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## **LPAC Team Announces Release of Interactive Animated NAWAPA Map**

Aug. 20—The LaRouchePAC Basement team has completed the first-ever interactive, 3-D, animated map of the North American Water and Power Alliance (NAWAPA) system for continental water management, representing a new phase in LaRouchePAC's nationwide mobilization to commence the post-Obama era with a ground-breaking on the project, beginning as early as this October. Using the original, 1960s Ralph M. Parsons Company specifications for NAWAPA as a guide, the team used the Google Earth platform to mark out the sites for dams, reservoirs, power stations, pump lifts, tunnels, and canals throughout the entire system, enabling viewers of the LaRouchePAC website ([www.larouchepac.com](http://www.larouchepac.com)) to explore in graphic detail how NAWAPA will completely transform the face of North America. By thoroughly re-sculpting the physical terrain and hydrological cycles of the continent, NAWAPA will signal a profound shift in the popular conception of basic economic infrastructure, to its proper meaning as nothing less than the human species' management of the Biosphere. The adoption of NAWAPA also means the salvation of the collapsed U.S. physical economy, through the immediate employment of approximately 3 million people, including a very large portion of engineers, scientists, technicians, and machinists, whose vital skills represent the core capability for securing a recovery for the country....

## **In-Depth articles from EIR, Vol. 37, No. 33**

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## **This Week's Cover**

- **LPAC Team Announces Release of Interactive Animated NAWAPA Map**

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- **LaRouchePAC Roundtable Discussion:**

- NAWAPA: The Next Evolutionary Step for the Human Species**

- Alicia Cerretani of LPAC-TV interviewed LaRouchePAC 'Basement Team' members Merv Fansler, Cody Jones, and Sky Shields, on their work on NAWAPA. This is no simple 'jobs' program! Fansler said that Lyndon LaRouche 'has made the point that one of the most effective things we can do, to usher in the post-Obama era, is to give people a sense of what it actually is. And that will force the question; that will drive him out. Because, the more that people can grasp exactly where we need to go, and have a vision of the future, and have a vision of participating in immortality in humanity, then they will be ready to act and they will create an environment in which he will go. And that vision will come into being.'

## **LPAC-TV Weekly Report**

- **The Game Is Over:**  
**He's Out; The 'Indian Sign' Is on Obama**

**Lyndon LaRouche** was the guest on the LPAC-TV Weekly Report Aug. 18, hosted by **John Hoefle**, and joined by EIR Counterintelligence Editor **Jeffrey Steinberg**. LaRouche summed up the colossal impact the NAWAPA project will have: 'Within a very short period of time, once Obama is out, we will be employing, under this provision, millions of skilled people, either scientists, or related categories, or highly skilled trades. And we will probably be employing, in the NAWAPA project, very rapidly, about 3 or 4 million people. That is our first estimate. When you take the total territory, this is, in some sense comparable to what Franklin Roosevelt did quite successfully, in 1933, with the Tennessee Valley Authority. This is a much bigger operation, and it will have a great global effect, and it will have reverberations throughout the world.'

## Economics

- **Nietzsche, Sombart, Schumpeter, and Fascism:**

### **Why Obama Wears the Moustache**

Joseph Schumpeter's fascist conception of 'creative destruction' of the economy has shaped the doctrines of AngloAmerican ideologues from Alan Greenspan and former House Majority Leader Dick Armey (R-Tex.), to the Obama Administration's Larry Summers.

## National

- **The Inevitable Loser Is Dumped!**

### **Telegraph Punches Obama**

**By Lyndon H. LaRouche, Jr.**

*London Daily Telegraph* correspondent Nile Gardiner is not correct in his analysis of the reasons for President Obama's 'summer of discontent,' but Gardiner's error is interesting, and timely, nonetheless.

- **Beware Death Panel!**

### **Obamacare/HMOs Move To Nix Anti-Cancer Drugs**

There are moves afoot by the Obama Administration to withdraw FDA approval for two life-extending cancer-fighting drugs, on the grounds that they are not 'cost-effective.' The model for this is Britain's NICE, whose denial of coverage for anti-cancer drugs has significantly raised the death rate among cancer patients.

- **Mervyn Dymally:**

### **Former Congressional Black Caucus Chair Scores Racist Prosecutions**

Dymally was interviewed with LaRouchePAC West Coast spokesman Harley Schlanger, on the question of the racist prosecutions being carried out by the Obama Administration against Reps. Maxine Waters (D-Calif.) and Charles Rangel (D-N.Y.).

## Books

- **How Sir Winston Churchill Starved 4 Million Indians**

**Churchill's Secret War:**

**The British Empire and the Ravaging of India during World War II,**

by Madhusree Mukerjee.

## Editorial

- **The NAWAPA Mission**

# This Week's News

## U.S. Economic/Financial News

### Homelessness Among Families on the Rise

### FDIC Closes Obama-Linked ShoreBank

### FDIC Closed Eight Banks Aug. 20

### TVA Nuclear Power Plant Construction Proceeds

## Homelessness Among Families on the Rise

Aug. 17 (EIRNS)—The number of homeless *families* is on the rise throughout the United States, while the Department of Housing and Urban Development (HUD) has been unable to adequately track the actual extent, which is the basis for social services. Traditionally, homeless services focused on those defined as "chronically homeless." Such individuals historically suffer from mental illness, substance abuse, and/or medical or physical conditions that prevent them from working. The big waves of individual homelessness began with cutbacks more than a decade ago in funding for residential mental-health facilities. As the result, people needing mental health care were dumped out onto the streets. However, recent surveys of homelessness have revealed more families with children, are now on the streets or in shelters. The numbers have swelled in the past two years of massive home foreclosures and job losses.

The HUD's Annual Homelessness Assessment report, released in June, found that 37% of the 643,067 homeless people, or about 238,000, counted on a single night in January of 2009, were in families. The number of families that used homeless shelters at some point in 2009 was slightly more than 170,000—a 30% increase since 2007.

The HUD numbers are open to dispute and certainly under-report the magnitude of the problem, but even their flawed data confirms that homelessness is on the rise among families (defined as at least one adult over 18 and one child under 18). The state of Iowa, indicative of the growing crisis, officially reported a 38% jump in its homeless population in 2009. Of 23,808 individuals counted by the Iowa Finance Authority as homeless, 14,068 were in families. Another 13,153 people in families were counted as at risk of homelessness. One shelter operator in Little Rock, Ark. reported to AP on June 20 that "We're being swamped with more and more women, and more and more families with kids." He disputed the HUD report's finding that the number of homeless people in that state is declining. He said his shelter is "overwhelmed, outnumbered and outgunned."

Shelter operators consistently report that they are seeing more families and more people than ever before. A shelter operator in Harrisburg, Pa., the state capital, told the *Patriot-News* last January that "everybody is here because their jobs ended." Food pantries report similar increases in demand for meals.

Homeless people are, obviously, at higher risk of poor health and disease. According to an April 2010 article on Huffington Post, a survey of 211 homeless people living on the streets in Detroit found that 51% of them were found to have one or more medical conditions, mental illness, and/or substance abuse, that put them at risk of dying. Among the 211, there had been 358 hospitalizations in the last year, and 456 emergency room visits in the previous three months. In December 2008, there was a significant spike in incidents of tuberculosis among the homeless population in Santa Barbara, Calif.

## **FDIC Closes Obama-Linked ShoreBank**

Aug. 21 (EIRNS)—In a deal that has the aroma of corruption about it, the FDIC and the Illinois Department of Financial and Professional Regulation moved to shut down ShoreBank of Chicago and sell it to a newly chartered firm called "Urban Partnership Bank." The FDIC described ShoreBank as a "Community Development Financial Institution" (CDFI), which was "mission driven" to focus on the needs of its low income, minority clients in living and doing business in Chicago's South Side.

However, the list of investors in Urban Partnership hardly reveals concern for the plight of the urban poor. The investors, according to the *Chicago Tribune*, include American Express, Bank of America, Citigroup, Ford Foundation, GE Capital's equity investments arm, JPMorgan Chase, Key Community Development Corp., Morgan Stanley, Northern Trust, PNC Investment Corp., Goldman Sachs, and Wells Fargo. A source told the *Tribune* that the group was putting about \$120 million into the bank, which is acquiring all of ShoreBank's deposits and most of its assets. The new bank is to be run by former First Chicago executives. The investors in Urban Partnership had previously put up \$150 million in capital in an effort to secure a TARP bailout for ShoreBank, an effort that ultimately failed and led to the FDIC's action on Aug. 20. The FDIC will absorb the costs of 80% of ShoreBank's bad loans, amounting to \$368 million.

While the Obama-linked bank—it has promoted on its connections to Obama on its website—portrayed itself as a "community bank" helping the poor, it also had far-flung international operations, including in micro-credit in Kenay, Bangladesh, small business loans in Eastern Europe, Central Asia and Africa, and even in the drug producing areas of Afghanistan, under the auspices of the USAID.

## **FDIC Closed Eight Banks Aug. 20**

Aug. 21 (EIRNS)—In addition to Chicago's Shorebank, the FDIC closed seven other banks on Aug. 20, bringing the total number of bank failures in 2010 to 118, compared to 140 in all of 2009. Four banks were closed in California: Los Padres Bank of Solvang, with \$870.4 million in assets and \$770.7 million in deposits, was taken over by Pacific western Bank of San Diego; Pacific State Bank of Stockton, with \$312 million in assets and Butte Community Bank of Chico with \$498.8 million in assets and \$471.3 million in deposits were both taken over by Rabobank National Association of El Centro, Calif.; and Sonoma Valley Bank of Sonoma, with \$337 million in assets, was taken over by Westamerica Bank of San Rafael.

The FDIC closed two banks in Florida: Community National Bank of Bartow, with \$67.9 million in assets, and Independent National Bank of Ocala, with \$156.2 million in assets, were both acquired by CenterState Bank of Winter Haven. The FDIC also closed Imperial savings and Loan Association of Martinsville, Va., which was taken over by River Community bank, also of Martinsville. Altogether, yesterday's failures cost the deposit insurance fund \$473.5 million.

## **TVA Nuclear Power Plant Construction Proceeds**

Aug. 21 (EIRNS)—The Board of the Tennessee Valley Authority (TVA), announced on Aug. 20 that the FY11 budget includes \$248 million for the next phase of construction engineering design, increased staffing, and components that require long-term procurement, for the Bellefonte Unit 1 nuclear power plant. In 1974, the plan was for two units at Bellefonte, but construction of the first unit was halted in 1988, when it was more than half complete. TVA estimates it will cost \$4 billion to finish it, and have it operational by 2018, which is cheaper and faster than ordering a new plant. Next Spring, the Board will decide whether or not to go ahead with the build.

Going full speed ahead, is Unit 2 at Watts Bar, which is allocated \$635 million next year, towards its 2013 completion date.

The year that TVA decided to finish Watts Bar, 2007, the only nuclear power plant in this country to come on line in this century, TVA's Browns Ferry Unit 1, was completed.

Today, TVA has six nuclear reactors on line, meeting 30% of the electricity needs of its 9 million consumers. Some of the power from the upcoming plants will allow the utility to retire some of its oldest, most polluting coal-burning plants. But, most important, they will lay the basis for the future, as President Franklin Roosevelt intended, when he signed the law creating the TVA, within his First Hundred Days.

## Global Economic News

### Pakistan Demands That IMF Restructure \$10 Billion Loan

### Japan Mobilizing Behind Major Nuclear Export Drive

### Europe: Hyperinflation Is Real, Official Inflation Figures Lie

#### **Pakistan Demands That IMF Restructure \$10 Billion Loan**

Aug. 20 (EIRNS)—Faced with catastrophic floods and skyrocketing prices of basic commodities, Pakistan is demanding that the International Monetary Fund ease the conditionalities on a \$10 billion loan program it had agreed to in 2008. Finance Minister Abdul Hafeez Shaikh will travel to Washington on Aug. 23 to meet with the IMF and tell them that the current program is unsustainable as the country, hit by a natural disaster of an enormous magnitude, needs help.

A front-page London *Financial Times* story quotes one Pakistani official: "Meeting the IMF performance criteria of the current program is impossible under the present circumstances. The losses from the floods are huge and we are in no position to meet targets on critical areas such as budget deficit, reducing inflation or even economic growth."

Pakistan has received about \$7.3 billion (EU5.7 billion) from the IMF loan, reports the *Financial Times*. The conditionalities on this \$10 billion loan include cutting subsidies, increasing taxes, including the introduction of a value-added tax, and a so-called "reform" of the public sector enterprises. Implementing those measures under the present circumstances is nigh on impossible, and would likely destroy what is left of the country.

Although it is still too early to assess how much Pakistan would need in the coming days to build back its basic infrastructure and provide the essentials to the people who have lost everything, Islamabad believes it would need at least \$43 billion to get back to where Pakistan was before the floods. Foreign Minister Shah Mehmood Qureshi told the UN General Assembly's emergency fundraising session in New York that his country needs at least \$460 million in emergency food relief.

At least 4.6 million people are still without shelter, while at least 20 million more have been affected, and one-fifth of the country is underwater, with the risk of cholera, typhoid, and hepatitis growing by the hour. The Pakistani High Commissioner (ambassador) to London said that it will take \$10-15 billion just to repair the infrastructure. This compares with the tiny \$7.74 billion allocated for development and infrastructure in the current budget.

World Bank President Robert Zoellick said on Aug. 20, that floods have destroyed crops worth around \$1 billion. While the World Bank said it will release \$900 million to help fund relief efforts, this will not be new money, but rather will be taken from other projects.

An estimated 500,000 tons of wheat stocked with farmers has been lost. A comparable amount of sugar production has been lost. Two million bales of cotton have been destroyed, which means imports will be required to provide for the Pakistani textile industry, a major source of export revenue. The prices of wheat, sugar, and cotton have all skyrocketed.

## **Japan Mobilizing Behind Major Nuclear Export Drive**

Aug. 21 (EIRNS)—The top members of Japanese industry and government are mobilizing to promote their nuclear export program, a reading of the Japanese press reveals. Simultaneously, the Japanese Trade Union Confederation has for the first time spelled out a policy in favor of "steadily promoting" construction of nuclear power plants.

According to *Yomiuri Shimbun*, a delegation consisting of Trade Minister Masayuki Naoshima and the directors of the following companies: Tokyo Electric Chairman, Toshiba, Hitachi, Mitsubishi Heavy, Kansai Electric, Chubu Electric, and Japan Atomic Power Co., will arrive in Vietnam Aug. 24 to push for a Japanese role in the Vietnamese nuclear program. Tokyo Electric and Toshiba together with other companies set up an office last month ahead of forming a joint nuclear export venture this autumn, tentatively to be named the International Nuclear Energy Development of Japan.

*Asahi Shimbun* reflects the same drive, by publishing four articles on Japan's nuclear export prospects in its Aug. 21 edition. Not long ago, the same paper had taken a "green" outlook on virtually every issue.

## **Europe: Hyperinflation Is Real, Official Inflation Figures Lie**

Aug. 17 (EIRNS)—Raw materials prices continue to show dramatic increases, with aluminum, zinc, natural rubber, and crude oil all doubling over the past 12 months. Lead and copper prices tripled in the same time period. As previously reported in the briefing, the most drastic increases are in agricultural commodities, entirely as a result of speculation.

One consequence is that British food prices have increased 58% since the financial collapse of 2007. Next January, all goods and services will increase in price by another 2.5%, when the value added tax is increased from 17.5% to 20%.

As for the official inflation rates, the U.K.'s Office of National Statistics reported today that consumer prices rose 3.1% from a year earlier, compared with 3.2% in June—but that conveniently excludes housing. If one uses the Retail Price Index, which is used in Euroland, then UK inflation is 4.8%.

Since the beginning of 2010, inflation has been accelerating in the 16 countries of the eurozone. Official basic inflation remained around 1%, while the rest is supposed to be "mere price inflation," resulting from higher energy prices driving up consumer prices. Prices of transport increased by 4.5%, alcohol and tobacco by 3.3%, and housing by 2.7%.

## **United States News Digest**

**[White House, Dems Shift Line on Obamacare, Away from Cost-Cutting](#)**

**[LaRouche: Fix No Longer in for Obama](#)**

**[Billionaire Mayor Bloomberg at War with New York's Homeless](#)**

## Tea Party Is Not the Mass Strike; It's Dick's Armey

### Obama, the One-Term President

#### **White House, Dems Shift Line on Obamacare, Away from Cost-Cutting**

Aug. 21 EIRNS)—Some of the Obama Administration's top allies in pushing for his Nazi health-care bill, are now admitting that even key Democratic constituents have not been won over, and that their arguments have failed. Their solution? To lie!

*Politico* reports on a conference call held yesterday by Families USA and the Herndon Alliance, which includes AARP, AFL-CIO, SEIU, La Raza, and MoveOn.com, to shift their message on health-care reform away from saying it will save money, to saying, "We'll work to improve it."

A power-point presentation admits the failure of White House predictions that the health-care plan would become more popular as people learned more about it. It concedes that groups typically supportive of Democratic causes—people under 40, non-college-educated women, and Hispanic voters—have not been won over. "Straightforward policy defenses fail to [move] voters' opinions about the law," says one image. "Voters are concerned about rising health-care costs and believe costs will continue to rise.... Women in particular are concerned that the health-care law will mean less provider availability.... Many don't believe health-care reform will help the economy."

Obviously feeling the heat from opponents of the law, including, notably, from the LaRouche movement, the presentation points out that "It is critical to assure seniors that Medicare will not be cut." The presentation's final page of "Don'ts" directs people: "Don't ... say the law will reduce costs and [the] deficit"—and, implicitly, don't mention the Independent Payment Advisory Board (IPAB)—aka "death panel"—or that Obama has promised to cut a half-trillion dollars out of Medicare over the next decade!

#### **LaRouche: Fix No Longer in for Obama**

Aug. 22 (EIRNS)—A source close to the Obama White House reports that the President and his top aides are hysterical over the prospect of a retrial of former Illinois Gov. Rod Blagojevich case. Blagojevich's corruption trial ended on Aug. 17 in a hung jury for 23 out of the 24 charges against him. The most serious charges included the accusation that he and his co-defendants had tried to sell or trade President Barack Obama's old Senate seat.

According to the source, if U.S. Attorney Patrick Fitzgerald decides to go ahead with a retrial, chances are good that Blagojevich will subpoena President Obama and advisor Rahm Emanuel to testify—a situation for Obama and company which could become a nightmare for the White House, the source emphasized.

Interviewed on Fox News today, Blagojevich said that if the prosecution retries his case—a court hearing will take place on Aug. 26 to discuss the schedule for a retrial—he intends to call Emanuel and Obama. Blagojevich accused Fitzgerald of selective prosecution, and said that he was in direct negotiations with Emanuel the day before he was arrested.

Lyndon LaRouche today observed that President Obama has "good reason to be worried. Obama is now targeted. The fix is no longer in to save him."

#### **Billionaire Mayor Bloomberg at War with New York's Homeless**



Aug. 19 (EIRNS)—New York City's Mayor Michael Bloomberg, the billionaire who bought his election repeatedly, is intent on driving out the city's poor. To give a hint of how this works, look at the Work Advantage program, which ostensibly helps homeless families get back into housing; but in fact, like the welfare reform programs on which it is based, it actually blames the homeless for the conditions they are in.

On Jan. 31, the *New York Daily News* reported that the Work Advantage program had placed families who were facing foreclosure of their homes in illegally converted apartments and units riddled with code violations. Some landlords were even shaking down Advantage tenants for extra, under-the-table payments. The next day, the *Daily News* reported on a single mother, with her two children, who had been placed in an apartment infested with rats, whose landlord demanded \$130 a month on top of the monthly \$1,020 rent subsidy he was getting from the city. He then allegedly sexually abused one of the woman's daughters.

The Coalition for the Homeless, the advocacy organization for the homeless in New York City, places the blame for this situation on Bloomberg and his appointee to run the city's Department of Homeless Services, Seth Diamond, who said, upon being appointed that position, that he plans "to import more of the work-based philosophy that dominates the city's welfare agency, to the homeless services system." The coalition calls this approach "deeply unrealistic" as the homeless problem in New York City is not a "jobs" problem, but one of the lack of affordable housing. The average homeless family assisted by DHS earns \$9 an hour and works 32 hours a week, which translates into a pretax annual income of about \$15,000. Yet the typical Work Advantage family is placed in an apartment with a monthly rent of \$1,100, and the family is expected to pay the rent on its own after one or two years. On Aug. 10, the coalition, in its blog, reported that it had acquired documents from DHS showing that 1,137 families that had been in the Advantage program re-applied for shelter, and that only 3,746 families had started receiving the subsidy two or more years ago, meaning that the failure rate could be as high as 1 in 3.

## **Tea Party Is Not the Mass Strike; It's Dick's Army**

Aug. 17 (EIRNS)—Lyndon LaRouche said last week that the Tea Party movement is *not* the mass strike (see last week's *EIR* Editorial, <http://tiny.cc/s0bwj>). •And, the Tea Party is about to go the way of the dinosaur, unless it breaks from the corrupt, money-grubbing operation known as "Dick's Army," a.k.a. Freedomworks.

The *Wall Street Journal* provided a half-page of op-ed space to former Republican Congressional leader Dick Armey (Texas) and Freedomworks head Matt Kibbe to hype the release of their new book, *Give Us Liberty: A Tea Party Manifesto*. Its publisher, HarperCollins, like the *Journal*, is owned by Sir Rupert Murdoch, who just donated \$1 million from News Corporation to the Republican Governors Association for their election fights. So much for the "independent" Tea Party.

Armey and Kibbe say it arose as "beautiful chaos—or, as the Nobel Prize-winning [fascist] economist FA Hayek put it, 'spontaneous order.'"

Their underlying message: Turn the Tea Party into a battering ram for austerity, in which all their candidates goose-step to a program called "Contract from America."

The Tea Party's real agenda has become the destruction of the United States by keeping British puppet Barack Obama in the White House. One Tea Party blogger wrote in a Cape Cod, Mass., blog, "We don't want to impeach Obama—we want to keep him there to help us win elections!"

## **Obama, the One-Term President**



Aug. 17 (EIRNS)—The dam is about to burst on President Obama and his tenure in office. An article in *The New Republic*, "The Unnecessary Fall of Barack Obama," is "just the beginning," reported a senior Democratic Party source. By today, the "Fall" article had over 2,000 comments on the *Huffington Post* blog, many of them blasting Obama and pointing out that his approval rating, at 42%, is still dropping.

On Aug. 17, *Politico* published an article called, "Obama, the One-Term President," by chief political columnist Roger Simon. He writes: "Q: Will Barack Obama be a one-term president? A: Yes, he might last that long. Honest to goodness, the man just does not get it. He might be forced to pull a Palin and resign before his first term is over."

An ABC News blog comment says, "This is the most miserably failed presidency in US history.... It is time to impeach him." Roger Stone, a former heavy hitter politically, has an article titled, "Is Obama the New Jimmy Carter?" with a picture of Carter morphing into Obama. Stone calls Obama the "most incompetent" President since Carter.

## Ibero-American News Digest

### Will Mexico Become a Drug Plantation?

### Argentina To (Finally) Develop Its Own Satellite Launcher

### Castro Discovers British Imperialism

#### Will Mexico Become a Drug Plantation?

Aug. 18 (EIRNS)—British Empire toadies launched their campaign this month for Mexico to be transformed into one big dope plantation. Former Mexican President Vicente Fox, a former Coca-Cola executive who cut a deal with the drug cartels, at least as far back as his Presidency (2000-06), issued a call on Aug. 7 for the legalization of "production, sale, and distribution of drugs." A few days later, Fox told *Miami Herald* scribbler Andres Oppenheimer (Aug. 12), that what he is proposing, "is that, instead of allowing this business to continue being run by criminals, by cartels, that it be run by law-abiding business people who are registered with the Finance Ministry, pay taxes and create jobs."

Fox did not specify whether he aims to get in on the business himself.

Two days later, Mexican Sen. René Arce issued a call for an "agricultural revolution" in Mexico, based on setting up vast plantations of legal marijuana. "There will be enormous legal marijuana plantations in Mexico. I am convinced that marijuana is going to save the Mexican countryside and will become the lever of development for the country," he told *Milenio*, which featured the Aug. 15 interview, under the title "Pot Will Save the Countryside." Like Fox, he reports that "businessmen are lining up" to get in on the bonanza, as soon as the production and sale of marijuana are legalized.

Arce comes from the left-wing PRD party, Fox from the right-wing PAN party, but both are longstanding pawns for the captain of Britain's modern-day Opium War, speculator George Soros. The City of London's pro-drug *Economist* magazine immediately promoted Fox's "forthright demand for the legalization of the production, sale and distribution of all drugs," (Aug. 12), linking his call to this November's referendum in California on legalizing the sale of marijuana in the U.S. Should that pass, Mexico would have to drop any fight against drug traffickers, the *Economist* points out, citing another Soros-owned Mexican, Fox's Foreign Minister Jorge Castañeda: "How would you continue with a war on drugs in Tijuana, when across the border grocery stores were selling marijuana?"

The *Economist* worries that the referendum may lose, with Hispanic voters (most of whom are of Mexican heritage) strongly opposed.

## **Argentina To (Finally) Develop Its Own Satellite Launcher**

Aug. 19 (EIRNS)—Argentina plans to develop a rocket launcher that will be able to place its domestically built small satellites into low Earth orbit, the head of the Argentine National Commission for Space Activities (CONAE) announced Aug. 15. Conrado Varotto said Argentina could launch satellites for one quarter the cost of buying foreign launch services, and that the technology would all be developed domestically.

According to CONAE, the Tronador II ("thundering") rocket will build on Argentina's current Tronador I project, which uses a liquid-fueled engine, weighs about 60 kg, and can travel on an unguided ballistic trajectory up to 20 km. Tronador II, which will be about 10 times heavier, will use multiple engines, and add navigation, guidance, and control technology, so that the rocket can be deployed to a specific point in space.

Varotto stated that satellites weighing between 250-400 kg could be launched with the new rocket, which he said could be ready for its first flight test in 2013, if the resources are provided. The small satellites would be a "dynamic cluster," he explained, each one designed for a specific mission, to test a particular technical capability. In this way, a failure in one does not jeopardize all of them, and allows for an "immediate response." Using conventional technology, he said, it can take up to six years to design, build, and launch a satellite.

This is not Argentina's first rocket project. Like Brazil, the military had developed ballistic-missile technology through the 1980s, which were dual use capabilities, also for civilian projects. The anti-technology non-proliferation mafia, allied with the economic hitmen, starting in the 1970s, conspired to destroy Ibero-America's development, and Argentina's rocket program was finally shut down in 1990. The Cóndor rocket and its infrastructure were dismantled.

Tremendous capability, in rocketry, space hardware development, and space science still reside in Argentina. A reorganization of the world's financial system could quickly bring Ibero-America in to the space age, on which path it started decades ago.

## **Castro Discovers British Imperialism**

Aug. 20 (EIRNS)—International media went a-twitter this week over Fidel Castro's two columns in Cuba's *Granma* entitled "World Government," featuring the cultural and other warfare waged against the world's people by the British-dominated financier elites, which some call the Bilderberg Group. The columns consist largely of quotes from Russian-Spanish investigative reporter Daniel Estulin's book, *The Secrets of the Bilderberg Club*, which Castro enthusiastically endorses.

Notably, Castro chose to quote a section from Estulin's book which cites U.S. statesman Lyndon LaRouche by name. In fact, much of Estulin's material chosen by Castro for his first, Aug. 17 column, is taken from work published over the years by the LaRouche movement. Castro also featured, via Estulin, the deliberate deployment against the U.S. post-World War II youth, of the mind-destroying rock-drug counter-culture by British intelligence's Tavistock Institute and Frankfurt School, among others, the cultural warfare which created the failed Boomer generation, and consequently, the global crisis faced today.

## **Western European News Digest**

## German Social Welfare Cuts: Weimar Revisited

## Italian Government Crisis Can Unleash Financial Crisis

## Greek Economic Collapse Spurs Public Revolt

## German Industry Begins Pro-Nuclear Ad Blitz

## All-Party Coalition Says Re-Open Kelly Case

### **German Social Welfare Cuts: Weimar Revisited**

Aug. 19 (EIRNS)—The debate in Germany around the brutal budget cuts by the government austerity program recalls the disintegrating economic situation in the 1920s Weimar Republic. The Paritätische Wohlfahrtsverband, one of six central social welfare umbrella groups, representing 10,000 social and self-help organizations, has issued a study which compares the austerity policy now on the agenda in Berlin, with that of the Weimar Republic. "Whoever is now making cuts without looking at the consequences," says the study, "is not really acting much better than the various Chancellors during the Weimar Republic. Because if you cut social budgets in this way, you are just pushing the problem onto other budgets. And that will be the towns and cities again, who else?"

### **Italian Government Crisis Can Unleash Financial Crisis**

Aug. 19 (EIRNS)—Starting Sept. 8, when the Italian Parliament reconvenes, the final countdown for a government crisis officially starts. The question is no longer whether there will be a crisis, but whether the British-linked financier crowd will succeed in replacing Prime Minister Silvio Berlusconi, or whether he forces President Giorgio Napolitano to call early elections.

The crisis occurs at the same time that the system is undergoing a financial chain-reaction collapse and that, between the end of August and December, Italy must refinance EU160 billion in state debt. In normal circumstances, this would not be a problem; half of this debt is owned by Italians. However, it has already been announced that financial markets will exploit the government crisis to unleash a speculative attack. In a short time, yields on Italian bonds could shoot up towards Greek levels.

The first test will be on Aug. 26, when Italy will sell six-month bonds; on Aug. 30, ten-year notes will be auctioned.

### **Greek Economic Collapse Spurs Public Revolt**

Aug. 18 (EIRNS)—The devastation being caused in Greece by the EU/IMF-imposed hyperinflation/austerity program for Europe was elaborated on the *Der Spiegel* website today.

"Collapse of the Greek economy," is the headline of the article, which reports that "shops are closing, unemployment in some regions is climbing up to 70%: in Greece, the whole scope of the crisis is only now becoming evident. The radical austerity package of the government is pushing the economy into a deep recession, even brave family fathers are threatening a revolt."

Mass strike ferment is building, going beyond the labor unions, which are viewed as too soft by many Greeks, as others become radicalized and threaten to take to the streets.

Greece is expected to go through a very hot Autumn, the article says.

## **German Industry Begins Pro-Nuclear Ad Blitz**

Aug. 20 (EIRNS)—Announcing a national advertising campaign for Germany's re-entry into nuclear power development, 40 leading industry managers and several senior politicians are calling on the government to repeal the anti-nuclear laws passed 10 years ago. They denounce the envisaged tax on nuclear fuels as detrimental to the efficiency of the German energy sector, and to the industry and its workforce.

Chancellor Angela Merkel is due to meet with the heads of E.ON and RWE, Germany's two biggest power producers, at the Emsland nuclear plant in northwestern Germany on Aug. 26. In a preview to that meeting, the VIK, the association of power producers, wants Merkel to know that "sustaining Germany's economic recovery depends on reliable, affordable power."

## **All-Party Coalition Says Re-Open Kelly Case**

Aug. 15 (EIRNS)—On Aug. 13, a group of 13 leading doctors and coroners presented evidence to Britain's new Attorney General, Dominic Grieve, that WMD expert Dr. David Kelly, who charged that the Blair government had "sexed up" the reports on Iraq's (non-existent) WMD program, could not have committed suicide in the manner indicated by the Hutton Commission cover-up. They called for re-opening the suppressed coroner's inquest which, unlike Lord Hutton's sideshow, would have subpoena power and require testimony under oath on penalty of perjury.

The doctors' group has presented significant new evidence to the new Attorney General from several new witnesses, as well as questioning the very hypothesis of suicide in this case.

## **Russia and the CIS News Digest**

### **LaRouche Statements on Fed Hyperinflation Discussed in Russia**

### **Sochi Summit Exhibits Consensus On Afghanistan**

### **Russia Continues To Expand Nuclear Exports**

## **LaRouche Statements on Fed Hyperinflation Discussed in Russia**

Aug. 16 (EIRNS)—Russian websites and Internet forums lit up with discussion of Lyndon LaRouche's statements on the Aug. 10 Federal Reserve move to buy more and more toxic assets, using nothing but the printing press. The dispatch, titled "LaRouche Was Right: Fed de facto Admits the Financial System Is in Terminal Breakdown, But Pushes Weimar Hyperinflation," went out in Russian the night of Aug. 14-15, and was promptly published by Natalia Vitrenko's Progressive Socialist Party of Ukraine; Russian economist Mikhail Khazin's worldcrisis.ru and his personal blog; and dozens of other locations in Russia and Ukraine. Popular economics blogger Alexsword quoted a different LaRouchePAC report, translated directly from the LPAC site: "In discussions Thursday [Aug. 12], Lyndon LaRouche emphasized that we have now reached the turning point, which he had forecast for the period of late July to late September and that the U.S.

under the current President is plunging into Hell."

Besides the cross-postings, hundreds of Russians joined in discussion of LaRouche's updated assessment, with over 100 entries in Khazin's blog alone. To one participant, who complained that Khazin should not be paying attention to LaRouche, because the latter was "an extreme alarmist," Khazin replied, "That doesn't matter. What he says today carries enormous weight." Others cited LaRouche's statements from November 2008, when he warned, already then, that the Paulson plan for bailout of the derivatives speculators would open the gates to hyperinflation.

Coinciding with this heavy attention to LaRouche's current statements, the LaRouchePAC Weekly Report of April 28, in which LaRouche addressed the question "What Is Value?", has also just been released with Russian voiceover. Among blog discussions of that video, one participant exclaimed, "At last, somebody speaking openly about those traitors Gorbachov and Chubais! LaRouche should be elected President of Russia."

## **Sochi Summit Exhibits Consensus On Afghanistan**

Aug. 18 (EIRNS)—A shortened summit among the heads of state of Russia, Pakistan, Afghanistan, and Tajikistan, held at Sochi, Russia on Aug. 18, and organized by Russia, saw the emergence of a consensus on Afghanistan among the four. Although the details have not been released yet, any consensus between Russia and Pakistan, and Afghanistan and Pakistan, is considered a unique event.

"We support the fight of the Afghan government against terrorism and are ready to fully help in this direction. We live in the same region—this creates common problems and common prospects," Russian President Dmitri Medvedev said after the conference, shortened by the quick departure of Pakistan's President Asif Ali Zardari, due to the emergency caused by the floods there.

This was the second four-way summit among these nations; the first took place in July 2009 in Dushanbe, Tajikistan. These meetings will be expanded with regular meetings of economics and foreign ministers, Russian Foreign Minister Sergei Lavrov said.

The drug/terrorism threat led the agenda, but the nations also discussed economic cooperation, especially in energy and transport infrastructure, which are severely underdeveloped in this region; there are still *no* railroads through Afghanistan, which could link Russia and landlocked Central Asian nations to Pakistan and the Indian Ocean.

The four leaders' joint statement says that "Terrorism and drug-trafficking pose a threat to peace and stability," and they agreed to intensify joint efforts on this front through the Shanghai Cooperation Organization (SCO) and the Collective Security Treaty Organisation (CSTO), Lavrov said. They also discussed joint economic projects, including restoring the Salang Tunnel in northern Afghanistan and rebuilding hydropower plants. Russia is considering participation in a project to deliver surplus electricity from Tajikistan to Pakistan via Afghanistan. Russia also pledged supplies to the Afghan police and Army.

Medvedev opened the conference by saying that they must discuss the drug threat in detail. The "response to [the drug threat] should be joint rather than isolated," he said. "Neither Afghanistan, nor Russia, nor any other country will settle it alone. This is a common problem, and we should act together." Medvedev said that while he values Afghanistan's efforts on this front, "several conceptual and practical issues exist." He also called for the international community to have a "consolidated position" on aiding Pakistan to deal with its catastrophic floods. Medvedev and Zardari discussed both anti-drug cooperation, and revitalization of trade and economic links.

Medvedev said that there are a number of projects for economic development, including recent proposals on energy and other projects first proposed in the Soviet era. "It makes sense to get back to them," he said. Muhammad Farooq Afzal, chairman of the Pakistan-Russia Business Council, wrote in *Dawn* Aug. 9 that a recent Russian summit proposed "funding of a road and rail link from Islamabad to Ferghana and Dushanbe," and Medvedev convened the Sochi meeting to discuss the projects, "which would give access to Tajikistan and Russia for Pakistani ports, and in return Pakistan will get access to the Central Asian markets and rich Siberian regions through road and rail." A 1,400-km road system, which could also connect to the existing China-Pakistan Karakoram Highway, is under discussion. China, Afzal wrote, already has a plan to link Tajikistan, Afghanistan, and Pakistan via a rail link. China is approaching Afghanistan, ensuring that it is integrated with the economies of Tajikistan, western China, and Pakistan.

## **Russia Continues To Expand Nuclear Exports**

Aug. 21 (EIRNS)—Armenia and Russia signed a nuclear cooperation agreement on Aug. 20, during Russian President Dmitri Medvedev's visit to the Armenian capital Yerevan. Previously, a joint Russian-Armenian enterprise was created to conduct exploration for Armenian uranium reserves, and Russia is a stockholder of the Metsamor-Inter RAO company, which will build a new Armenian nuclear plant. One of Armenia's operating reactors will be decommissioned in 2017, and the new reactor is to be in place by then. Traveling with the Russian President was Rosatom head Sergei Kiriienko, who said that Russia could cover 20% of the construction costs, totalling about \$5 billion.

Russia has been aggressively pursuing contracts to export its nuclear power plants, as part of its effort to rebuild and modernize its nuclear industry, targetting former Soviet republics and East bloc nations, many of which already have Soviet-made reactors. The Russians have sweetened these deals with offers to help finance the projects, and providing "cradle-to-grave" services, including providing the nuclear fuel, and repatriating the spent fuel to be reprocessed in Russia. Japan's recent reorganization of its nuclear industry was largely in response to the fact that without offering such vertically integrated nuclear services, it was unlikely to be able to compete for export contracts.

## **Southwest Asia News Digest**

### **Russia Begins Fueling Iran's First Nuclear Plant**

### **Israel Minister Calls for U.S. Ultimatum against Iran**

### **Mercenaries To Replace U.S. Troops in Iraq**

### **Is Obama Pushing for a Coup in Turkey?**

## **Russia Begins Fueling Iran's First Nuclear Plant**

Aug. 21 (EIRNS)—Put the geopolitical maneuvering aside for the moment. The launching of the first nuclear power plant in Iran, which began on Aug. 21, with the loading of nuclear fuel rods in Iran's Bushehr plant, represents a major achievement in the face of the British Empire's policy of "technological apartheid" and genocide against developing nations. Russian and Iranian nuclear specialists, accompanied by Iran's atomic chief Ali Akbar Salehi, and Russia's nuclear agency head Sergei Kiriienko, attended the Aug. 21 ceremony, after which the low-enriched uranium rods began to be packed into the reactor.

The loading is expected to take a week, after which time it will take two to three months until the plant begins to produce

the much-needed electric power. The plant will initially function as a 500 megawatt reactor, but eventually be raised to 1,000 MW. The Russian-Iranian contract calls for the Russians and the International Atomic Energy Agency (IAEA), to continue to supervise operations, and for the spent fuel rods to be returned to Russia.

The activation of the plant occurs 36 years after Iran, then under the Shah, began to pursue the use of peaceful nuclear energy, with contracts for two plants to be built by Germany in Bushehr. That was 1975, when the Non-Aligned Movement nations, headed by such statesmen as India's Prime Minister Indira Gandhi, were fighting vigorously for their fundamental rights to the world's most advanced science and technology.

The British Empire, however, was equally determined to prevent these and all other nations from developing. Thus, they deployed their puppets, among them, Henry Kissinger, to carry out intense intimidation to prevent economic development. Governments were toppled—as in the case of Iran—and leaders were killed—as in the case of Pakistan's Zulfikar Ali Bhutto—in order to prevent these nations from "going nuclear."

Following the British-backed Khomeini revolution, Iran's nuclear program was scrapped. During the subsequent Iran-Iraq War, in which the British sought to have each side kill off as many of the other as possible, Bushehr was bombed by the Iraqis. It was not until 1995, that the Russians made the contract with Iran for finally developing the Bushehr plant.

While there were many delays, presumed to be related to Russia's applying political pressure against Iran's more radical inclinations, in the face of British-American pressures, the Russian government has now delivered on its promise to complete the peaceful nuclear plant.

## **Israel Minister Calls for U.S. Ultimatum against Iran**

Aug. 21 (EIRNS)—Israeli Finance Minister Yuval Steinitz has said that the United States "must" issue an ultimatum to Iran, demanding it curb its nuclear program or face military attack within weeks.

Steinitz is quoted in Ynet.com as saying, "The U.S. must issue a clear ultimatum to Iran, tell it that if it does not change its behavior within weeks, the military option that has been on the table up until now will become relevant. It's time for the whole world, under U.S. leadership, to issue Iran a clear ultimatum that if it does not change its ways in a clear and verifiable manner, it can expect an American attack, or at least a naval blockade."

Steinitz disputed a statement by former U.S. ambassador to the UN and neoconservative dogmatist John Bolton, claiming that Israel has only days to attack the Iranian reactor at Bushehr, saying, "Bushehr is only one reactor, and not necessarily the most significant one in respect to the nuclear issue. However, Iran's progress in enriching and its aspirations for nuclear weapons continue and must be stopped."

Meanwhile Gary Samore, President Obama's advisor on nuclear issues, told the *New York Times* that it would take at least a year for Iran to assemble a bomb. "We think that they have roughly a year dash time." According to the *Times*, the U.S. has told Israel this.

Iranian President Mahmoud Ahmadinejad told the Japanese newspaper *Yomiuri Shimbun* that Iran was prepared to open talks with the five permanent members of the UN Security Council, on its nuclear program.

## **Mercenaries To Replace U.S. Troops in Iraq**

Aug. 19 (EIRNS)—The *New York Times* reports that, with the planned pull-out of U.S. troops from Iraq by the end of



2011, many of the operations now performed by the military will be taken over by "private contractors," from the "privatized military" long promoted by the former Secretary of State George Shultz and banker Felix Rohatyn, among others.

"The State Department is planning to more than double its private security guards, up to as many as 7,000," reported *Times* journalist Michael Gordon yesterday. "Defending five fortified compounds across the country, the security contractors would operate radars to warn of enemy rocket attacks, search for roadside bombs, fly reconnaissance drones and even staff quick reaction forces to aid civilians in distress, the officials said." The article also reports opposition from those who want to keep regular army forces on the ground, but this is not to be discussed openly before the November election.

State Department spokesman P.J. Crowley confirmed some of these details in an Aug. 19 briefing: "We have very specific plans to increase our security ... as the military is leaving. This will be expensive. This is not a cheap proposition." Crowley said the State Department will increase the private security contractors to 7,000, reported Reuters.

Deputy Assistant Secretary of State for Iraq Michael Corbin gave a rather up-beat picture of the situation in a public briefing on Aug. 18. U.S. forces have been drawn down from the 144,000 during the period of combat, to 50,000. These will remain for the greater part of a year. Where things will stand after that is still not clear.

As there is no Iraqi government to negotiate with, the U.S. still "doesn't know what the 'partnership' will look like after that," admitted Colin Kahl, the Deputy Assistant Secretary of Defense for the Middle East. The two briefers expressed hope that with the training missions of the police and the Iraqi Army which are to be conducted by the remaining troops, an Iraqi force will "be stood up" by the time U.S. troops leave in 2011—a dubious assumption, given the situation on the ground. U.S. troops will, however, continue to patrol the border between the Kurdish and the Arab sectors of Iraq, Kahl indicated.

The U.S. is building two embassy branch offices—in Kirkuk and Mosul—in addition to the embassy in Baghdad. Consulates are going up in Basra and Erbil. All of these will be secured by private contractors. Corbin claimed that only contractors who have registered with the Iraqi Ministry of Interior, and who accept the stipulations set by the Ministry, will be able to work in Iraq. He agreed that if there were a collapse of Iraqi forces, a significant increase of terrorism, or the reemergence of militia activities, the whole plan would have to be revised.

## **Is Obama Pushing for a Coup in Turkey?**

Aug. 16 (EIRNS)—The *Financial Times* of London reports today that President Barack Obama has threatened Turkey with cutting off arms sales, if it doesn't change its policy on Israel and Iran. Obama made this threat personally to Turkish Prime Minister Recep Tayyip Erdogan, the newspaper asserts. "The President has said to Erdogan that some of the actions that Turkey has taken have caused questions to be raised on [Capitol] Hill about whether we can have confidence in Turkey as an ally. That means that some of the requests Turkey has made of us, for example in providing some of the weaponry that it would like to fight the PKK, will be harder for us to move through Congress," said an unnamed "senior administration official." But, the *FT* notes, it is not so easy for Congress to block an arms deal without putting forward specific legislation.

Obama told Erdogan that Turkey has failed the U.S. as an ally, because it voted against the sanctions against Iran. He also told Erdogan that Turkey should "cool its rhetoric" against Israel for having killed nine Turkish citizens in an attack on the flotilla bringing aid to Gaza in May.

Another U.S. official is quoted as saying, "They [Turkey] need to show that they take seriously American national security interests."

This occurs just at the time that tensions between Erdogan's government and the Turkish military are at their highest, over a 2003 coup plot, for which 102 Turkish active duty and retired officers were indicted. It also comes at a time when the British have unleashed the PKK terrorists, who are being supported by their agents inside the Turkish security apparatus.

## Asia News Digest

### Deforestation in Pakistan Has Helped the Killer Floods

### 30 Years of War Have Destroyed Pakistan's Ability To Deal with Flood Disaster

### Bangladesh Is Ready for Nuclear Power

### U.S. Pressures South Korea Over Iran Sanctions; Seoul Is Cautious

### Railroad Plan To Unify Southeast Asia—Not Bold Enough

## Deforestation in Pakistan Has Helped the Killer Floods

Aug. 17 (EIRNS)—The torrential rains in the northern hills of Pakistan would have caused floods under any circumstances, sweeping away many homes and their residents. However, what has happened during the last two weeks was foreshadowed at least two decades ago.

Pakistan stands ravaged by unchecked deforestation, which started in the 1990s. Between 1990 and 2000, the country lost an average of 41,100 hectares of forest per year, with an average annual deforestation rate of 1.63%. Between 2000 and 2005, the rate increased to 2.02%. In all, between 1990 and 2005, Pakistan lost 24.7% of its forest cover, or around 625,000 hectares. The hardest hit were the conifer forests of the lower Himalayan belt. Punjab also suffered considerably. As a result, when the rains hit the hills in 2010, Pakistan had only 5.2% of its land under adequate forest cover.

The moist, temperate forests of the Pakistani-part of Jammu and Kashmir, Murree, the Galiyat region and Hazara, so essential to ensure sustainable flow in the Indus and Jhelum rivers, should have been protected as natural watersheds. Due to thick forests of deodar, pine, fir, and oak trees, the area previously received maximum rainfall, which filled the two major reservoirs of the country and recharged various streams and aquifers of the arid regions downstream. Healthy, mature trees and humus soil of forests act as a sponge, soaking up rainfall carried by tropical storms, while anchoring soils, and releasing water through springs. Forests add to local humidity through transpiration (the process by which plants release water through their leaves), and thus ensure local rainfall.

All that vanished with the denudation of trees. Land became exposed to bleaching by the Sun, becoming loose and dusty at the top while becoming harder underneath. And when the rain came in torrents, the land could not absorb any water, and the dust turned into mud, rolling down the hills with a momentum many times greater than clear water would have had. The mud-filled water wiped out trees and all man-made infrastructure, dumping debris into rivers, filling them, and causing them to overflow and flood the plains of Sindh and Punjab. These are the plains where Pakistanis live in larger numbers, grow their food and cotton, and rear their livestock. All are now under water and thick mud.

Once the flood water recedes, Pakistanis will find all their sources of freshwater contaminated, and farmers will find that their well-nurtured fields, where they built up the nutrition of the top soil over years of balanced fertilization, are much less productive, because the topsoil is now resting at the bottom of the riverbed or in the Arabian Sea.

Pakistan's deforestation, caused by timber mafias who work hand-in-glove with the powers that be, is a pattern seen all over the world. Haiti is a case in point, where its once-fertile agricultural land, because of ruthless deforestation, is now lying fallow, unable to sustain even the country's small population.

### **30 Years of War Have Destroyed Pakistan's Ability To Deal with Flood Disaster**

Aug. 16 (EIRNS)—Even as Pakistan is deluged by the most destructive floods in its recorded history, the nation has been rendered incapable of dealing with the disaster by three decades of British imperial warfare.

Lyndon LaRouche pinned the Anglo-Saudi imperial apparatus, for conducting cultural warfare against Pakistan, by promoting and funding fundamentalism and boosting the Taliban insurgency.

Pakistan is still suffering the effects of that British operation, and the divisions among provinces and ethnic groups are hampering emergency operations to deal with flooding. The Pakistani Army, which is running the daily effort to rescue and feed hundreds of thousands of flood victims, is also continuing its war on insurgents.

Pakistan has been used as the base for military/insurgent operations into Afghanistan from the time of the Western-run mujahideen operation against the Soviet occupation throughout the 1980s. Warfare and opium trafficking worsened in the past 20 years, and NATO's Afghan War is now also being fought out directly in northwest Pakistan—an area badly hit by the flooding. Pakistan is under heavy pressure from NATO to expand that warfare.

### **Bangladesh Is Ready for Nuclear Power**

Aug. 20 (EIRNS)—A delegation from Bangladesh will be in Moscow next week to discuss building nuclear power plants. "We have agreed with the Prime Minister of Bangladesh that we will present a funding mechanism," Sergei Kiriyenko, head of Russia's atomic energy corporation Rosatom, said during a meeting with Russian Prime Minister Vladimir Putin. Bangladesh is planning to build a nuclear power plant at Rooppur, 200 kilometers northwest of the capital, Dhaka.

These developments are attributed directly to the vastly improved bilateral relations between India and Bangladesh, and India and Myanmar. In addition, the long-term nuclear agreement signed between India and Russia has helped to bring Russia into nuclear power generation in South Asia. On the other hand, to facilitate sale of nuclear reactors, Russia has reportedly worked out a financing scheme for the nations not capable of paying for these reactors.

What should also be noted particularly in the West, where building of nuclear power plants is often summarily rejected because they are capital-intensive, is that Bangladesh and Myanmar are among the world's poorest nations, and that their demand for nuclear power centers on its *cost-effectiveness* and the superior quality of the power generated.

### **U.S. Pressures South Korea Over Iran Sanctions; Seoul Is Cautious**

Aug. 20 (EIRNS)—Washington is leaning on South Korea to go along with U.S. sanctions on Iran, or else face U.S. measures against South Korea as well. South Korea announced that it will soon engage in talks with both the United States and Iran on the sanctions. "Nothing has been decided yet, on when and how we will start discussions with them," said an official, on condition of anonymity.

The U.S. government announced last week details of its Comprehensive Iran Sanctions Act, a list of disciplinary actions

banning foreign multinationals from trading with Iran.

The Seoul branch of the Iranian Bank Mellat is considered to be at the heart of the U.S. demands on Korea, as the bank has been accused of facilitating hundreds of millions of dollars in transactions which the United States characterizes as being related to nuclear, missile, and defense entities. Washington wants Seoul to shut it down, but the South Korean government is widely expected to refuse, since the action could severely limit trade with Iran, Seoul's biggest trading partner in Southwest Asia. The Seoul branch of Bank Mellat accounts for nearly 70% of Iranian firms' remittances to South Korean exporters.

## **Railroad Plan To Unify Southeast Asia—Not Bold Enough**

Aug. 20 (EIRNS)—Ministers of the Greater Mekong Sub-Region, meeting with the Asian Development Bank (ADB) in Hanoi, Vietnam, agreed today on "a significant first step toward the development of an integrated ... railway system."

The national rail systems of the six nations—Cambodia, China, Laos, Myanmar, Thailand, and Vietnam—do not link up except for a line that connects China and Vietnam. Laos has no railroads at all.

The route chosen for initial implementation would stretch from Bangkok to Phnom Penh, then to Ho Chi Minh City and Hanoi, and finally north to Nanning and Kunming in China, reconstructing existing lines and with new routes already under construction. The target for completion is 2020.

The project as outlined would cost \$1.09 billion. The absolutely required refurbishing and upgrading of existing routes to create an integrated, functional system is not included in current plans. That is estimated to cost about \$7 billion.

There is no published estimate of the cost of rebuilding lines to high-speed rail standards, such as are being deployed as rapidly as possible in China.

This plan, and the other three plans studied for further adoption, all suffer from an even more glaring flaw: There is *no* East-West connection into Myanmar (Burma), even though there exist only relatively short gaps between two existing Thai and Burmese railroads, and a somewhat longer gap to connect into China. Creating these routes into Myanmar, and through to India, would bring the southern tier of the New Silk Road into existence, connecting the Pacific ports of Vietnam, Cambodia, and Thailand with Myanmar, into India, and further on through Pakistan's Indus plain into Southwest Asia.

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