHE: And we find more and more, right now. Now, they're not clear yet, on the economic question, in the Senate or anywhere else. They realize there's a problem.

Q: If they had one-tenth of your understanding, Lyndon, they'd be on a path to some kind of resolution here. They don't get it.

LAROUCHE: They're in that direction. But the problem—remember what I'm doing, as opposed to what they're used to: I come from a different generation. I come from the World War II generation. And I think, like we used to think. I think like we thought during the Depression and World War II. I think the way you'd think after living through that experience, and saying, what would we do if we faced another problem like this? Which is what we're facing now.

Q: Those values are, perhaps, reflective of the highest point of achievement of this society of ours. But, they're not current!

LAROUCHE: Ah, but there are people in the Senate, you can get through to the majority of the leaders of the Democratic Party in the Senate; if you get to deal, as I do, directly with the leading Senators, Republican Senators, or many of them: These guys are decent people. They have their shortcomings, but they're decent people. And they *are* a good Senate. They are good Senators.

The House of Representatives is a different proposition, because people serve less time. It's a two-year term; and the Senate is *always* in session, it never breaks up; the House of Representatives breaks up every two years, with a new election—complete break-up. There are permanent committees in the House of Representatives, which are very important. And you have people who are staff people, who serve from term, to term, to term. They're really professionals, they know what they're doing.

So, we have a lot of resources there, of a parliamentary nature. We have the best kind of parliamentary government in the world, in terms of our Congress and our Senate. But, there are weaknesses. You need a Presidential leadership. That's what the Founders of the country recognized, and that's where the weakness is.

Q: We have to go to a break. "El Residente" (no "P"), El Residente Bush is now heading off to vacation. Twenty percent of the Bush Presidency has been spent *on vacation*—an all-time record. *Twenty percent*, Lyn.

LAROUCHE: I would say 80 to 90%, in point of fact! On vacation, either in Crawford, or on vacation in the White House!

Q: I'll buy it. Stand by, we'll come right back, with Lyndon LaRouche in just a couple minutes. [commercial break]

All right, back with our special first-hour conversation, tonight with Lyndon LaRouche, who's back. Lyndon's July 27 warning, and alert, looms very large. Because the stage is now set. The dog days are here. The weapons systems, of course, are deployed in the Middle East, not only on U.S. battle groups, but certainly on the ground in multiple countries, and Israel has recently purchased a vast armada of bunker-busting munitions systems, of various types and configurations. Lyndon based his assessment of the "Guns of August" attack on Iran on a series of factors, reported to him over recent days, as he said, beginning with the qualified report from a former U.S. intelligence official published in the *American Conservative* magazine, that Dick Cheney *ordered* the Strategic Command, STRATCOM, to prepare a contingency plan, or two, for a conventional, *and* tactical nuclear strike, against *hundreds* of targets in Iran, in the event of a new 9/11-style attack on the United States.

Are they going to do it, Lyn? Do you really believe it?

LAROUCHE: What happened, was, I was convinced after talking directly and indirectly to people I should talk to about this, that they all wanted somebody to blow the whistle. And by the time we made the round, which was over a period of less than a week, I knew that I was the guy that was designated to blow the whistle.

Q: Well, you're safe. You're not in office—okay, I understand.

LAROUCHE: Well, no. I'm the kind of person that does that sort of thing—

Q: That's right.

LAROUCHE: And I have an outreach into—respect from intelligence services, and other relevant people around the world. And so, it was thought that if I *do* this, it will command attention from the right people, who will be forced to look at the facts which not merely me, but other people are presenting. And forced to look at the facts, they would have to see I was right.

Now, around the world today, you find that—around influential circles in every part of the world—there's a recognition that I'm right. Now, we don't know, in a case like this, that it's absolutely going to happen in August. We do know that the conditions for it to happen in August are high. The probability that it will happen in August, if it is going to happen, are high. That doesn't mean it couldn't be postponed.

But, in a manner of order like this, you have think like a commander in warfare: You have to be prepared for looking at the *earliest likely point of attack*, if it's going to occur. You have to be prepared to deal with it, and you have to be prepared to position yourself, so that the enemy who's thinking of making the attack, will pull back.

Now, my major concern, in putting out this statement, was to get our people, that is, people who would agree with the danger, stopping this danger, would start to position themselves, to prevent this order from going out. That's the first objective, and that's what I'm trying to do. And I think it's working. We really have, we have got the attention of people around the world, most notably in Europe, and in the United States.

So, I think I probably have done a good job so far. Have I done enough? I don't know!

Q: Well, you've done all you can do. I don't know what else you can do—

LAROUCHE: Well, I think if they could ignore tomorrow, they will help the process! But it's just a—

Q: You know, the Internet, Lyn, as you know, is absolutely rife with rumors, and predictions, and prophecies, and *all kinds* of scenarios being pushed around: Aw, they're going to nuke a medium-size American city and they're going to blame it on this and that; or, there'll be a biological attack, and a couple hundred thousand people'll get sick; maybe tens of thousands of die. It'll be blamed on the most convenient enemy, and retribution, of course, will be exact, swift, and *unmerciful*. So, I don't know if—uh, I don't know! You know, these things seem to happen, when you least expect it?

LAROUCHE: Well, it's not quite that complicated: What you're getting into is an area that people don't yet understand, except a few of us. What we're going into—we're past the time of conventional war. We're past the period, in which even nuclear-armed conventional war is likely—in other words, battles, with battlefields and so forth. Because the response, especially of nations without advanced weapons systems, and parts of the population which don't have massive weapons, the response is what we're seeing in Iraq; what we're seeing in Afghanistan, and elsewhere. It's called by various names: It's

called "asymmetric warfare"; it's called "irregular warfare"; it's called "people's war," it's called all different kinds of things.

What's happened is, when you threaten the world, the way that Cheney and company have threatened over a billion Muslims in the world, for example, just as one target, and says "they're all bad, we're going to kill 'em all." Now, Cheney may not have said quite that, but if you put all the people together who are with him who are saying similar things, that's the message that's going out.

Now, if you go to a billion people, and say, "You're our enemy. We're going to kill you all," what are they likely to do? If they don't have superweapons? They're likely to say, "Well, if you're going to kill me anyway, I'm going to fight back now the way I can."

Q: Sure, "I'll take a few of you along with me."

LAROUCHE: Now, that's the situation. Therefore, what do you do about this? What you have to do, is you have to have positive measures go into effect, which create the kind of environment, in which the impulse toward asymmetric or irregular warfare doesn't erupt.

In other words, if the people of the United States know that the government of the United States is good, is good for them, is going to care about them; if they know that the government of the United States is one of the forces in the world which is going to *help prevent* this kind of persecution of threatened people, they're less like to attack. And the way you prevent war, is by that kind of approach, and that's what we need. That takes the mystery out of the whole business.

Q: I'd love to see it! I'm not seeing it so far. The President is off to ride his bicycle and eat pretzels in Crawford.

LAROUCHE: I think it's a tricycle. I don't think he maintains his balance too well on the bicycle.

Q: He's crashed numerous times, hasn't he? It's odd.

LAROUCHE: No, I say, he's a tricycle man. I can see it in that helicopter beanie on his head, you know? Keeping him stable.

Q: Okay, stand back. In a minute or two, we'll return, with Lyndon LaRouche after, this.

Okay, welcome back. Jeff Rense with Lyndon LaRouche. By the way, I don't know if you saw this or not, Lyn, on the "O'Reilly Factor" last night, Bill O'Reilly was in top form! He had on Pierce O'Donnell, discussing how the Bush Administration is handling the prosecution of prisoners at Guantanamo. The entire mess is playing right into the hands of the terrorists, who now use Guantanamo Bay as a recruiting tool. So, what would Fox's Bill O'Reilly do to fix the problem? "Kill 'em all!" O'Reilly,—here's a quote now—"I don't give them any protection. I don't feel sorry for them. In fact, I probably would have ordered their execution, if I had the power. Kill 'em all, and let Allah sort them out." That's the "O'Reilly Fix." Oh! I mean "Factor."

So, there you go: These are the kinds of people that are holding great sway over American public opinion, believe it or not. You know it. Not the people listening to us, tonight. But there are a lot of people who listen to O'Reilly and like him. [to his engineer] Oh, you do? We have the audio clip. You want to hear it, Lyndon?

LAROUCHE: I can hear it, fine.

Q: Yeah, if you got it, let's play it. This is in the so-called mainstream media, folks.

[clip] O'REILLY: They're going to kill you, no matter what.

GUEST: No, we're going to win the war on terror, Bill. And we're going to win it, because America has always stood up for what counts, for what's right, and the values of human life, equal dignity, equal protection, the rights of women. These people don't care about any of those things. They're anathema to them. And we have to root them out, the same as we did fascism, and we did communism.

O'REILLY: All right—I'm for that!

GUEST: In the same way—do *not*—as we honor the dead as 9/11 approaches, let's also celebrate our living Bill of Rights, and give it vigor.

O'REILLY: All right. But, I don't give the Bill of Rights protection, *or* the Constitution protection, *or* the Geneva Convention, to people not in uniform, slaughtering—

GUEST: What about Mr. Padilla, the U.S. citizen?

O'REILLY: Well, that's a different game, but, to people slaughtering civilians. I don't give them any protection. I don't feel sorry for them. In fact, I probably would have ordered their execution, if I had the power. Counsel [ph], we thank you for coming in. We appreciate it.

Q: End of story! All right, Lyn. Just to give you a taste—.

LAROUCHE: Well, it sounds like Adolf Hitler has his imitators. You want to kill people before they're found guilty—even, just—that's what you're getting!

Q: No rights, folks! We have rights, here of course, but no one else does. You're the wrong color, the wrong religion, you're SOL [sh— outta luck].

LAROUCHE: Well, this is the old stuff, this is the same old stuff. This is same old thing the Nazis—

Q: It is the same old, same old. This was being batted around, and blared all over the radio waves in World War II.

LAROUCHE: Yeah, well, this is Nazi stuff—*straight* Nazi stuff. And we know it. That's one of the things that has some of the Republicans, with military specialties, like—well Senator [John] Warner, for example, extremely upset by this stuff. This goes against everything he stands for. And it's the kind of thing, that I guess gets his hackles up a bit. But, that's where you see some goodness in some of these politicians, who otherwise you think are rather ordinary, and opportunistic.

Q: Well, that's nice. Talk's cheap, look how they vote. They vote CAFTA, they vote NAFTA, they vote—. Vote after vote goes against the American, well, America's best interests.

LAROUCHE: Look, we've been doing that—. Most of our people, are, to one degree or another, guilty of this. They have played into that ideology. Now, it turns around and bites them. They find people who ran for office, who were voted for, because they didn't oppose that ideology. When they get into office, they continue to support it—not because they agree with it, but because they "went along to get along." And it comes down and bites us.

Q: That's called "selling out your constituents," in my book.

LAROUCHE: But the point is, that's what happens.

Q: Let's call it "idiotology" too, not ideology.

LAROUCHE: Well, whatever it is, the point is, is we have to realize that our people in general have been a little bit guilty themselves in this. And now, it comes and bites us.

Q: Look what happened in London. Look what happened in London—c'mon. Tony Blair—I mean, the bombing that killed 55, 60 people; I'm sorry, that's a tragedy, and they right away start blaring the trumpets, saying, "This is just like the Blitz in World War II."

LAROUCHE: Well, this is Blair. I mean, don't expect any morality from these guys! They don't care about life and death—I know these guys.

Q: They're "beast-men."

LAROUCHE: Yeah, they are! That's exactly what they are.

But, you know, I feel good about mankind. I know what mankind's capable of doing. I've been around for a little bit of time, and I've seen it. That's not what all people—

Q: William Rodriguez was on last night. He was *20 years*, worked in the North World Trade Center Tower, in charge—his whole domain was one of the three stairways all the way to the top; man rescued people, lived right through the most hellish attack on America in our history; incredibly heroic American, just a wonderful human being. And yeah, you're right, they're out there. There're lots of them out there. But they're being brainwashed, duped, deceived, conned, and, well, prejudiced, almost around the clock, by the media.

LAROUCHE: Yeah, but—

Q: And I don't share—with all respect, my friend—I do *not* share your benign description of *many* of the top people in this government—at all. They may be nice guys, but they've been compromised, and they've sold out, and I call them whores. I do not like them, I think they should be thrown out after one term. I don't think we should allow them to set up fiefdoms, and carry on as they do. They're cons, they're criminals, they're pedophiles, they're homosexuals, they're deviants, they're crooks, in many cases—and I call them scum! And that's where we may have a little difference of opinion.

LAROUCHE: [laughs] Well, I'm more optimistic about mankind. I see—

Q: I didn't say "mankind." I said the people in the U.S. Senate and the Congress. I'm not talking about mankind.

LAROUCHE: People on the street, the same thing. There're good people—

Q: We're in trouble as a nation, Lyndon. You know that. You lived through the greatest epoch of our history.

LAROUCHE: Yeah, I know!

Q: So, how do we pull it out? We got a madman, a beast-man Cheney, and his cabal of neo-con Zionists, who would stop at nothing, to perpetuate their rape of the planet, which is exactly what's going on. Another 9/11 attack is due, it's imminent, everyone's waiting for it. What do we do, to stop it?

LAROUCHE: It could happen. It could happen: I'm doing the best I can.

Q: I know you are! You've been heroic about it. And your writing is brilliant. The contacts you have around the world are *extraordinary*. I can't even *imagine* your frustration when you go abroad, and talk to these people who look back, over across the Atlantic and say, "What the *hell* is going on with those people!? How could they have allowed their government to be taken over by lunatics? And beast-men?" What do you tell them, Lyn?

LAROUCHE: I tell them, that they've done the same thing themselves. That we were created as a nation, as a refuge *for* Europe, by Europeans, largely, who came here. And we became corrupt, too. The corruption is vast. It's all over the world.

I know this from history, and the struggle with great ideas by great people, has continued. We've lost most of the struggles, most of the time. We've won enough to justify keeping the struggle going.

Q: Oh, absolutely! I completely concur. You pointed out, in your outstanding article that I mentioned, as the bombings in London have given Tony Blair with his own Reichstag Fire incident—but, comparing it to the Blitz in World War II, c'mon! To me—

LAROUCHE: That's the propaganda. That's what they do.

Q: Yeah, it's truly amazing.

All right, we'll be back with the extraordinary American patriot, and statesman, Lyndon LaRouche, in just a couple of minutes. [commercial break]

Okay, welcome back. We're talking to Lyndon LaRouche about his alert, the "Guns of August." The most compelling evidence of this "Guns of August" plan, according to Lyndon LaRouche, and he emphasized same in discussions with colleagues—and he's talked about it tonight—is "the pattern of eyewitness reports of Cheney's state of mind. Cheney's living out an American version of Hitler in the bunker, lashing out at Republican Senators who have dared to resist his mad tirades, accusing anyone who fails to follow his orders, including senior members of the U.S. Senate, of being 'traitors and worse.'"

Is he losing it, or is this just who he has always been?

LAROUCHE: Well, this is what he is. He's this kind of personality. I guess, his wife picked him for that kind of personality, and married him! Picked him up out of the dump! And people said, "Okay, he's a good thug." It's like the guy, the Mafia boss hires a hit man. And they saw in Cheney the kind of personality that goes with a hit man, a corporate hit

man.

Q: Who's pulling his strings? Who's pulling his strings, Lyndon?

LAROUCHE: Well, people like George Shultz, for example. The same people who gave you, our Governor of California! The same crowd.

Q: Gave him? Forced him down our throats!

LAROUCHE: Well, in a sense. We could have done better, I would say, if our people had been a little more alert to their own self-interests.

Q: California's still bankrupt, isn't it?

LAROUCHE: Well, and he helped do it! He and Enron! Enron was the big factor that bankrupted California.

Q: We've seen the pictures.

LAROUCHE: And he was the guy, Schwarzenegger was one of the people who was in on the bankrupting! Then, he ran for governor, on the basis of being the hero, against the governor [Gray Davis] who had capitulated, mistakenly, to this pressure from the Enron mafia, which is the Bush mafia. And now, here he is, and he's in a mess.

But, the point is, the damage is done: The largest single state, politically, in the United States, California, was taken out of the equation, effectively, by this operation, and now we're sitting without power, with our power system decaying as a result of this looting of it, by people like Enron. And the people who benefitted from Enron, that operation, George W. Bush and company, are sitting in the White House, running the country!

We Americans have to take some of the blame, for what we allowed to be done to *us*.

Q: I've thought about that for a long time. How much blame do we consign, or can we consign, to a general population which has literally been *dumbed down*, with great deliberation and intent, through the mainstream media, through the entertainment media, through the corrupted, despicable government school system now—how do we blame people who are basically incompetent? Isn't it almost like criticizing someone in the Special Olympics for not being able to compete normally?

LAROUCHE: No, it's not blaming them in the sense of trying to have them punished. They're punishing themselves already, by the mistakes they've made in what they voted for.

Q: Well, absolutely. It's a done deal!

LAROUCHE: Okay: So, the point is, why do they have to keep being dumb? They don't have to be dumb! But, the problem, they go into these little niches, these refuges, these fantasy lives, and they withdraw from trying to figure out what's being done to them.

Q: Well, they're so toxified by the food, and everything else, too.

LAROUCHE: That I know, I know it all—but the point is, we are in a fight. We've got to get our people back, and we've got to save them, even if they don't do what they should do all the time.

Q: What would FDR say, if he were sitting with us right now, in this conversation?

LAROUCHE: He'd probably would say the same thing. Because, you remember what his background was: Here he was, he was a descendant of Isaac Roosevelt, the founder of the Bank of New York, and the ally of the founder of our system, Alexander Hamilton, hmm? And he fought for it. Franklin Roosevelt represented that in his family tradition. He fought for it, when he was laid low with poliomyelitis, he built himself up, and studied the things that pertained to his family's legacy.

When he came to the Presidency, he brought to the Presidency a commitment to what the *idea*, a knowledgeable commitment of what this country was built to become. And tried to apply that, himself, to our situation.

Franklin Roosevelt saved civilization. He wasn't a perfect man. But he saved civilization, because, if he hadn't existed, if he hadn't resisted those forces that wanted a Nazi government *here*, as well as elsewhere—

Q: Some would say, we have it now.

LAROUCHE: Well, we've got a part of it. The people that *hated* him, the people that *hate* him today! Hate him for the same reason! It's like, they miss their dear old "Unser Adolf" whom Roosevelt helped eliminate.

But it was Roosevelt's intervention, his building up the U.S. economy, his giving morale back to the American people, which made it possible for other people in the world to come together with us, and save the world from the *Hell* that would have been here, if Hitler had prevailed.

And we turned against him—.

Q: Well, there's an argument to be made, by winning World War II, we gave the world 60 years of Soviet Bolshevik murders, corruption, catastrophe on an unknown scale around the world—

LAROUCHE: They gave us Churchill. Churchill was just as much a problem.

Q: Churchill was one of the biggest bastards of the last century, without a question.

LAROUCHE: He's the guy, who, when Roosevelt was dying, knew about the nuclear weapons. Japan had negotiated surrender *already*, through the Emperor—

Q: Oh yeah, I know.

LAROUCHE: And we postponed the war, in order to drop nuclear weapons on Hiroshima and Nagasaki *for no good reason—and Truman knew it, and did it!* So, Truman and Churchill, even though Churchill was out of office at that point, these guys, and the guys around them, are the biggest criminals of the period: Because they represented the power which dominated the world in the post-war period. Eisenhower, with his shortcomings, tried to save us. He probably did prevent us from getting into a nuclear war. Others have tried to save us.

But, the point is, *we*, by turning against Roosevelt, or allowing it to happen, allowing that tradition to be taken away, we plunged into this kind of horror we've gone through for the past years.

Now, we come to the time again: The system is cracking. We have the chance of taking our country back. We, an imperfect people, with highly imperfect leaders, have a chance to take our country back. Let's do it!

Q: That's been your message for years. No one's going to disagree with that.

By the way, for those of you who listen every night, forgive me, I'm going to read this one more time, because I think it's *crucial* in our attempt to understand history, which we are supposed to learn from. Here's a quote from Churchill—this is about World War II, and National Socialism, and the Nazis, and all the rest of it: "You must understand that this war is not against Hitler or National Socialism. It is against the strength of the German people, which is to be smashed, once and for all, regardless of whether it is in the hands of a Hitler, or a Jesuit priest." It's called genocide.

LAROUCHE: That is Churchill. Churchill was a sympathizer of Hitler, along with most of the leading rest of the British, and many of the people of Wall Street. They objected *only* at the point, that Hitler, reluctantly, under pressure from German generals, made a deal with the Soviet Union to *attack westward first*. And all these guys, in New York, like the grandfather of our incumbent President right now, who financed bringing Hitler into power, turned around, and said, "Oh! He's marching westward first! That we don't like!" And they tried to line up behind Roosevelt, and fight Hitler.

But, the minute that Roosevelt was dead, the same crowd went back to the same kind of policies which had attracted them to support of Hitler, when they *were* Hitler supporters—and that's our problem.

Q: About three minutes left, Lyn. What do you want to leave us with tonight? We all want to take the country back. We know we can't do it through the national election process any more. It doesn't work. Or, we've watched two elections now, basically stolen and manipulated. Local level—where do we have to start, right back at the grass roots?

LAROUCHE: In a sense. The problem is, the average person in the United States, the lower 80% of family-income brackets, has lost his sense of independence. He has a sense of how to nag politicians, how to protest, how to try to blackmail politicians into getting what he wants. But he doesn't have a sense of representative government, of himself or herself, as a part of *the* government.

Q: That's a very valid sense. It's correct!

LAROUCHE: Right. But, the point is—my contention is, we can take it back. But you have to be committed to doing that. Don't be in there with your little *schtik*. Be determined to take the country back, because, we come and we die: What are we leaving to the people who come after us? We complain about what was given to *us* by preceding generations. What are future generations going to say about us, when *we* had the opportunity?

I believe that right now, the nature of this crisis has given us the greatest opportunity in the entire post-war period to take our country back, and I think it can be done about now: Because we're in a crisis, and people *know* the government's incompetent. They know this problem. They will actually rally, however reluctantly, however sullenly, however much griping—they will rally to save themselves, and save this nation.

Q: All right. And anyone who'd like to call and get a free pamphlet, the latest pamphlet with Lyn's "Guns of August" press release and also other information as well, simply call 1-800-929-7566; that's Lyndon LaRouche's PAC, 1-800-929-7566. You receive free of charge that pamphlet with the essay, and other materials as well.

I hope you're right, I hope we have enough left in this country to rise up and do something, which really matters. Pull away from that remote control, stop eating the poison food, pay attention to the future. We don't want the future looking back at us, and saying, "Gee! You gave us our MTV, and what do we have now? Nothing!"

LAROUCHE: [laughs] Right. Right.

Q: Okay! August is a big one. A final comment from you—we have about 30 seconds.

LAROUCHE: I think that we need a good dose of optimism—my kind of optimism, fighting optimism. Not the idea that something's going to be given to us, but the chance we have to reach out and take it. And I think the time is now.

Q: Well said. It is, indeed. Thanks very much for making time to be with us here, again, Lyn. It's always a pleasure talking with you. Good night.

LAROUCHE: Thank you. Good night.

InDepth Coverage

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

July 25, 2005

A currency which is not permitted to cause a national economy to grow and increase its productivity and social stability through creating public credit, is a dying, or already dead currency of a nation on the way to national economic suicide, perhaps as a Germany under the austerity policies dictated to ministerial Chancellors Brüning and von Papen, was waiting for Hermann Göring to set fire to the Reichstag.

National:

[Backlash Builds Against Cheney's 'Guns of August'](#)

[by Jeffrey Steinberg](#)

As millions of copies of Lyndon LaRouche's July 27 'Cheney's Guns of August' statement circulate worldwide (see www.larouchepac.com), a Washington policy brawl has erupted into public view, over the Bush Administration's now-confirmed contingency plans to stage a pre-emptive military strike against Iran—possibly using nuclear weapons.

- **Cheney's Guns of August: A Timeline**

by Jeffrey Steinberg

The chronology that follows provides a picture of the drumbeat for war against Iran, orchestrated by the same neo-con and Bush-Cheney Administration war party apparatus that lied America into the pre-emptive war against Iraq. Initially, leading neo-cons in and around the Bush Administration had thought that a 'cakewalk' victory in Iraq in the Spring 2003 would lead, in rapid succession, to 'regime change' in Syria and Iran. However, by October 2003, the rise of the insurgency in Iraq forced even the hardliners in the Administration to concede that war schemes against both Syria and Iran would have to be postponed. The drumbeat for war on Iran was resumed right after the November 2004 elections.

LaRouche on British Radio

Stop Cheney's 'Guns of August' Nuclear War Plan

Lyndon LaRouche was interviewed by telephone on Aug. 1 by James Whale, on talkSPORT, which is billed as the numberone commercial radio station in Britain. Whale previously interviewed LaRouche on March 18, 2003, on the eve of the Iraq War; he also spoke to EIR representatives on Nov. 2, 2004, Election Night.

Is Rumsfeld Playing Divide and Conquer with BRAC Base Closings?

by Carl Osgood

One of the things that became readily apparent early-on, after the Pentagon released its base closing plan on May 13, was that the plan moves a substantial chunk of military assets from northern to southern regions of the country. However, as the independent Defense Base Closure and Realignment (BRAC) Commission proceeded through its grueling schedule of regional hearings across the country, over June and July, that divide became more defined, such as: Connecticut versus Georgia, Maine/New Hampshire versus Hawaii, South Dakota versus Texas, Indiana versus Illinois, Alaska versus the Lower 48 states, and so on.

Larry Franklin Case: AIPAC Leaders Snared

by Jeffrey Steinberg

On Aug. 4, the U.S. Attorney for the Eastern District of Virginia, Paul McNulty, announced the indictment of two former top officials of AIPAC (American Israel Public Affairs Committee), on charges of 'conspiracy to communicate national defense information to persons not entitled to receive it.' The same indictment included new espionage charges against Pentagon desk officer and Air Force Reserve Colonel Lawrence Franklin, who has already been indicted in the Eastern District, as well as in West Virginia.

Ohio 'Pay-for-Play' Scandal Probed

by Richard Freeman

In a move tightening the noose around the Karl Rove network in Ohio that may have illegally financed the theft of the 2004 Presidential election, Congressmen John Conyers (D-Mich.) and Marcy Kaptur (D-Ohio), on Aug. 1, called on the Justice Department to appoint a special prosecutor to investigate the Ohio Bureau of Workers' Compensation (BWC) 'funding' scandal.

International:

Zepp-LaRouche Presents Election Program in Berlin

by Nancy Spannaus

The Chancellor candidate of the Civil Rights Movement Solidarity party (BüSo), the LaRouche movement in Germany, Helga Zepp-LaRouche, presented her election program in the German capital Berlin on Aug. 4. Despite a concerted press blackout by the major media, Zepp-LaRouche gave her presentation to several independent journalists. In her speech, Mrs. LaRouche emphasized two major points: the need for Germany's return to its national currency, the deutschemark, and the acute danger of a global 'asymmetrical' war.

Will Terrorism in Nuevo Laredo Be Cheney's Pretext To Attack Iran?

by William F. Wertz, Jr.

As Dick Cheney pushes for a nuclear attack on Iran during the month of August, the crisis on the U.S.-Mexican border is escalating and could culminate in a terrorist incident which could be used to justify an attack on Iran. In a statement entitled 'When Cheney Spoke of Terrorism: Which Terrorists, Dick?' (EIR, Aug. 22, 2003), Lyndon LaRouche stated that the major terrorist threat to the internal United States comes from Cheney's fascist co-thinkers abroad assembled around Spain's leading fascist figure, Blas Piñar. LaRouche stressed that the synarchist forces regrouped around former Franco official Blas Piñar would be ideal instruments for covering terrorist operations run against the U.S.A. through South and Central America.

Obituary

Edward Heath: Stepping From the Shadows

by Katharine Kanter

On July 17, 2005, there died Sir Edward Heath, former Prime Minister of Great Britain. Very detailed necrologies have appeared in all the world's press. Allow us therefore to focus solely on a singular aspect that might perhaps be overlooked. It can now be said that Edward Heath was amongst those Europeans who intervened with the prison and judicial authorities of the United States, in an attempt to secure the release of Lyndon LaRouche, who was in jail, a political prisoner, from 1989 to 1994.

Bankers Hit Argentina With 'Kirchnergate'

by Cynthia R. Rush

Almost as soon as Argentina successfully completed its restructuring of \$82 billion in defaulted debt, international financial predators launched a speculative assault on the country, not unlike the one they directed against the nations of Asia in the mid to late 1990s. These synarchist financiers intend to bring the country down, first flooding it with speculative capital, producing uncontrolled inflation and economic chaos, and then pulling the plug, leading to massive capital flight and renewed debt crisis.

Why?

Economics:

LAROUCHE TO CONGRESS

'Pass New Amtrak Bill With a Veto-Proof Majority'

by Mary Jane Freeman

A bipartisan group of U.S. Senators trumped President Bush's plan to kill off Amtrak on July 27, introducing a bill to authorize \$1.9 billion a year for six years to ensure operations and critical infrastructure investment in Amtrak and restructure its debt; and another \$13 billion bonding authority over ten years for a Federal/State grant program to build rail projects. In addition, the new Amtrak bill directs \$793 million, over three years, to be spent by the Homeland Security Department for critical rail security and safety infrastructure upgrades.

Bird Flu Is Spreading In and From Asia

by Marcia Merry Baker and Colin Lowry

Shown are major potential migratory routes for avian influenza (H5N1) along waterfowl flyways that span Eurasia, into Africa and Oceania; and also, where the presence of the flu strain has been confirmed as of Aug. 3, since the 2003 outbreaks began in Indo-China. Wild ducks, geese and swans (Anatidae waterbirds) head north (in the Spring) for breeding grounds in the wetlands, and south for non-breeding (in the Fall) over the Winter. The birds can fly up to 1,000 miles a day. Thus, their patterns constitute transmission belts to spread the virus among domesticated birds and pigs through which, if the virus mutates to an efficient human-to-human form, the conditions for a pandemic will be created. Such transmission has been confirmed, thus far, in Indonesia.

Interview: Dr. Wilhelm Hankel

Why the 'Euro' System Is Unsustainable

Dr. Hankel, Professor of Economics at Frankfurt University, is one of four German professors who had tried to stop the replacement of the German mark by the euro, by means of a legal procedure against it at the German Federal Constitutional Court. He was a board member and chief economist at the German Kreditanstalt für Wiederaufbau (Reconstruction Finance Agency) in the 1960s, and later was president of the public bank Hessische Landesbank. This interview was conducted on July 16 by Lothar Komp and Michael Liebig, and translated by EIR.

Colombia Must Build Railroads To Link Up With World Land-Bridge

by Maximiliano Londoño Penilla

The author leads the LaRouche movement in Colombia.

In order to connect the various geographic regions of our country as well as to link up with our neighbors and the rest of the world, Colombia's wild and varied topography will have to be crossed east-west and north-south, by railroad lines that will form the axis of development and infrastructure corridors. These railroad corridors will have highspeed electric trains that move at 250 km per hour or more for the transport of passengers, and at 150 to 190 km per hour to transport cargo. Some higher-speed corridors will transport passengers by means of magnetically levitated (maglev) trains, moving at 400-500 km per hour.

U.S. Economic/Financial News

Treasury Announces Return of 30-Year Bond

The Treasury Department announced the return of the 30-year Treasury bond Aug. 4. The bonds, which were suspended four years ago, will reappear in February. According to the Treasury, \$20-30 billion will be issued in the first year to finance future budget deficits, and could be used to fund the nation's underfunded pension systems.

GMAC To Sell 60% Stake in Commercial Mortgage Unit

General Motors Acceptance Corp. (GMAC) has agreed to sell a 60% stake in its commercial mortgage subsidiary to a private equity investor group, the *New York Times* reported Aug. 4. The investor group includes Goldman Sachs Capital, Five Mile Capital Partners, and Kohlberg Kravis Roberts & Company.

GM also announced that it would sell up to \$55 billion worth of consumer car loans to Bank of America over the next five years.

Delphi Accelerates on Road to Bankruptcy

Delphi, the biggest U.S. auto supplier, confirmed Aug. 5 it is in talks with the UAW and GM about restructuring its U.S. operations to avoid bankruptcy. Threatened actions include slashing wages by 50%, by forcing early retirement for workers earning \$27.50 an hour, and replacing them with a new workforce at \$12 an hour. At the same time, Delphi has started a drawdown of \$1.5 billion of its \$1.8-billion credit line, to finance its operations, and likely to pressure GM into giving financial aid.

In response, Delphi's credit ratings were cut deeper into junk by S&P and Fitch, who cited growing bankruptcy risk. S&P cut Delphi's senior unsecured credit rating three steps to CCC-, or nine levels below investment grade, a move reflecting "increased concerns about a potential bankruptcy filing." Fitch Ratings cut Delphi's rating by three levels to CCC, a level indicating substantial default risk, from B, the fifth-highest junk rating.

Meanwhile, GM sharply increased outsourcing to India, AP reported Aug. 5. GM said it plans to buy \$1 billion worth of auto parts from India each year by 2008, as part of its shortsighted cost-cutting efforts. GM currently buys about \$120 million in parts from about 110 suppliers in India. Auto parts in India cost 25-30% less than in North America, a GM executive said.

U.S. Layoffs To Exceed 1 Million for Fifth Year

U.S. employers have announced 641,245 job cuts through July, up 18% from last year, CBS Marketwatch reported Aug. 3.

U.S. companies announced 102,971 layoffs in July, down 7% from June, but up a whopping 48% from July 2004, as many cut jobs just to show a profit, according to outplacement firm Challenger Gray & Christmas. At the current rate, job cuts will exceed 1 million for a fifth year in a row. Over the past three months, announcements of job cuts have totalled 296,250, "unusually high for warm weather months," Challenger said, calling this the spring-summer "job-cut Hell." For the year, the threatened auto industry heads the layoffs list.

U.S. Savings Rate Falls to 0%, as Spending Rises

The savings rate for Americans fell to 0% in June, as auto sales jumped to the highest rate in four years. This was the first time since October 2001, and only the second since the Great Depression, that the savings rate has fallen to 0%. Spending was up by 0.8% (mostly from the "Crazy Eddie" giveaway of cars), while personal income rose only 0.5%, in June.

Meanwhile, U.S. auto sales jumped to an adjusted annualized rate of 20.8 million units for July, up 16% from July 2004, and the highest since a record 21.8 million rate in October 2001. The Big Three U.S. automakers have announced an extension of employee-discount pricing through Sept. 6, with GM reversing a decision to end the promotion Aug. 1. CSM Worldwide, an auto forecasting company, warned that sales will drop significantly this autumn, estimating some 200,000 sales had been merely pulled forward in June and July from customers who would have bought 2005 models in August-October.

'Category 8' Vets To Be Turned Away at VA Clinics

With the collapse of the health-care system and consequent rush of potentially qualified veterans to VA facilities around the country, the consequences of the actions of the Bush Administration to rule out a whole category of veterans are becoming clear, the *Marietta Times* online edition reported Aug. 2. By edict, the Bush Administration has excluded from eligibility what it terms Category 8 veterans—those who have no war-related health problems or disabilities, and earn an income above \$25,000. Ohio Rep. Ted Strickland (D), commenting on the just-passed \$1.5 billion emergency appropriation for veterans health, stated that even with the additional funding, there remain *hundreds of thousands* of vets who are told they can not receive services.

World Economic News

Press Warnings of Real Estate Crash in Europe

Each day the European press is filled with new warnings of the danger of a real estate crash. The *Berliner Zeitung* warned Aug. 3 about the "gold rush into real estate," noting that, since speculators pushed housing prices up to astronomical levels, there is a threat of a global crash. (Note that eastern Germany, and especially Berlin, were hit by a big real estate crash in 2000.)

Much of the *Berliner Zeitung's* material was taken from a June report in the London *Economist*, which began starkly: "The worldwide rise in house prices is the biggest bubble in history. Prepare for the economic pain when it pops."

The *Economist* continued: "Never before have real house prices risen so fast, for so long, in so many countries.... Rising property prices helped to prop up the world economy after the stockmarket bubble burst in 2000. What if the housing boom now turns to bust?... The total value of residential property in developed economies rose by more than \$30 trillion over the past five years, to over \$70 trillion, an increase equivalent to 100% of those countries' combined GDPs. Not only does this dwarf any previous house-price boom, it is larger than the global stockmarket bubble in the late 1990s (an increase over five years of 80% of GDP) or America's stockmarket bubble in the late 1920s (55% of GDP). In other words, it looks like

the biggest bubble in history."

The U.S. has some of the worst house-price inflation (in some areas worse than a 20% rise per year), but Europe, especially France, Spain, and Ireland also have inflation ranging from 9%-15%. However, the British and Australian housing bubbles have "cooled rapidly." In the bubble nations, "house prices have hit record levels in relation to rents," and are "at record levels in relation to incomes." A big danger is the high rate of house owners buying for "investment": investors rather than occupiers are more likely to sell out in case of price falls, prompting further falls.

"The housing market has played such a big role in propping up America's economy that a sharp slowdown in house prices is likely to have severe consequences," the *Economist* warned, citing Japan as a "nasty example."

German *Financial Times* Worries About 'Abundant Money'

"Abundant Money" reads the headline of a two-page feature in the German-language *Financial Times* on the emerging of new financial bubbles all around the globe. It notes that the Federal Reserve and other leading central banks have flooded the financial system with liquidity after the crash of the stock market bubble in 2000. Another, secondary source of liquidity for the markets has been the "pension reforms," directing additional money flows into the large funds.

In the meantime, the effects of this liquidity pumping have reached such a dramatic dimension that even the very same central banks, in line with international institutions like the BIS or the IMF, are now fearing ugly consequences. As an example, the BIS recently expressed its growing concern on "excessive liquidity," while the Fed pointed to "excessive risk taking" by investors. The ECB has warned on housing bubbles in various euro-zone countries. Dresdner Bank has put out a report acknowledging a "global liquidity excess" in spite of the recent rate increases by the Fed.

According to the London *Economist* weekly, the valuation of housing markets in the leading economies has more than doubled in the last five years, that is it increased from \$30 trillion in 2000 to \$70 trillion today.

United States News Digest

Lautenberg: Don't Give Immunity to Plame Leakers

Senator Frank Lautenberg (D-NJ) sent a letter Aug. 3 to Sen. Pat Roberts (R-Kan) and Rep. Pete Hoekstra (R-Mich.), the chairmen, respectively, of the Senate and House Intelligence Committees, telling them not to use planned Congressional hearings on the Plame leak to undermine special prosecutor Fitzgerald's investigation and any possible prosecutions. Lautenberg recalls that the grant of immunity to Iran-Contra figures by Congress allowed Oliver North and John Poindexter to have their convictions overturned. Lautenberg wrote:

"It is my understanding that both the Senate and House Intelligence Committees intend to conduct hearings on our nation's intelligence agencies and the use of covert agents. While I applaud your Committees' efforts to investigate the Plame affair, I urge you to not provide an opportunity for any wrongdoers to escape culpability for criminal actions that may have put our national security at risk.... Although Congress can and should independently investigate this leak and any efforts to cover up the leak in the White House, such an investigation should not serve to relieve any White House official of culpability for criminal wrongdoing."

Roberts said recently that Valeria Plame Wilson would be the star witness at his upcoming hearing. Roberts' spokesman indicated that the hearings would be investigating Fitzgerald's probe, and Cox News noted that this followed a *Wall Street*

Journal editorial which called Fitzgerald a "loose cannon" and an "unguided missile."

Levin Puts Hold on Justice Department Nominee

Senator Carl Levin (D-Mich) has put a hold on the nomination of Alice Fisher to head the Justice Department's Criminal Division, *Newsweek Online* reported August 3. Levin, along with Democratic Sens. Dick Durbin and Ted Kennedy, want to question Fisher about her knowledge of FBI complaints about torture and illegal interrogation methods used at Guantanamo. A May 10, 2004 FBI e-mail recounting the dispute between FBI agents and top military officials at Guantanamo, lists Fisher as a participant in DoJ discussions of Defense Department interrogation tactics which the FBI considered to be in violation of the Federal Anti-Torture statute.

Fisher is a protégé of Homeland Security Secretary Michael Chertoff, and has no prosecutorial experience, making her an odd choice to head the Criminal Division.

DoJ Running 'Anti-Corruption' Campaign To Terrorize Congress

According to well-informed sources in Washington, the White House is targetting members of Congress with Justice Department investigations, in retaliation for Congressional resistance to Administration policies. The campaign of intimidation and terror targets both Republicans and Democrats.

In late June 2005, a Federal grand jury in San Diego began hearings on the financial and personal ties of eight-term Rep. Randy "Duke" Cunningham (R-Calif) to a defense contracting firm's owner; a few weeks thereafter, FBI, the Defense Criminal Investigative Service, and the IRS conducted raids at Cunningham's home and at the contractor's home and business. Two weeks later, Cunningham announced he was not running for re-election. Cunningham is a Vietnam veteran (Navy fighter pilot) and staunch conservative; he is on the House Appropriations Defense subcommittee and the Permanent Select Committee on Intelligence.

On Aug. 3, 2005, FBI agents raided the D.C. and Louisiana homes of Rep. William J. Jefferson (D-La), reportedly searching for evidence that Jefferson had used his Congressional influence in business dealings. Jefferson, also an eight-term Congressman and a senior member of the Ways and Means Committee and its trade subcommittee, was the first African-American to be elected to Congress from Louisiana since Reconstruction. He is also chairman of the board of directors for the Congressional Black Caucus Foundation.

As in the ABSCAM-BRILAB operations run against Congress and labor in the early 1980s, the real issue is not one of politicians' real or imagined corruption. The DoJ and the Defense Department have exhibited no strong concern, for example, over Halliburton's massive overbilling of the government. Who are they trying to kid, about fighting public corruption?

State Department Issues Worldwide Terror Alert

"Americans are reminded that demonstrations and rioting can occur with little or no warning," warned an "update" on the threat of terrorism, issued Aug. 3 by the U.S. State Department. It continued: "Ongoing events in Iraq have resulted in demonstrations and associated violence in several countries; such events are likely to continue for the foreseeable future.... Current information suggests that al-Qaida and affiliated organizations continue to plan terrorist attacks against U.S. interests in multiple regions, including Europe, Asia, Africa, and the Middle East. These attacks may employ a wide variety of tactics to include assassinations, kidnappings, hijackings, and bombings. Extremists may elect to use conventional or non-conventional weapons, and target both official and private interests. The latter may include facilities

where U.S. citizens and other foreigners congregate or visit, including residential areas, business offices, clubs, restaurants, places of worship, schools, hotels, and public areas."

The warning is, in fact, credible, given the process which the Bush Administration's aggressive war against Iraq and so-called radical Islam has set loose internationally.

Democrat Near-Win in Ohio a Harbinger of 2006?

In a *de facto* referendum on Cheney/Bush policies, Democrat Paul Hackett, an Iraq war veteran, who heavily attacked Bush's war in Iraq in his campaign, came close to winning the special election for Ohio's second Congressional District seat on Aug. 2, against a heavily funded Republican, Jean Schmidt. This was the closest race in Ohio since 1974, in a district that has voted overwhelmingly Republican for years. Last November, Republican Rob Portman had won the Congressional seat, in the Cincinnati area, with about 72% of the vote. On Aug. 2, Schmidt garnered only 52% of the vote to Hackett's 48%. About 25% of those registered voted in the special election to replace Portman. The GOP-leaning *Enquirer* described the results as "nothing short of astounding."

The blunt-speaking Hackett, a Marine, just returned from a tour of duty in Iraq; during the campaign, he raised the "chickenhawk" charge against Bush and Cheney, and described Bush's November 2003 "Bring 'em on!" line as "the most incredibly stupid comment I've ever heard a President of the United States make." He did not run a single issue campaign, however, making a strong point on the economy and education as well as the war.

While Schmidt claimed her victory as a vindication of Bush Administration policies, in fact, her election was a victory for Karl Rove's organized-crime machine in Ohio. Schmidt lobbied Republican Governor Taft's office on behalf of Games, Inc., an on-line lottery ticket operation financed by "coin dealer" Tom Noe. Games Inc., in turn, contributed to her Congressional campaign. (See InDepth: "Ohio 'Pay-for-Play' Scandal Probed," for more on this story.)

Rove Cronies Hauled Before Grand Jury

ABC News's political newsletter reported on Aug. 2 that "it appears that at least two witnesses testified before the grand jury investigation the Plame leak July 29, both close associates of Karl Rove.... [O]ne was Susan Ralston, Rove's long-time right hand. The other ... was Israel "Izzy" Hernandez, Rove's former left hand (and now a top Commerce Department official)."

Ralston previously was Jack Abramoff's personal assistant, before she took a similar position under Rove at the White House.

Hernandez is described as a long-time friend of the Bush family, who has worked for George Bush and Rove since 1994. He has often been called upon to look after the Bush twin daughters, and was assigned to keep Jenna Bush company during Laura Bush's May trip to Europe.

Military Prosecutors Protest 'Rigged' Trials

Major U.S. media broke the story on the first of August, and two Air Force lawyers assigned to the office of the chief prosecutor for the military tribunals at Guantanamo, had quit last year, rather than take part in trials that they considered "rigged" to ensure convictions of detainees. An e-mail message from one of the lawyers, Major John Carr, said that the chief prosecutor "repeatedly said to the office that the military panel will be hand-picked and will not acquit these detainees."

Another, Major Robert Preston, wrote that he considered that pressing ahead with the tribunals with "marginal cases" was "a severe threat to the reputation of the military justice system and even a fraud on the American people." He also said that he could not continue to work on a process that he considered to be morally, ethically, and professionally intolerable.

Military lawyers assigned to defend detainees have made similar charges, but they were dismissed as just statements of lawyers aggressively defending their clients.

The Defense Department said that the prosecutors' complaints had no basis, and were "much ado about nothing." However, a DoD statement said that an "operational assessment of the chief prosecutor's office, made in response to the charges, had recommended a restructuring and some personnel changes."

Democrats Charge that Administration Puts Vets on Hold

In the official Democratic Party response to President Bush's Saturday radio address on July 30, Sen. Daniel Inouye (Hi) blasted the Administration for the failure to pass legislation to reverse cutbacks in services to U.S. troops and veterans. Inouye said that while "Senators on both sides of the aisle were set to talk about getting our troops the resources they need, funding veterans health care in the years to come, and strengthening our national defense at a time of war, ... Senate Republicans had a different idea. They set the discussion aside and took up the business of the gun lobby." Inouye, who lost his right arm in combat in 1945, contrasted the care he had received, with the much-reduced service being offered to today's wounded, due to budget cuts.

Ibero-American News Digest

Cheney's War Plans Exposed on Bolivian TV

EIR Ibero-American Editor Dennis Small was interviewed on La Paz's Channel 13 television on Aug. 2, for a special 90-minute edition of the weekly program, "Bolivia *Is* Viable," celebrating the country's Aug. 6 Independence Day. Bolivian military historian Col. Edwin de la Fuente, who, on the air, endorsed Lyndon LaRouche's proposals to industrialize the interior of South America, joined Small and host Anibal Aguilar on the program. The intent of the show was to use the lessons of history to organize against the financiers' current plans to chop Bolivia into warring pieces—and for that, they turned to LaRouche.

Small was given ample time to develop LaRouche's "Guns of August" warning, and throughout the show repeatedly told people that they had to understand that global battle, to understand their situation in Bolivia. He was also able to give people a sense of optimism, of how small, land-locked, and desperately poor Bolivia could and should play a leading international role in organizing for the next stage of human civilization: developing the interior of the Earth's continents.

In a polemical intervention into the growing tensions between Bolivia and Chile, Small explained how the War of the Pacific in the 1880s was *not* a war between Chile, Peru, and Bolivia, but a British war against the American System and the Lincoln legacy, fought out as surrogate warfare in South America.

Aguilar's first interview of Small, on June 14, right before LaRouche's historic June 16 webcast, had already set off waves throughout Bolivia. (Copies were circulated nationally by various contacts). Following the second show, *EIR's* contacts in La Paz reported that the second interview was being hotly discussed, with great surprise being expressed at the discussion of an optimistic mission for Bolivia, and the news that an American—LaRouche—supports Bolivia, and is fighting to return the U.S. to a "Good Neighbor" policy.

U.S. LaRouche Movement Leaders Tour Mexico

Midwest LaRouche movement spokesman Bob Bowen and UAW leader Mark Sweazy have just concluded a 10-day visit to Mexico, where Lyndon LaRouche's program to save the North American auto industry, and its economically critical machine-tool component, are finding an extremely positive reception.

Bowen and Sweazy, who is the president of Columbus, Ohio UAW local 969, visited Mexico City, Monterrey, Coahuila, and Nuevo Leon, where they were interviewed by press, and addressed numerous trade unions, an industry group, and university students, among others.

The two U.S. leaders were bombarded with questions about the GM crisis, NAFTA, globalization, outsourcing, immigration, and LaRouche's proposal to revive NAWAPA—the North American water and power project. Bowen and Sweazy also reported on the adoption by a growing number of state legislatures and city councils in the U.S., of LaRouche-inspired resolutions to convert the auto industry for production of machinery for construction, railroads, aerospace, etc.

Bankers Send in Snow To Bolster Brazil's Monetarists

Arriving in Brazil for a three-day visit on Aug. 1, Treasury Secretary John Snow demanded Brazil open up its financial sector to foreign interests. "Brazil has room to modernize, liberalize, open the financial sector," he told the Aug. 1 *Valor* daily.

Brazil still maintains a strong national banking sector, and the Banco Santander and other vultures want to get their hands on both huge government banks such as the National Economic and Social Development Bank (BNDES), and the private banks still under Brazilian control.

The financiers are not so confident that all is under control in Brazil. Indicative were the over-enthusiastic assurances to a Sao Paulo seminar on Aug. 1 by Congressman Antonio Delfim Netto that "there isn't the slightest risk" that Lula, "in a moment of desperation," would change economic course, and adopt a "populist" policy, i.e., break with IMF axioms. Netto is the "Chicago boy" who has been telling the Lula government that its only chance to survive the still-escalating corruption scandal overtaking his government, is to ram through a broad fiscal "shock."

Snow oozed confidence that Brazil will stick to the "right" policies, promising in Rio de Janeiro on Aug. 2 that "whenever I meet with economic leaders from around the globe, my message will be clear: Those who question the benefits of market-oriented reforms should come to Brazil."

Discussion of the urgency of reimposing capital controls, however, reached the point that Finance Minister Antonio Palocci felt obliged to publicly reject any such idea. With Snow at his side, Palocci babbled that the free float of the real has brought "extraordinary" results to Brazil.

In an Aug. 3 discussion, Lyndon LaRouche reiterated his warning that the financiers are out to break up Brazil, and capital controls are precisely the kind of measure they "kill" over.

The discussion of capital controls surfaced in a big way at an Aug. 1 seminar in Sao Paulo. The "heavyweight" cited calling for controls was Mr. "Fiscal Shock" Netto himself, but his proposal was for minimal Chilean-style controls, only requiring speculative capital to stay in the country for some designated period of time, or pay a penalty. Other economists of national stature, including Luiz Gonzaga Belluzo, proposed more comprehensive controls which would give the

government a basis to control all capital entering or leaving the country, and thus the capability of carrying out an autonomous economic policy.

Neo-Con Hatchetman Noriega Ousted

Neo-conservative hatchetman Roger Noriega, Assistant Secretary for the Western Hemisphere, announced on July 29 that he will be leaving his office come September. The immediate reason for his resignation, purportedly, was the appointment of GOP Congressional staffer Caleb McCarry as "transition coordinator" for Cuba, taking a favorite issue away from Noriega. The *New York Times* July 30 implied that the McCarry appointment was just a way of forcing Noriega out, after "senior State Department officials, speaking on condition of anonymity, have said that they have been upset by Mr. Noriega's outspoken attacks on Mr. Chavez even while others in the department have been trying to reduce tensions between the United States and Venezuela."

Noriega's head was on the chopping block after the U.S. was unable, for the first time ever, to get its first two choices for Organization of American State (OAS) General Secretary approved by the rest of the region. Noriega had played the issue, in great part, as a fight against Venezuela, too.

Right-Wing Cardinal Pushes Civil War in Venezuela

Venezuela's Rosalio Cardinal Castillo Lara predicted a "bloodbath" in Venezuela, in his latest media appearance, on Miami's Channel 41. Castillo, who is now retired, said, "I'm not forecasting, I say that it will be a bloodbath and I pray everyday to avoid it." A month ago, in an interview with the Caracas paper *El Universal*, he stated that the only way out of President Hugo Chavez's "communism" was to apply Article 350 from Chavez's Bolivarian Constitution, which mandates any citizen to overthrow any government which violates said Constitution. Since then, Chavez has attacked him savagely, in a way that caused the whole Venezuelan Catholic Church gather in his defense.

Castillo's *El Universal* call was issued, as avowed synarchist Alejandro Pena Esclusa, a supporter of Spaniard Blas Pinar's new fascist international, was releasing his book, titled "350: How to Stop Castro-Communism in Venezuela." In it, Pena Esclusa explains how to organize general civil disobedience, promoting Franco's uprising against the "communist" republic in Spain as the model for Venezuela today. No major paper from Caracas paid attention to Pena, but now he is taking Castillo's statement to organize events around his theme, advertising, "Cardinal Castillo said he's not the one to explain how to implement Article 350, so I'm telling you how."

The radical opposition is calling for a massive abstention from municipal elections Aug. 7, to call international attention to what they claim is not an impartial electoral institution. In his last interview, Castillo endorsed that view, repeating that this is the reason why he foresees a bloodbath.

Chavez Tries to Change the Agenda

While Argentina is fighting to include reform of the "international financial architecture," on the agenda of the Nov. 3-4 Summit of the Americas, which Argentina is hosting, Venezuela's Hugo Chavez suddenly declared that the real issue over which to fight, is whether or not Cuba's Fidel Castro is invited to attend. Cuba has been excluded from the Summits of the Americas, held every four years since 1994, on grounds that only "democratic" governments can participate. "If Cuba doesn't go ... no one should go," Chavez told Uruguayan and Venezuelan businessmen in Caracas on July 26.

Nothing could suit the Bush Administration neo-cons more than to have Cuba and Castro become the center of distraction.

Western European News Digest

LaRouche 'Guns of August' Presented on Rome Television

On Aug. 5 the Rome-based regional television network "Teleambiente" broadcast a one-hour live interview on the latest LaRouche strategic interventions. Program host Peppe Vecchio opened the discussion referring to the ongoing tense debate over the role of the Banca d'Italia in financial affairs, and announced the latest interventions of LaRouche in the American political fight. The guests included Paolo Raimondi, president of the Movimento Solidarietà, Prof. Aldo Servidio, historian and author, and Fernando Iannaccone, technology expert and consultant.

Raimondi presented in detail Lyndon LaRouche's "Guns of August" analysis and campaign exposing Cheney's plan for the use of nuclear weapons against Iran. Reporting on the Wilson-Plame story, he invited the Italian Parliament to make public the report on the involvement of U.S. neo-con operative Michael Leeden and others, in the forgery of the Niger-uranium dossier, as a serious contribution to the "Impeach Cheney" campaign in the USA.

Also, in recent days the economic monthly *Finanza Italiana* published an article by Raimondi on the New Bretton Woods international fight, with the entire text of the Italian Parliament motion and with some quotes from Hon. Mario Lettieri's speech supporting LaRouche's proposal. A second article by Raimondi detailed the hedge funds collapse and other dramatic developments in the ongoing global financial crash.

British Manufactures Decline Four Months in a Row

Manufacturing contracted in the face of a decline in new orders, jobs, and stocks, according to the manufacturing Purchasing Managers Index (PMI) from the Chartered Institute of Purchasing & Supply (CIPS). The PMI of activity in the UK manufacturing sector, showed a fall to 49.2 in July from 49.6 in June. Most analysts had predicted a rise to 50.0. A reading above 50 indicates an expansion in activity; under 50 figure shows contraction. Manufacturing is 17% of the UK GDP.

Output prices have fallen at the fastest rate in two years, and employment in the sector declined for the fourth month in a row. Official figures showed last week that manufacturing is now in recession in the UK, since output has declined over two consecutive quarters.

London Bombing Investigation Stretches Police to Limit

Law enforcement in Britain, other than the search for the July 7 and July 21 bombers, including murder investigations, is falling by the wayside, according to the British media Aug. 3. Meanwhile, Prime Minister Tony Blair is on holiday for the week, following the rest of his Cabinet, and the Parliament, which has recessed for an 80-day break.

Over 1,000 detectives are working 24 hours a day on the bombings, supported by thousands of other officers and support staff from virtually every section of the Metropolitan Police Force. Commissioner Sir Ian Blair has called this operation the force's "biggest operational challenge since the second world war." It is costing some 500,000 pounds a day.

Assistant Commissioner Tarique Ghaffur, who heads the serious and organized crime division covering murder, drugs and gun crime, said that work on some long-running murder investigations had "slowed to a trickle," and that he had been forced to "significantly defer" other big operations. Anti-drug operations and regular policing are also being affected. Ghaffur said he has lost 10% of his team, many of them specialists, to the anti-terror effort.

Ghaffur warned that in the long term, the "worst-case scenario" would be "if London does not have the ability to deal with serious and organized crime, then I think the impact on safety would be significant."

Another senior police officer, whose local force has been cut 15% by the terror mobilization, warned that: "We don't think we can sustain the demands of high-visibility policing, guarding mosques, manning endless cordons. Officers are working 12-hour days, we are way over budget, we are bursting at the seams."

Hate Crimes Rise Six-Fold Since July London Bombings

Since the July 7 terror bombings in London, there have been 269 religious hate crimes, compared with 40 in the same period of 2004. Most were "verbal abuse" and minor assaults, but mosques and property have also been damaged.

Metropolitan Police Assistant Commissioner Tarique Ghaffur said he had never seen so much anger among young Muslims. The increased use of stop-and-search methods are having a big effect. Ghaffur said that "there is no doubt that incidents impacting on the Muslim community have increased.... It can lead to these communities completely retreating and not engaging at a time when we want their engagement and support."

The hate crimes are having a big impact, because London is one of the world's most international cities. Close to one-third of its population is foreign-born, and Britain as a whole has the highest rate of "inter-racial" marriages among the developed nations.

London Mayor: Illegal War in Iraq Feeds Terrorism

In a commentary in the *Guardian* Aug. 4, Mayor of London Ken Livingstone asserted that the unjustified war in Iraq has increased the terrorism threat, and said that Britain must withdraw from Iraq.

There is also public dissension in the Conservative (Tory) Party. Dominic Grieve, shadow attorney general, has said this week that the London suicide attacks are "totally explicable in terms of the level of anger" many Muslims feel about the world, including Iraq. Grieve was a strong critic of Blair going into the Iraq war. Tory backbencher, Gerald Howarth, has said that British-born Muslims who "don't give allegiance to this country" should "leave," even if they are British citizens.

New UK Intelligence Unit Involved in Brazilian's Death

The "special reconnaissance regiment," Britain's new special forces "intelligence unit," was deployed in the surveillance operation which led to the death of murdered innocent Brazilian Jean Charles de Menezes on July 22 in London, *Guardian* security editor Richard Norton-Taylor reported Aug. 4. The tragedy was the first deployment of the SRR, which is trained by the SAS.

The SRR, set up in April by former Defence Minister Geoff Hoon on the model of an undercover unit that operated in Northern Ireland, was engaged in "low-level intelligence behind the scenes" when de Menezes was shot, although there was "no direct military involvement in the shooting," according to Whitehall sources.

There were many strange aspects to the tracking and shooting down of de Menezes, including why he was targetted at all, and why he was allowed to board and ride a bus for two miles, when buses had been bombing targets.

Central Banker Who Introduced the Euro Dies

Willem Duisenberg, the Dutch central banker who oversaw the introduction of the euro as the first president of the European Central Bank was found dead on July 31, in a swimming pool in France. An autopsy reportedly indicated that he "died a natural death, due to drowning, after a cardiac problem." However, what kind of cardiac problem was involved is unspecified.

Russia and the CIS News Digest

China-Russia Joint Military Exercises Set for Aug. 18-25

The first-ever joint Chinese-Russian military maneuvers, code-named Peace Mission 2005, will be conducted in Vladivostok, and in China's Shandong Peninsula on the Yellow Sea, Aug. 18-25. Nearly 10,000 troops from the armies, navies, air forces, airborne units, marine corps, and logistics units of the Chinese and Russian militaries, will participate, according to official announcements. Most of the troops will be Chinese. In planning for a year, the exercises will be inaugurated by the respective General Staff chiefs, General of the Army Yuri Baluyevsky and Col. Gen. Liang Guanglie. Defense ministers from the other Shanghai Cooperation Organization (SCO) members (Kyrgyzstan, Kazakhstan, Tajikistan, and Uzbekistan) and observers (India, Iran, Mongolia, and Pakistan) are invited observers. A Chinese press release stated that the "exercises neither aim at any third party nor concern the interests of any third country"; officials in Taipei had protested that Taiwan appeared to be a target.

Russian Gen. Col. Vladimir Moltenskiy said Aug. 2 in Moscow, that the exercises would take place in stages: military-political consultations in Russia's Far Eastern Military District, followed by maneuvers on and near Shandong Peninsula. Moltenskiy stressed that the exercises will be held under the aegis of the SCO, and, contrary to some foreign media allegations, have nothing to do with Taiwan. *Izvestia* reported Aug. 3 that the script for the maneuvers entails a joint peacekeeping operation under UN mandate, in a hypothetical country that has experienced ethnic strife, and appealed to the UN for help.

Izvestia noted that Gen. Baluyevsky has just presided over a large command-staff exercise called Vostok 2005, which also took place in the Far East Military District. The current issue of *Nezavisimoye Voyennoye Obozreniye* (Independent Military Review) quoted Baluyevsky about Vostok 2005 as "the first time the imposition of a state of emergency and martial law, and a special operation, were rehearsed extensively within the Far East Military District." A Russian Ministry of Defense announcement said that Vostok 2005, which ended on July 24, "rehearsed a wide range of possible actions to ensure the country's military security, should threats from separatist, radical religious-nationalist movements and international outfits arise." Baluyevsky stressed that Vostok 2005 sought to optimize interaction with Chinese security forces, calling this "a new form of cooperation of our states."

Vostok 5000 involved only 5,000 regular Armed Forces personnel, plus 14,000 people from the Internal Affairs Ministry, FSB security service and Emergencies Ministry. *NVO's* sources said that an FSB special regional center, like the one President Putin visited last month in Dagestan, in the North Caucasus, will be set up in Khabarovsk and Vladivostok for the Russian Far East. The paper drew out this aspect of the story, claiming that "The Far East Has Been Put on a Par with Chechnya"—even as *NVO's* parent publication, Berezovsky's *Nezavisimaya Gazeta*, on July 29 featured an interview with Zbigniew Brzezinski under the headline, "Brzezinski: Russia Will Lose Its East Some Day."

Uzbekistan Evicts USA from Base

On July 29 the Uzbekistan foreign ministry sent an eviction notice by courier to the U.S. Embassy in Tashkent, setting a six-month deadline for U.S. aircraft, equipment, and personnel to leave the Karshi-Khanabad (K2) air base. The base has

been a major logistical support base for U.S. operations in Afghanistan, and is the only U.S. base in Central Asia that has road access to Mazar-e-Sharif, in northern Afghanistan. Relations between the U.S. and Uzbekistan have been going downhill since May, and Undersecretary of State Nicholas Burns has openly threatened the government in Tashkent with regime change.

Rossiyskaya Gazeta, the Russian government newspaper, wrote Aug. 2 that Karshi-Khanabad could be taken over by Russia. The paper noted that upcoming Russian-Uzbek joint military maneuvers will be the biggest ones since Uzbekistan's independence.

While touching on the widespread analysis that Uzbekistan's President Islam Karimov was chiefly angry at U.S. criticism of him for the bloody suppression of an insurrection in Andijon, eastern Uzbekistan, in May—which Tashkent called an Islamist coup attempt—and at American help in a recent airlift of some of the Andijon perpetrators out of the area (they had fled to Kyrgyzstan and were taken out via Romania), *Rossiyskaya Gazeta* pointed to other elements of the picture. The U.S. has spent tens of millions of dollars to refurbish the base, wrote the paper, and "experts" believe that its closing will hurt Uzbekistan's economy. "But [those experts] forget to mention that shortly before, Karimov paid a visit to China, where Beijing rendered it quite substantial financial support: a \$1.5 billion credit obviously outweighed tens of millions from the U.S.," said the Russian paper, adding that China is interested in importing oil and gas from Uzbekistan.

Azerbaijan Denies It Would Aid U.S. Actions vs. Iran

Novruz Mamedov, international affairs chief for Azerbaijani President Ilham Aliyev, on Aug. 4 denied a report put out the previous day by Boris Berezovsky's *Nezavisimaya Gazeta*, that Azerbaijan was close to agreement with Washington on providing the United States with an air base on its territory, to replace the one in Uzbekistan, from which the USA has been expelled (see above). Mamedov also, according to Interfax, said that rumors of Azerbaijan's getting involved in a U.S. military campaign against Iran were "highly exaggerated."

The resonance of the *Nezavisimaya* article was amplified by an Aug. 4 AFP wire under the headline "Azerbaijan Close to Deal on Hosting U.S. Forces." *NG* cited an anonymous source close to the Azerbaijani foreign ministry as saying that the matter was on the agenda during Foreign Minister Elmar Mammadyarov's five days of talks in Washington the first week of August, including with Secretary of State Condoleezza Rice. The source is quoted as saying that Aliyev, "in the end will give his agreement to the deployment in the country of an American military contingent." On July 27, Deputy Secretary of State Paula Dobriansky had been in Baku to prepare Mammadyarov's visit and meet with other officials, as well as with Azerbaijani opposition leaders (elections are in November).

The AFP wire on *Nezavisimaya's* article pumped up the Iran aspect of the story. It reported that the article had cited Azerbaijani security sources as saying that U.S. military instructors were already shopping for base sites in the country—one near Baku and one close to the border with Iran. AFP added, "The former Soviet republic of Azerbaijan could represent a highly strategic location for U.S. forces, in part because it borders Iran—one of the countries named by U.S. President George W. Bush in his first term as forming an 'axis of evil.'"

Russia Offers Electric Power to North Korea

Russia could offer electricity supplies and natural gas deliveries to North Korea, as well as reconstruct thermal power plants originally built with Soviet assistance, in exchange for North Korea's termination of its military nuclear programs, Valery Yermolov, the deputy head of the Russian delegation to the six-nation negotiations on the Korean nuclear problem, said on Aug. 1.

Russia Bars ABC News for Basayev Interview

Russia announced on Aug. 2 that ABC News will not be allowed to function inside Russia because of its promotion of Chechen terrorists, in light of the recent ABC broadcast of an interview with Shamil Basayev, the Chechen rebel leader. Earlier, Defense Minister Sergei Ivanov had called the network an "outlaw."

The interviewer, Andre Babitsky, who works for Prague-based Radio Free Europe/Radio Liberty and interviewed Basayev while "on vacation," pointed out that he spent two days with Basayev and six other fighters, one a foreigner he described as an Arab. He said what remains of the Chechen separatist resistance are small groups of sickly men living stealthily in thick forests, fearful of lighting campfires for fear of detection by drones flying overhead.

Southwest Asia News Digest

Iraq Torture-Death: Orders from the Top

Secret documents made available to the *Washington Post*, as well as information provided by military officials, document that the brutal interrogation and torture methods used in Iraq were carried out on orders coming from top Pentagon and military officials. An Aug. 3 *Post* story presented a very detailed account of the November 2003 interrogation, torture, and beating to death of a senior Iraqi general, Abed Hamed Mowhoush, who had voluntarily walked into a forward U.S. military base, hoping to speak with commanders. Instead, Mowhoush was interrogated with increasing brutality, and finally wrapped in a sleeping bag in which he died from beatings he had received. The Army then issued a press release stating that Mowhoush had died of natural causes.

According to Army documents, in the months before Mowhoush's death, Army intelligence officials were discussing what they regarded as the need for more severe treatment of detainees under interrogation, including exploiting prisoners' fear of dogs and claustrophobia. In August 2003, interrogators were told that the "gloves are coming off." On Nov. 18, eight days before Mowhoush's death, military intelligence officials prepared a PowerPoint presentation describing the interrogation of Mowhoush and his intransigence and lack of cooperation.

A few days after this, Mowhoush was handed over to a unit consisting of Special Forces, CIA, and a CIA-sponsored paramilitary group known as the Scorpions, where he was beaten to death while under interrogation. From the description, the final interrogation team sounds like the Donald Rumsfeld "hunter-killer squad" known then as Task Force 20/121.

The shifts in policy during August through November 2003, coincided with the worst abuses at Abu Ghraib. These followed the trip of Guantanamo commander Gen. Geoffrey Miller to Iraq in August-September 2003, where he helped set interrogation policy for the entire theater and visited Task Force 20 as well as Abu Ghraib.

This murder is one incident among hundreds which has led leading Republican Senators to introduce an amendment to the Defense Appropriations bill, in which Congress puts the Pentagon virtually under receivership for these kinds of practices in military trials and interrogations. The amendment, which is bitterly opposed by the White House, is sponsored by Republican Senators John Warner of Virginia, John McCain of Arizona, and Lindsey Graham of South Carolina.

Iraq Reconstruction Failure: Worse than Under Saddam

The July 2005 report of the U.S. Government Accountability Office (GAO) exposes the ugly truth that the so-called Iraq reconstruction effort is failing. The report, "Rebuilding Iraq: Status of Funding and Reconstruction Efforts," reveals that of the \$18.4 billion for Iraq reconstruction that was appropriated by the U.S. Congress in 2004, \$4.7 billion has been

reallocated to other projects because "priorities have changed." That money has been reassigned to short-term projects and security needs at the expense of long-term projects, primarily in the electricity and water sectors. Both crude-oil production and electricity generation have been, with a few exceptions, *generally below the levels that prevailed in March of 2003*, just before the U.S. invasion.

The GAO was unable to provide an assessment of the reconstruction of water systems, because the metrics used by the U.S. Agency for International Development don't address the quality of the water and sanitation services actually being delivered to users. Even worse, the lack of metering and the unknown extent of leaks in the water-delivery system mean that the actual amount of potable water delivered to users is completely unknown. Since sewer pipes also leak, and often run parallel to water pipes, sewage is able to leak into the water system.

While U.S. funding is going into short-term improvement of hospitals and clinics, as well as some longer-term projects, including the procurement of supplies and equipment, the Iraqi health sector will require continued long-term support to restore the system to modern levels of health care. That support, however, is not part of the U.S. assistance program.

A new report issued by the UN Development Program and the Iraqi Ministry of Planning and Development Cooperation, dated July 2005, shows even worse conditions, reporting that the population of Iraq is suffering widespread casualties and war-related injuries, high rates of infant mortality, chronic malnutrition and illness among children, and falling rates of life expectancy.

***EIR Online* Warned of Jewish Terrorism Linked to Settlers**

On Aug. 4, an 19-year old soldier in the Israeli Defense Forces killed four Arab residents of Israel, and wounded 12 others, in a deliberate act of mass murder, in keeping with his beliefs as a member of the anti-Arab, extremist cult "Kahane Lives," also known as the Kach movement, which wants to expel all Palestinians and Arabs from Israel and the Occupied Territories. The assailant boarded a bus in Israel headed for an Arab neighborhood, and began firing his Army-issued rifle.

The murderer, who was also killed in the attack, was from a West Bank Jewish settlement, Tapuah, which is known as a hotbed for supporters of the late Rabbi Meir Kahane, founder of the terrorist organization.

This incident is a product of the network of religious extremism, radical rabbis, who run military units, and paramilitary operations of the Jewish settlers (see "Who's Behind the Settlers' Gangs and Israeli Terrorism?" in Southwest Asia digest, *EIR Online*, #30)

Even after this incident, the radical plans of the settlers have not been derailed. Even a former public relations official for the right-wing Likud Party, Avital Sahar, has said that Israel's "low intensity civil war" must be stopped by a government crackdown on the Jewish extremists.

In an opinion column published in the Israeli publication Ynet.com, Sahar called for the government to gather courage and perform its duty to stop the "low-intensity civil war" breaking out in Israel before things get too out of hand. He says that the people who are taking advantage of the anti-disengagement sentiment are the "Baruch Marzels and Moshe Feiglins"—two of the most extreme religious nuts.

Sahar said that the radicals are usurping the role of the state. He targets: the Yesha Council, for thinking and acting as if they are the sovereign government; the zealot messianics of the Parliament, for hijacking national policy; the Hesder Yeshiva rabbis (units which combine religious education and military service), acting as the de facto platoon commanders; and "teenage hill youth" delinquents, who set up sniper nests and call them settlements.

Mainstream politicians have used these extremists to their advantage, says Sahar, thinking that they could keep a firm leash on them, but that is not the case now.

British Sold Heavy Water to Israel for Atomic Bomb

The BBC Newsnight program of Aug. 3 revealed the existence of documents proving that in 1958, Great Britain sold 20 tons of heavy water to Israel, which enabled it to produce plutonium for nuclear weapons. The documents reveal that this information was knowingly withheld from the administration of U.S. President Eisenhower. The program also—rather unbelievably—asserts that then British Prime Minister Harold Macmillan knew nothing about the sale.

Although the documents are still officially secret, BBC producer Meiron Jones reportedly found copies in an obscure, declassified Foreign Office counter-proliferation file.

The documentation is presented in a way to suggest that the deal was a resale of Norwegian heavy water which the UK no longer required, and therefore sold it to Israel to recoup the 1.5 million pounds which the government had spent to purchase it. But, the documents also show that the paperwork for the sale was masked by creating the appearance that the heavy water was sold back to Norway. The heavy water was in fact shipped directly to Israel on Israeli ships, which picked it up at British ports.

The truth of the matter is that, in 1956, both Britain and France promised to give Israel the capacity to produce nuclear weapons, in return for its participation in the 1956 invasion of Egypt. The Israeli reactor in Dimona is the same modal reactor the French (who built it) use exclusively for producing weapons-grade plutonium. Macmillan, who was British Foreign Minister in 1956, would have known all about this deal. In 1958, the Macmillan government was still extremely hostile to Egyptian President Abdul Nasser, whom it referred to as "Mussolini."

As is well known, Eisenhower did not support the attack on Egypt and upheld Egypt's national sovereignty. He also cut off all U.S. aid, including private donations, to Israel, until it withdrew from Egyptian territory.

Britain stopped further sales of heavy water only after the Eisenhower Administration, through U-2 spy plane photography, determined that Israel was building a nuclear reactor at Dimona.

CIA Official Fired for Disputing Iraq WMD Claims

A former CIA official has sued the CIA, claiming he was fired in 2004 because he reported in the spring of 2001, that Iraq had long since cancelled its uranium-enrichment program, before 9/11, the *New York Times* reported Aug. 1. The officer, who is not named in the article, because the Agency refuses to declassify his name, charged that the CIA suppressed the report. His lawyer, Roy W. Krieger, likened his situation to that of Valerie Plame Wilson, who worked in the same unit. "In both cases, officials brought unwelcome information on WMD in the period prior to the Iraq invasion and retribution followed."

Asia News Digest

Ivanov: Taliban Control Most of Afghanistan

"Most of Afghan territory is not controlled by anybody but the Taliban," Russian Defense Secretary Sergei Ivanov told

journalists in the Russian far eastern city of Petropavlsk-Kamchatsky on July 28. Ivanov said Afghanistan was only an "excuse" for the presence of military forces in Central Asia, but the situation in Afghanistan is very "contradictory," because, while the Taliban roam free, there are "no active military" operations taking place. Ivanov said "it would be good to define for how many years the war in Afghanistan is going to last: 23, 30 or 250 years." Ivanov also claimed that "other countries are actively interfering" in the southern and eastern parts of Afghanistan.

Afghan Defense Ministry spokesman General Muhammad Zaher Azmi told a news conference in Kabul on July 31 that Ivanov's remarks were "irresponsible," and characterized by "political adventurism."

Kidnappings Drive Philippine Diplomats From Iraq

After kidnapped Algerian diplomats were killed by Iraqi insurgents, the Philippines government decided to pull its diplomats back to Amman, Jordan, to do what they could from there to deal with the 6,000 Filipinos working in Iraq (mostly as labor in the U.S. camps, or as truck drivers), according to the *Philippines Inquirer* July 29. The Iraqi employees of the Philippines Embassy will stay on the job.

The U.S. Ambassador to Iraq, Zalmay Khalilzad, said on July 28 that the U.S. is "considering" offering protection to foreign diplomats.

Philippine President Faces New Charges

Philippine President Gloria Macapagal Arroyo is facing new charges, of buying votes with numbers money, the *Philippines Inquirer* reported Aug. 2. The nephew of the elections official caught on tape recordings arranging to fix the election for Arroyo, has come forward "confessing" to be part of a scheme which bought off 27 leading elections officials on Arroyo's behalf, using money from the leading *jueteng* (the illegal national numbers racket) mafioso from the President's hometown.

This Week in History

August 9 - 15, 1939

FDR Extends Social Security Coverage To Conquer 'Human Want and Fear'

On Aug. 11, 1939, President Franklin Roosevelt signed a number of far-reaching amendments to the Social Security Act which not only extended its coverage, but added new benefits. The Congressional legislation embodied most, but not all, of the recommendations made by the Social Security Board at the request of the President. Roosevelt stated, when he signed the amendments, that, "In order to give reality and coordination to the study of any further developments that appear necessary, I am asking the committee to continue its life and to make active study of various proposals which may be made for amendments or developments to the Social Security Act."

When Franklin Roosevelt signed the original Social Security Act on Aug. 14, 1935, he stated that the legislation represented "a cornerstone in a structure which is being built but is by no means complete. It is a structure intended to lessen the force of possible future depressions. It will act as a protection to future administrations against the necessity of going deeply into debt to furnish relief to the needy. The law will flatten out the peaks and valleys of deflation and of inflation. It is, in short, a law that will take care of human needs and at the same time provide for the United States an economic structure of vastly greater soundness."

Beginning in April of 1938, President Roosevelt began to lay the groundwork for further improvements to Social Security, especially the extension of benefits to a larger number of people, and the addition of needed programs which had not been included in the original legislation. Roosevelt had never disbanded the original Committee on Economic Security which he had appointed in 1934, and the group continued to study what improvements might be needed and what the impact of the program had been on those receiving benefits.

On April 28, 1938, the President sent a letter to Arthur Altmeyer, the Chairman of the Social Security Board, asking that the Board "give attention to the development of a sound plan for liberalizing the old-age insurance system. In the development of such a plan I should like to have the Board give consideration to the feasibility of extending its coverage, commencing the payment of old-age insurance annuities at an earlier date than Jan. 1, 1942, paying larger benefits than now provided in the Act for those retiring during the earlier years of the system, providing benefits for aged wives and widows, and providing benefits for young children of insured persons dying before reaching retirement age. It is my hope that the Board will be prepared to submit its recommendations before Congress reconvenes in January."

The Board subsequently recommended to Congress that the old-age insurance provisions be extended to include over 1 million new recipients. It also recommended that the date for beginning payments be moved up to Jan. 1, 1940. In addition, supplemental benefits were granted to the wives and widows of insured individuals, and to the young children of insured persons who died before reaching retirement age.

Finally, the Board recommended paying larger benefits than originally provided for in the Social Security Act to those who would retire during the early years of the system. As Roosevelt explained it, "Under the original Act, the basic amount paid in old-age retirement benefits was computed from the total accumulated wages of the person retiring. Thus, an individual who reached 65 within a short time after the passage of the Act would not have a very large annuity because the wages accumulated would be small. Under the amendments adopted in 1939, the basis for paying benefits was changed from accumulated wages to average wages. In this way, a person retiring in the early years of the system would receive more than a paltry amount."

While the Board was debating on how to improve the Social Security program, President Roosevelt made a radio address on Aug. 15 to commemorate the third anniversary of the Social Security Act. He opened his address by saying that the legislation was three years old, and that "This is a good vantage point from which to take a long look backward to its beginnings, to cast an appraising eye over what it has accomplished so far, and to survey its possibilities of future growth."

He then stated that, "Five years ago the term 'Social Security' was new to American ears." But now, he said, it had significance for the more than 40 million workers whose applications for old-age insurance had been received; for the more than 27 million wage earners who had earned credits under state unemployment insurance laws; and for more than 2 million needy men, women, and children who were receiving assistance. In the last group, "One million, seven-hundred thousand old folks are spending their last years in surroundings they know and with people they love; more than 600,000 dependent children are being taken care of by their own families; and about 40,000 blind people are assured of peace and security among familiar voices."

President Roosevelt cited the accomplishments of the past three years as being impressive, but said, "We should not be unduly proud of them. Our government, in fulfilling an obvious obligation to the citizens of the country, has been doing so only because the citizens require action from their representatives. If the people, during these years, had chosen a reactionary administration or a 'do nothing' Congress, Social Security would still be in the conversational stage—a beautiful dream which might come true in the dim distant future."

Roosevelt continued: "Long before the economic blight of the Depression descended on the nation, millions of our people

were living in wastelands of want and fear. Men and women too old and infirm to work either depended on those who had but little to share, or spent their remaining years within the walls of a poorhouse. Fatherless children early learned the meaning of being a burden to relatives or to the community. Men and women, still strong, still young, but discarded as gainful workers, were drained of self-confidence and self-respect.

"The millions of today want, and have a right to, the same security their forefathers sought—the assurance that with health and the willingness to work they will find a place for themselves in the social and economic system of the time.

"Because it has become increasingly difficult for individuals to build their own security single-handed, government must now step in and help them lay the foundation stones, just as government in the past has helped lay the foundation of business and industry. We must face the fact that in this country we have a rich man's security and a poor man's security and that the government owes equal obligations to both. National security is not a half-and-half matter; it is all or none.

"Some time ago, I directed the Social Security Board to give attention to the development of a plan for liberalizing and extending the old-age insurance system to provide benefits for wives, widows, and orphans. More recently, a National Health Conference was held at my suggestion to consider ways and means of extending to the people of this country more adequate health and medical services, and also to afford the people of this country some protection against the economic losses arising out of ill health.

"I am hopeful that on the basis of studies and investigations now under way, the Congress will improve and extend the law. I am also confident that each year will bring further development in Federal and state Social Security legislation—and that is as it should be. One word of warning, however. In our efforts to provide security for all of the American people, let us not allow ourselves to be misled by those who advocate short cuts to Utopia or fantastic financial schemes.

"We have come a long way. But we still have a long way to go. There is still today a frontier that remains unconquered—an America unreclaimed. This is the great, the nation-wide frontier of insecurity, of human want and fear. This is the frontier—the America—we have set ourselves to reclaim."

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