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This Week You Need To Know

The Anti-Deutschen:

A 'Thatcherite' Cult Targets German Nation for Destruction

by an EIR/LaRouche Youth Movement Investigative Team

Beginning in the Winter of 1989-90, when the whole world was celebrating the fall of the Berlin Wall, the liberation of East Germany, and the unfolding demise of the Soviet Empire, bizarre banners began appearing at left-wing rallies throughout Germany. The demonstrators carrying these banners were part of a violent, left-wing "autonomist" milieu in Germany, known as the "Antifa" ("Anti-fascists"). Their banners and posters carried slogans like "Fourth Reich—Never Again!" and "Bomber Harris—Do It Again." The latter slogan referred to British Royal Air Force Marshal Sir Arthur Travers "Bomber" Harris, otherwise known as "Butcher Harris," who was the architect of Britain's massive World War II strategic bombing campaign directed against German civilian targets, which killed and maimed millions of Germans, destroyed most German cities, but did little damage to the Nazi war machine.

The violent hatred of all things German, particularly the prospect of a united Germany, which characterized this extreme wing of the Antifa (they soon labeled themselves the "Anti-Deutschen"—"Anti-Germans") precisely mirrored the rhetoric and policies coming, at that same time, out of the Tory government of Margaret Thatcher in Britain, and some of the leading City of London propagandists in the British media.

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Feature

Is U.S.A. Drowning in Its Gore?

The Great Luddite Hoax of 2007

By Lyndon H. LaRouche, Jr.

Apart from asking who is behind the foolishness of Al Gore's recent Hollywood, pulp-science-fiction-style production, on the theme of 'Global Warming,' the crucial point to be addressed is: 'What is the actual strategic motive for the consisting persistence of the promotion of the Kyoto hoax at this particular time?'

Cosmoclimatology, Kepler, and Moon's Model of the Nucleus

By Laurence Hecht

A report by Danish investigator Henrik Svensmark in the journal of the Royal Astronomical Society shows the potential for the sorts of happy discoveries we can expect to occur more frequently, once the 40-year-long domination of science by the Green hysteria is finally lifted.

Investigation

The Anti-Deutschen: A 'Thatcherite' Cult Targets German Nation for Destruction

An EIR/LaRouche Youth Movement Investigative Team documents the bizarre story of how 'right' meets 'left' in the new attacks on German national sovereignty, which the AntiGermans denounce as 'antiSemitism.' The origins of this cult are not indigenous, but lie with Sir Bertrand Russell, the Frankfurt School, and their modern-day descendants.

'Antifa' Violence Protects Hedge Funds

The Antifa/Anti-German attacks on anyone who opposes the hedge funds have moved from verbal assault, to arson and low-level terrorism.

Moses Mendelssohn: Soul of Germany; Or, Why Anti-Semites Hate Germany

Economics

London's Cayman Islands: Empire of the Hedge Funds

Contrary to the efforts of some well-intentioned Congressmen and parliamentarians, it is impossible to think of hedge-fund reform in the United States, or in Germany, because the real source of power of hedge funds in these countries, lies in the British Overseas Territory of the Cayman Islands, unregulated and untaxed.

Business Briefs

National

LYM Youth Bust Up Attempt To Drown Congress in Gore

The week of Feb. 26, Washington, D.C. was overrun by spokesmen for the Great Al Gore Global Warming hoax. The LaRouche Youth Movement jumped right into the fight, challenging the foolish, Gorish axioms, and arguing for scientific rigor.

The Truth Heats Up Press Club Atmosphere

Carbon Controls' Aim: Back to the Dark Ages

Congress Debates: Public or Private Transport Network

National News

International

Is Southwest Asia Headed Toward 'LaRouche Doctrine'?

If, as planned, a meeting takes place in Baghdad on March 10, of officials from Iraq's neighbors and others, it will underscore the fact that ideas indeed do move history. The idea of such an approach is shaping the possibility of putting out the fires of sectarian strife in Iraq—an idea first formulated by Lyndon LaRouche in April 2004, in 'The LaRouche Doctrine.'

The Greens: An AngloDutch Creation

What Sudan Needs Is Economic Development, Not Foreign Troops

Intimidation Will Only Make Sudan Into a New 'Iraq'

Mr. Ukec is the ambassador from Sudan to Washington, D.C. He comes from Southern Sudan, and has spent many years in the United States, including studying in Iowa.

Editorial

The Real Battle Lines

U.S. Economic/Financial News

BLS Reports 10,000 Auto Jobs a Month Are Disappearing

Official statistics released at the end of February show that the United States' auto sector is shrinking at 10% a year. According to the Bureau of Labor Statistics, employment in the U.S. auto sector has sunk down to the 1 million mark as of January, from 1.34 million seven years ago, in January 2000. This is a drop of 25%, but in the last year alone, since January 2006, it has dropped 9.5%, and this fall is still clearly accelerating, as in the past few months, the shrinkage has been by 10,000 jobs a month.

Chrysler on Feb. 28 announced a buyout offer to 50,000 unionized production workers in the United States; supposedly, this is to get 9,000 to quit in 2007 at targetted plants (to be closed); but as in the Ford, Delphi, and GM buyout cases, many more than 9,000 are likely to be washed out, and some replaced with temps, unless the company goes under meanwhile. The buyout is less "generous" than GM's or Ford's—up to \$100,000 for workers far from retirement, who give up their benefits; very small incentives for early quitting for those near retirement.

Chrysler is cutting North American production by 400,000 vehicles, or about 20%, from 2006 levels.

Delphi's two plants in Anderson, Indiana are closing in June; of the nearly 300 workers remaining, who are second-tier low-wage replacements hired in 2006, about 60 will be able to transfer to Kokomo, Indiana plants for now; the rest will be laid off permanently. A worker involved in tearing the plants down, says that 25% of the machinery and tools were shipped out to Kokomo, Mexico, and Michigan; 25% of it has been auctioned off on DoveBid.com.

Delphi lost \$5.5 billion for 2006, of which \$4.3 billion was spent on shrinkage: \$3.4 billion on worker buyouts, and \$900 million on closed plant writedowns.

Blowing into Collapsing Debt Bubble: Bankers Search for Buyouts

The true "leveraged" insanity of the takeover of the big Texas electrical utility TXU, is now emerging. Although a debt-laden, \$44-billion total-"value" takeover of TXU by the private equity groups KKR and Texas Pacific has been announced, with the cancellation of TXU's planned coal-based new power capacity, the circus is not over.

According to the *Financial Times* March 1, the banks in the announced KKR buyout are Goldman Sachs, Lehman Brothers, Citigroup, and Morgan Stanley. But other international banks, not involved in the KKR/Texas Pacific Group buyout, are now going to other private equity firms, with \$40 billion loan packages already ready, and demanding that they make competing bids for TXU. Why? So that these bank syndicates can loan \$40 billion at 9%!

Credit Suisse is shopping its \$40 billion loan package to Carlyle Group, Blackstone Group, etc.; and Credit Suisse is meanwhile also advising TXU on being taken over. This is called "stapled financing," because everything for a takeover is put together and packaged by the bank syndicate in advance, in order that they can lend the money.

But at the same time, Deutschebank and Bank of America are also canvassing private equity groups, including some of the same ones, to find prospective buyers of TXU to take *their* \$40 billion in loans. And TXU has been given 50 days, by KKR and Texas Pacific, to look over competing bids, should they be made.

And who got TXU to demand that condition, and is now running that whole "bid 'em up" process for TXU? Lazard!

Next stop \$50 billion in debt? \$60 billion? Lazard has done it many times before.

U.S. Subprime Market Twists Out of Control

The potential for a wipe-out of the subprime mortgage market, and credit-derivatives based on subprime mortgages, was grown significantly Feb. 26, when the ABX index, which tracks potential default on subprime mortgage-based credit default swaps (derivatives), reached the point that it now requires \$1.6 million yearly, to insure against default on a \$10 million subprime mortgage bond. This is an increase of one-third from the \$1.2 million level on Feb. 23, one business day before.

This crisis not only threatens the \$500 trillion worldwide derivatives market, but all banking institutions that have been involved with mortgages and subprime mortgages. On Feb. 26, the stock of Citigroup fell 2%, its biggest one-day fall since July 2006, which pulled down the Standard & Poor's 500 stock average. The stock of New Century Financial, the second-largest subprime lender in the U.S., continued to fall: Its stock has lost 52% of its value during the past four months, with most of that loss in the last 30 days.

At the same time, the banks are trying to tighten lending standards to the subprime market, according to an article, "Home Lenders Cut the Flow of Risky Loans," in the *Wall Street Journal* Feb. 26. Accredited Home Lenders Holding Co., for example, reported that loans for 100% of the home's value, which combine first mortgages with home-equity loans, accounted for 19% of loan originations in the fourth quarter of 2006, down from 45% during earlier quarters of the year. However, this hasty tightening of standards—done in the typical manic manner in which Baby Boomer bankers operate—will decrease the flow of new loans, and decrease the upfront mortgage loan fees and income streams, which the banks would need to grab onto to try to offset the disaster that they are experiencing.

New Home Sales Plummet Again in January

In January, new U.S. home sales fell to an annual rate of 937,000, a drop of 16.6% compared to a level of 1.123 million in December 2006, the Commerce Department reported Feb. 28. This was the steepest monthly fall since 1994. A consensus of establishment economists had predicted that the fall for this period would be 3.6%. On a regional basis, comparing levels

January of 2007 to December of 2006, new home sales fell 37.4 % in the West, and 18.7% in the Northeast. (Comparing the new home sale levels of January 2007 to the same month last year nationally, the fall was 20.1%)

This January, the inventory of unsold homes rose to 6.8 month's worth. Reality filters in: "The inventory situation is undoubtedly worse than reported," Stephen Stanley, chief economist at RBS Greenwich Capital in Greenwich, Connecticut, said in a note to clients. "Builders will probably have to continue to work off bloated stocks of finished homes for most of 2007."

Wall Street in Deep Denial About Financial Crisis

It's not banks' low loan loss reserves that will blow out the banking system, as the *Wall Street Journal* implied Feb. 27, in its coverage of regulators' concerns that loan loss reserves are at their lowest level since 1990. Its headline, "No Worries: Banks Keeping Less Money in Reserve," indicates that Wall Street is still in clinical denial about the fact that the entire global financial system is disintegrating, and that banks will have a lot more to wrestle with than the fact that consumers and companies are "having difficulty paying their debts." The Wall Street paper highlighted the advisory put out last December by Kathryn Dick, the deputy comptroller for credit and market risk at the Office of the Comptroller of the Currency, urging bank executives to evaluate how they have calculated the size of their loan reserves. At that time, she stated, "[W]e do believe there is risk building in the system." Even so, it's really not that bad, the *Journal* concluded. The low level of reserves "aren't triggering any concern about the financial soundness of the nation's banking system. Bank failures are quite rare."

World Economic News

Survey Reports Some Central Banks Shift Out of Dollar

A survey sponsored by the British Crown asset, the Royal Bank of Scotland Group Plc, published in the British-headquartered Central Banking Publications Ltd., reported Feb. 26 that between September and December 2006, the central banks of Italy, Russia, Sweden, and Switzerland made "major adjustments" in foreign-exchange holdings, increasing the share of euros and pounds sterling they hold, and decreasing the share of dollars. The survey questioned reserves managers at 47 central banks, which altogether hold approximately one-third of the reserves held by the world's central banks.

One central bank reserve manager told *Central Banking* magazine, that the central banks, whose reserves holdings have increased dramatically during the past five years, have sufficient reserves to handle such long-standing central bank responsibilities as "insuring against financial crisis," and are now seeking "higher returns from cash," according to the Feb. 26 *Financial Times*. The *FT* reported that this has led some central banks to invest in "riskier assets." Sean Callow, senior currency strategist at Westpack Banking Corp. in Singapore, asserted, "Central banks are open to saying they've been diversifying to improve returns and reduce exposure to any single currency."

This "diversification" would put downward pressure on the dollar, if carried out on a large scale. There has been an explosion of foreign reserves held by the world's central banks, as such reserves have increased from \$2.05 trillion at the end of 2001, to \$4.75 trillion at the end of the third quarter of 2006, according to figures compiled by the International Monetary Fund.

United States News Digest

Cheney's Halliburton Role in Walter Reed Scandal

The House National Security Subcommittee, chaired by Rep. John Tierney (D-Mass.) has uncovered evidence that the Bush Administration's drive to privatize government jobs may be a factor in the scandalous treatment of wounded soldier-outpatients at Walter Reed Army Hospital. On March 2, the subcommittee posted a memorandum, apparently written in September of 2006, warning of an exodus of "highly skilled and experienced personnel" brought on by the Army's decision to privatize support services at the hospital complex. As a result, the memo warned, "WRAMC [Walter Reed Army Medical Center] Base Operations and patient care services are at risk of mission failure."

Even worse, according to a March 2 letter signed by Tierney and House Oversight Committee chairman Henry Waxman (D-Calif.), the firm that was awarded the \$120 million contract (after successfully protesting a finding that Army employees could do a better job at less cost) is IAP Worldwide Services. IAP, which is one of the companies cited for problems during Hurricane Katrina recovery operations, is headed by Al Neffgen, a former senior Halliburton official who testified to the House Government Reform Committee in July 2004 in defense of Halliburton's exorbitant overcharging for gasoline shipments into Iraq. IAP took over facilities management at Walter Reed on Feb. 3, 2007, with 50 people to do the work that was being performed by more than 300 people at the time the contract was awarded one year earlier.

The rapidly ballooning scandal made Army Secretary Francis Harvey a casualty on March 2. Senior defense officials told Associated Press that Secretary of Defense Robert Gates asked Harvey to resign because he was disappointed that Harvey, after firing Walter Reed commander Maj. Gen. George Weightman, had put Army Surgeon General Lt. Gen. Kevin Kiley temporarily in charge of Walter Reed when his own role in the scandal is still in question. "I am disappointed that some in the Army have not adequately appreciated the seriousness of the situation pertaining to outpatient care at Walter Reed," Gates said. Kiley commanded the hospital in 2003 and 2004 when problems with outpatient care were first brought to light yet, according to veterans' advocates and members of Congress, he did little to address them.

Scandal Over Firing of U.S. Attorneys Grows

The latest shoe to drop from a veritable centipede, is the firing of the U.S. Attorney for New Mexico, David Iglesias, who says he believes he was fired because he resisted pressure from members of New Mexico's Congressional delegation before the 2006 elections, to speed up an investigation and bring corruption charges against a Democrat before the election. This was revealed on the Senate floor Feb. 28 by Sen. Charles Schumer (D-N.Y.), and in a House Judiciary Committee press release the previous day. Eight U.S. Attorneys have been fired by the Bush Administration for what they charge are political reasons, and not for cause.

The Justice Department responded that the allegation that Iglesias was asked to resign for failure to bring that political indictment is "flatly false."

The *New York Times* noted March 1 that, although the DOJ claims the dismissals were mostly "performance related," Iglesias, like most of the other fired U.S. Attorneys, recently had a positive job-performance review by the Justice Department in Washington.

The House Judiciary Committee announced Feb. 27 that it planned to issue subpoenas for a March 6 hearing to Iglesias and other fired U.S. Attorneys, Carol Lam, H.E. Cummins III, and John McKay.

Obey Plans To Move War Supplemental, Quickly

On Feb. 28, House Appropriations Committee chair Rep. David Obey (D-Wisc.) announced that he has set March 7 as a target date to mark up Bush's fiscal 2007 supplemental measure, and that his goal is to bring the bill to the floor for debate the following week.

Bush seeks \$103 billion for war and hurricane relief efforts in this supplemental, of which \$93.4 billion is for the Pentagon. The request comes on top of the \$70 billion Congress already appropriated for the war on terror in fiscal 2007.

Obey's announcement followed a House Democrats' meeting on Feb. 27, after which Speaker Nancy Pelosi said that Rep. John Murtha's proposals on troop standards will be debated in the Appropriations Committee the second week in March. The Feb. 28 *San Francisco Chronicle* reported on a compromise on Murtha's original amendment: "Murtha's plan would place conditions on training, equipment and deployment, but not tie the money to those conditions." Pelosi stated these conditions comport with current law; it is just that the Defense Department has waived them, and so by reasserting them in the supplemental, she said, it puts the onus on Bush.

Senator Robert Byrd (D-W.Va.), chair of the Senate Appropriations Committee, said he intends to mark up the Senate's version of the bill March 20, and Senate Majority Leader Harry Reid (D-Nev.), has said he would like to have the bill on the floor the last week of March.

Byrd Pins Down Pace on Iraq War Plans

While otherwise surprisingly non-confrontational, the Feb. 27 hearing of the Senate Appropriations Committee on the Bush Administration's \$100 billion war supplemental request did feature Committee chairman Robert Byrd (D-W.Va.) dramatically tallying the true cost of the Administration's "war on terror" of \$3.2 *trillion*, "every dime of which has been borrowed." He made it clear that he understood some of this money was going to the "surge," and that the "taxpayers" had a right to certain assurances for their money. "We are not blind to administration failures," he said. "Congress is not a rubber stamp, nor a Presidential lapdog."

During opening statements, Secretary of State Condoleezza Rice announced the intent to involve both Syria and Iran in regional conferences, beginning in March. After her opening statements and those of Defense Secretary Robert Gates, Byrd again took control of the questioning, finally coming to (third witness) Joint Chiefs of Staff chairman Gen. Peter Pace. "Do you have plans for air strikes on Iran?" he asked, without warning. When Pace didn't immediately answer, Byrd quickly jumped in, "Maybe I need to restate this: Do you have plans for air strikes on Iran?" "No," declared Pace. "Categorically?" Byrd demanded. "Categorically," Pace responded.

Ibero-American News Digest

Kirchner: Argentina Is Reindustrializing Under a New Paradigm

In a two-and-a-half-hour speech opening the new session of Congress on March 1, Argentine President Nestor Kirchner reviewed Argentina's march out of the hell into which the IMF policy of the 1990s had sunk it, by adopting a different paradigm, in which the success of public policy "must be judged from the standpoint of the common good" and "the carrying out of public policy for the benefit of the well-being of the people."

An abyss divides those who insist that Argentina must return to the "canned recipes" of the IMF, and our government, Kirchner said. What they propose we implement, are the policies which threw 60% of our people into poverty and 30% into indigence; their deflationary policy was "the silence or the peace of the cemetery" where people could not consume, develop, or have upward mobility. "We want a live society," he countered.

Do they think we Argentines have no memory of history, when they criticize my government for daring to break ranks? We were not the ones who wished to turn Argentina into a country of services, who did not invest in energy or public works.

We and the majority of Argentines "dreamed of creating a productive country, an industrial country."

One of the big challenges we face in state policy, is to go back to a policy of investing in public works. Given infrastructure's "power to improve the quality of life, to rapidly drive the level of activity, and generate better economic and social competitiveness," this is a priority for us. We have had to fight in the field of ideas, also, he said. "We have had to fight against a way of thinking very deep-rooted in certain sectors, that active policies vis-a-vis infrastructure and public works are an expense, and not investment."

Among the advances Kirchner cited as having been made under the new paradigm, were a drop in the percentage of Argentines who live under the poverty line, from 60% when he took office in May 2003, to 31.8% today: "shameful," but far less; and unemployment below 10% for the first time in 14 years, at 8.7%—a third of the 27% it was in May 2003.

Correa Declares Infrastructure Emergency

Declaring his country's productive sector to be in a "state of emergency," Ecuadoran President Rafael Correa signed a decree Feb. 26 allocating \$100 million to finance infrastructure projects to jump-start the economy. Speaking on his weekly radio show Feb. 24, Correa explained that the money, which comes from a special reserve fund of oil revenue, will be directed to Ecuador's Army Corps of Engineers to either finish, or develop, projects which the productive sector requires for its activities, such as repairing harbors, jetties, bridges and secondary roads in need of repair and maintenance.

Why give our resources to other sectors, when we have an Army Corps of Engineers, which, with all their honesty, determination, and patriotism, can help rebuild the nation, he asked.

While discussing financing, Correa also said he expected the newly created Bank of the South (see last week's InDepth: "Bush Biofuel Junket to Ibero-America Aims To Ensnare Region in Insanity," by Cynthia R. Rush) to be up and running within 120 days. This will "dramatically lower" the cost of financing for projects. This stands in stark contrast to the IMF, he said, whose loans may have interests rates of 3 to 4%, but by demanding "unacceptable conditions, imposing consultants, things we have to buy, ... fines, etc., they end up much more costly than commercial credit."

Advisor of 1987 Debt Moratorium To Represent Brazil at IMF

On Feb. 23, Brazilian Finance Minister Guido Mantega named Paulo Nogueira Batista as Brazil's representative on the IMF Executive Board. As such, he will head a group of nine South American and Caribbean countries. "I will be [at the IMF] as an ambassador, to defend the interests of these nine countries, and not the interests of the IMF," he declared.

Nogueira Batista's appointment has caused quite a stir, as he is a nationalist who became notorious in bankers' circles as the debt advisor for Finance Minister Dilson Funaro in 1986-1987, when Funaro declared a debt moratorium. Since then, Nogueira Batista has consistently fought against globalization, dollarization, and privatization, as threats to Brazil's sovereignty.

Questioned as to why he agreed to represent the Lula da Silva government when he had been an outspoken critic of the monetarist policies of the President's first term, Nogueira Batista answered that his appointment was merely a small part of a greater change. He pointed to the Accelerated Growth Program (PAC) announced a month ago, as evidence that Lula's second term will focus on achieving growth.

Interestingly, the Brazilian daily *Valor Economico* implied on Feb. 26, that Nogueira Batista had been considered to head of the Central Bank, which, the paper noted, would have blown out hedge funds' bets that Brazil will never break with the

carry trade.

Brazil: Carrion for the Carry Trade

Brazil's public debt, when converted to dollars, has grown at an annual rate of over 20% over the last four-plus years. It stood at \$228 billion in September 2002, and had risen to \$499 billion by the end of December 2006. The Brazilian government pays the highest interest rate in the world on its public debt: now 13%.

During this same time interval, the Brazilian Central Bank's dollar reserves nearly tripled, from \$37.6 billion in August 2002, to \$101.1 billion in February 2007—an annual rate of increase of 25%. In other words, the government was pumping out huge volumes of debt, at 13% interest or more, which is being bought up by international hedge funds and other speculators, in exchange for dollars that just sit as Central Bank reserves, which are deposited back in Wall Street and other banks, earning perhaps 5% interest. The 8% margin is pure speculative usury to the benefit of the hedge funds ... and pure looting of the Brazilian nation and people.

Testifying before a Senate committee on Feb. 27, Brazilian Central Bank chief Henrique Meirelles insisted that Brazil would continue to play its role of providing foreign speculators with Brazilian public debt paying usurious interest rates. Meirelles piously claimed his policy of issuing debt to buy dollars is necessary to increase Brazil's foreign reserves, to cover its obligations in the event of a financial crisis. This is not surprising, however, given that Meirelles, before taking over the Central Bank, had worked abroad for years as a top executive in BankBoston Corporation.

Chile Forms Committee To Study Nuclear Power

President Michelle Bachelet has formed a committee of experts to evaluate the prospects for Chile to develop nuclear power in the future, Energy and Mines Minister Karen Poniachik announced Feb. 28. The committee has six months, starting in March, to issue recommendations on what role, if any, nuclear power should play over the long term in the Chilean economy. The minister was careful to emphasize that the government does not view nuclear as part of any short-term solution to the nation's energy crisis, but the anti-nuke lobby is already screeching, as it is the first time nuclear energy has been put officially on the table for discussion.

Private Sector Fuels Biofuels Alliance

The private sectors of Brazil and the U.S. are collaborating closely to build a biofuel alliance between the two nations, on the assumption that the Bush Administration's refusal to lower tariffs for imported Brazilian ethanol may slow the pace of the more official government-to-government cooperation.

Former Florida governor and Presidential sibling Jeb Bush is in the middle of this, as founder of the Inter-American Ethanol Commission and also as a key player on the "Ethanol General Staff" that the White House has set up to supervise agreements with Brazil. Also involved is the private sector's U.S.-Brazil Business Council. Among these groupings, there is also talk of creating a strategic ethanol reserve, similar to the U.S.'s Strategic Petroleum Reserve.

Former Brazilian Agriculture Minister and co-founder of Jeb Bush's commission, Roberto Rodrigues, told *Valor* online Feb. 23 that the private sector alliance will be key in getting other nations to start producing ethanol, even when they have no tradition of doing so. As a service to foreign private investors, by March or April, Rodrigues expects to have a complete mapping of every country in region indicating the most potentially lucrative targets.

Western European News Digest

Italy's Prodi Wins Confidence Vote

Romano Prodi was asked to remain as Italian Prime Minister Feb. 24 by President Giorgio Napolitano, and won a confidence vote in both houses of the Italian Parliament, following the collapse of his government the previous week. Prodi first won a vote in the Chamber of Deputies, where his coalition has a 30 vote majority. More in question was the vote in the Senate, where the coalition has a slim majority of one vote. Napolitano, after meeting with Prodi, said, "It seemed clear that there was no concrete alternative [to a vote of confidence], especially in the Senate."

Most upset at the developments is former Prime Minister (and Cheney ally), Silvio Berlusconi, who apparently wanted a "broad coalition" of all parties—which was one of the options that the President could have chosen. Also howling is the separatist, and anti-Islamist Lega Nord (Northern League) party—not a member of Prodi's center-left coalition.

Convicted RAF Terrorist Rekindles Support for Movement

Christian Klar, imprisoned for the last 24 years for multiple murder convictions as a member of the German terrorist Red Army Faction (RAF), addressed the Rosa Luxemburg Conference in Berlin Jan. 13. In a written statement to that conference, which was only released to press at the end of February, Klar expressed his hope that the time had come to "finalize the defeat of capitalism and to open the door for a new future." He attacked an "imperial alliance" in Europe, which "empowers itself to punish from the heavens any nation on Earth, which does not accept its diktat...." The message was read by former federal parliamentarian and former dean of Berlin Humboldt University, Heinrich Fink, who had lost his post due to accusations that he had links to the Stasi, the former East German secret police. Klar has asked German President Horst Koehler for a pardon on his life-sentence; this would allow him to leave prison before the earliest possible date in 2009.

While the event as such is not important, it contributes to heighten tensions around the upcoming G-8 meeting in June. Since the issue of RAF terrorism in the last months has returned to the mass media, a peculiar nostalgia among certain strata of the 68ers is being nurtured.

A security expert recently told *EIR* that he saw the danger of a new wave of terrorism sweeping Europe and Germany, which would, as in the late '70s and '80s, directly target leading individuals and personalities representing important national assets. Since this aim cannot be served by using the Islamic terrorism story, another smokescreen has to be created, to enable others to operate behind it. It is obvious that this danger will become more acute as Europeans orient towards new positive developments in the United States.

UK Labor Encourages German Actions vs. Locust Funds

Brendan Barber, general secretary of the British Trade Union Congress, said two days ago that he and labor leaders from numerous other countries plan to meet with German Chancellor Angela Merkel in Paris, in March, to discuss the hedge fund issue and encourage the Germans to put it prominently on the G-8 Summit agenda in June.

The GMB (General and Municipal Workers), Britain's fourth-largest labor union, held a protest action in London Feb. 22, against a new so-called charity, initiated by the Permira equity fund, which serves as a public relations front for the locust funds. The GMB, in its ongoing campaign against Permira especially, makes direct reference to the Spring 2005 attacks of then-chairman of the German Social Democrats Franz Muentefering against the "locusts."

Youth Riots Erupt in Denmark, Sweden, and Germany

Police in Copenhagen cleared out a building occupied by squatters Feb. 28, in an operation that developed into hours-long clashes of 800 rioting youth with the police. This involved youth from underground circles in Germany and Sweden, as well. Many policemen and rioters were wounded, and more than 200 arrests were made. Security forces were prepared for continued clashes over the March 3-4 weekend.

The squatters' scene, which is nominally leftist, overlaps with autonomous youth centers and pubs all over Europe, in this case with respective groups in northern German cities. On March 1, 800 youth rioted at the notorious "Schanzenviertel" district of Hamburg; riots were also reported from Flensburg, Hanover, Braunschweig, and Goettingen. The entire network is interlinked European-wide, overlapping with the anti-globalist radicals, who had their first big event in Genoa in June 2001, against the G-7 summit. The riots, a buildup also against the June 2007 Heiligendamm summit of the G-8, deserve special attention because they may serve to create a broader environment for targeted arson attacks (more than 40 have already occurred, in northern Germany and Berlin) and, potentially, assassinations.

Interest in New Bretton Woods Coming from German Left

An aide to a Linkspartei (Left Party) Member of Parliament in Berlin, told *EIR* March 1, that there is interest in the visit to Rome, during the week of Feb. 12, of Lyndon and Helga Zepp LaRouche, and in the participation of Rifondazione Comunista party member Andrea Ricci at the LaRouches' conference Feb. 13 at the Parliament's Cenacolo Hall. Government regulation of hedge and equity funds, measures against speculation, and stable currency exchange rates are issues also very much under discussion in the Linkspartei, the aide said, and when briefed that certain initiatives in this direction are underway also in the newly elected U.S. Congress, the aide said that can only be welcomed.

Swiss Want Nuclear Power Development

The Swiss government has presented its new long-term energy development plan, which includes proposals to 1) extend operational periods for existing nuclear power plants; 2) take construction of new plants into consideration; 3) shorten licensing procedures, so that projects can be completed at an earlier date, than with existing procedures.

The government will hold a referendum in the coming weeks, to win broad popular support for the policy. While Germany's neighbor Switzerland is clearly endorsing nuclear power development, the Germans are still hesitant to abandon the anti-nuclear green ideology.

'Religious' Propaganda Film Hypes New British Empire

Following closely on the announcement in the London *Economist* that the British Empire is back, is the release Feb. 23 of the movie "Amazing Grace," about how British M.P. William Wilberforce (1759-1833) and John Newton (1725-1807), author of the hymn (text only) by that title, were supposedly great British reformers. In reality, though they did oppose the slave trade, it was from the vantage point of "lobbying" for a more compassionate imperialism courtesy of the British East India Company!

Listed as official "Partners" for circulating the movie are the British Embassy, Focus on the Family, along with the U.S. Congress and many others. The *Economist* has dubbed Sen. Sam Brownback (R-Kan.) as a Wilberforce Republican.

The "faith movie," released during Black History Month, is being promoted to the hilt by American fundamentalists, including James Dobson and his Focus on the Family networks. The producers claim that 5,500 American churches participated in an "Amazing Grace" pre-release screening on Sunday, Feb. 18.

Russia and the CIS News Digest

Primakov: Korea Talks Exemplary

In a commentary for the Feb. 24 *Moscow News*, Russian former Prime Minister Yevgeni Primakov wrote that the real strategic importance of agreements achieved at the Six-Party talks on Korea, held in Beijing, was the U.S. shift from its "regime change" policy towards North Korea, and when, "in the end, the United States faced up to reality and started moving away from its 'unipolar' line." Given this breakthrough, Primakov wrote, a grouping of the U.S., and the Eurasian leaders of Russia, China, India, with the EU, might be formed for resolving the Iran crisis.

Primakov, who first put forward the Russia-China-India "strategic triangle" idea of Eurasian leadership, in 1998, emphasized that the Six-Party talks took place just after President Putin's speech on international security in Munich, which stated the unacceptability, and impossibility, of a "unipolar" world. While much still has to be done to resolve the North Korean nuclear issue, what happened in Beijing was "nothing short of success, but this success should not only be reduced to North Korea's nuclear weapons problem. I am confident that no matter what might happen in the future, the Beijing breakthrough has a broader dimension."

Putin's speech at the Wehrkunde meeting in Munich last month "showed that Russia should not be underestimated as a global power," Primakov wrote. "Could the emerging prospects for resolving the crisis around North Korea's nuclear program help bring this message home to Washington?" The key would be to apply the lesson to Iran, he wrote.

Lavrov Concerned About Cheney

Russian Foreign Minister Sergei Lavrov, twice in late February, singled out menacing statements by U.S. Vice President Dick Cheney, as of particular concern to Moscow. "I am concerned that forecasts and predictions of strikes on Iran have become frequent," Lavrov said at a Feb. 26 government meeting. "In particular, the U.S. Vice President mentioned the possibility in his recent statements." Two days later, addressing an audience at the Moscow State Institute of International Relations (MGIMO), Lavrov said: "Everything must be done to prevent a war, and this is exactly what we are doing now. So far, neither Tehran nor Washington has responded effectively enough. We cannot ignore statements made by top officials in the U.S. Administration, primarily Vice President Dick Cheney, who say any scenario is possible, including the use of force. We will do everything possible to stop that from happening."

In a Feb. 25 op-ed in the *Washington Post*, Lavrov addressed Russian-American relations directly, refuting the media spin on Putin's Munich speech as having represented "anti-American rhetoric to spark another Cold War." "If you read the president's entire speech," Lavrov countered, "you will see that Putin was neither attacking the United States nor proposing Russia as a counterbalance to U.S. unilateralism. Instead, he called for a world with many centers of influence where different interests work together, multilaterally, to shape a common denominator on global issues. The recent six-nation agreement on North Korea's nuclear program proves that this pragmatic approach can work."

Lavrov continued, "As Russians struggled with the chaos and weakness that dogged us in the first post-Soviet years, some might have gained the impression that our voice would never be heard on the world stage. A stronger, more vibrant Russia has emerged from the rubble of the 1990s.... Russia is ready to work with the United States on an equal and mutually respectful basis. Another Cold War? Certainly not. A democratic world in which a strong Russia coexists with a strong United States, as well as a strong Europe, China, India, Brazil, and others? That is Vladimir Putin's vision—and it is well worth considering."

Russians Discuss Nuclear, Rail Cooperation in Japan

Russian Prime Minister Mikhail Fradkov visited Japan starting Feb. 28 for talks on nuclear power and other cooperation. He carried a letter from President Putin to Japanese Prime Minister Shinzo Abe, calling for a "qualitative build-up of trade and the economic interaction, increase in investments, including in the regions of Urals, Siberia, and the Russian Far East." The two sides are planning a large-scale investment forum for this purpose, Putin wrote.

Japan is now one of Russia's ten leading investors, with 2006 investment quintupling to \$2.5 billion. Abe announced at a joint press conference that the two sides are "beginning talks on a cooperation agreement in the civilian nuclear energy sector," and want to increase cooperation in railroad transportation and aviation. Novosti reported Feb. 28 that Russia has set up a joint venture to enrich uranium for Japanese nuclear power plants on Russian soil. According to *Kommersant*, Russian Transportation Minister Igor Levitin invited Japanese business to invest in a \$90 billion project for a tunnel between Sakhalin island and mainland Russia.

Russia Signs Nuclear Power Agreement With Namibia

Russian nuclear agency head Sergei Kiriyenko told reporters in Namibia Feb. 23, after a meeting with President Hifikepunye Pohamba, that the Russian enterprise, Renova, had won a tender to develop two uranium deposits in the Africa country. "We agreed to found a joint venture to prospect and produce uranium," Kiriyenko said. He also stated that Russia "is present on all continents in the sphere of atomic energy, but we had left out Africa." Not any more. Last week, during a visit there, Kiriyenko announced uranium and nuclear deals with South Africa. Kiriyenko also said that Russia is "ready to build" a floating nuclear power plant for Namibia. Prime Minister Nahas Angula said his nation and Russia are discussing the use of Russian nuclear technology; Namibia expects a reduction in energy supplies from South Africa, and could have a 300 MW deficit in the next three years.

Russia Consolidates Space Defense Weapons

The Russian Military and Industrial Commission will consolidate all research and engineering entities for air defense in the new effort for Russia to create a weapon that would simultaneously secure aircraft, missile, and space defense. This project was set out on Feb. 27 by First Vice Prime Minister (and former Defense Minister) Sergei Ivanov at the Commission meeting. The weapons designer will be Almaz-Antey Consortium, and the Commission has just met with its Almaz Research and Production Enterprise division. A head office at Almaz-Antey will consolidate Air Forces, Navy, Army, Automatic Control Systems and Ballistic Missile Defense research and engineering. This is "a very serious, expensive and innovatively unique project," Ivanov said, setting a deadline of 2015.

Ukrainian 'Orange' Figure Tymoshenko Meets Cheney

Ousted Ukrainian "Orange Revolution" leader Yulia Tymoshenko visited Washington and New York the week of Feb. 25, for meetings with Vice President Dick Cheney, National Security Advisor Steven Hadley, and former Secretary of State Madeleine Albright. Tymoshenko became Prime Minister after the Orange Revolution in January 2005, but was ousted nine months later. On Feb. 8, her parliamentary bloc signed a cooperation agreement with President Victor Yushchenko's Our Ukraine, who is at loggerheads with the current government of Victor Yanukovych.

In the same week, Prime Minister Yanukovych visited Germany. He said on the eve of his trip, that Ukraine wanted integration with the European Union, but also strategic partnership with Russia.

Southwest Asia News Digest

Madrid+15 Peace Initiative Moving Forward

A source involved in the Madrid+15 Mideast peace initiative, which held its first conference at the end of last year, told *EIR* March 2 that some interesting follow-up is in the making. The Crisis Group, which was one of the sponsors of the group's first conference, is about to take a tour of the region, which will take it to Israel, the Palestinian National Authority, Jordan, Syria, Egypt, and Saudi Arabia, with the purpose of organizing an international peace conference. To further this, the Madrid+15 will form a steering committee/working group with representatives from each country and sponsoring organization. There is also an attempt to set up an Israeli-Egyptian conference in Egypt, something that has not happened in a long time.

Baker: Hold Peace Talks with Syria

Speaking at a lecture at the Library of Congress on Feb. 27, James Baker III urged the Bush Administration to expand peacemaking to include Syria as well as the Palestinians. Israel, he said, needs peace on both fronts, while Syria may be able to influence Hamas militia to recognize Israel's right to exist. He said, "We need to recognize and accept that the United States will sometimes have to deal with authoritarian states. The United States must recognize the limits of power."

EC To Renew Some Financial Aid to Palestinians

The European Commission will renew some financial aid to the Palestinian National Authority through what is known as the Temporary International Mechanism, details of which were presented at the Quartet meeting at the end of February in Berlin, *Ha'aretz* reported Feb. 26. The aid would amount to 35 million euros. European Commissioner for External Relations Benita Ferrero Waldner was to arrive in Israel on Feb. 27 to meet Israeli Prime Minister Ehud Olmert, as well as the defense and foreign ministers, and opposition leader Benjamin Netanyahu. She will then go to Ramallah to meet Palestinian President Mahmoud Abbas.

Israeli Military: Syria Will Not Attack Unprovoked

Israeli military intelligence said Syria will not attack unless provoked, according to *Ha'aretz* Feb. 23. Both the head of Israeli military intelligence, Gen. Amos Yadlin and Mossad head Meir Dagan briefed the cabinet on the regional security situation. While both agreed that Syria would not initiate war against Israel, they also warned that if Israel attempted a provocation, such as flying over the palace of Syrian President Bashar Assad, as Israel had done last June, or launched a provocation along its border, Syria would likely respond aggressively. Although neither saw Israel going to war in 2007, both said Iran was determined to acquire nuclear weapons.

New Yorker's Hersh Echoes *EIR* on Iran

In a lengthy article, in the March 5 *New Yorker*, investigative reporter Seymour Hersh echoes *EIR*'s Nov. 27, 2006 report of Dick Cheney's Sunni vs. Shi'a strategy for war on Iran. Hersh reiterated the evidence *EIR* presented and adds a great amount of his own, but fails to report on the recent contrary developments in and around the recent Mecca Palestinian summit meeting.

New elements of the Hersh article include the following:

* The U.S. military has arrested and interrogated hundreds of Iranians in Iraq, holding as many as 500 at one point. "The White House goal is to build up a case that the Iranians have been fomenting the insurgency...."

* In recent months, a special planning group has been established in the office of the Joint Chiefs of Staff, charged with creating a contingency bombing plan for Iran that can be implemented, upon orders from the President, within 24 hours. In recent months, the group has further been assigned to identify Iranian targets that may be involved in supplying or aiding militants in Iraq.

* Hersh multiply confirms *EIR's* reports that U.S. aid to Lebanon is getting into the hands of al-Qaeda allied radical Sunni groups there. On this, a Saudi source told Hersh, "Salafis are sick and hateful, and I'm very much against the idea of flirting with them. They hate the Shi'ites, but they hate Americans more. If you try to outsmart them, they will outsmart us. It will be ugly."

* In an interview, Hezbollah head Sheikh Nasrullah told Hersh that the Bush Administration is trying to ethnically partition Iraq, Lebanon, and Syria—obviously true.

* Finally, Hersh reports that "Iran-Contra was the subject of an informal 'lessons learned' discussion two years ago among veterans of the scandal. Elliott Abrams led the discussion. One conclusion was that even though the program was eventually exposed, it had been possible to execute it without telling Congress. As to what the experience taught them, in terms of future covert operations, the participants found: 'One, you can't trust our friends. Two, the CIA has got to be totally out of it. Three, you can't trust the uniformed military, and four, it's got to be run out of the Vice President's office.'"

Hersh's sources said this was a factor in John Negroponte's resignation as Director of National Intelligence: "No way," he said, "I'm not going down that road again, with the NSC running operations off the books, with no findings." Negroponte also "had problems with this Rube Goldberg policy contraption for fixing the Middle East."

Hersh's sources say the billions of dollars that Paul Bremer lost in Iraq, are being used for black operations all over the world.

"This goes back to Iran-Contra," a former NSC aide told him. "And much of what they're doing is to keep the Agency [CIA] out of it." He said that Congress was not being briefed on the full extent of the U.S.-Saudi operations. And, he said, "The CIA is asking, 'What's going on?' They're concerned, because they think it's amateur hour."

Lyndon LaRouche responded: "It's out of control. The CIA has got a good read on the thing."

Hersh says this will be a subject of Sen. Jay Rockefeller's (D-W.Va.) Senate Intelligence Committee's March 8 hearings on DOD intelligence activities.

Interviewed on CNN's "Late Edition" on Feb. 25, Hersh reiterated that "we [the U.S., i.e., Bush Administration] have been pumping money, a great deal of money, without Congressional authority, without any Congressional oversight—Prince Bandar of Saudi Arabia is putting up some of this money—for covert operations in many areas of the Middle East where we think that the—we want to stop the Shi'ite spread or the Shi'ite influence."

"All of this should be investigated by Congress, by the way, and I trust it will be," Hersh added. "In my talking to the membership, [Congressional] members there, they are very upset that they know nothing about this. And they have great many suspicions.

Iraqi Official: Iran Not Arming Insurgents

A well-informed Washington intelligence source in Washington told *EIR* on Feb. 26 that the Bush Administration has

complete confirmation of the statements made by Iraqi National Security Advisor Mowaffak Al-Rubaie in his interview with CNN's Late Edition Feb. 25.

Al-Rubaie told interviewer Wolf Blitzer, "See, Wolf, we do not have any solid evidence that Iran is supporting al-Qaeda in Iraq." He added that the aid to Shi'ite militias is very limited. Finding this in contradiction to Bush Administration assertions, Blitzer then asked:

"So let me just be clear on this point, Dr. al-Rubaie, you believe that in recent weeks, the Iranians have stopped interfering, militarily providing improvised explosive devices or any other training, funds or equipment for various Shi'ite militia groups, various forces within Iraq?"

Al-Rubaie replied: "That's absolutely right. Recently the Iranians have changed their position, and we have some evidence that they have stopped supplying arms or creating any of these charge-shaped mines in the streets of Baghdad.

"And they have also advised some of their allies in the Iraqi political arena to change their position and supporting the government to give the Baghdad security plan a good chance of success. I honestly believe that they do not mind if the United States and the American Army and the Iraqi security forces succeed and prevail in Baghdad and defeat terrorism in Iraq."

Cheney's New 'Yellowcake' Hoax Exposed

A cloud has appeared over Dick Cheney's new yellowcake hoax: the claim that Iran is providing roadside bombs to insurgents in Iraq. As the *New York Times* reported on Feb. 27, the cache of bomb-making components seized in a recent raid in Iraq "included items that appeared to cloud the issue" of their being made in Iran. "Among the confusing elements were cardboard boxes of the gray plastic PVC tubes used to make the canisters. The boxes appeared to contain shipments of tubes directly from factories in the Middle East, *none of them in Iran* (emphasis added). One box said in English that the tubes inside had been made in the United Arab Emirates and another said, in Arabic, "plastic made in Haditha, a Sunni town in Iraq."

Asia News Digest

British Military Moves to Undermine Taliban

The British military has begun a "reconciliation" drive to undermine the Taliban in Afghanistan, reported the London *Guardian's* military editor Richard Norton-Taylor Feb. 26. British government strategists have decided that no one can win a decisive military victory in Afghanistan. Norton-Taylor wrote that this is a significant shift in tactics, and quoted one senior British official: "We do not use the word 'win' for the war. We can't kill our way out of this problem."

British military officials were also warning that the Taliban are recruiting more suicide bombers—just before the unprecedented attack on Bagram military base today.

The new tactic is to find "Talibs who are sick of fighting" and persuade them to go back to their tribes, while trying to make more deals with tribal elders, and offer captured fighters alternatives to prison. "We are convinced most people do not support the Taliban and want to take a route through it," said one source. The officials are calling the Taliban a "more fluid" organization than al-Qaeda, and therefore more vulnerable. One official said: "The Taliban is not a homogenous group. It is a mixture of characters—criminals, drug dealers, people out of work. There is a wide variety of different people. The Taliban pays them to carry out these attacks, so there are ways to tackle the problem, to split off the disillusioned."

In addition, British officials are concerned that U.S. eradication programs for the Afghan opium poppy harvest would alienate poor farmers and drive them into the hands of the Taliban. This would further endanger British troops. "The Americans are more impatient than we are," said one official, adding that the immediate priority should be to target and disrupt "convoys and laboratories and medium-value drugs traffickers."

China Rejects Cheney Criticism of ASAT Test

Asked about Vice President Dick Cheney's claim in Sydney, Australia Feb. 23, that China's ASAT test did not cohere with its stated peace policy, Chinese Foreign Minister Qin Gang rejected Cheney's assertion, and insisted that China adheres to the path of peaceful development and is "an important force in the maintenance of peace and stability in the world and the region," Xinhua reported Feb. 28. In his regular press conference Feb. 27, Qin said that China is ready to work with the U.S. on all issues.

Russia, North Korea To Discuss Debt, Railway

Russian and North Korean officials will meet in Moscow March 22-23 to discuss debt and the still-unfinished Trans-Korean Railway, according to an official of the two nations' Intergovernmental Bilateral Commission on economic, scientific and technical cooperation, Novosti reported March 1. This will be the first meeting of the commission since 2000. The main issue will be North Korea's \$8 billion debt to Russia, but, in addition, the commission will discuss plans to continue building the trans-Korean railroad and connecting it to the Trans-Siberian railroad, the possibility of delivering and refining Russian crude oil in North Korea, and Korean laborers in Russia. Representatives of Russia's economics, transport, and finance ministries and the national rail company, Russian Railways, will attend the commission meeting.

Taliban Threaten Broad Offensive in Afghanistan

A Taliban military commander threatened a broad offensive in Afghanistan using suicide bombers and armed forces, in an interview aired on the UK's Channel 4 news. Film footage shown during the interview showed the Taliban commander, Mullah Dadullah, with a group of armed men, speaking from an undisclosed location, saying, "The suicide martyrs ... are countless," with hundreds having registered to go to the front to blow themselves up. "We have hundreds more on the waiting list." Dadullah also said that Osama bin Laden is alive, and that, "only his comrades see him. We [Taliban] exchange messages with each other to share plans. We also go to the battlefield together."

Sources in Washington pointed to this interview in the context of a discussion of an impending attack—led by Britain, the U.S., Canada, and Afghanistan—to launch attacks on alleged Taliban training camps and positions inside Pakistan.

Indian intelligence and military sources told *EIR* March 1 that their information is that a major air assault on Pakistan's "Tribal Agencies" area—formally known as the seven provinces under the Federally Administered Tribal Agencies (FATA)—is being planned by the U.S., that Vice President Dick Cheney delivered this message to Pakistani President Pervez Musharraf on his visit there the previous week, and that this would possibly occur *before* any attack on Iran by the Bush Administration.

Taliban Strength Is 'Conventional' Guerrilla War

The Taliban's strength is "conventional" guerrilla war, not suicide bombers, a well-informed Indian intelligence source reported to *EIR* March 1. Despite the attention being given to the suicide bomber tactic after the attack on the Bagram military base in Afghanistan during the visit by Dick Cheney, and the filmed statements by Taliban Mullah Dadullah shown

on British TV (see above), the source stressed that one should not focus exclusively on the suicide bombers, because the Taliban is capable of winning battles—as they have been doing throughout even the winter months—to control towns and villages, and even the opium-rich Helmand province.

Suicide bombers are not used to kill large numbers of people—rather, they are deployed for psychological effect, especially in cities, such as Kabul, where the security proscribes large conventional-type attacks. Illustrating this point, said the source, is the number of foreign soldiers in Afghanistan killed in 2006. Of the 170 who were killed in 2006 (the largest number in a single year—with only 520 killed since the anti-terror war was launched in October 2001), only 17 lost their lives to suicide bombers.

The suicide fighters are coming from three sources: Most are Pakistanis from the Tribal Agency area and madrassahs; the second group—which is growing rapidly—are Afghans who are driven by revenge: their families or their wives, or their homes have been destroyed by the U.S. or the allies behind Karzai. The third group are the very poor, from Pakistan, Afghanistan, areas of the Arabian peninsula; money is deposited in their bank accounts to take care of their families after they die.

On background, the old Anglo-American asset, opium warlord Gulbuddin Hekmatyar, is recruiting the suicide bombers in large numbers.

China To Plant Jatropha Forest for Biodiesel

By 2010, China plans to plant an area approximately the size of England, or 13 million hectares, with Jatropha—also called physic nut—trees from which biofuel can be extracted as a source of "clean energy," according to China's State Forestry Administration (SFA), *China Daily* reported Feb. 28. There are 2 million hectares of Jatropha across the country, which are used to produce non-edible oil for candles and soap. Now, it will be the main ingredient in the production of biodiesel, says the SFA.

Cao Qingyao, spokesman for the SFA, said: "This plan will not only help the country enlarge its green coverage (currently at about 130 million hectares) but also meet increasing demand for energy. And most importantly, it provides clean energy to meet the country's target of sustainable development."

China National Petroleum Corporation, one of the country's three energy giants, has started collaboration with the SFA to develop biodiesel. Jiang Jiemin, head of the corporation, said last month that the group would, by 2010, build a commercial production base with an annual capacity of 200,000 tons of diesel by planting more than 400,000 hectares of trees.

Africa News Digest

CFR Announces Policy Shift for Horn of Africa

The March/April issue of *Foreign Affairs*, put out by the New York Council on Foreign Relations, says that it is time to dump the policy of the Bush Administration in the Horn of Africa, because it is too narrowly focussed on "stemming the spread of terrorism and extremist ideologies." The article asserts that "counterterrorism now consumes U.S. policy in the Greater Horn," adding that as result, "the Bush Administration has too often nurtured relationships with autocratic leaders and favored covert and military action over diplomacy. Sometimes that has even included fêting in Langley Sudanese officials suspected of having a hand in the massacres in Darfur or handing suitcases full of cash to warlords on the streets of Mogadishu." It singles out Sudan as "the main culprit" in the region.

The article calls for an escalation against the nations of the Horn via: 1) a wide-ranging, multilateral Greater Horn initiative to stop the conflicts in the region, a "resolution cell in the region, staffed by senior diplomats reporting to the State Dept."; 2) boosting the peacekeeping capacity, which should be led by the UN (because the Africans can't be depended on to handle it); 3) the United States must get more leverage by using multilateral punitive measures—"such as prosecutions by the International Criminal Court, targeted sanctions against senior officials and rebels, and oil embargoes and other instruments of economic pressure."

For Sudan in particular, UN troops under UN command are explicitly called for, and "the international community should urgently plan for deploying ground and air forces to protect civilians without Khartoum's consent." The freezing the assets of senior Sudan government officials and their businesses, impose travel bans on them, and send information about them to the International Criminal Court.

Sudan is a primary focus, but the same approach is called for with respect to other crises in the area, involving Ethiopia, Eritrea, Somalia, Chad, and the Central African Republic.

One of the *Foreign Affairs* authors is John Prendergast, a senior advisor at the International Crisis Group in Washington. He worked in the White House and U.S. State Department during the Clinton Administration. The CFR's goal, as publicity around the Darfur crisis is whipped up internationally, is to ensnare the Democrats into supporting this nation-busting policy, while saying absolutely nothing about who has been arming the numerous opposition rebel factions in Sudan, and other countries in the Horn.

Sudan Government Minister Named War Crimes Suspect

On Feb. 27, the International Criminal Court announced the names of two Sudanese war crimes suspects. One is Ahmad Haroun, a Minister of State in the cabinet. The other person named is a Darfur militia leader, Ali Kushayb. It is thought that he is already in the custody of the Sudan government for attacks in Darfur in which he was involved.

Sudan has always said that its courts were capable of trying Darfur's war criminals.

Justice Minister Ali al-Mardi said "We would never accept that any Sudanese national stand trial outside the national legal framework even if he was among those who took up arms and fought against the government." Al-Mardi dismissed the allegations against his fellow minister, saying that Haroun had been in charge of the police service, and had never handed out money or weapons to militias in Darfur.

Speaking on the subject of a UN military intervention into Sudan, President Omar al-Bashir said Feb. 26, in reference to UN resolution 1706, which calls for a UN intervention: "That plan to transform the peacekeeping job in Darfur from the African Union to the UN held a hidden agenda aimed at putting Sudan under UN trusteeship."

In the recent period, the African Union and the UN had taken a more conciliatory position with respect to Sudan. A more positive approach was reportedly being used to help the peace process, and to achieve a new ceasefire with the rebels. The move by the ICC pushes that possibility into the background.

Sudan Sets Up Special Court

On Feb. 25, the government of Sudan set up a special court to try people for incidents in Darfur. The Ministry of Justice said the accused belonged to the Sudanese armed forces and the government-allied popular defense forces. They will be put on trial next week, for crimes in 2003, including murder, kidnapping, and arson. The move came two days before the

International Criminal Court charged two Sudanese as war criminals. Sudan said the ICC has no jurisdiction over its nationals, and will not allow any nationals to be tried outside Sudan.

Iran, Sudan Presidents Score Bush Administration, Pledge To Cooperate

Iran President Mahmoud Ahmadinejad completed a two-day visit to Sudan, March 1, in the context of mounting pressure being orchestrated against Sudan, by stirring up conflicts both internally and on its borders. The unrest is being used as a pretext to flood the region with UN troops, and eliminate the nation-states in the region.

Both Presidents attacked the Bush Administration for provoking sectarian violence throughout the Middle East. Sudan President Omar al-Bashir said: "As you know, a well-known outside power with an interest in weakening Islamic forces ... stands behind all these attempts. Our sole weapon in facing these attempts is unity." Bashir said that Iran-Sudan cooperation would be raised in various fields, in particular, economic and scientific domains.

During Ahmadinejad's visit, Sudanese Defense Minister Gen. Abdul Rahim Hussein said that "both Sudan and Iran are being subjected to similar international challenges, particularly from the United States in its attempt to rearrange the Middle East."

On Jan. 17, Hussein had concluded a visit to Iran, during which he met his counterpart Mustafa Najjar, and discussed arms procurement, according to the Middle East newswire. At the time of their meeting, there were reports that they were discussing weapons sales and training for Khartoum's military and security forces.

"I have visited Iran's defense industry and facilities, and I have noticed that Iran has gained advanced levels of technology which made me glad," Hussein said after his visit.

Conyers Demands 'Vulture Funds' End Preying on Africa

On Feb. 15, Rep. John Conyers (D-Mich.), who chairs the House Judiciary Committee, met with President Bush to demand an end to "the most insidious form of greed" practiced by "investors [who] set up 'vulture funds' to purchase the debt of poor African nations." The practice he called on Bush to halt is described in a press release issued by his office: "In this insidious practice, investors set up 'vulture funds' to purchase the debt of poor African nations for pennies-on-the-dollar, just as these debts are about to be forgiven by the lending nation. These 'vulture funds' then sue the debtor country for far greater amounts than the debt they purchased, adding interest and fees. Under the threat of national bankruptcy, many nations capitulate." Conyers, who said Bush has the authority to stay such actions against foreign governments, said, "It is disgraceful that poor nations emerging from debt have been swindled by unscrupulous investors."

Potential for Another Conflict on Sudan's Borders Emerges

The Feb. 27 breakdown of talks between Uganda and the Lord's Resistance Army (LRA)—an armed opposition movement—adds one more potential conflict in the area surrounding Sudan, which would bolster the campaign to get UN troops to come in to take control of the region.

LRA leader Joseph Kony, who is wanted by the ICC for war crimes, agreed to a ceasefire with the Uganda government in September 2006. The ceasefire expired Feb. 27. The LRA withdrew from talks mediated by Sudan for its extension, which were taking place in Juba, Sudan, on Feb. 26.

In addition to fighters in Uganda, Kony has soldiers in the northeastern Democratic Republic of Congo, and in Chad, and

contributes to the violence for which many are calling for a UN intervention. He communicates via satellite phone from his locations in the African bush.

Chad, under pressure to accept a UN troop presence, however announced Feb. 28 that they are opposed to a UN force in Chad.

The breakdown in talks may create problems for Uganda's deployment of peacekeeping troops to Somalia, which began at the end of February, but in limited numbers. The Somali capital, Mogadishu in recent weeks has suffered the worst unrest since Ethiopia and the Bush Administration intervened militarily last December.

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