

in the form of a circular letter initiated by Senators Debbie Stabenow (D-Mich.) and Ted Kennedy (D-Mass.), and signed by five other Senators so far.

### **‘Marshall Plan for American Manufacturing’**

But the organizers of the Lansing rally go beyond this to challenge the Congress to act positively to save the auto industry, and other industries and infrastructures going under to globalization. The effort, originated by Flint leaders including Russ Reynolds and Art Reyes of the UAW district council there, is aimed to draw thousands, and maybe more, citizens from across Michigan to the capitol on a Saturday, “and give them the idea of mobilizing on this,” said Reyes, “so that next we can mobilize them to Washington, D.C.” Reyes, who has been criss-crossing the state speaking at meetings, emphasized that the demonstrations will not narrowly focus on the auto manufacturers; “Most of this problem is on the Federal level, and it will take Federal action.” “Saving the American Dream,” Reyes said, means saving the plants with a Marshall Plan for American manufacturing; securing the future with higher education, focussing on Federal help for state colleges; creating well-paying jobs and secure retirement.

Another rally organizer, Bill Jordan of Flint’s Local 599, said that elected officials from both parties should be attending, but also stressed the broad and national character of what the organizers are trying to kick off. “Wages, good wages vs. a non-living wage, are only 25% of this problem of globalization,” Jordan said. “Infrastructure, the environment, education, public health, protection of the conditions of high-quality production, are 75% of it.” And the solution? “It’s legislation in Washington, D.C.” The next step, Jordan hopes, will be a mobilization to the nation’s capital for action.

The organizers are receiving messages of support up to April 29, to the UAW Hall at 3518 Robert T. Lansing Blvd., Flint, Mich. 48506; and on their website, [www.cmad.us](http://www.cmad.us).

Weeks before the rally, the Lyndon LaRouche Political Action Committee (LPAC) released a one-hour DVD documentary called “Auto and World Economy Recovery,” as a political mobilization tool and a message to Congress. The message: Save the auto industry capacity and workforce, by a Congressional intervention to *retool* the industry to help build vitally needed economic infrastructure. The documentary shows how this was done on UAW initiative, at the outset of World War II, to make the auto plants “the Arsenal of Democracy”; how it was proposed again by UAW President Walter Reuther at the end of the war, to retool to build railroads and housing; and Lyndon LaRouche’s full proposal to use the 50-60% actually unutilized auto capacity today, to build the modern-technology new infrastructure the nation’s economy sorely needs. Current UAW local leaders are interviewed on how a real “New Marshall Plan for auto” could take shape.

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## Who’s Sabotaging the PBMR?

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# A Neo-Con, a Prince, And a Speculator

by Dean Andromidas

There is an ongoing international campaign to block South Africa’s development of the Pebble Bed Modular Reactor (PBMR), the small high-temperature nuclear reactor that promises to produce cheap and abundant energy for all of Africa. The campaign brings together mega-speculator George Soros, the U.S. neo-cons, the Danish government, and the Prince Consort to the Danish Queen.

The PBMR is a joint venture of South Africa’s state electricity company Eskom, the state-owned Industrial Development Authority, and Westinghouse, which was recently sold by British Nuclear Fuels to the Japanese company Toshiba. The inherently safe nuclear reactor design, which would produce between 110 and 165 megawatts of electric power, represents the ideal solution for bringing cheap electrical power to vast areas of Africa, Asia, and Ibero-America, where millions of people continue to live in a “dark age” because of the lack of electricity.

Eskom, the South African state electricity company and major shareholder in the project, plans to begin building a demonstration reactor by 2007. In South Africa alone, the company intends to build at least 30 reactors to expand the nation’s electricity grid to the 30-40% of the population lacking electric power.

While for Africans the prospect of abundant power can only be welcomed with open arms, for powerful international financial interests, such a prospect poses a far greater “existential threat” than any nuclear-armed “rogue state.” As the speculative financial bubble of the world financial system is on the verge of bursting, the control of the massive raw materials of Africa, including its gold, diamonds, oil, copper, and uranium, is essential to the very survival of the international financiers. It is the massive flows of funds buying up these resources which have led to the “resource wars” of the last decade, especially those that have hit central Africa, the Democratic Republic of the Congo, and the Great Lakes region.

It is not surprising, in this context, that the Bush Administration’s international “War on Terror” has set up bases in Africa’s Sahel, where rich deposits of gas have been discovered, as well as uranium and other strategic raw materials.

A preliminary investigation by *EIR* has revealed that the “usual suspects” are intimately involved in this operation.

They are the environmentalists, backed by powerful international financial and political interests who operate like gangsters.

### **Soros: The ‘Capo di Tutti Capi’**

At the top, operating like a racketeering mafia boss, is mega-speculator George Soros, who finances local environmentalists and other useful dupes, and deploys them as tough guys to attack nuclear energy as “unsustainable.” At the same time, these deployables promote so-called “sustainable” technologies, like wind turbines and solar energy, both of which are totally incapable of sustaining an industrial economy.

Since the collapse of the high-tech bubble in 2000, Soros has shifted his investment strategy from high-risk currency speculation to investment in physical assets, especially raw materials, gold, silver, and so on. Africa plays a large role in this strategy. With George’s brother Paul Soros, investments have been made in African mining companies and state-owned companies which governments are being forced to privatize by conditionalities imposed on them by the World Bank and the International Monetary Fund. Valuable assets, including mines, plantations, and other agro-investments, have been bought up by Soros and the international corporations he supports financially.

Through his “Open Society” network of foundations, Soros organizes the “street” against the government and power centers that stand in the way of his financial operations. Thus, he puts into power those leaders who will implement the appropriate free-market laws. One celebrated example was the so-called Orange Revolution in Ukraine.

In South Africa, George Soros operates through his Open Society Foundation, based near Cape Town. The Foundation’s major source of funding is from the profits of the Soros Fund Management LLC and other entities from which Soros rakes in billions of dollars annually. According to U.S. Securities Exchange Commission filings dated Sept. 30, 2005, among the many companies in which Soros Fund Management holds millions of dollars in stock are mining companies with huge assets in Africa. These include AngloGold Ashanti Ltd., which controls one of the largest gold mines in the world, which the government of Ghana was forced to privatize, and Barrick Gold, the Canadian company that bankrolled the overthrow of the Mobutu regime, leading to a decade of civil war in the Democratic Republic of the Congo. Other companies include Newmont Mining, which has mines in Ghana, and the Ibero-American-based Apex Silver, in which Soros holds very large interests and has placed his brother Paul on its board of directors.

Although Soros has publicly compared President George W. Bush to Adolf Hitler, that has not stopped him from holding stock in the Iraq War mega-profiteer firm Halliburton, whose former CEO was Vice President Dick Cheney.

Another Soros stockholding directly related to our story is in the Exelon Corporation, whose decision to withdraw its

investment from the PBMR project in April 2002 almost led to the project’s collapse.

### **Sabotage**

In 1999, when the process for gaining the authorization for the building of a PBMR demonstration plant, was under way, the Soros apparatus moved to sabotage it.

The Environmental Justice Project of the Legal Resources Centre, which is funded by Soros’s Open Society Foundation, commissioned one Stephen Thomas to write a report trashing the PBMR and nuclear energy in general in 1999. At the time, Thomas worked at the Science Policy Research Unit of the University of Sussex, in Great Britain; he now works for the Public Service International Research Unit of the University of Greenwich, also in Great Britain. The report was then handed over to Earthlife Africa, a South Africa-based environmentalist organization which used the report as documentation for a court action to prevent approval for going forward with the PBMR demonstration plant.

This court action was supported not only by the Legal Resources Centre, but by the Open Democracy Advice Centre, which provided legal and financial assistance. This latter entity is also financed by Soros’s Open Society Foundation. It is a joint venture of the Black Sash Trust and the Institute for Democracy, both of which are also financed by the Open Society Foundation.

The Thomas report, which has gone through several versions, is a piece of sophistry, which makes no attempt to deal with the technological feasibility of the project. For instance, in an earlier version of the report, Thomas attempts to trash high-temperature-reactor technology as problematic, citing how the Chinese program was allegedly moribund. In its latest version, the report cites the same “moribund” Chinese program as representing a major potential competition to the South African PBMR!

But the key point of Thomas’s report is its analysis that nuclear power is not compatible with energy liberalization and privatization of state electricity companies like Eskom. It asserts that Eskom will inevitably face being broken up and privatized. Thomas’s 1999 report states: “The momentum for liberalization throughout the world now seems unstoppable and, sooner or later, Eskom is going to have to give up its monopoly status and run its business under competitive pressures.”

But Thomas makes clear that these “pressures” are, in fact, the higher profit-rates the radical, globalized free market is demanding. Thomas draws the comparison with the privatized British utilities: “Government-owned utilities have usually been able to invest money at very low rates of return on capital partly because new power stations were seen as a safe investment and partly because, for a variety of reasons, governments have tended to require a lower rate of return on capital than private industry. Thus, in Britain before privatisation, the national utility, the CEGB, could invest at a 5 per



EIRNS/Stuart Lewis

*Mega-speculator George Soros funds the environmentalist groups to protect his raw materials looting by attacking projects like the PBMR, which is a science driver for a national industrial economy.*

cent real (net of inflation) rate of return and recover the costs over 35 years. After privatisation, it is known that private investors are looking for about 12-15 per cent real return and recover the capital over 15-20 years.”

This is exactly what George Soros and globalization are all about: Destroy the institutions of the nation-state in the name of higher profits. It is not just the PBMR that these financiers oppose, but the very idea of a state-owned public sector, because it serves as a driver for real economic development instead of profits that will be taken out of the country.

Since 1999, when Thomas’s words were written, the world has seen Enron and other such disasters which have done much to discredit privatization and deregulation of the energy sector.

Earthlife Africa and the Legal Resources Centre were able to block the approval of the PBMR’s environmental impact study on a technicality, forcing the study to be redone. But they lost another case, demanding the release of the minutes of the meetings of the government commission that was formed to assess the environmental impact of PBMR. The latter case was thrown out of court in January 2006 and Earthlife had to pay the costs. The judges ruled that the study by Thomas, which was submitted as evidence, had “no probative value.” Earthlife also lost its appeal of the decision on this case this month.

## Windmills and the Prince

Soros is not the only financial backer of the anti-PBMR campaign. The other is the Kingdom of Denmark and the Consort to the Queen, Prince Henrik. The Danish International Development Agency (DANIDA), which is the Danish government’s official aid organization, is also funding the

operation. DANIDA finances the Environmental Justice Project of the Legal Resources Centre as well as Earthlife Africa’s Sustainable Energy and Climate Change Project. The latter is also financed by the World Wildlife Fund Denmark, the Danish chapter of the World Wide Fund for Nature, whose founder and chairman is Prince Henrik. (The other founders of the WWF were also European royalty—Britain’s Prince Philip and the Netherlands’ Prince Bernhard.)

Like Soros’s “philanthropy,” this aid is not to help the “little people,” but has a real profit motive, killing off the competition. Denmark is the largest world exporter of wind turbines, and since 1984 DANIDA has been financing projects throughout the developing world, where Danish-made wind turbines are being built.

For example, DANIDA was instrumental in establishing the wind turbine industry in India and lent support to India’s “wind energy pioneer,” Rakesh Bakshi, upon whom, in 1997, was conferred the “Diploma of the National Association for Danish Enterprise and His Royal Highness Prince Henrik’s Medal of Honour.” Where DANIDA financing goes, the Danish wind turbine companies closely follow, and Danish wind turbine manufacturers, like Vestas, have established Indian subsidiaries.

The DANIDA projects are being carried out throughout the world, including Africa. One of the most extensive is in Egypt, where DANIDA helped fund the Zafarana wind farm, along with the German government’s Kreditanstalt für Wiederaufbau (Bank for Reconstruction). The project’s 105 turbines are supplied by the Danish-Germany company Nordex. In South Africa, DANIDA financed a wind farm in Darling, which is situated in the Western Cape, and an experimental wind station of three turbines operated by Eskom.

It is significant that German government financing was secured at the time when the Green Party was a coalition partner in the government led by Gerhard Schröder. The Green Party’s Heinrich Böll Foundation is actively supporting the anti-PBMR campaign in South Africa and has financed South African environmental activist David Fig to write a book attacking the South Africa nuclear industry.

## The Unsustainability of ‘Sustainable’ Energy

A glance at the Danish wind turbine industry demonstrates that, without government sponsorship and subsidy, the industry would rapidly collapse, because an electric generator that depends on wind is by definition totally inefficient—especially when there’s no wind.

As the top exporters, the Danes have several companies ranging from small wind turbines to the monsters that would even frighten Don Quixote.

It is a very special industry. Take Gaia Wind, which produces small 11-kilowatt wind turbines. Named after the Earth goddess, it was set up by the Gaia Trust, founded by Ross Jackson, an American expatriate and “spiritualist” living in Denmark. Jackson is a retired speculator who first financed



[www.sandia.gov](http://www.sandia.gov)



[www.denmark.dk/](http://www.denmark.dk/)photo: Rigmor Mydtskov

*Henrik, the Prince Consort of Denmark, has championed windmills as a Danish export, especially in the developing sector, and funded the opposition to the PBMR. Here, one of Denmark's royally subsidized windfarms on the southwest coast.*

the trust through his GaiaCorp, one of the world's first hedge funds dealing with special forms of currency derivatives. Gaia Wind, along with the Danish wind-turbine consultancy Kentec, won funding from DANIDA for a feasibility study in Africa.

On the other side of the spectrum is Vestas Wind Systems, the largest wind-turbine manufacturer in Denmark, which makes monster 4.5-megawatt ocean wind turbines. Its history parallels the growth pattern of the industry, which has been based on political and financial backing of the Danish and other governments .

Vestas started making wind turbines in 1978, experiencing a lackluster sales record until 1981, when California passed special tax legislation that made investment in wind turbines profitable. The company expanded until it had 800 employees, while providing the U.S. market with 2,500 wind turbines. But when the California tax legislation expired in 1985, Vestas went from riches to rags, and in 1987, the company was reorganized, retaining only 60 workers.

Although this collapse is testimony that the industry is only "sustainable" through government support, its revival was through government support as well.

According to Vestas's website, in 1989 "powerful political forces seek to strengthen the Danish wind turbine indus-

try." These "powerful political forces" not only in Denmark but in neighboring Germany, shifted their governments' policies away from nuclear energy into wind, solar, and other alternative energy sources with tax incentives, financial support, and legislation decreeing that thousands of megawatts of energy had to be generated by wind turbines, whether or not technically or commercially viable. Vestas soon captured one-third of the huge German market, which expanded greatly after the German Green party entered the government in 1998.

Vestas then grew to employ 10,000 people with subsidiaries all over the world. Many of their projects in the developing sector are financed by DANIDA. But while foreign sales boomed, in 2001, a new government came to power and put an end to government support. The Danish internal market collapsed to the point that in 2004, only five wind turbines were erected in all of Denmark. The situation changed only after the Parliament passed legislation in 2004 mandating an additional 750 megawatts of new wind power.

It is one thing for rich countries like Germany and Denmark to make insane decisions to throw away taxpayers' money on wind turbines, and quite another for the countries of Africa, most of which are desperately poor, to expend limited resources on an inefficient and dead-end technology.

## The PBMR and the Neo-Cons

Meanwhile, in the United States, the attack on the PBMR came from two very related sources.

The first was a report used in the above-mentioned EarthLife Africa case, which was written in 1999 by Dr. Edwin S. Lyman of the Nuclear Control Institute of Washington, D.C. The South African court stated that this report was written in such a highly technical style that it was unintelligible!

What is the Nuclear Control Institute? Run by Paul Leventhal, it is committed to stopping all nuclear power because it will allegedly lead to nuclear proliferation. This is the line now promoted by the neo-conservatives in and around the Bush Administration. It was pioneered by the late Albert Wohlstetter, one of the demigods of the neo-cons, who equated civilian nuclear reactors with atomic bombs. Wohlstetter's chief disciple was Paul Wolfowitz, former Deputy Secretary of Defense and now head of the World Bank. Wolfowitz, who wrote his doctoral thesis under Wohlstetter as an attack on nuclear desalination in the Mideast, is deeply committed to preventing any development of nuclear energy in the Third World.

Unlike the Danes, Leventhal doesn't push wind turbines, but preemptive strikes. He is a member of the Iran Policy Committee, which calls for "regime change" in Iran. This committee is the extreme of the extreme. One board member,

for example, is Gen. Paul Vallely (ret.), who was featured in *EIR*'s special report on the "spoon-benders" in the U.S. military (see "Cheney's 'Spoon-Bender' Pushing Nuclear Armageddon," *EIR*, Aug. 26, 2005). Vallely is not only for air strikes, but also for ground assaults against Iran.

It is curious that EarthLife Africa and the Legal Resources Centre, both of which claim to support the "little people," would team up with such an extreme group as the Nuclear Control Institute.

The second U.S. attempt to derail the PBMR was through the withdrawal of the U.S. energy company Exelon. The move came after the project's chief sponsor in Exelon, Corbin A. McNeill, retired as chief executive officer and chairman in 2002. McNeill's support for PBMR dates back to when he was chairman of PECO energy company, which later merged with Unicom Corporation to form Exelon in 2000. A retired captain of the U.S. fleet of nuclear submarines, McNeill was an enthusiastic supporter of the PBMR project. He especially saw the project as ideal for the countries of the developing sector.

McNeill's successor, John W. Rowe, immediately cancelled Exelon's support of the project on the grounds that it did not fit into his strategic plan for the company. A lawyer by training, Rowe is a very different type of CEO than McNeill, and did not share the latter's passionate commitment to nuclear energy, despite the fact that Exelon is the largest operator of nuclear power stations in the United States. According to industry sources, Rowe is a fanatical believer in the "shareholder value" ideology which underpins globalization and radical free-market policies.

Unlike the retired military officer McNeill, Rowe is a man of the business establishment, fancies himself a philanthropist, and belongs to all the right clubs. But politically he is close to the neo-cons, just like Leventhal. Until recently, he was a trustee of the American Enterprise Institute, better known as the Temple of Doom, a center of the neo-conservative movement in Washington, where both Dick Cheney and Donald Rumsfeld worked. Rowe participated in many of the seminars, conferences, and other affairs held in AEI's "Wohlstetter Hall," and perhaps met there another frequenter of these events, Paul Leventhal.

Rowe also sits on the National Commission on Energy Policy, along with R. James Woolsey, a Wohlstetterite and former CIA director, now very prominent among the neo-conservatives who want the United States to launch a strike against Iran.

There is now a renewed debate throughout Europe and the United States on nuclear energy. Finland is already building the first new nuclear power station in Europe in ten years. Russia and China have announced the intention to build dozens of new nuclear power stations over the next quarter century. Africa has to become part of this process if it hopes to survive the ravages of globalization. The PBMR project is on the front lines of that fight, and intends to win.

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