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A Reflection on Charles de Gaulle:
'A Europe of the Nations'
by Lyndon H. LaRouche, Jr.

February 28, 2011—Even among many, so to speak, in “high places,” commonplace opinion is often expressed as the presumption that those ideas which control the behavior of even historically prominent figures of our time, were actually “owned” by them. History, when properly studied, proffers contrary evidence. It is not existing opinions which shape the destiny of peoples, but the lack of those discoveries of previously unknown universal principles, without which decadence prevails.

Take the case of what was both the famous, and also the infamous in the May 1960, Paris meeting of four heads of government, two being Presidents of their respective republics, Charles de Gaulle and Dwight Eisenhower, the third the Soviet Union's Nikita Khrushchov, and the fourth, witting or not, virtual “Leporello” of the occasion, the British Prime Minister, Harold MacMillan.

Technically, all competent historians, and also actually capable leaders of great nations at that time, have understood, that the fact is, that there were actually five key figures involved in shaping the outcome of that meeting, the fifth a prominent figure lurking behind those Paris events, who was acting, off-stage, in the virtually interchangeable role of either John Foster Dulles, or his brother Allen, in the matter of the “U-2” affair. At that time, both Dulles brothers were already properly infamous in their roles as of the variety of worse than merely typical Wall Street varieties of British-agents-in-fact....

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This Week's Cover

- **A Reflection on Charles de Gaulle:**
'A Europe of the Nations'

Lyndon LaRouche's reflections on the memoirs of the great World War II leader Charles de Gaulle, who, as a creative genius, was capable of changing over the course of his lifetime, to become a world statesman, as well as a patriot of the French nation. The story begins with the infamous Paris meeting of May 1960, among Presidents de Gaulle and Eisenhower, Prime Minister Macmillan, and the British 'Leporello,' Soviet leader Khrushchov. It was Khrushchov's sabotage of that meeting, to the great consternation of the French and American leaders, that set into motion the events that followed. The great tragedy that befell the nations of the trans-Atlantic region, included the Cold War, the war in Indochina, and the subsequent destruction of the economies of those nations by British monetarist imperialism.

International

- **Global Mass Strike Spreads;
Glass-Steagall Only Solution**

The global mass-strike process, which erupted in North Africa in early January, and brought down the Tunisian and Egyptian governments within weeks, has now surfaced throughout the entire Maghreb-Mideast region, the United States, and Western Europe, specifically Germany. As LaRouche noted on March 2, this process 'is a signal of the countdown for the collapse of the world system, the world monetary-financial system, which is in progress right now.'

Strategy

- **An Imperial Love Affair:
Tony and Lizzie and Bandar and Muammar**

From the time took office as Prime Minister, in May 1997, Tony Blair, along with top officials of MI6, Lord Jacob Rothschild, Baroness Liz Symons, and leading members of the British Royal Family, have promoted Muammar Qaddafi, and fostered Libya's growing political and economic ties with Britain, up to the present moment, as the Libyan dictator goes through his final 'Hitler in the bunker' demise. Among the dramatis personae is a clique of British oligarchs, and their ally, Saudi Prince Bandar; at the center of the action, was the Pan Am 103 bombing, and the dirty deal struck with Qaddafi, to the benefit of Bandar and BAE.

Science

- **The Science of Glass-Steagall:
A Discussion with Cody Jones and Michelle Fuchs**

Cody Jones of the LaRouche Basement team and Michelle Fuchs of LPAC-TV, in a 42minute dialogue on the relationship of a Glass-Steagalled economic recovery, and the scientific questions raised by the history of the development of the Earth, its Biosphere, and the Noösphere.

Science & Technology

- **Interview with Dr. Yuanxi Wan:
China's Ambitious Path to Fusion Power**

Dr. Wan is the Dean of the School of Nuclear Science and Technology at the University of Science and Technology in Hefei, Anhui Province, People's Republic of China, and an Academician of the Chinese Academy of Sciences at its Institute of Plasma Physics in Hefei. A pioneer in China's thermonuclear fusion program, he was interviewed by *EIR* on Dec. 1, 2010.

Editorial

- **Cancel the Bailout!**

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Florida Teachers Take to the Streets as Obama Visits State

March 5 (EIRNS)—Florida has seen ever-greater numbers of teachers taking to the streets all throughout the state last week—often with their students—culminating on March 4, when President Obama, former Florida Gov. Jeb Bush, and Education Secretary Arne Duncan met in Miami to push so-called educational "reforms," targeting teachers and minority students, which are being forced through in Florida by Gov. Rick Scott (E). Scott wants to cut \$3 billion from education, and end teacher seniority, among other disastrous changes.

On March 4, Miami-Dade County teachers converged from 18 separate protests, to Miami Central Senior High School where Obama was speaking with the other two evildoers.

At the same time, teachers were protesting boisterously in four locations in Pinellas County; the sign-in sheet for one of those rallies alone showed 400 participants. Three protests were being held in Pasco County. An estimated 350 demonstrated at nine sites in Collier County. About 75 demonstrated in Polk County. Teachers had demonstrated in Nassau County on March 3. And, so on throughout the state.

Demonstrations have been called around the state on March 8, in "Wake the State Day." Then, the legislature is expected to vote next on March 9, and protesters will converge on the state capitol in Tallahassee.

Hedge Funds Richer, Thanks to Frank-Dodd

March 2 (EIRNS)—The *Financial Times* reports on March 2, that hedge funds have made huge profits, thanks to the Frank-

Dodd "financial reform" bill. By preventing proprietary trading for banks, it left a vacuum to be filled by hedge funds. Thus, in the second half of 2010, the top ten hedge funds made \$28 billion for clients, more than \$2 billion more than the combined profits of Goldman Sachs, JPMorgan Chase, Citigroup, Morgan Stanley, Barclays, and HSBC.

On top of the all-time winners is George Soros's Quantum Endowment fund, with \$35 billion since its creation in 1973. John Paulson's fund is close behind with \$32.2 billion. In the second half of 2010, Paulson made gains of \$5.8 billion (ironically, these figures are published by Edmund de Rothschild's LCH Investments).

Houston Budget Will Put 2,300 City Workers Out of Work

March 4 (EIRNS)—Houston Mayor Annise Parker has announced 5% across-the-board cuts in police, fire, and court jobs, with layoffs of up to 2,300 city employees. Parks, libraries, and other city departments will have their budgets cut by 27%. Harris County has already announced significant cuts, of \$138 million, amounting to an across-the-board cut of 10%.

The Houston Independent School District (HISD) also announced cutbacks last night, with 25 "magnet schools"—which have special curricula—set to lose their special status. In all, 55 of the 113 magnet programs will be cut, included special programs in math, science, music, art, and language.

At a hearing last night, 300 parents attended, with one parent, whose son is in the science magnet program, telling the HISD Board, "Cut my kid's magnet program, I'm going to protest. Math and science, you shouldn't cut. I will fight." The Board's proposal would save money, in part, through ending transportation services which take children to magnet programs outside of their neighborhood schools.

Trumka Defends Teachers, Says Unions didn't Crash the Economy

March 4 (EIRNS)—In an op-ed in the March 4 *Wall Street Journal*, AFL-CIO president Richard Trumka takes on what he calls "a group of radical GOP governors" who are demanding cuts in wages and pensions for public employees, and taking away their collective bargaining rights for public workers. These governors claim that public workers are budget-busting parasites, but, Trumka stresses, "It wasn't teachers or firefighters or nurses who crashed the stock market and caused the recession that led to millions of layoffs and foreclosures. It was the so-called engine of our economy—Wall Street—which has suffered no consequences after nearly destroying the global financial system in 2008."

In a PBS interview March 3, Trumka attacked the myth that public employee unions caused the state budget crises. "The five states in the United States that prohibit collective bargaining by public employees, they have a cumulative debt of \$222 billion. Collective bargaining didn't cause that. Look, this isn't about public employees. This was caused by the crisis and the recession that we have. We have 15 million people out of work. Put them back to work, they pay taxes, the economy starts to hum, and all of us start to do that, live better."

And he explained what's at stake if collective bargaining is destroyed, starting with teachers: "You know what they bargain for? They bargain for smaller class size. You know what police bargain for? They bargain for equipment that will save their lives out on the street. They want to take that away from them. Now, a police officer knows what they need. A firefighter knows what they need. And a teacher bargaining for a smaller class size is trying to bargain for all of us."

Global Economic News

German Banker Lashes Out Against Big Private Banks

German Revolt Against Biofuels

EU Plan for Assault on Working People Due Out March 11

German Banker Lashes Out Against Big Private Banks

March 3 (EIRNS)—At a Frankfurt press conference, on March 1, held by the Hesse-Thuringia Savings Banks Group, its managing director Gerhard Grandke used unusually harsh words to accuse the big private banks, like Deutsche Bank, of blackmailing the government, and thereby, the taxpayer, and preventing an in-depth reform of the banking system. Some banks are just too big, their balance sheets are growing to almost the size of the total GDP for the nation, and they have to be cut down to an acceptable size, Grandke said. He added that, rather than calling these banks "too big to fail," one should call them "too big to be rescued." Had Germany not had its considerable savings banks sector, the financial crisis would have had much worse effects, he said; therefore, there is no reason to continue the ill-advised debate about a privatization of the savings banks.

German Revolt Against Biofuels

March 4 (EIRNS)—On Feb. 25, gasoline stations in Germany started the much-propagandized introduction of the new fuel E-10, a mixture of normal gasoline and biofuel (ethanol). But that turned out to be a total flop, because drivers boycotted it in most cases and took super-grade gasoline, instead.

Not only do the gasoline stations have to sit on their E-10 now, which hardly anybody wants, but since they had a critical, directly related undersupply of super-grade gasoline, drivers took super-plus instead, paying the higher price. Thus, a drastic undersupply of both categories has emerged since then.

On March 3, the state government of North Rhine-Westphalia, Germany's biggest and most populous state, decreed a halt to the E-10 tanking.

As for the motives of drivers who refused to tank up with E-10, they are numerous. First, E-10 consists of aggressive substances that can destroy the tank, the filters, the valves—and insurance companies do not compensate for damage if the driver uses the wrong fuel. Moreover, biofuels are aggressive enough to ruin the asphalt, as has occurred numerous times in highway and interstate road accidents: Specialized teams outside the fire brigade then have to be called in, to work several hours to remove the contaminated asphalt and soil, which usually keeps the highway blocked for several hours.

EU Plan for Assault on Working People Due Out March 11

March 4 (EIRNS)—The European Commission will be presenting its plan for an assault on working people at the March 11 Eurozone heads of governments summit. Drafted by the aides to European Commissioner President José Manuel Barroso and European Council President Herman van Rompuy, it is entitled the "Enhanced Economic Policy Coordination in the Euro Area, Main Features." It is the European Commission taking the Franco-German proposal for a so-called "competitive pact" and transforming that into a policy paper acceptable to the European Commission.

While the document stipulates that these policies have to be implemented through appropriate legislation and reform on the national level, all of it will be coordinated at the EU level. "Each year, concrete commitments will be undertaken by heads of state governments." Each state performance will be "benchmarked against the best performers."

While the policy paper talks of harmonizing taxes and the so-called debt brake, two pages of the three-and-a-half-page document are devoted to cutting wages, dismantling collective bargaining, and cutting pensions.

Under the title "foster competitiveness" they call for ending collective bargaining, writing, "Review of the wage setting arrangements to enhance decentralization in the bargaining process and improve the indexation mechanism." and "ensure wage restraint in the public sector."

Under the guise of increasing "productivity" the call for "opening of shelter sectors by measures taken at national level ... to remove unjustified restriction on professional services such as quotas and closed shops."

Under "foster employment" they call for "labor market reforms, to promote 'flexicurity,'" i.e., eliminating job security. And under "sustainability of pensions and social benefits" they call for increasing the minimum age, "reducing early retirement schemes and using targeted incentives to employ older workers and promote lifelong learning."

The words on financial reform are buried at the end: that member-states "will commit to putting in place national legislation for banking resolution. In full respect of the *acquis*." "*Acquis*" is the term used by the EU referring to the full body of EU legislation; thus any "banking resolution" law has to conform to the EU's neo-liberal laws.

United States News Digest

Senate Democrats Give Up on Berwick

New Jersey's Fatman Governor Demands More Blood

Reduced Staffing Means Increased Risk for Firefighters

GOPers Demand 'Flexibility' on Medicaid; Dems Hail 'Quality' over 'Quantity'

National Governors Association Casts Its Lot With Qaddafi

Senate Democrats Give Up on Berwick

March 5 (EIRNS)—This week, 42 Senate Republicans signed a letter to President Obama demanding that he withdraw the nomination of Sir Donald Berwick to continue as head of the Centers for Medicare and Medicaid Services. According to *Politico*, Senate Democrats read the handwriting on the wall, and decided yesterday not to go forward with the nomination. Senate Democratic staffers told health-care lobbyists that the nomination is dead; there won't even be a confirmation hearing for Berwick.

Last year, Obama gave Berwick a recess appointment in order to avoid the spectacle of Republicans interrogating the candidate on his well-known views on rationing health care. Now, with his nomination dead, he'll be out of a job come Dec. 31, 2011.

Democrats have a similar problem with respect to funding Obamacare. Without the filibuster-proof majority they used to pass the health-care reform law, they can't pass a budget bill that fully funds the reforms, because Republicans will filibuster it. And Senate Democrats won't vote for the House-passed budget that includes nine amendments that de-fund all

aspects of the reform. This appears to be a bigger obstacle to passing a spending bill to cover the rest of fiscal 2011 than spending cuts, which has dominated the debate until now.

New Jersey's Fatman Governor Demands More Blood

March 4 (EIRNS)—New Jersey Gov. Chris Christie lied again, during a March 2 town meeting in Hillsborough, when he claimed that he's not interested in busting the unions the way Wisconsin Gov. Scott Walker is trying to do. "It has nothing to do with breaking the union," he said, reported the *Newark Star-Ledger*. "It has to do with shared sacrifice." Contracts are up with 14 public employee unions this year, and Christie said he looks forward to an "aggressive and adversarial" bargaining process. "I love collective bargaining. Let me at them," he said. "Get me out of the cage and let me go."

The rotund Christie also let it all hang out in response to a retired teacher, who asked him to explain why he was cutting cost-of-living adjustments for her 80-year-old sister-in-law, while pouring out money for the Atlantic City casinos. When she questioned his explanation that he was "saving" the economy of southern New Jersey, he belittled her, saying "Everybody has got the 80-year-old aunt story."

The questioner told the press: "I'm not angry. I'm frightened."

Reduced Staffing Means Increased Risk for Firefighters

March 2 (EIRNS)—The dangers of short-staffing fire departments to "save money," were illustrated this week in Sacramento, Calif., when a firefighter fell from the roof of a house. Fire Capt. Gene Dibble, a 24-year veteran, had one foot on the ladder and the other on the roof, when the ladder slipped and he fell to the ground, landing on his oxygen tank and fracturing his spine. "Short staffing could have played a role, because there was no one there to foot the ladder," Sacramento battalion fire chief Jay Glass told KXTV-10 news. "It could have been prevented, because there probably would have been someone holding the ladder at the base and it wouldn't have slid out." Glass pointed out that Dibble was on the roof because a ladder truck had yet to show up.

The Sacramento Fire Department has been closing two units per day on a rotating basis as a budgetary measure, and such "brownouts" have been shown to slow response times and increase fire deaths in other cities.

The Los Angeles Fire Department has been dealing with similar woes. *Los Angeles Times* columnist Jim Newton, in an op-ed posted yesterday, reports that the department's budget has declined by about 12% over the last few years, and its daily staffing by 13%, while calls for help increased by about 9% from 2008 to 2009. Newton notes that, on a daily basis, the department closes one of its three divisions, two of its 16 battalions, and half a dozen ambulances. "As a fire department, we're at a tipping point," battalion chief Chris Kawai told him. Fire chief Millage Peaks, who has been on the job for 17 months, talking to Newton at the funeral of a fire fighter who died on Feb. 18, said of his tenure, "It's been 17 months of sleepless nights. I worry about the public. I worry about my firefighters. They're working harder now than they've ever had to work."

In Sacramento, firefighters will soon get a bit of a reprieve, thanks to an \$11 million Federal grant that will allow the city fire department and the Sacramento Metropolitan Fire District to hire 50 new firefighters, but the grant does nothing to address the underlying economic disintegration.

GOPers Demand 'Flexibility' on Medicaid; Dems Hail 'Quality' over 'Quantity'

March 1 (EIRNS)—Anyone looking for the realities of the economic crisis, would have been sorely disappointed at this

morning's hearing of the House Energy and Commerce Committee, on the subject of Medicaid and the states. The witnesses were governors Gary Herbert (R) of Utah, Haley Barbour (R) of Mississippi, and Deval Patrick (D) of Massachusetts. Herbert and Barbour were full of praise for their own efforts at reform in their respective states, but were also demanding "flexibility" from the Federal government to allow them to make changes to their programs to fit their own ideas of how Medicaid should be run.

Patrick, on the other hand, aided and abetted by Democrats on the committee, claimed that the Affordable Care Act (ACA) gives Massachusetts all the flexibility it needs, in large part because it was modeled on the reform implemented by Patrick's predecessor, Republican Mitt Romney, in 2006. While Patrick claimed many benefits of that reform, his most important assertion was that the reform is "realigning incentives on the basis of the quality of health care delivered rather than the quantity"—one of the mantras of the Nazi-like Obamacare policy.

Aside from the states' rights argument, Herbert and Barbour also complained that Medicaid is eating large parts of their state budgets, forcing them to cut spending in other parts, primarily education. Herbert said that the expanded Medicaid provision of the ACA would cost his state \$1.2-1.3 billion over the next ten years, which he said would force the state to cut from other programs or raise taxes. Similarly, Barbour said that this provision would require "a very big tax increase," to cover cost increases of \$1.3-1.7 billion over the next ten years.

Neither advocated deep cuts to the program, however. Rather, they called for the flexibility to make changes, such as in eligibility, to control costs. Barbour bragged that he had reduced Medicaid cost growth from 16% a year to 4% a year, mainly by shifting pharmaceutical costs from the state program to Medicare Part D, but also by requiring beneficiaries to prove their eligibility every year. While there has been talk of some states opting out of Medicaid altogether, both Herbert and Barbour denied supporting such an option.

National Governors Association Casts Its Lot With Qaddafi

Feb. 28 (EIRNS)—The National Governors Association (NGA), which concluded its Winter meeting in Washington today by applauding a predictable demonstration of Obama sophistry, has named Gov. Scott Walker (R) of Wisconsin to head its panel on health and human services.

In his infamous Wisconsin "budget repair bill," which he is trying to impose over the bodies of his constituents, Walker has decreed that the state Secretary of Health and Human Services is empowered "to override state Medicaid laws as [he] sees fit and institute sweeping changes," including reducing benefits and limiting eligibility. The specifics of his bureaucratically couched proposals have led MilwaukeeCountyFirst.com to label him "the one-man death panel."

In his NGA post, Walker will be working with a new executive director, whose expertise is slashing health-care costs. The executive director Dan Crippen will, in April, replace Ray Scheppach, who has held the post for 28 years. Crippen is a former executive director of the failed Merrill Lynch, including its International Advisory Council, who showed his credentials as director of the Congressional Budget Office in President George W. Bush's first term. Before that he was a top domestic policy advisor to the Reagan Administration.

Ibero-American News Digest

Argentine President: London's Genocide Was 'Treason'

Argentine President: 'End the Myth of the Free Market'

Mass Strike Hits Honduras

'A Crime Against Brazil'

Food Crisis and Cholera Spell Hecatombs for Haiti

Argentine President: London's Genocide Was 'Treason'

March 2 (EIRNS)—With unerring aim, President Cristina Fernández de Kirchner spat directly in the British Queen's eye for the second time in four months, demonstrating a much-needed knowledge of who the global enemy is.

Last Nov. 20, Fernández declared that anniversary of a 1845 battle by Argentina against the British to be National Sovereignty Day, so that Argentines remember British free trade as their historic enemy. Now, on Feb. 24, she attacked the British-run Triple Alliance War of 1865-70, in which troops of her own Argentina joined with Brazil and Uruguay to annihilate Paraguay, which had become the most industrialized nation in South America, by adopting Alexander Hamilton's American System of political economy.

Standing next to Paraguayan President Fernando Lugo at the bi-national Yacyretá hydroelectric dam on the Argentine-Paraguayan border, Fernández praised the revered hero of that war, "the great patriot" Marshall Francisco Solano López, who, against all odds, led the Paraguayan resistance to the Brazilian, Uruguayan, and Argentine troops, which were deployed against their own interests by a British Empire desperate to stamp out any examples of the successful American System in South America. That war, Fernández de Kirchner said, should better be called the "Triple Infamy" or the "Triple Treason" war, for "the shame that [it] meant for the history of the continent, which decimated the region's first industrial nation." Today, she added, we are thankfully free of "false regional conflicts, instigated from abroad to abort our possibilities of integration and unity."

Recalling Argentine leader Gen. Juan Perón's 1974 visit to Paraguay, during which he returned the war booty seized by Argentine soldiers who looted the Paraguayan capital of Asunción in 1870, Fernández remarked, "Isn't it curious—Paraguay, governed by Marshall Francisco Solano López, had the first foundries, the first railroads, the first factories, and we, under Perón's Presidency ... had also become the first industrial country of Latin America."

Still true to its British masters, Argentina's *La Nación* took offense at what it called "An Absurd Tribute to a Dictator," by a President who "maliciously ignored history," by proclaiming Solano López to be a "great patriot." The right-wing daily was founded by Bartolomé Mitre, the general who led the allied troops who slaughtered Paraguay in the name of restoring "democracy."

Argentine President: 'End the Myth of the Free Market'

March 3 (EIRNS)—While announcing the National Strategic Industrialization Plan 2020 on Feb. 24, Argentine President Cristina Fernández de Kirchner defended her country's right to industrialize, and to protect both industry, and the workers who contribute to its advancement.

Outlining goals for the year 2020, Fernández debunked the notion that Argentina owed respect to the free market. Since 2003, she reported, 5 million new industrial jobs have been created, along with 140,000 new companies—compared to the 50,000 businesses and factories that were shut down during the heyday of the free market in the 1990s.

Last month, citing the need to protect domestic industry from unfair competition, Industry Minister Debora Giorgi had added 200 more products to a list of imports that would no longer be granted automatic licenses, bringing the total to 600. The City of London was outraged.

Too bad, said the President. "There are still those who, when the government takes steps to protect labor and national production, accuse it of almost illegal practices." But "we know that [the free market], as such, doesn't exist—not here, nor in any other part of the world. The free market, as it is taught and preached to us from [foreign] power centers," doesn't exist. That myth should end.

The industrialization plan, elaborated in conjunction with the UN Economic Commission on Latin America and the Caribbean (ECLAC), tends to emphasize import substitution. Whatever flaws that approach includes, Fernández is adamant that industrialization will not be halted.

Beginning at the end of March, the government will sponsor a series of regional seminars, inviting business, labor, and other sectors to debate the ten priority areas the new plan identifies for development: food/agriculture, textiles, shoes, lumber, construction goods, capital goods, agricultural machinery, autos and auto parts, pharmaceuticals, chemicals and the petrochemical industry. Not mentioned, but absolutely a key area for national development, is the nuclear energy industry.

Mass Strike Hits Honduras

March 4 (EIRNS)—High school teachers and students in Honduras took to the streets for a fifth day this week, protesting a government program to "decentralize" education, which they denounce as the first step toward eliminating public education altogether, through privatization.

Honduras is one of the poorest countries in the world. With unemployment at 50-80%, nearly one-third of Hondurans are chronically malnourished, and the cost of cooking gas and food is soaring.

A two-hour discussion with *EIR*'s David Ramonet on Radio Uno's Saturday AM talk show in San Pedro Sula, Honduras's second-largest city, on March 5, located the Honduran fight within the global mass strike, which led to a lively discussion of Lyndon LaRouche's solutions to the systemic crisis.

'A Crime Against Brazil'

March 4 (EIRNS)—Brazil's Central Bank hiked the country's benchmark interest rate, already the highest in the world, by another half-point on March 2, to 11.75%. London's *Financial Times* dismissed the increase as "dovish"; spokesmen for the Inter-Alpha Group of banks and George Soros had demanded an even bigger increase to keep their carry trade speculation going.

But for the outspoken president of the Brazilian Machinery and Equipment Industry Association (ABIMAQ), Luiz Aubert Neto, the increase is "a crime against Brazil," and particularly against manufacturing. "People are partying on the ship with the cheap dollar" (which results from the inflows of speculative money), "but if we don't change financial policy, this ship is going to run aground, and we are all going to sink," he warned. All while the Brazilian government spends close to \$110 billion a year on interest rate payments alone.

Abram Szajman, head of Fecomercio-SP (São Paulo's Federation of Goods, Services and Tourism Businesses), charged the Central Bank with "strangling the country's economic growth." Inflation (the pretext for the rate hike) is a global phenomenon, he said, so reducing consumption in Brazil will not stop the rise in commodity prices, but will transfer

resources to the financial sector.

IT Workers Union chair Antonio Neto denounced the rate hike as "more money wasted on speculation."

Meanwhile, unemployment has begun to rise again, and consumer credit (which has driven a domestic bubble) dropped by 5% in January.

Food Crisis and Cholera Spell Hecatombs for Haiti

March 4 (EIRNS)—The genocidal implications of soaring world food prices upon still-devastated Haiti, in the midst of a cholera epidemic set to rebound next month, cannot be overstated.

So many non-governmental organizations involved in combatting cholera are now withdrawing from Haiti that the World Health Organization stated on Feb. 18, that it is trying urgently to keep Haiti's anti-cholera efforts from collapsing. The withdrawals are being justified on a small drop in the death rate, but mortality rates remain at over 10% in some rural areas, and the disease is expected to rebound during the April-June rainy season.

Food prices, and particularly the price of rice, are higher than they were in 2008, when food riots erupted. The prices for rice and red beans, staples of the Haitian diet, represent the biggest fluctuations, averaging close to 10% and 11% a year, respectively, according to a recent USAID report.

Haiti normally imports almost half of its food supply, especially rice, wheat (or flour), and corn meal, and the prices of imported foods, particularly rice, have been rising since last October. The price of rice now is approximately 38% above the five-year average and 27% higher than January 2008.

Food production this year has been contracting. Because of the cholera epidemic, the labor supply in the fertile Artibonite Valley and irrigation districts of the Central Plateau was almost 30% lower than average, which meant that 10-15% of the rice crop was not harvested. The area planted in the December/January growing season was 30% smaller than the previous season, the USAID reports.

Western European News Digest

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Britain's NHS Patients Are Refused Cancer Drugs

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Decision Due in Britain's Kelly Case

Tremonti: Revolts Could Expand to West

March 5 (EIRNS)—Speaking at an Aspen Institute meeting in Istanbul, Italian Economy Minister Giulio Tremonti said of the revolts in North Africa and elsewhere: "I am convinced that the trigger of many revolts was caused by the increase of commodity prices." He recalled that he raised the issue at the G8 meeting in 2008. "The 'scientific' answer, especially from the International Monetary Fund, was that speculation does not exist," he said. The revolts could expand eastward and ultimately infect developed countries, where an oil shock is already feared and where support for the extreme right-wing could grow, Tremonti said.

Tremonti also expressed his concern that, in a reaction to ill-advised sanctions, Libya and other countries could withdraw their investments in the West, with destabilizing effects on stock markets.

Unions in Germany Support Wisconsin Protests

Feb. 28 (EIRNS)—The Wisconsin mass strike issue is on the agenda now also of the public sector labor unions in the German state of Hesse, with the United Services union (ver.di) calling on the 47,000 workers and employees of the state to join walkouts in major cities such as Wiesbaden, Frankfurt, Darmstadt, and Kassel today.

In 2003, Hesse's then-Minister President Roland Koch (CDU)—now a director at the Frankfurt office of the Swiss bank UBS—introduced the so-called "Wisconsin Model" of "workfare," which forces welfare recipients to accept any (badly paid) work if they want to receive payments from the welfare fund. Koch pushed this through, after talks with Tommy Thompson, then-governor of Wisconsin.

Austrian Unions Send Open Letter to Wisconsin

March 2 (EIRNS)—The Austrian labor union of the municipal employees and artists (GdG) sent an open letter of protest to Wisconsin Gov. Scott Walker (R) which says, among other things: "We understand that you have refused to meet the unions to negotiate solutions that could contribute to balancing the budget—this is not the way we expect democratically elected leaders to act.

"We have been informed that you have announced that you will call out the National Guard if public sector unions protest in what you may consider a disruptive way. We are sure that you have been following the developments in Tunisia and Egypt and will welcome real democracies in these countries.... Instead of attacking the public sector unions and their members in your state, we urge you to choose a constructive path and stand by commitments that have already been set out in legally negotiated collective agreements."

British Media Reflect Unease on Irish Result

Feb. 27 (EIRNS)—All British media on Sunday, following the Irish national election, note nervously, that the Sinn Fein party made by far the most significant electoral gains, by fighting the IMF/EU bank bailout. The *Telegraph* explains further, that common to all the various independents, socialists, etc. elected alongside Sinn Feiners, is that "they all want to sink the banks."

The British press also notes the possibility of Irish unification being put on the political table, reporting that Martin McGuinness of Sinn Fein, who is a deputy prime minister of Northern Ireland, issued a statement of congratulations, and came to speak at Sinn Fein leader Gerry Adams' victory celebration in Dundalk.

Qaddafi Ties Burning Blair and Symons

March 1 (EIRNS)—The *Daily Telegraph* said it simply: "The Fall of Gaddafi Could Finish Off Tony Blair." Blogger Damian Thompson observed: "It's beginning to look as if the Gaddafi connection will bring about what even the Iraq war didn't quite accomplish: the destruction of Tony Blair's credibility on the world stage. There was more than a hint of Nixonian panic in the videotaped interview the former PM gave to a friendly *Times* hack over the weekend. The darting sideways glances, the nervous slurping of coffee, the tugging at his trouser leg—God knows how Blair would have behaved if he'd been facing a hostile journalist asking about his strangely intimate links with the Gaddafi family."

Some of the British press are also roasting Baroness Liz Symons, who held a post on the Libyan government's international trade advisory board.

(See InDepth for more.)

German Defense Minister Resigns Over Plagiarism

March 1 (EIRNS)—Presented with 50,000 protest signatures from the science and academic sector of Germany calling for his resignation or dismissal, Defense Minister Karl Theodor von und zu Guttenberg announced his resignation this morning. His sudden fall puts an end to one of the most glossy, rapid careers in German politics: The media that made him, also destroyed him, in what may be seen as a step to destabilize the German government as a whole.

This is the second big blow against the Merkel government, after the spectacular resignation of Bundesbank governor Axel Weber only three weeks ago.

Britain's NHS Patients Are Refused Cancer Drugs

March 2 (EIRNS)—The *Telegraph* reports finding 86 cases in which the National Health Service has denied patients the cancer drugs their doctor sought, in the four months since a £250 million fund was introduced to stop health authorities from rationing treatments. In its first four months, the fund has paid for approximately 1,300 patients' drugs, even though research last March suggested that up to 20,000 cancer patients' lives were being shortened each year by drug rationing.

Bureaucrats have created complex structures, leaving terminally ill patients to spend their last months fighting for drugs which could increase their survival. The policies say every possible funding route for drugs must be exhausted before the NHS will even consider dipping into the fund. Cancer charities fear the £250 million fund may actually end the financial year underspent because of the restrictions.

Parliamentary Question on Angelides Report

Feb. 28 (EIRNS)—Italian Sen. Oskar Peterlini has introduced a Parliamentary Question regarding the conclusions of the U.S. Fiscal Crisis Inquiry Commission (FCIC) Report, asking the government if it has studied the report's conclusions, what actions it is taking to reform the international financial system, and whether introducing the Glass-Steagall principle into the Italian financial system isn't necessary to deal with the current situation. The resolution is entitled, "The Angelides Commission and Glass-Steagall: Reorganize the Financial System To Avoid an Even Worse Crisis." Peterlini expects other Senators will be adding their signatures to the Question, which will be sent to the Executive for an official response.

Italian Government Clips Solar Hoax

March 5 (EIRNS)—Environmentalist organizations and the solar power industry will ask Italian President Giorgio Napolitano not to sign an executive order that cuts subsidies to solar energy. Opponents are talking about up to 10,000 jobs and investments for EU80 billion which will be cancelled, a figure which is probably 50% exaggerated.

The government had taken the decision once figures were published showing that Italy, in one year, has reached the EU target of renewable energy for 2020, thanks to a boom in solar panel installations, and that subsidies totalled EU3 billion last year alone. Moreover, mafia organizations cashed subsidies for solar plants that were never built.

Environmentalists are challenging the government plan for a nuclear renaissance with a referendum to be held in the Spring.

Decision Due in Britain's Kelly Case

March 2 (EIRNS)—A decision is due in weeks in the case of the alleged suicide of British weapons inspector Dr. David Kelly. U.K. Attorney General Dominic Grieve requested, and was presented with, legal papers arguing that, because there were no fingerprints on five items found with Dr. Kelly's body, a coroner's inquest must be held to determine how he died. Grieve will now consider if there is sufficient fresh evidence for a full examination.

The decision made by the Attorney General will have major ramifications for, among others, former Prime Minister Tony Blair. It was Kelly who charged that the "evidence" of Saddam Hussein's WMD had been "sexed up" to provide the pretext for the Iraq War. He was found dead shortly thereafter.

Russia and the CIS News Digest

Abolition of Serfdom, Alliance with Lincoln Commemorated in Russia

Kyrgyzstan Faces Mass Protests Against Food Price Rises

Abolition of Serfdom, Alliance with Lincoln Commemorated in Russia

March 3 (EIRNS)—Today is an occasion to recall what a powerful force an alliance between the United States and Russia, two great transcontinental nations, can be under proper leadership. It is the sesquicentennial of the abolition of serfdom in Russia, by which Tsar Alexander II earned his title of "Tsar-Liberator." Alexander signed his Manifesto on Feb. 19, 1861 by the old calendar; by the Western calendar, that was March 3, in 1861, and it was also the day before Abraham Lincoln's first inauguration as President of the United States.

Two years later, as the U.S. Civil War ground on, would come Lincoln's Emancipation Proclamation and, also in 1863, the

arrival of the Russian Navy at the ports of New York and San Francisco. Alexander, who had come to power in 1855, just as Russia was pounded by Britain in the Crimean War, dispatched the fleet to help defend the U.S.A. against potential British attack. President Lincoln, in December 1863, instructed Bayard Taylor, who had been a secretary of the American Legation at St. Petersburg, to educate Americans on the events in Russia. "I think a good lecture or two on 'Serfs, Serfdom, and Emancipation in Russia' would be both interesting and valuable," Lincoln wrote to Taylor. Later, the President himself attended one of Taylor's talks on "Russia and the Russians."

Alexander's Manifesto granted Russian serfs their civil liberties, and declared that the peasants' houses belonged to them. Because of the clout of the big Russian land-owning families, many of them rabid Anglophiles, factional battles led to a compromise under which the serfs were freed "with land"—but, also with an onerous "redemption fee," obliging the peasants to make payments to their former landlords. Those conditions were to be central to social turmoil in Russia for the rest of the 19th, and into the 20th Century.

The anniversary of the abolition of serfdom is being celebrated in the former Russian capital, St. Petersburg, as well as in Moscow. In St. Petersburg, there is a conference on the Manifesto at the Mariinsky Palace, and there is a special jubilee exhibition in the St. Petersburg State University, with the original of the Manifesto and other documents on display.

In Moscow, the exhibition "The Tsar and the President: Alexander II and Abraham Lincoln, Liberator and Emancipator" opened Feb. 22 at the Russian Federal Archives building. Organized by the American-Russian Cultural Cooperation Foundation, the collection of 19th-Century artifacts had toured the United States three years ago. Opening the Moscow event, Foundation head, former Rep. James Symington, sang Glinka's setting of Alexander Pushkin's poem, "I remember the wondrous moment." A new statue of Lincoln and Alexander together, done by sculptor Alexander Burganov (creator of the Pushkin monument in Washington, D.C.), was unveiled. The exhibition has been featured in various Russian media including the Kultura TV channel and *Russia Today*; yesterday, it was a story on First Channel, the largest nationwide TV outlet in Russia.

Kyrgyzstan Faces Mass Protests Against Food Price Rises

March 4 (EIRNS)—Similar to what triggered the tumult in recent weeks in the Maghreb nations, and in the Arabian Peninsula, the poor in parts of Asia have also been left with little choice but to protest against huge spikes in food prices. One such nation where huge protests may break out any day, is Kyrgyzstan, the Central Asian nation, bordering China, Kazakhstan, Uzbekistan, and Tajikistan. Perennially food-short, Kyrgyzstan has experienced a 54% rise in the price of wheat since last June, according to the World Bank. The UN Food and Agriculture Organization has identified Kyrgyzstan as one of the countries most burdened by the price hikes.

On Feb. 24, local news agencies reported that the price of bread had shot up 10% in a single day. In Osh, the epicenter of ethnic violence last Summer, Mayor Melisbek Myrzakmatov warned, on March 2, of increasing public discontent due to bread prices, Interfax reported. As an emergency measure, on Feb. 17, Deputy Prime Minister Omurbek Babanov sent a bill to parliament asking legislators to remove import duties on essentials such as meat, oil, flour, sugar, and rice, but members of parliament have not yet debated the measure. While parliament tries to decide what to do, prices continue to soar. The economic situation is very hard, and social tension is very strong. The government must take urgent measures to reduce tension in the society, in the view of Temir Sariyev, the interim government's former finance minister, who told this to the media.

The crisis in food-short Kyrgyzstan this year is even more acute, because of factors beyond Bishkek's immediate control, including a bad harvest last year, and a drought in Russia, a leading wheat supplier. Brought on by political and social instability, the rise in prices is causing immense misery to the poor, and is presenting a formidable challenge for Kyrgyzstan's shaky coalition government.

Southwest Asia News Digest

U.S. Clueless on Libyan Opposition; LaRouche Stresses Mass-Strike Momentum

Protesters Back Egypt's New Prime Minister

Volatility Sweeps Middle East and Maghreb

U.S. Clueless on Libyan Opposition; LaRouche Stresses Mass-Strike Momentum

March 4 (EIRNS)—Sen. James Webb (D-Va.) issued a statement against any military adventure in Libya, reiterating his "long-held view that the U.S. should not be an occupying power in that part of the world." About Libya, he said, "I am very conscious of the unpredictability of history in this part of the world when it comes to situations after these opposition movements run their course—Iran being the classic example, where we traded the Shah of Iran for the Ayatollah Khomeini. What I am concerned about is, what are the characteristics of the rebel forces in Libya that would commend them to our government to the level where we would actually consider military intervention in cooperation with them?"

Webb asked Secretary of State Hillary Clinton about this in her testimony before the Senate Foreign Relations Committee on March 2, and quoted her response: "There may well be a role for military assets to support getting [humanitarian] equipment and supplies into areas that have need of them and where we are welcome, but I think that is a big reminder to us that we don't know the outcome of this. We don't know these players."

Webb also appeared on CNN March 3 with the same message, adding that when he was Secretary of the Navy, he was the only person to oppose the Rumsfeld "tilt" to Iraq in the Iran-Iraq war—"and you know what that got us later on."

Well-informed Washington intelligence sources warn that there is tremendous pressure on Obama from London and from the fantasy-ridden "democracy" movement for military action against Libya on "humanitarian grounds," but that senior U.S. military and intelligence community leadership remains opposed, instead trying to rapidly deepen contacts with the opposition.

In a discussion this evening, Lyndon LaRouche again stressed that what is happening in Libya is part of a global mass-strike movement, and that crazy Nero-like Gaddafi is relying on mercenary forces to wage war against his population. The seizure of Gaddafi and his family's assets and bank accounts—including by the Saudis—could break his hold, said LaRouche. "This is a chance for the Saudis to do something useful," said LaRouche, "They are in an unstable situation, and this could help them also."

Protesters Back Egypt's New Prime Minister

March 6 (EIRNS)—Protesters in Egypt have seen one of their immediate demands met, as the Supreme Military Council named a new prime minister, Essam Sharaf, on March 5., Sharaf then appointed a new cabinet, eliminating all of the former Mubarak loyalists whom the protesters demanded be removed. Sharaf was formally sworn in, in a ceremony at Tahrir Square in Cairo, the center of all of the demonstrations that brought down the Mubarak regime. It was an important symbolic statement. Another 1 million demonstrators were in the Square on March 5.

Sharaf appointed a new Interior Minister, Maj. Gen. Mansour El Essawy; and a new Foreign Minister, Nabil Elaraby. Both

men, while experienced in government, were active with the opposition from the outset. Elaraby, the former Egyptian Ambassador to the United Nations, was an advisor to the Tahrir Square demonstrators, and served on the International Court of Justice for a number of years.

On March 3-4, protesters descended on the Interior Ministry headquarters in Cairo, and in other cities around the country, in response to reports that officials of the hated State Security Services were burning documents. Army troops were deployed to these sites, in part to protect demonstrators against hooligans. According to one well-informed Egyptian source, the Supreme Military Council—the ultimate authority over the country during the transition to elections and civilian rule—is fully behind the diminishing of the State Security Services, and may have been encouraging the protesters outside the ministry buildings. The top generals were all under State Security surveillance and even the Supreme Military Council was targeted for blackmail by the security services.

A referendum is scheduled for March 19 on proposed Constitutional changes that revise election procedures. Parliamentary elections are expected some time in June, to be followed by Presidential elections before the end of the year. The Egyptian youth who organized the Tahrir Square protests have formed a political party to participate in the June elections.

Volatility Sweeps Middle East and Maghreb

March 6 (EIRNS)—Protests throughout entire Middle East and Maghreb are continuing against the global economic collapse, food price rises, corruption and joblessness. In addition to those listed below, Lebanon and Israel have also seen protests by thousands of people.

BAHRAIN: Headquarters for the U.S. 5th Fleet, and connected to the increasingly unstable Saudi Arabia by a causeway, Bahrain has had tens of thousands of demonstrators amassing in the streets since Feb. 14. Pearl Square, in the capital Manama, has become the epicenter of the protests, with demonstrators keeping vigil in hundreds of tents. The non-sectarian protests are directed against the minority Sunni dynasty, which has ruled for over 200 years. "The people want to topple the government!" and "the people want to topple the regime" are the main chants. On March 6, thousands of protesters gathered outside the prime minister's office to demand he step down. Despite the large security presence, demonstrators shouted, "Topple Hamad! Topple Hamad!" referring to long-time Prime Minister Sheikh Khalifa bin Salman al-Khalifa.

Signs reading: "I am Sunni: Yes to national unity," showed that the protests are not sectarian, Shi'a vs. Sunni.

OMAN: Hundreds of Omanis demanding jobs and political reforms demonstrated across this Gulf Arab sultanate on March 4. Around 200 protesters gathered in the capital Muscat at the headquarters of the Shura Council, a quasi-parliamentary advisory body, where some had camped out overnight. Similar numbers demonstrated in Salalah, the eastern coastal town of Sur, where Oman's liquefied natural gas export facilities are based, and in Sohar, where medical sources said six people were killed in clashes with security forces. The silent demonstrators outside the Shura Council in Muscat held placards saying "We want an elected cabinet of ministers," and "End corruption and create jobs."

YEMEN: Growing protests across the country demand that President Ali Abdullah Saleh end his 32-year rule. On March 2, several thousand demonstrators turned out yet again in the capital Sanaa, protesting against increasing food prices, crushing poverty, and soaring unemployment. Tens of thousands continued with protests in several key cities across Yemen on March 5, according to Associated Press, pressing on with demands that Saleh step down. University classes are on midterm break in the Sanaa and in the southern port city of Aden, which have been the focal points for daily demonstrations. Protests have also spread to the cities of Taiz and Hadramawt; and an investigation into the deaths of four protesters, when the military opened fire on March 4, is now being demanded.

SAUDI ARABIA: The Saudi government fears an Egyptian-style uprising, and has warned potential protesters that it will

ban future demonstrations. "The kingdom's regulations totally ban all sorts of demonstrations, marches, and sit-ins, as they contradict Islamic Sharia law and the values and traditions of Saudi society," the Interior Ministry said in a statement March 6. A week earlier, 119 jurists and professors signed an open letter, demanding immediate reforms, calling on Saudis to stage their own "day of rage." According to a U.S. intelligence source, this initiative is backed by some leading princes in the House of Saud, who are opposed to Interior Minister Prince Naif taking over when King Abdullah dies. On March 7, leading Wahhabi clerics denounced protests as "un-Islamic."

KUWAIT: According to *Kuwait Times* online, protests are planned as soon as March 8. Thirty people were wounded in Feb. 19 clashes in Kuwait between security forces and stateless Arabs demanding citizenship. While there are apparently two different groups in Kuwait, with opposing views, both call for the resignation of the prime minister and his cabinet.

IRAQ: Demonstrations were held in Baghdad, Basra, Nineveh, Anbar, and Salaheddin on March 4, in a continuation of protests over the past month that have demanded economic progress, an end to corruption. The demonstrations went ahead, despite curfews and bans on vehicle movement in major cities. Declaring Prime Minister Nouri al-Maliki a liar, and waving banners that said, "We need freedom," and "We love Baghdad," about 2,000 people gathered in the capitol's Tahrir Square, where music played, and pictures of West Baghdad slums were displayed. Even larger rallies took place the previous week, where more than a dozen people were killed in clashes with security forces.

JORDAN: Thousands of protesters, estimated by Islamist leaders at 10,000 and by police at 5,000, holding national flags and banners reading: "We need bread and freedom," and "Together let's dissolve parliament," demonstrated in Amman on March 4, a day after Prime Minister Maaruf Bakhit rejected calls for a constitutional monarchy. The protesters include Islamists, trade unionists and leftists. On March 6, religious extremists staged a rare demonstration in Amman, demanding release of suspected al-Qaida leaders now on trial. The protest by the group of about 300 Salafi Muslims (non-Saudi believers of the extremist Wahhabi doctrine), whose ultraconservative sect is banned in Jordan, called for changes in the regime.

Asia News Digest

Senator Kerry Sides with Attack on U.S. Korea Policy

People's Daily on U.S. Mideast Policy: Obama a [Qaddafi] Duck

ASEAN-Plus-Three Agree on Rice Reserve

Senator Kerry Sides with Attack on U.S. Korea Policy

March 2 (EIRNS)—Sen. John Kerry's Foreign Relations Committee held a hearing yesterday on U.S. policy towards North Korea, hearing from Robert Carlin, a former CIA and INR (State Department intelligence) Korea expert, who played a critical role in the successful 1994 agreement with North Korea, the "General Framework," under President Bill Clinton. Carlin blasted U.S. policy towards Korea since 2001 (including both the Bush and Obama Administrations) as utterly insane, for throwing away a functioning agreement with Pyongyang, showing that the U.S.'s word can not be trusted, and essentially pushing North Korea to develop nuclear weapons. Sen. Kerry said he concurred with Carlin on several aspects of his testimony, and said he wanted to continue the discussion with him privately—all this to the horror of the other witnesses (especially Marcus Noland, the Peterson Institute "Cheneyac" on Korea).

Carlin said that the 1994 agreement with North Korea showed that, "if an agreement is thoughtfully constructed and implemented, the North Koreans will abide by the core of it as long as we do.... But then, abruptly in 2001 [under Bush and

Cheney], we stopped talking and apparently stopped listening. ... we tossed overboard all that we had previously gained." Carlin, who has been to North Korea dozens of times, ridiculed the "popular opinion" peddled by the Western press and the "experts" (including his fellow panelists) that North Korea is an economic basket case, and an irrational dictatorship with no national interests.

Carlin did not spare President Obama, telling the Committee: "Every lesson we've taught North Korea over the past ten years is that they're better off depending on a nuclear deterrent rather than trusting us to keep our word. Our policies of the past have caused the problem," adding that these problems "are not confined to one administration or one party."

Although he made no reference to British imperial policies, he said U.S. thinking these past ten years reflects "our national inability, intellectually and emotionally, to understand how states like North Korea work." He described the public discourse on North Korea as "crippled, condescending, irrelevant."

The Obama Administration policy towards North Korea was represented at the hearing by Assistant Secretary of State Kurt Campbell and Special Representative to North Korea Stephen Bosworth—that the North must take "irreversible steps to denuclearize," and "cease provocative behavior." Carlin scoffed at such preconditions for U.S.-North Korean talks, and argued that "we should *not* talk about denuclearization right away. The situation is so deteriorated in terms of our position that we wouldn't get anywhere.... We must talk of a broadened horizon to establish some common ground, *then* discuss the nuclear issue."

Carlin argued—and Kerry agreed—that the six-party talks are no longer viable, and that the U.S. must talk with North Korea directly, while also encouraging talks between North and South.

People's Daily on U.S. Mideast Policy: Obama a [Qaddafi] Duck

March 1 (EIRNS)—*People's Daily* columnist Le Hongmei developed a sharp critique of U.S. policy in light of current developments in the Middle East, in today's online English edition. She concludes, "It might be too early to predict what the new structure could be like after the revolt recedes in the roaring Arab world. But one thing is almost certain: the U.S. would cease to be the dominant power presiding over the region, and its [Greater Middle East Initiative] would collapse, and President Obama would prove to be a clay pigeon, or a sitting duck, braving the bitter storms at the Arabian Sea.

ASEAN-Plus-Three Agree on Rice Reserve

March 2 (EIRNS)—As of yet, there is not a crisis in the availability and pricing of rice, the prime food stuff for Asia, but the pattern of small shortfalls of other important foodstuffs resulting in major speculative price gouging is too daunting to ignore. The ten members of the Association of Southeast Asian Nations and their dialogue partners, plus China, Japan, and South Korea, have moved to protect themselves, individually and collectively, against a rice disaster. Meeting in Ho Chi Minh City, Vietnam, a prime world rice production area, they have agreed to establish rice reserves in each country.

To prevent a repeat of the mistakes made during the 2008 food crisis, they agreed to stabilize the rice prices without making "sudden and demonstrative procurements" that could trigger panic among trade members. Under the agreement, ASEAN and the three partners would contribute 787,000 tons for the rice reserve, with all ASEAN members contributing a total of 87,000 tons; Japan, 250,000 tons; China, 300,000 tons; and South Korea, 150,000 tons.

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