

[return to home page](#)

Lessons for Denver:
FDR's 1932 Victory Over London's Wall Street Fascists
by Jeffrey Steinberg

On July 1, 1932, New York Gov. Franklin Delano Roosevelt won the Democratic Party Presidential nomination by a landslide vote of 945-190, over his nearest rival and avowed political enemy, the former New York governor and J.P. Morgan tool, Alfred E. Smith. On Nov. 8, 1932, Roosevelt won a second landslide victory, this time over incumbent Republican President Herbert Hoover. Roosevelt won 57% of the popular vote, and swept the Electoral College by 472-59. It was the greatest mandate for change in memory, and FDR immediately set out to return the U.S.A. to the tradition of the American System of political-economy...

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Election 2008

- **Lessons for Denver:**
FDR's 1932 Victory over London's Wall Street Fascists

Franklin Roosevelt's Wall Street and City of London enemies came close to depriving him of the Presidential nomination in 1932, and then sought to overcome the results of the general election, through assassination and coup d'état. This little-known story offers a vital lesson to the Democratic Party and the American people today, on the verge of another monumental Presidential election. **Jeffrey Steinberg** reports.

- **Stop the DNC Fraud:**
Clinton Won Florida; Florida Vote Stands!
- **Why Jeremiah Wright Is Not a Christian!**
The Presidential Touch
by Lyndon H. LaRouche, Jr.

'We who are wise enough, and also good enough to lead,' he writes, 'know that our nation's foe is not a nation, not a people, not color of skin, but the same old 'principalities and powers.' That enemy, today, is chiefly today's Anglo-Dutch Liberal financier tyranny, which has ruled so long, and so often, by putting one part of humanity into campaigns of hate against others, as the British Empire-in-fact is acting at this moment. . . .

International

- **The British Empire Is Up To Its Old Evil Tricks**
by Helga Zepp-LaRouche

Central bankers are searching desperately for ways to bring the meltdown of the global financial system under control.

- **NATO Summit Agenda:
Drumbeat for Empire**
- **European Parliamentarian Calls for Referenda on Anti-Nation Lisbon Treaty**
An interview with **Jens-Peter Bonde**.
- **EU's Lisbon Treaty Means Dictatorship**
A guest article by **Lord Christopher Monckton**.
- **EU Treaty May Mean Death for Nations**
An open letter by U.S. civil rights heroine **Amelia Boynton Robinson**.
- **LaRouche Articles Break 'Bloomberg' Story in Russia**
- **NATO Faces Existential Crisis in Afghanistan, as Taliban Escalates**
 - **Torture from Afghanistan to Iraq:
'A Playbook from The Dark Ages'**
An interview with **Alex Gibney**.
- **Malaysia:
The British Hand in Destabilization**
- **Mortality in Congo:
The Word Is 'Genocide'**
- **International Intelligence**

Economics

- **Time To Reject the Big Lie**
The British are pushing the U.S. to bail out its financial institutions, protecting the parasite at the expense of the host. The result will not be stability, but hyperinflation, with the value of the dollar completely collapsing and taking the rest of the world economy with it.
 - **Bretton Woods Drive in Italy Irks Brits**
- **Call for an FDR-Style New Financial System**
An interview with **Mario Lettieri**

Feature

- **Who's Controlling Congress;
When Will We Oust the Traitors?**
The Congressional Research Service's memorandum purporting to analyze Lyndon LaRouche's Homeowners and Bank Protection Act, reveals that those advising Congress on this matter are ignorant, or lying, about the fundamental realities of the economy, the nation's history, and the Constitutional principles upon which the United States and its laws are based. **Nancy Spannaus** reports.
 - **The Homeowners and Bank Protection Act**
 - **Congressional Research Service on the HBPA**
- **The Ugly, Ugly History of Felix the Fascist**

Interviews

- **Jens-Peter Bonde**

A Member of the European Parliament from Denmark, Mr. Bonde has written 55 books on the European Union, and is a representative of the June Movement, which is opposing the Treaty.

- **Alex Gibney**

The director and co-producer of 'Taxi to the Dark Side' describes some of what went into his Academy Award-winning film.

- **Mario Lettieri**

The Undersecretary of State to the Italian Finance Ministry, Mr. Lettieri is from the Margherita party. In 2005, he introduced a resolution, which was adopted by the Italian Chamber of Deputies, calling for a New Bretton Woods conference, to establish a new international monetary system.

LaRouche Youth Movement

- **What the British Really Fear:**

- A Scientific Renaissance**

Three LaRouche Youth Movement members of the 'Basement Team' are guests on 'The LaRouche Show' Internet radio program, discussing their work on the Pythagoreans, Johannes Kepler, and Carl Friedrich Gauss: among the scientists the Anglo-Dutch Liberals fear the most. The next project is on Bernhard Riemann.

Editorial

- **Three Steps to Survival**

U.S. Economic/Financial News

- **Save the Nation, Junk the Outmoded Henry Paulson**

- **Tales from Home Foreclosure 'Ground Zero'**

- **One in Ten Ohioans on Food Stamps**

Save the Nation, Junk the Outmoded Henry Paulson

March 29 (EIRNS)—If you had any doubts that Treasury Secretary Henry Paulson is completely incompetent, take a look at proposals he is planning to announce on March 31, to deal with the global financial crisis. Paulson's plan is right out of the bankers' playbook: giving the Federal Reserve more power to protect and bail out the bankrupt financial system, granting elements of the financial system greater self-regulatory powers, restricting the power of state governments to intervene to protect their citizens from financial abuses, and other measures, all in the name of streamlining and "modernizing" the regulatory apparatus.

The whole premise is a lie. The problem is not an outmoded regulatory apparatus, but a bankrupt financial system based upon outmoded imperial fantasies. Paulson claims that the problem with the regulatory apparatus is that it is based upon laws passed in the 1930s, but it is precisely the repealing, de-fanging and outright ignoring of those reforms passed by President Franklin Roosevelt in response to the banking crisis of that era, that permitted the current crisis to develop.

Rather than destroy the remnants of those protections, we should abandon deregulation and return to the sound banking policies imposed by FDR. The real solution here is to bring the banking system back under the Constitution, ending the delusion of the bankers that saving themselves is more important than protecting the people. Pass Lyndon LaRouche's Homeowners and Bank Protection Act, and put the banking system through bankruptcy. Putting the general welfare of the people first, above the demands of the parasites: Now, there's a modern idea.

Tales from Home Foreclosure 'Ground Zero'

March 23 (EIRNS)—An article in the Metro section of the March 23 *Washington Post* describes a variegated geographical pattern of foreclosure crisis in Northern Virginia, in terms of an "archipelago" of hotspots of foreclosures and precipitously dropping house prices, in a sea of relative calm in which some prices are even rising. The latter areas, are in the well-to-do sections such as McLean, Great Falls, Vienna, Oakton, and Fairfax Station (all in Fairfax county, which has the nation's highest median income). Other nearby towns, from Dumfries to Sterling form a "ring of fire"; parts of Dale City, Woodbridge, and Herndon are "engulfed," and Manassas and Manassas Park are "a volcano."

A report by Stephen Fuller of George Mason University's Center for Regional Analysis "found that 5.5 percent of Prince William housing units were in some sort of foreclosure by mid-February, a rate twice that of Loudoun County's, Northern Virginia's second-highest. No major metropolitan region in the country had a foreclosure rate that high in the last quarter of 2007—not even Detroit—according to Fuller's data." Examples given, from a tour with a local real estate agent specializing in foreclosures, include:

- * a house in Manassas Park listed for \$125,000, in a neighborhood, where two years ago, homes were selling for \$300,000 to \$400,000;

- * neighborhoods in Manassas and Manassas Park, where every third or fourth house was empty;

- * a townhouse in Manassas listed at \$94,900, though assessed for taxes at \$253,000, and dozens more bank-owned properties listed below \$150,000, far below assessed worth.

The article says many of the areas in the "ring of fire" are home to Hispanic immigrants, who came in and tried to live the American dream of owning a home, and ended up with subprime loans and adjustable-rate mortgages, and other risky arrangements. The article notes that ironically, Prince William County's recent anti-immigrant actions have worsened that area's situation, as "Latino families already struggling financially have little incentive to remain in their homes." The article concludes with a brave "stay the course" message from the Northern Virginia Association of Realtors, that all the local fundamentals remain strong.

One in Ten Ohioans on Food Stamps

March 25 (EIRNS)—The number of Ohio residents on food stamps has doubled since 2001, with one out of ten now receiving government-funded food stamps, according to the Ohio Department of Job and Family Services. It reports that nearly 1.1 million residents are now getting food stamps, and it is estimated that another nearly 500,000 are eligible for food stamps but are not currently enrolled in the program, bringing the total of Ohio citizens unable to secure sufficient food for themselves to 1.6 million.

The Ohio report is reflective of the largest increase in food stamp use since the program's 1960s peak, according to a March 31 article in the *New York Times*.

Also reflecting the collapse of the U.S. physical economy, nearly half the states in the Union have announced new increases in their deficits, of between \$100 million and \$600 million, since Jan. 1. Most will hit the wall when their fiscal year ends on June 30, but New York State will be crashing as of March 31 to try and cover its \$4 billion deficit, because its fiscal year ends that day.

Global Economic News

- [Global Machine-tool Capability Facing 'Disaster'](#)
- [Japanese Minister Calls On U.S. To Go With Big Bailout](#)
- [UN World Food Program: Hyperinflation Kills](#)

Global Machine-tool Capability Facing 'Disaster'

March 26 (EIRNS)—Triggered by the freeze-up in credit from banks, the world's machine-tool industry could experience a 20% drop in orders and sales by 2010, says Andrea Riello, chief executive of the Italian machine-tool firm Riello. "The most likely scenario is disaster," he told the *Financial Times*. When manufacturing companies insist they are not going to be adversely affected by tighter credit, he said, "don't believe them."

Meanwhile, his company's Project Rumble, seeks to revolutionize ways to machine big titanium structures which are becoming increasingly important in the aerospace industry.

Japanese Minister Calls On U.S. To Go With Big Bailout

March 25 (EIRNS)—In an public statement unusual for a Japanese government official, Financial Services Minister Yoshimi Watanabe called on the U.S.A. to inject public funds into its financial system, in an interview with the *Financial Times* on March 25.

"It is essential" for the U.S. "to understand that, given Japan's lesson [from its 1990s crisis], public fund injection is unavoidable," Watanabe told the *FT*. While "it is very difficult for Japan to convey such a message to a foreign government ... Japan could convey through the G7 or central bank governors' meeting Japan's lesson and that we are prepared to take coordinated action if necessary," he said.

He warned that there could be a severe dollar crisis, if this is not done, especially given the huge excess liquidity flowing out of the U.S. "One thing is to fix the hole in the bathtub, [but] we must recognize that the current crisis is not as straightforward as past dollar crises." He also admitted that "it is not clear how big the hole [in the U.S. financial system] is because the fire has spread to products other than securitized products."

UN World Food Program: Hyperinflation Kills

March 24 (EIRNS)—Over the Easter weekend, March 22-23, the World Food Program (WFP) sent a letter to donating countries, asking for an extra \$500 million in funds to maintain operations. The Rome-based WFP, the world's largest humanitarian agency, provides food to as many as 70 million people worldwide. In a March 24 conference call, agency representatives said they are experiencing a funding shortfall of \$600-700 million, after "a 20% jump in food costs in the

past three weeks." Of the additional money, 25% of it would go directly to additional fuel costs for distribution. With extra funds, agency budget would be double last year, at \$3.4 billion.

A new addition to the obviously needy places in the world, is the once stable country of Afghanistan, which was food self-sufficient until the Blair/Cheney Global war on terror allowed that country's farmland to be turned into the world's largest source of opium-producing poppies (see *Asia Digest* for more on this).

United States News Digest

- [Dean Pushes British Line on Dem Primaries](#)
- [Obama Courts Bloomberg, Endorsing 'Congestion Tax'](#)
- [Alabama Ex-Governor Charges Rove with 'Abuse of Power'](#)
- [Hillary Clinton Blasts McCain As 'Herbert Hoover'](#)
- [London Apparatus Brought Down Spitzer](#)
- [Media Jackals Demand Clinton Quit Race](#)

Dean Pushes British Line on Dem Primaries

March 28 (EIRNS)—Democratic National Committee Screamer Howard Dean is acting on behalf of the British plan to destroy the United States, in declaring that the Democratic Party should choose its nominee by July 1, rather than at its National Convention in August, which is held expressly for that purpose.

Under Dean's rules, Franklin Roosevelt would never have been President, and the United States would never have recovered from the Depression. FDR was chosen on the fourth ballot at the 1932 Democratic Convention, and in his Presidency, re-established the principle that the U.S. Constitution is written for the motive stated in its Preamble: to secure the general welfare. For this, the British viscerally hate him.

Dean said on ABC's "Good Morning America" today, that he issued his diktat after consulting with party hacks, including Al Gore and Nancy Pelosi.

Gore, whose family's coal mine was the inspiration for the Tennessee Ford song, "Sixteen Tons," said, "I think the nomination will resolve itself before the convention. We'll see." And Obama supporters Senators Patrick Leahy (Vt.) and Christopher Dodd (Conn.) said the nominee must be decided before the convention.

Unfortunately for these tools of the British operation against Hillary Clinton, she has made it clear that she is not quitting. As she put it on Fox News: "Nobody should be writing obituaries for this race, because it is a long way from being over."

Lyndon LaRouche suggested that the only obituaries to be written, will be for Clinton's opponents, who are doing the Brits' bidding. And as for Gore, LaRouche said he has a better chance of being elected Queen of England than President of the

United States.

Obama Courts Bloomberg, Endorsing 'Congestion Tax'

March 28 (EIRNS)—Barack Obama, besides being deployed by the British to take out Hillary Clinton's candidacy, is also being tasked to promote New York City Mayor Michael Bloomberg's fascist economics. The British would like to install Bloomberg as President, or President-in-the-Wings (Vice President).

Obama was the first person to call Bloomberg after the mayor announced that he was not running as an independent, today's *New York Times* reports. At that time, Obama asked Bloomberg to look over the economic speech which he delivered yesterday at Cooper Union, and to introduce him. The fact that Obama was introduced by Bloomberg immediately gave rise to speculation regarding either a forthcoming Bloomberg endorsement of Obama or a potential Obama-Bloomberg Democratic ticket.

However, Lyndon LaRouche emphasized once again today, the intention of the British who run Bloomberg through the likes of Felix Rohatyn and George Shultz, is to get rid of Obama. The British probably still consider him to be a Kenyan slave! They continue to use him against Clinton's candidacy: that is the real intent of Bloomberg's flirtatious joint appearance with Obama.

Obama yesterday endorsed Bloomberg's "congestion tax," a usurious tax on traffic in Manhattan, which Bloomberg based on a similar tax in London.

Alabama Ex-Governor Charges Rove with 'Abuse of Power'

March 28 (EIRNS)—Four days after the House Judiciary Committee asked him to testify on selective prosecution by the Justice Department, former Alabama Gov. Don Seigelman was ordered released from prison by a Federal appeals court. After leaving prison today, Seigelman said that there had been "abuse of power" in his case, citing the role of former White House aide Karl Rove. "His fingerprints are smeared all over this case," Seigelman charged.

Seigelman was prosecuted and driven from office on spurious charges of public corruption in 2006; after a Federal judge threw out the first indictment brought against him by a Republican U.S. Attorney, another U.S. Attorney who was the wife of the head of the Alabama Republican Party—who had been heard to brag that he was working with "Karl" to bring down Seigelman and elect a GOP governor—brought another indictment.

Seigelman's Republican successor, Gov. Bob Riley, is up to his ears in Jack Abramoff's corrupt dealings with Indian tribe gambling licenses.

Hillary Clinton Blasts McCain As 'Herbert Hoover'

March 26 (EIRNS)—At the University of Pittsburgh at Greensburg, Pa. yesterday, Sen. Hillary Clinton attacked presumed Republican Presidential nominee John McCain's do-nothing speech earlier the same day on the mortgage meltdown and financial crisis.

On McCain's plan, Clinton said, "It sounds remarkably like Herbert Hoover, and I don't think that's good economic policy. We have a framework of regulation; it needs to be implemented and modernized. The government has a number of tools at its disposal that are well suited for just this situation. I think that inaction has contributed to the problems we face today....

I've laid out what I would do. I don't think it's an adequate response to say the government shouldn't be helping either banks or people, because I think that would be a downward spiral that would cause tremendous economic pain and loss in our country, and I don't see why we would wait for that to happen."

LaRouche characterized her remarks as "Hillary at her best."

London Apparatus Brought Down Spitzer

March 23 (EIRNS)—It was not the massive, unprecedented Federal prostitution investigation which forced the resignation of New York Gov. Eliot Spitzer on March 12, as the *New York Times* and other lying newspapers have claimed. In reality, a Nov. 19, 2007 letter to the FBI from London's political thug Roger Stone, already contained all the details about Spitzer's relations with prostitutes which were repackaged into a 47-page FBI affidavit dated March 5, 2008, almost four months later. The Stone letter disclosed *inter alia* that Spitzer paid for these prostitutes, "not with credit cards or cash but through some pre-arranged transfer."

The FBI's interception of over 5,000 telephone calls and their elaborate tailing of both Spitzer and the prostitute were only a cover story; they already had all the facts through Stone's letter, reported today by the *New York Post*.

In his March 12 webcast, Lyndon LaRouche asked, "Why would they come up with something out of the Hell box, at this time, and to what end? Well, he had just confirmed an endorsement of Hillary Clinton, which he had made, in a sense, earlier, but he'd been pressured to withdraw that and change it. And when he refused to, a couple of days later Boom! What happened?"

Stone is part of the British "public relations" combine which largely runs all of the U.S. Presidential campaigns, for the purpose of destroying all of them for the sake of a Michael Bloomberg "Mussolini" grab for the Presidency. Stone's Republican dirty tricks firm, Black Manafort Stone, along with the Democratic campaign firm Penn, Schoen & Berland, have been taken over the British combine WPP Group. Black runs the McCain campaign, Penn the Clinton campaign, and Schoen the Bloomberg campaign, all on behalf of the same British master.

Media Jackals Demand Clinton Quit Race

March 22 (EIRNS)—*Politico*, the Capitol Hill newspaper and website, exposed its true colors, today, in an article by reporters Jim Vandehei and Mike Allen, that argues that Hillary Clinton, for reasons of math, cannot win the Democratic Presidential nomination, so she ought to quit. "Hillary Rodham Clinton has virtually no chance of winning," they declare, quoting an unnamed Clinton strategist that she has no more than a 10% chance of defeating Barack Obama. "The notion of the Democratic contest being a dramatic cliffhanger is a game of make believe," they write.

Politico was started up, in January 2007, by Robert Allbritton, the son of the late Joseph L. Allbritton, who became infamous as head of Riggs Bank in Washington, D.C., for laundering money on behalf of the family of Chilean dictator Augusto Pinochet, and also for Saudi Prince Bandar bin Sultan, the former Saudi ambassador to the U.S. who took billions of dollars in bribes from Britain's defense company BAE Systems. While the elder Allbritton first took over Riggs in 1976, by 2001 he had turned over the bank's daily operations to son Robert (who was ultimately forced to sell Riggs to PNC Bank).

Also present when all of this occurred, was one of Robert Allbritton's top lieutenants, Frederick J. Ryan, who was then a board member of Riggs, and is now the chairman and CEO of *Politico*. *Politico* reportedly gets almost all of its funding from Allbritton Communications, which is now run by Robert Allbritton.

The senior Allbritton has also been an enemy of Lyndon LaRouche, and actively blocked the airing of LaRouche's 1992 half-hour campaign spots on Washington's ABC affiliate WJLA-TV, which is still owned by Allbritton Communications, of which the younger Allbritton is the chairman and CEO.

Ibero-American News Digest

- [Brits Behind Argentina's Agricultural Producers' Strike](#)
- [Argentina: Fascist Confab Promotes Nation-Wrecking Agenda](#)
- [Nuclear Energy Seen as an Option in Ibero-America](#)

Brits Behind Argentina's Agricultural Producers' Strike

March 29 (EIRNS)—The British Empire didn't get its "lovely little war" two weeks ago, when its agents tried to manipulate events in South America's northern tier. So, these financier interests tried to achieve their goal of wrecking the Bank of the South and continental integration, by blowing up Argentina, through the vehicle of an "agricultural producers" strike, whose purpose was to destabilize—even overthrow—the government of President Cristina Fernández de Kirchner.

The strike, begun on March 12, included real agricultural producers, who were demanding that the government retract higher taxes on exports of soybeans and sunflower seeds imposed on March 11. But the primary force behind this action was the Rural Society, that most British of Argentine organizations, representing the landed oligarchy, which thinks Argentina's greatest mistake was aspiring to become an industrialized nation instead of remaining as Great Britain's "plantation." The Rural Society has a pedigree made in London, having been founded in 1866 by the great-grandfather of José Martínez de Hoz, the British-trained finance minister of the 1976-83 military dictatorship, which dismantled Argentina's economy in the name of free trade.

On March 28, after 16 days of a lockout of the nation's agricultural markets, which led to food shortages around the country, leaders of the four major producer organizations announced that they would halt their strike action, and accept the offer to dialogue which the President had made in a March 27 speech. But their truce lasted less than 24 hours, after the government refused to meet their demand of reducing the export taxes for 90 days.

Two of the most vocal supporters of the anti-Kirchner mobilization included the Mayor of Buenos Aires, Mauricio Macri, a slavish admirer of New York City Mayor Michael Bloomberg; and the promoter of Hannah Arendt, opposition figure and failed Presidential candidate Lilita Carrió.

As Fernández de Kirchner pointed out in her March 27 speech, the strike really never had anything to do with the producers' demands related to export taxes. Rather, this was a *political* strike, whose protests were not "spontaneous," as the organizers claimed, but carefully orchestrated. What's really at issue here, she said, is the *economic model* her government has applied, and the policy of income distribution by which she intends to create a "more just" society.

The lockout's political intent was evident in its leaders' rhetoric. Fernández has a popularity rating of 65-70%, but strike leaders lied that their protest was a "popular uprising" against the President, just like that of December 2001 which ousted then-President Fernando de la Rúa. In organizing at protest demonstrations, the LaRouche Youth Movement (LYM) discovered that many of the participant didn't really understand what the issues were.

Argentina: Fascist Confab Promotes Nation-Wrecking Agenda

March 30 (EIRNS)—At the same time that British financier interests were using the agricultural producers' strike to destabilize President Cristina Fernández de Kirchner last week, some of most prominent international spokesmen for the City of London's agenda of free trade and destruction of the sovereign nation-state, gathered in the Argentine city of Rosario to promote that agenda.

Spain's former President, Franco-ite José María Aznar, former Mexican President Vicente Fox, the neoliberal former Presidents of El Salvador, Uruguay, and Ecuador, Peruvian writer Mario Vargas Llosa, and a host of other devotees of globalization, were among the attendees at the March 26-28 seminar on "Latin America's Challenges," convened to commemorate the 20th anniversary of the founding of Rosario's Freedom Foundation.

Aznar's FAES Foundation, along with the Cargill grain cartel and Arcelor Mittal steel conglomerate, helped finance this gathering. One of Aznar's close allies, Buenos Aires Mayor Mauricio Macri, didn't show up, But on March 29, he hosted Aznar, Fox, and others, and conferred on Aznar the honorary status of the city's "Gold Medal Guest of Honor," while attacking President Fernández for causing the producers' strike.

Self-declared Cheneyac Aznar was the star of this Rosario show, closing the conference on March 28 with a rousing call to participants to ensure that "we are well-armed to do battle with the enemies of freedom." To Aznar, the enemy is "populism," meaning anyone who opposes the free-marketeers' agenda. While all of the speakers blustered against Venezuela's Hugo Chávez—an easy target—Aznar indicated how concerned he is about Ibero-American integration and the creation of the Bank of the South by the informal Ibero-American Presidents' Club.

He warned: "We have to protect the community of Ibero-American nations.... Latin American nations are important suppliers of raw materials, so we have a great opportunity." But, governments "have to carry out [economic] reforms so as to open markets, including the signing of Free Trade Agreements." To do this, he added, Ibero-America's right wing must be united. "Given the crossroads at which Latin America finds itself, between the most crazed revolutionary populism and liberal democracy, it's necessary to united with those who share our same values, to face the enemies of freedom."

None of the speakers dared officially discuss the Argentine situation, but they had plenty to say on the sidelines about Fernández de Kirchner's policy of increasing taxes on soybean exports—the ostensible cause of the producers' strike. Capturing the tenor of the gathering, Rigoberto Stewart, head of a Costa Rican NGO, was heard saying, "The stupidity of these taxes will have terrible consequences. Had any President of Costa Rica done something like this, he would have already been killed!"

Nuclear Energy Seen as an Option in Ibero-America

March 29 (EIRNS)—For the second time in a year, the University of Santiago in Chile has invited top Russian physicists and nuclear energy experts to discuss the advantages of nuclear energy. As it did in May 2007, the University sponsored a seminar on March 26, entitled "Nuclear Energy: Russia in the 21st Century." Speakers included Alexander Glukhov, vice president of Russia's state-run Atomstroyexport, which builds nuclear plants, as well as nuclear physicists Nicolay Goltsov and Valery Senoyedov. Russia's Nuclear Energy Agency, Rosatom, is sponsoring their visits.

A second seminar occurred the same day at the Adolfo Ibáñez University, entitled "Nuclear Energy: An Option for Chile?" Experts from Chile, Russia, Brazil, France, and the U.S., among others, attended the conference, and listened to former President Ricardo Lagos express his view that Chile must keep the option of nuclear energy "open." "It must be

discussed," he said, "because every human being is capable of advancing technologically in his development."

The backdrop to these seminars is the dire energy crisis in Chile, caused by a severe drought. Legislators and private sector leaders have become increasingly vocal in demanding that the government seriously consider the nuclear option.

In early March, a delegation traveled to Russia at the invitation of Rosatom, and its affiliated companies Rosenergoatom and Atomstroyexport. The trip, which included visits to several of Russia's leading scientific institutions, and to the site where Russia's cosmonauts reside, took place as per the agreements of the Second Meeting of the Inter-Governmental Russia-Chile Cooperation Commission, which took place in Santiago in May 2007.

In Uruguay, despite the fact that nuclear energy is prohibited by law, President Tabaré Vázquez officially opened the debate on the subject during a Feb. 25 meeting with incoming and outgoing members of his cabinet. There he asked his cabinet to examine the advantages and disadvantages of nuclear energy, which later prompted his new Industry Minister, Daniel Martínez, to announce that he'll use his position "to promote a debate on nuclear energy and its possible use in Uruguay." Then on March 18, alternate Sen. Walter Capanella announced that he would be proposing to Martínez that Uruguay purchase a Canadian nuclear reactor.

Western European News Digest

- [Germany Scraps Maglev Project](#)
- [Kosovo and EU Reopen Debate on Break-Up of Belgium](#)
- [Brown To Call for a 'New Harry Truman' on U.S. Visit](#)
- [Iceland in Financial Meltdown](#)
- [It's Official: Spanish Banking System in Free Fall](#)
- [McCain, Lieberman Lobby for Trans-Atlantic Empire](#)

Germany Scraps Maglev Project

March 27 (EIRNS)—A planned 34-km maglev track connecting the city of Munich to its international airport will not be built, German Transport Minister Wolfgang Tiefensee announced today. He said the industrial consortium planning the Munich Transrapid line now estimates construction costs at more than Eu3 billion, a third above the previous estimate of Eu1.85 billion.

The project was supposed to be financed by the German Federal government, the state of Bavaria, German rail operator Deutsche Bahn AG, and the industry consortium. The German government, in its typical cost-cutting approach, had set itself an upper financing limit of Eu925 million, and the state of Bavaria, a limit of 500 million.

In a tragic irony, the Federal government, which is otherwise throwing billions of euros away to bail out failed speculators, will not spend an extra Eu1.2 billion to finance this pioneer technology project of the maglev.

Kosovo and EU Reopen Debate on Break-Up of Belgium

March 23, (EIRNS)—As expected, the winds of Kosovo arrived in Belgium. In late February, a small group of "progressive" intellectuals published a now widely debated manifesto of the Gravensteen Group, invoking break-up, "if...." Starting from the reality that Belgium was founded on social inequality and the exclusion of the Flemish people, the group asks to end the current status quo. Furious that most Flemings remain supporters of a united Belgium based on the solidarity between the wealthier Flemish and the poorer Walloons, they accuse "self-proclaimed progressive Flanders" of behaving conservatively and missing the "train of history" (i.e., independence), while a "modern vision of decentralization, subsidiarity, and regional autonomy, is making its way through all of Europe, from Scotland to Kosovo and from Catalonia to Estonia.

While the manifesto is getting wide press coverage, it only succeeded in gathering 7,500 signatures. A petition favoring national unity, called "Save Solidarity," got over 120,000 signatures, most of them from Flanders, without anywhere near the same level of media coverage.

Brown To Call for a 'New Harry Truman' on U.S. Visit

March 26 (EIRNS)—British Prime Minister Gordon Brown is expected to call on the U.S. to invoke the spirit of Harry Truman in reasserting its global leadership role, when he visits the United States April 16-20.

The London *Daily Telegraph* writes, "Significantly, making the speech in the Kennedy Library in Boston, Mr. Brown will evoke the memory of JFK as well as other American leaders he feels have been vital to global peace and prosperity including Presidents Truman and Roosevelt." Brown's idea of the challenges to be taken up are reported as "extremism and climate change."

Neither Kennedy nor Roosevelt is mentioned again in the article, but there is another photo of a construction site from the immediate post-war period with the caption, "Brown believes that the leadership which President Truman gave in helping Europe rebuild after World War II should be drawn on."

Iceland in Financial Meltdown

March 24 (EIRNS)—The currency of Iceland, the krona—which has gotten itself into one of the world's nastier speculative bubbles—is melting down, and whatever remains of the economy with it, Britain's *Daily Telegraph* reported today.

In February 2006, the crash of the krona set off a wave of other currency crashes. Both U.S. and European banks have "savagely curtailed" lending to Iceland's banks in recent weeks, and credit default swaps are now at "stratospheric levels," the *Telegraph* reported. British firms are deeply implicated, since Kaupthing, the biggest Icelandic bank, had been lending to Iranian-born investor Robert Tchenguiz, who owns large parts of key British firms, and other Iceland banks are also heavily involved in Britain.

The krona has fallen almost 25% this year, including 17.2% this month alone.

It's Official: Spanish Banking System in Free Fall

March 27 (EIRNS)—No one can now deny the reality of the last six months, during which Spain's housing bubble has been rapidly deflating. The housing market, and therefore the country's banking system, are in a state of free fall. Spain's National Statistics Institute released its latest figures, showing that the buying and selling of houses collapsed by 27% in January from the previous year's level. This coincides with a 25% fall in the granting of mortgages. New homes are selling at a 30% "discount." In prosperous Catalonia, the drop was 42.7%, and in Madrid, sales have "virtually ground to a halt," according to Britain's *Independent*.

McCain, Lieberman Lobby for Trans-Atlantic Empire

March 21 (EIRNS)—The French Internet newspaper *Rue89* gives some insight into the March 16 visit of Republican Presidential candidate Sen. John McCain (R-Ariz.) to France. Overcoming his hatred of the country he used to describe as "an aging actress of the 1940s thinking she could still be invited to dinner without realizing she no longer has a perfect face," McCain, on the way back from a trip to Iraq, Jordan, and Israel with Senators Joe Lieberman (I-Conn.) and Lindsey Graham (R-S.C.), was received by President Nicolas Sarkozy at the French Presidential palace, the Élysée. Yesterday, he had a fundraising dinner in London and met with Prime Minister Gordon Brown.

The man who overcame McCain's francophobia was former French Ambassador to Washington Jean-David Levitte, today Sarkozy's main foreign policy advisor. Levitte, who joined McCain on Ted Koppel's late-night TV news program "Nightline" in 2003, told him at the end of the broadcast, in English, "You are my American hero." And Levitte convinced McCain to join the Congressional "French caucus," in the months leading up to the Iraq War. McCain agreed, under condition that his membership be kept secret. "His anti-French sentiment is a little bit irrational," said Levitte.

Sarkozy, for his part, was close to the networks of former Republican Presidential contender Rudy Giuliani, and spent his vacation in New Hampshire with the Agostinelli family, early financial backers of the Giuliani campaign.

Russia and the CIS News Digest

- [Bush To Meet Putin, Medvedev in Sochi After NATO Summit](#)
- [Russian Economists Debate Economic Crisis, Capital Flight](#)
- [Russia in Nuclear Cooperation With Egypt, Chile, Japan](#)
- [Bering Strait Tunnel Talk Revived](#)

Bush To Meet Putin, Medvedev in Sochi After NATO Summit

March 26 (EIRNS)—The White House has announced that President George Bush will travel to Sochi on April 6, at the end of his European trip, to talk with Russian President Vladimir Putin and President-elect Dmitri Medvedev on the planned missile defense system in Europe and other aspects of the U.S.-Russian relationship. Speaking to foreign print media reporters, Bush said, "I'm optimistic we can reach accord on very important matters."

At the same time, both Bush and National Security Advisor Stephen Hadley reiterated that, at the April 2-4 Bucharest NATO Summit, also on the agenda of Bush's trip, the U.S. would be pushing for extending a Membership Action Plan to Ukraine and Georgia. That is still strongly opposed by Germany and a few other European nations, and must be decided by

the NATO heads of state. Putin will also attend the summit, having accepted NATO's invitation for the first time in seven years.

Russian Economists Debate Economic Crisis, Capital Flight

March 24 (EIRNS)—On yesterday's Vesti Nedeli (News of the Week) TV program, Russian Presidential aide Igor Shuvalov confirmed the open secret that top-level Russian economists and policy-makers are fiercely debating the severity of the current financial crisis. RosBusinessnet today reported that the debate is couched in terms of how long the U.S. mortgage crisis could last, though the government Finance Academy's report, issued earlier in March, addressed the systemic nature of the crisis. "Some think it could continue for a long time, triggering a global economic crisis, and others expect the U.S. economy to improve this year," Shuvalov said, "Russia would like the crisis to end as soon as possible." He added that Russia plans steps to make the ruble a stable regional currency, and that the government and Central Bank are reacting quickly to global economic developments. Shuvalov backed joining the WTO, even at a time of global economic crisis, saying that the "WTO will give us new opportunities to develop our national economy."

Finance Minister Alexei Kudrin, while maintaining the line that the "Russian economy remains highly resistant to the global crisis," also admitted on First Channel TV that net capital outflow of \$20 billion in January-February 2008 was worse than the rates of capital flight in the last crisis. "In 1998, when our financial system collapsed, capital flight was lower," Kudrin said. Since August 2007, Russia's goal has been to "create such a firm and stable system that capital flight of \$20 billion to \$80 billion could not collapse it. We have done that." On the world crisis, Kudrin admitted: "Of course, the wave is coming closer, but the question is how we will react, whether we will be able to keep our economic growth." He acknowledged the likelihood of "more difficult times ahead."

Russia in Nuclear Cooperation With Egypt, Chile, Japan

March 25 (EIRNS)—During Egyptian President Hosni Mubarak's March 24-25 visit to Moscow, Egypt and Russia signed an agreement on Russian assistance to Egypt's civilian nuclear industry. Russia is one of three countries Egypt has approached as potential contractors for its first nuclear power station, which the Egyptians hope to have up and running by 2017. Mubarak's visit to Moscow was preceded by a trip to Cairo by Minister of Industry and Energy Viktor Khristenko.

President Putin said that the new agreement will allow Russian companies to bid to build nuclear power plants in Egypt. Signed by Russian nuclear chief Sergei Kiriyenko and his Egyptian counterpart, Hassan Younes, the agreement also stipulates personnel training for nuclear facilities in Egypt, and nuclear fuel supplies to the country. A tender for the construction of the power plant is expected to be announced this year.

In Chile, the University of Santiago has invited top Russian physicists and nuclear energy experts to discuss the advantages of nuclear energy, for the second time in the space of a year. (See "Ibero-America Digest.")

Russia and Japan have decided to form a "nuclear alliance," wrote Novosti commentator Tatyana Sinitsyna on March 26. The nuclear giants, Russia's Atomenergoprom and Japan's Toshiba, will form an "alliance in civilian nuclear power operations, including power plant construction and fuel production," Sinitsyna wrote. Under a framework agreement, Atomenergoprom will enrich uranium produced in Kazakhstan, while Toshiba will produce nuclear fuel and undertake design and engineering of nuclear power plants. The two may set up "a strategic partnership in the future," according to Toshiba spokesmen. This partnership could lead the world's nuclear sector, according to experts. Before this new alliance, there were four main nuclear companies: the French-German alliance of Areva and Siemens; two American-Japanese groups, Toshiba-Westinghouse and GE-Hitachi; and Russia's Atomenergoprom, but now there are just three. The French newspaper *Les Echos* called the new alliance "the main event in the nuclear production cycle"—and "France is worried that the Russian-Japanese tie-up could become a major rival of the French Areva," the Novosti commentary says.

Bering Strait Tunnel Talk Revived

March 27 (EIRNS)—The Russian company Infrastruktura, owned by Chukotka Gov. Roman Abramovich, has commissioned the manufacture of the largest tunnel-boring drill ever made, it was announced earlier this month. Infrastruktura placed its order for the 19-meter-wide drill, price tag 100 million euros, with the German company Herrenknecht AG. A tunnel dug with such a machine could accommodate a six-lane highway, or a four-lane highway plus one rail line.

Multi-billionaire Abramovich is currently estimated to be the second-wealthiest person in Russia. He sold out his oil holdings some years ago, ran for the Chukotka governorship at a time when other 1990s-era "oligarchs" were facing a crackdown, and has met repeatedly with President Putin, evidently coordinating his personal investments in steel and other industries, with state priorities. Russian wires reporting the bore drill contract quoted a Ministry of Transport official, who said that equipment like this is badly needed by Russia, which last year built only 7 km of highway tunnels and 6 km of railroad tunnels nationally. *Der Spiegel* magazine and other sources reported that the Infrastruktura equipment is destined for use in upgrading infrastructure around Moscow, and near Sochi, site of the 2014 Winter Olympics.

But Chukotka is the Russian area that fronts on the Bering Strait. Thus, the London *Daily Mail* wrote today, "There was speculation the soccer boss may have bought the machine in league with Putin, in the hope of gaining approval from America for a plan both men are said to have long savored—building a tunnel from the frozen wastes of the Russian region of which Abramovich is governor, Chukotka, to Alaska beneath the Bering Strait."

John Mann, the British spokesman for Abramovich (who owns the Chelsea Soccer Club and has his Millhouse Capital investment company based in London), denied that the bore machine is for the Bering Strait, pointing out that there is not yet any road from the rest of Russia to Chukotka's capital, Anadyr. But, the Bering Strait prospect once again caught people's imagination. The Russian clipping and translation site InoPressa, in its Russian translation of the *Daily Mail* article, included a sentence that does not appear in the text as currently available from the *Daily Mail* (but possibly it was in earlier editions): "According to one insider, 'This is one of Putin's dreams, and he is already conducting secret talks with Washington on the matter. He considers Russia to be the center of the world, and wants the Europeans to ship their products, as well as Russia's, from one end of Russia to the other, and on to the USA'."

The report was picked up also in the *Daily Telegraph* and other British press, as well as Alaska's *Voice of the Times*. The latter carried a column by William Tobin, on March 23, about related developments in North America: "Discussions continue about extending the Alaska Railroad—maybe to the west, to connect through a tunnel under the Bering Sea to the Trans-Siberian Railroad in Russia. Or maybe to extend the railroad to the east to link up with the Canadian rail system." Tobin dismissed the discussion as "just talk," but did chide Alaskans on their failure to match Russian railway building.

On March 12, Eurasia Net published an overview of Russia's rail plans for the next 20 years (as reported in *EIR* of Sept. 7, 2007). These include:

- * the North Siberian Railway, or SevSib, a 2,000-km freight-oriented system, to be completed in five years, to connect northern regions of Siberia to the Baikal-Amur Mainline, at Ust-Ilimsk in Irkutsk region;
- * smaller, but crucial Far East rail projects such as a bridge or tunnel to Sakhalin Island;
- * the "extraordinary project to build a transcontinental Yakutsk-Magadan-Anadyr-Alaska rail link, including the world's longest subsea tunnel under the Bering Strait, at an estimated cost of some \$55-67 billion."

Southwest Asia News Digest

- [Arab League Summit a Success](#)
- [Cheney Tried, But Failed To Sabotage Arab League Summit](#)
- [British War Drive Now Taking Off in Iraq](#)
- [Experts Warn Iraq Is Coming Unglued](#)
- [Cheney Orders End to Palestinian Reconciliation](#)
- [Israel Trying To Revive Talks with Syria](#)

Arab League Summit a Success

DAMASCUS, March 30 (EIRNS)—Syrian officials and those of other countries participating in the Damascus Arab League summit consider the summit to be a success, in light of the tremendous pressure put by the Bush/Cheney Administration on the U.S./U.K. client states not to attend. While the U.S., U.K., and French-dominated news media are all stating that the summit was a failure, the reality is that 11 heads of state participated, more than at many other such summits. Delegations of the 22 member-states were present.

Among other issues, the Arab League summit was to review the plan for peace presented by Saudi Arabia in 2002, which proposed to Israel peace and normalization of relations with all Arab states in exchange for Israeli withdrawal from territories occupied during the 1967 War. In that context, Syrian President Bashir al-Assad called for Israel to withdraw, once and for all, from the Syrian Golan Heights, the West Bank, East Jerusalem, and the Gaza Strip.

But the Arab leaders expressed their exasperation with Israel's lack of cooperation, by stating in the final communiqué that, "a continuation by the Arab side to present the Arab peace initiative is tied to Israel executing its commitments in the framework of international resolutions to achieve peace in the region." The communiqué, read by the League's president, stated that the "Arab heads of state decided to evaluate and review Arab strategies and the plan of action regarding reviving the peace process as a prelude to deciding on the next Arab moves." Arab League Secretary General Amr Moussa, who had earlier warned Israel that the Arab states might be obliged to take a "painful" position if Israel continues to refuse the initiative," called on the states to start such review in the middle of 2008.

On Lebanon, Assad stated several times that the Syrians didn't intend to meddle with internal Lebanese affairs, which is what the U.S., the U.K., and France are asking them to do. The final communiqué merely states that the member-states "declare that we stand by the Arab initiative to help Lebanon and support the efforts of the [Arab League] Secretary General to encourage the Lebanese parties to reach consensus to resolve this crisis to preserve Lebanon's security, unity, stability, and prosperity."

Cheney Tried, But Failed To Sabotage Arab League Summit

DAMASCUS, March 30 (EIRNS)—In a short interview with *EIR* at the conclusion of the Arab League Summit, Deputy

Foreign Minister of Syria and Syrian Ambassador to the UN Faisal Mekdad, told *EIR* correspondent Christine Bierre that the U.S. had failed miserably in trying to sabotage the summit. Asked about sabotage by the Cheney-Bush Administration, Mekdad replied: "The U.S. didn't sabotage this summit, they tried to sabotage it, but they failed as usual. They failed in Iraq, they failed in Lebanon, they failed in Palestine, and they failed in Afghanistan. This administration has failed everywhere and has failed again, now." The discussion continued:

Bierre: "So in a sense, you were a more united family without the people who decided not to attend?"

Mekdad: "The meetings between all Arabs this time were very frank, very open. Real discussion has taken place and this is the basis for facing all the forthcoming challenges, including the biased position of the U.S. against the Palestinians, against the real Lebanese, and against the real struggle of people for liberation."

Bierre: "Did Dick Cheney have something to do with the pressure exerted by the U.S. against this summit?"

Mekdad: "Absolutely, he did his best. But again he failed."

British War Drive Now Taking Off in Iraq

March 28 (EIRNS)—What is happening in the southern Iraqi province of Basra now, and spreading throughout the country, is part and parcel of the new wave of British-orchestrated war provocations, which are aimed at destroying the United States, and its crucial partners—China, India, and Russia—in the formation of a New Bretton Woods system.

The British have set a trap for the U.S. occupation forces, reviving the chaos and bloodshed in Iraq, just as Tony Blair's war-policy ally Dick Cheney is in the region sabotaging Israel-Palestine and Israel-Syria peace negotiations.

Following the "shock and awe" war against Iraq by the United States and Britain in the Spring of 2003, British soldiers took control of the Shi'ite-dominated Basra province. After staying mostly inside their barracks for four-plus years, the last 500 British forces evacuated in December 2007, laying a trap for their best "friend," the United States. With their forces "on watch" outside, the British refused to re-enter Basra when violence occurred, and instead repeatedly goaded the Iraqi government to use its security forces to occupy the city.

What had to happen, happened this week, when militants loyal to radical Shi'ite cleric Moqtada al-Sadr, clashed with 30,000 Iraqi and U.S. forces sent into Basra for the second day on March 26, leaving at least 40 people dead and 200 others wounded. Fighting has spread and curfews have been imposed in the southern cities of Kut, Hillah, and Amarah, where the Sadr political group enjoys wide popularity among the poor and uneducated. Clashes have spread to Baghdad's Shi'ite-dominated districts, mainly Sadr City. The intensity of the fighting has kept many people in their homes, and there is no indication of when it will cease—or who will be victorious.

Experts Warn Iraq Is Coming Unglued

March 30 (EIRNS)—Two leading American military experts warned today that the situation in southern Iraq is explosive, and is far more complex than most media coverage suggests. In an op-ed in today's *New York Times*, Anthony Cordesman, who has just returned from a tour of Iraq, warned that the confrontation between the Madhi Army of Muqtada al-Sadr and the Iraqi Army is actually a sectarian conflict among rival Shi'ite factions, all of which have ties to Iran, and which are now vying for power on the eve of the scheduled provincial elections in the autumn of this year. Cordesman warned that there are three dangerous confrontations brewing in Iraq, that could deny the Bush Administration its coveted "victory." First, a confrontation could erupt among Kurds, Turkmens, and Arabs over control of Kirkuk and Mosul, two oil-rich areas

bordering the Kurdish region. Second, renewed fighting between U.S. occupying forces and Sunni militias, now temporarily working on the U.S. and Saudi payroll against al-Qaeda in Iraq, could get out of control. Third, and most complex, the situation among rival Shi'ite factions in southern Iraq and in Baghdad, could erupt into an out-of-control battle. Cordesman warned that the U.S. military involvement in the Shi'ite fighting, ostensibly to defend the "Iraqi government," is a terrible mistake.

Retired Defense Intelligence Agency official Col. Patrick Lang penned a commentary on a recent London *Daily Mail* article, describing a big political rift between Washington and London, over the precipitous British military pullout from Basra, which led to the current conflict there. Writing on his website, *Sic Semper Tyrannis* 2008, Lang tore into the British for their pompous attitude towards American counterinsurgency operations, while creating the mess in and around Basra. "In the interest of not making things worse with our cousins across the sea," he wrote, "I will restrict my comments on the *Daily Mail* article to make a request, on behalf of the uniformed services people, that we not encounter further condescension from the British on the subject of the superiority of their knowledge, sophistication, methods, etc. with regard to COIN. Enough." Lang went on to report that the U.S. is clearly preparing to send in a sizeable U.S. ground and air force, to a new base being built near Basra, to clean up the mess the British left behind.

Cheney Orders End to Palestinian Reconciliation

March 24 (EIRNS)—While many moderate voices in Israel are calling for some sort of dialogue with Hamas as a means of ending the violence between Israel and the Palestinians, Dick Cheney is demanding a civil war. Speaking to reporters while en route to Ankara, Turkey, the last stop in his tour to the Middle East, Cheney "predicted" that the Yemeni initiative to mediate a reconciliation between Fatah and Hamas would fail. Cheney's conclusion, he asserted, after having talked with the Palestinian leadership of the West Bank, "is that they have established preconditions which would have to be filled before they would ever agree to reconciliation, including a complete reversal of the Hamas takeover of Gaza."

A well-informed Egyptian source reviewed the Cheney visit to Ramallah with *EIR* today, indicating that an important agreement between Fatah and Hamas *had been reached and signed*, only to be overturned *after the fact* immediately following Cheney's visit with Palestinian National Authority President Mahmoud Abbas on March 23. Reading the statement of Abbas aide Ahmed Qureia, the source said that the Fatah delegate to Yemen had instructions on what to agree to, and signed when the conditions set by Ramallah had been set. What the Fatah delegation didn't know, was that the view from Ramallah *changed* because of Cheney.

According to the Israeli news site, Ynet.com: "A senior Abbas confidant, chief Palestinian negotiator Ahmed Qureia, said Monday that [Azzam] al-Ahmed [the senior PNA negotiator assigned to the Yemen talks] signed because of a mix-up. Al-Ahmed called Abbas' office repeatedly to get guidance, but Abbas was meeting at the time with U.S. Vice President Dick Cheney, and al-Ahmed went ahead and signed, Qureia said.

""There was a misunderstanding,' Qureia told reporters Monday. 'President Abbas was busy hosting Cheney.'"

Cheney, according to one report, directly threatened Abbas that all money to the Palestinians will stop if the Palestinian Authority makes any deal with Hamas.

Israel Trying To Revive Talks with Syria

March 28 (EIRNS)—Israeli Infrastructure Minister and Labor Party member Benjamin Ben Eliezer said that Israel is trying to revive talks with Syria. "All efforts are being made to bring Syria to the negotiating table in order to sign a peace treaty," Ben Eliezer told Israel Radio. "We know exactly what the price will be," he added, in an obvious reference to the

return of the Golan Heights to Syria. He also said that current Defense Minister and Labor Party chairman Ehud Barak is involved in trying to revive talks.

This statement followed two earlier statements on Syria-Israel talks: a March 26 statement by Israeli Prime Minister Ehud Olmert, and, a statement on March 27, by Syrian Foreign Minister Walid Moallem, during a meeting of the Arab foreign ministers in Damascus.

While Moallem said that Israel does not have a "genuine political will" for peace because of its "aggressive policies and actions," he nonetheless reiterated Syria's position on talks: "Our position on peace in the Middle East is known to all. We support a just and all inclusive peace in accordance with UN resolutions and based on the principle of 'land for peace.'"

Arab foreign ministers again endorsed the 2002 Arab peace initiative during their pre-summit meeting in Damascus on March 28.

Asia News Digest

- [British-Controlled Uighurs Threaten China](#)
- [Washington's New Problems with Pakistan](#)
- [Bio-Fuels: The Most Foolish Thing Humanity Can Do](#)
- [Britain's Opium and War 'Addiction' Ravages Afghanistan](#)
- [China To Help Cambodia Become 'Battery of Southeast Asia'](#)
- [India Should Tell Dalai Lama: 'Get Real'](#)

British-Controlled Uighurs Threaten China

March 25 (EIRNS)—The British-controlled Uighur Muslims, who inhabit almost one-sixth of China, and whose population numbers about 8.5 million, now pose a serious threat to China, says an Indian intelligence source. The terrorists, however, will come from outside China, and most likely from the tribal areas of Pakistan, where many Uighur terrorists are working hand-in-glove with al-Qaeda and other Islamic militants. These Uighur terrorists are now deployed by British intelligence to weaken the U.S.-NATO troops, and help push for a break-up of Pakistan. A secessionist movement would create a territory that would include the tribal areas of Pakistan, Pakistan's Balochistan province, and Pakistan's Northern Territories bordering the disputed state of Jammu and Kashmir, and southwestern China.

The British objective at this point is not only to prevent any further effort by China to gain access to the Persian Gulf, and a land connection with a number of southern and western Central Asian states, but also to provoke an internecine war within China, now.

According to the Indian source, a very large number of Pakistani traders operate in major trading places of western China such as Urumqi and Kashgar. The source pointed out that there is no way of telling how many of these "traders" are

working to help the Uighurs in Xinjiang to disrupt the upcoming Olympics and force the Chinese hand.

Washington's New Problems with Pakistan

March 26 (EIRNS)—With the induction of a coalition democratic government in Islamabad, the Bush Administration has run into a fresh set of problems. In order to maintain the status quo, on March 25, President Bush phoned the new Pakistani Prime Minister Yousuf Raza Gilani, invited him to visit U.S.A., and urged him to continue with the war on terror. The Pakistani Premier told President Bush that a broader approach to the war on terror is necessary, including political solutions and development programs, a statement said. Subsequently, Bush has exempted Pakistan from a law that limits funding to countries where the head of state was deposed by a military coup, as President Pervez Musharraf had done in Pakistan, and has asked the U.S. Congress to approve \$300 million in security assistance for Pakistan.

Furthermore, U.S. Deputy Secretary of State John Negroponte and Assistant Secretary of State for South and Central Asia, Richard Boucher, were sent to Pakistan to gauge the attitude of the new government, and to keep the "business as usual" approach going.

However, Negroponte's meeting with Pakistan's former Prime Minister Nawaz Sharif, whose party, the PML-N, is in the government, ended with Sharif telling the U.S. diplomat that while Pakistan agrees with the United States on the necessity to eradicate terrorism, he will not allow Pakistan to be turned into a "murder house." In other words, Sharif made clear he would be demanding in the coming days a whole new arrangement for battling terrorism alongside the United States.

In order to keep future options open, Negroponte met with now-powerless Musharraf, who agreed on the war on terror, and also with the Pakistani Chief of Armed Services (COAS), Gen. Ashfaq Pervez Kayani.

Bio-Fuels: The Most Foolish Thing Humanity Can Do

March 28 (EIRNS)—Speaking at a public lecture organized by the Lee Kuan Yew School of Public Policy in Singapore, India's Finance Minister P. Chidambaram said the price of many food commodities has soared worldwide to record levels over the last year, due to booming demand in fast-growing Asian countries as well as the increased use of biofuels. "As citizens of the world, we ought to be concerned about the foolishness of growing food and diverting it into fuel," Chidambaram said.

Chidambaram, who spoke on the challenge of sustaining economic growth amid global uncertainty, said the relentless rise in food and commodity prices have put an "enormous problem" on developing countries. "There are non-food items that can be produced to make biofuels ... to convert corn to fuel.... I think it's outrageous and it must be condemned.... I think it is the most foolish thing that humanity can do."

Pointing out the threat that high price of oil and food poses to developing countries, Chidambaram said the price of oil, for example, has risen from US\$34 a barrel in 2004, to more than \$110 a barrel recently. Urea, a fertilizer, cost only \$175 per metric ton in 2004, rising to \$288 in April 2007 and \$370 as of January this year, he said, adding that the prices of metals and minerals have also risen sharply. Palm oil cost \$471 per metric ton in 2004, rising to \$1,177 by February 2008, he said.

Britain's Opium and War 'Addiction' Ravages Afghanistan

March 28 (EIRNS)—Once again, the poppies are in full bloom in Afghanistan, as the warring groups prepare to battle through Spring and Summer. This Spring, a large part of Afghanistan is starving, while the warring British and Afghan

drug and warlords are flush with cash derived out of yet another bumper opium crop.

Afghanistan was not food short before 1980 when the Soviets invaded Afghanistan, and the endless war began. Despite the low level of technical development and the slow growth rate of its output, agriculture dominated the economy throughout the 1970s and 1980s. The share of agricultural output in GDP remained about 60% between 1961 and 1980. These figures were probably lower than the reality, for a great deal of agricultural output remained on the farms as subsistence production. Now, opium constitutes more than 55% of Afghanistan's GDP.

Afghanistan is another classic case where Britain has revived its East India Company policy of using opium to wage and fund war. The British and Dutch, the two major colonial powers, control Helmand province, where more than 50% of Afghanistan's opium is grown. Afghan opium is then carried by the Balkan and Russian drug networks to create politics of crisis, all along Russia's southern tier and into the Balkans. A part of this opium also funds the Uighur militia against China, and various terrorists operating in the Ferghana Valley of Central Asia.

A world blinded by consumerism does not see reality any more, But, back in 1876, the American economist Henry Carey, at the age of 80, battling the British free-trade policy, in a pamphlet titled "Commerce, Christianity and Civilization Versus British Free Trade," called for world development, attacking the British destruction of China through the opium trade. Carey asked ironically: "What do you mean by 'Free Trade'? Oh, you mean this crime."

China To Help Cambodia Become 'Battery of Southeast Asia'

March 27 (EIRNS)—Cambodia, one of the poorest nations on Earth, after suffering the most massive bombardment per square kilometer in history under Henry Kissinger's madness in the 1970s, followed by genocide under the Anglo-French creation known as the Khmer Rouge, is now working closely with China to develop its vast hydroelectric potential. Foreign Minister Hor Namhong announced last week that due to (primarily) Chinese investment and construction assistance, Cambodia can become the "battery of Southeast Asia." Only 20% of Cambodians have access to electricity, but the scope of the hydroelectric program, which is supported by the Asia Development Bank's Mekong Power Grid Plan, will provide for both domestic use and eventually for export to Thailand. Of 14 priority projects, six are underway, all by the Chinese. Half of the total will be dams along the Mekong itself.

Needless to say, the Gorey-minions of the International Rivers Network and related green fascists are denouncing these plans, and China, for harming animal habitat in order to help improve the lives of mere humans.

India Should Tell Dalai Lama: 'Get Real'

March 26 (EIRNS)—"The time has come for India to use the leverage that comes with hosting the Dalai Lama and his followers since 1959 to persuade or pressure him to get real about the future of Tibet—and engage in a sincere dialogue with Beijing to find a reasonable, just, and sustainable political solution within the framework of one China," states the lead editorial of Indian national daily *The Hindu*. The rioters in Lhasa "committed murder, arson, and other acts of savagery," and were far from any "democratic" uprising.

The calls on China to "initiate" a dialogue with the Dalai Lama are unjustified: "this is precisely what China has done for over three decades," as all can see, *The Hindu* wrote. No government in the world disputes that Tibet is part of China. As China has entered a new period of economic development, Beijing has also increased its conciliation of the Dalai Lama's camp, and held six rounds of discussions since 2002. The problem is that the Dalai Lama's demands would go far beyond "autonomy" for Tibet, but also break up the provinces of western China to create an unacceptable "Greater Tibet," "causing enormous disruption and damage to China's society and political system.... Multi-ethnic India is no stranger to

such challenges to its territorial integrity," *The Hindu* wrote. It is time to bring the Dalai Lama under control.

Africa News Digest

- [LaRouche Denounces U.K., U.S. Gov't Racism Towards Africa](#)
- [Kenya-Style Protests After Zimbabwe Elections](#)

LaRouche Denounces U.K., U.S. Gov't Racism Towards Africa

March 30 (EIRNS)—Lyndon LaRouche today denounced the "racism towards Africa" of both the U.S. and British governments, which have done nothing but stoke another potential destabilization there, around just-concluded Presidential elections in Zimbabwe. London has never given up on the idea that the former British colony of Rhodesia may be once again restored to its colonial status. LaRouche singled out U.S. Secretary of State Condoleezza Rice, who has repeatedly denounced Zimbabwean President Robert Mugabe.

The British operations against Zimbabwe began when British-backed opposition candidate Morgan Tsvangirai, and his party, the Movement for Democratic Change (MDC), proclaimed victory in the Presidential elections—despite the fact that the National Electoral Commission will first issue the results of the election on March 31. Tsvangirai violated an agreement all three Presidential candidates had signed, that they would not make any statements until the official results were announced. His actions were aimed at creating an international impression that the opposition had defeated Mugabe; this, in turn, is supposed to trigger international human rights activations against Mugabe. Typical of the British-led media propaganda barrage was coverage on Bloomberg news wire, that Tsvangirai had won, and any alternative outcome would merely prove that Mugabe is a "tyrant."

A Zimbabwean source was confident, both that Mugabe had won the election honestly, and that any provocations by the MDC would be rejected by the Zimbabwean people, and would lead to a harsh crackdown by the government. The source noted that the government had emerged out of the liberation struggle against British colonialism, and any attacks on it would be widely seen, inside the country, as "counterrevolutionary."

Kenya-Style Protests After Zimbabwe Elections

March 28 (EIRNS)—*The Guardian* of London reports today that the Zimbabwe opposition has warned that it will stage Kenya-style protests after the March 29 elections for President and Parliament.

Ian Makoni, the election director for opposition leader and Presidential candidate Morgan Tsvangirai, is quoted as saying, "The lesson from 2002 is we didn't plan for after the vote. Everyone stayed at home and said we will go to the courts. What happened in Kenya was they knew there would be fraud and they were ready. We will be out on the streets celebrating when the polls close. It can turn into a protest easily. Zimbabweans are angry, they are desperate, they are ready to protest. It's the tipping point we are planning for."

President Robert Mugabe has said that he will not allow the kind of violence that took place in Kenya. The same British gamemasters who were involved in the Kenya operation, are involved in Zimbabwe, including Lord Steel, who maintains contacts with the Zimbabwe opposition through the Liberal International, especially the Liberal party in South Africa, which has been leading a campaign against South African President Thabo Mbeki because of the latter's mobilization of the region's governments to defuse the British-manipulated tensions in Zimbabwe.

[top of page](#)

[home page](#)