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After Ireland's `No' to the Lisbon Treaty

Cancel All EU Treaties; Build a Europe of the Fatherlands!

by Helga Zepp-LaRouche

The Irish have now fulfilled French President Nicolas Sarkozy's prediction of last November: that the new European Union Treaty would be rejected in any country where a popular referendum was held on it. The new crisis into which Ireland's ``No" vote, on June 12, has now plunged the EU, gives us an excellent opportunity for Europe's nations to extricate themselves from the corset of every EU treaty already in effect, from Maastricht to Nice, and to opt instead for a system of Europe-wide cooperation of sovereign republics, in the spirit of Charles de Gaulle.

Immediately, on June 13, Martin Schulz, chairman of the Socialist Group in the European Parliament, announced that he would henceforth devote his efforts toward halting the process of EU enlargement....

In-Depth articles from EIR, Vol. 35, No. 25

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Please Note...There is no *EIR* published this week. Next week's will be a double issue, Vol. 35, No. 26-27.

"This Week's News" Digests *are* updated

This Week's Cover

- **After Ireland's 'No' to The Lisbon Treaty:**

Cancel All EU Treaties; Build a Europe of the Fatherlands!

Helga Zepp-LaRouche points out that the Irish voters' rejection of the new European Union Treaty (Lisbon Treaty), which was to transform Europe into an oligarchical and imperial dictatorship, now cannot go into effect as planned on Jan. 1, 2009. This gives Europe's nations an excellent opportunity to extricate themselves from the corset of every EU treaty already in effect, and to opt instead for a system of Europe-wide cooperation of sovereign republics, in the spirit of Charles de Gaulle.

Feature

- **How To Shape History**

Lyndon LaRouche warns people who are depressed because Hillary Clinton was forced to withdraw her candidacy for the Democratic Presidential nomination, that they are wrong. He notes that her retirement is not the end, but only the beginning of the real contest yet to

be fought. People make this error of judgment because of their failure to understand the way in which real history works. By understanding how history actually works, the same depressed people would be able to see that 'Hillary might still become President!'

Economics

- **Central Banks:**

- **Damned if They Do; Damned if They Don't**

- In response to what is actually a full-fledged systemic financial crisis centered in the big banks, the major central banks of the Anglo-Dutch Liberal system have issued \$3.5 trillion in loans to the banking system, much of it in exchange for worthless collateral, thus taking some of the worthless paper off the banks' books. But, as LaRouche warned, this bailout program is spreading hyperinflation. LaRouche's three-point plan is now our only hope.

- **Stopping Energy Price Explosion:**

- **Senate vs. Oil Futures: Too Little, Late Again?**

- **Mexico's Food Policy:**

- **What a Difference a Generation Makes**

- **Helga Zepp-LaRouche on Ghana Radio:**

- **Solve the Food Crisis with a Just New World Economic Order**

- Interviewed on a radio program from Ghana, which covers both Africa and the Caribbean, Helga Zepp-LaRouche attacked free-trade liberalism as responsible for the world food crisis, by lowering production, and raising prices because of speculation.

- **Business Briefs**

National

- **Soros's New Hostile Takeover:**

- **The Democratic Party**

- Soros, a sociopath who asserts that morality has no place in the market, along with a gang of fellow billionaires has, over the past eight years, has come pretty close to achieving his goal of taking over the Democratic Party.

- **National News**

International

- **EU Presses Its Offensive Against Russian Interests**

- The apostles of the EU as Empire intend to make it the arbiter of relations in East Central Europe, eclipsing the United Nations. The result is an aggravation of tensions that threatens to pull Russia's southwest border areas into a general escalation of warfare across Eurasia.

- **Are Putin's Plans for Real?**

- An article by **Prof. Stanislav Menshikov**, looks at the tension over economic policy between two wings of the new Russian cabinet.

- **Russia, India, China:**

- **The Strategic Import of Eurasian Relations**

- **Africa Intelligence**

- **Da Wei:**

- **China's Role in Solving the Global Crisis**

Da Wei, the Deputy Director, Department of American Studies, China Institutes of Contemporary International Relations, was a guest on 'The LaRouche Show,' hosted by **Michael Billington** of EIR's Asia Desk. Joining the discussion was LaRouche Youth Movement member **Liona Fan Chiang**.

- [International Intelligence](#)

An Appreciation

- [Col. Carl F. Bernard \(USA Ret.\):
A Courageous Soldier Intellectual](#)

Editorial

- [A Shock Heard 'Round the World](#)

U.S. Economic/Financial News

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Midwest Rail and Waterways Infrastructure Downed by Floods

June 17 (EIRNS)—An infrastructure damage report out today, detailing rail and waterway closures due to Mississippi/Missouri Basin flooding, paints a picture of transportation devastation across Iowa. Amtrak passenger rail service—the California Zephyr—is shut between Chicago and Denver. Besides damage to crops in the field, the flooding has stalled grain and other commodity movements; transport for livestock, dairy, and food processing are at a near standstill.

Eight of Iowa's freight rail lines have full or partial shutdowns, due to track or bridge washouts or high-standing flood water over the lines. In central Iowa, the following links are closed along the Iowa River: the Union Pacific main lines near Tama just northwest of Iowa City; the Cedar Rapids & Iowa City Railway Co. main line east of Iowa City—primarily used by the ADM grain cartel to extract ethanol-corn byproducts out of the region; and the Iowa River Railroad just northeast of Des Moines between Gifford and Marshalltown, which is a new start-up line principally owned by shippers.

In the north-central area, there are the following closures on the Cedar and Shell Rock Rivers: the Iowa Interstate Railroad which provides services from Council Bluffs, Iowa to Chicago, Illinois; the Iowa, Chicago & Eastern Railroad; and the Iowa Northern Railway Co.'s (IANR) line in Clarksville. Also in Waterloo, Iowa, a third of a Union Pacific bridge was washed away halting the IANR's service to the John Deere Tractor Works. Near the western Iowa border the Canadian

National rail line lost a bridge on the Boyer River near Dow City. Lastly, where the Des Moines River converges with the Mississippi River at Keokuk, Iowa, in the southeastern tip of the state, the Keokuk Junction Railway has closed its yard.

On Iowa's eastern border 300 miles of the Mississippi River is now closed to barge traffic, starting at the northern point of Fulton, Illinois—where Lock & Dam 13 operated by the US Army Corps is located—all the way down to just north of St. Louis, Missouri, at Lock & Dam 24.

The 30-year failure to invest in the transport infrastructure of the U.S., and this region in particular, can be seen in the extensive damage to lives, land and the economy in the wake of these floodwaters.

Oil Price Speculation Hits Airlines 'Worse Than After 9/11'

June 18 (EIRNS)—Some 200 American cities and towns will lose all air service this year, as all airlines shrink operations dramatically due to the oil price bubble, Senate committees were told June 17. This is not a matter of a few small towns being cut off: One recent example is the city of Hagerstown, Md., original home of Fairchild Aviation, and one of the earliest major airports in the history of American air travel. The combined loss of rail and air infrastructure threatens to "break down the integration of the country, as an ocean-to-ocean, continental nation," as economist Lyndon LaRouche warned already during the 2004 Presidential campaign.

The hearing in Sen. Tom Harkin's (D-Iowa) Agriculture Committee—along with a subcommittee of the Senate Appropriations Committee—was the latest in a flurry of reactions by alarmed legislators, to the hyperinflationary speculation in oil futures driven by London's "offshore" markets. Sen. Richard Durbin (D-Ill.) pronounced the committee "shocked and sobered" by what they heard from James C. May, head of the Air Transport Association representing U.S.-based airlines. May said that 30 of the cities losing all service would be in the states of the Senators on the Committee. He also said the current oil price shock was worse than the aftermath of the 9/11 attacks on air travel; that U.S. airlines would lose \$7-13 billion in 2008, eliminate another 15,000 jobs, and cancel most orders for new planes.

He added that, out of a one-way (reduced) fare of \$191 for a cross-country flight, fuel alone now costs \$138/ticket. This means that there is left only about \$50 per passenger for safety and maintenance, labor, airport fees, and all other costs!

While May was testifying, Northwest and Continental became the latest airlines to announce big air service cuts. By the end of 2008, Northwest will apparently have reduced flight service by 20-21% during the year, and cut its fleet by 47 planes. United Airlines is cutting its flight capacity by 14%, American Airlines by 11-12%, and Continental by 8%.

Washington Area Foreclosure Rate Soars in First Quarter

June 19 (EIRNS)—While House Banking Committee chairman Barney Frank and his colleagues have fiddled with silly alternatives to Lyndon LaRouche's Homeowners and Bank Protection Act (HBPA), the Washington, D.C. metropolitan area is figuratively burning to the ground with home foreclosures. The Metropolitan Washington Council of Governments on June 18 unveiled the results of a study they had commissioned, which shows that the Washington region now has one of the fastest growing foreclosure rates in the country, with families losing homes *six times* more frequently during the first quarter of 2008 than in 2007. The study also shows that by 2008, home prices in the area had fallen 11% compared with April 2007. Researchers found that the hardest-hit areas are Prince William County in Virginia and Prince Georges County in Maryland; impending "hot spots" are in Herndon, Centreville, and the Route 1 corridor in Fairfax County, Virginia, and the Germantown area in Montgomery County, Maryland.

Among the astounding figures was the report that the average home sale price dropped in Virginia's Loudoun, Prince

William, and Frederick countries by 25%!

A *Washington Post* article June 19 about the report notes that the D.C. area's foreclosure rate surpasses that in most other regions (except Phoenix, Miami, San Francisco, and Atlanta), but D.C.'s *rate of increase* of the foreclosure rate is beyond anywhere else.

Counter to the HBPA: A Firewall for Speculators

June 19 (EIRNS)—Without so much as whispering the phrase "mortgage-backed securities," Harvard economist Martin Feldstein took to the op-ed page of the *Washington Post* June 19 to call for a "firewall"—not for the homeowners and the banks, but for *home prices*. Feldstein's argument is geared to stopping the collapse of home prices, which is happening so rapidly, he argues correctly, that it is encouraging homeowners to default. That has to be stopped, he argues. While claiming that he is out to help the mortgage-holders, in fact, Feldstein is trying to save the inflated values of real estate—upon which the huge amounts of unpayable debt are based. This is precisely the opposite approach from LaRouche's HBPA, which specifies that home prices should be allowed to fall over a period of years, if necessary, before new mortgages are negotiated.

Specifically, Feldstein called for the Federal government to step in and replace part of the homeowners' mortgage with a government bond, called a mortgage replacement loan. This loan would have lower interest rates, but would "have to be repaid regardless of what happens to the borrower's mortgage or home. It would take priority over all non-mortgage debt."

This would end the incentive to default, Feldstein argues. What he doesn't say, is that it would also loot homeowners to try to save the unsavable—the mortgage bubble.

Global Economic News

British-U.S. 'Understanding' Will Not Stop Runaway Speculation

Royal Bank of Scotland Warns of 'Global Stock and Credit Crash'

British Inflation Is Much Higher Than Officially Claimed

British-U.S. 'Understanding' Will Not Stop Runaway Speculation

June 18 (EIRNS)—Members of the U.S. Congress are currently barraged with calls and communications from panicked constituents demanding they act against the exploding prices of oil products, as well as food and everything else—except their falling home values. Under that pressure, Congress is repeatedly calling the regulators of U.S. commodity markets on the carpet. But it is the British-centered, "London offshore" futures markets driving that hyperinflation. What the United States needs to do to stop the ruinous and deadly speculative hyperinflation in oil, is to go back to long-term government oil contracts between producing and consuming nations—as in pre-1980s oil marketing—bypassing the London-controlled "offshore" and other futures markets. This is the action uniquely proposed by U.S. economist and statesman Lyndon LaRouche.

Under great Congressional pressure, the U.S. Commodity Futures Trading Commission (CFTC) on June 17 announced a memorandum of understanding with the British Financial Services Agency (FSA). Under it, the FSA is supposed to impose speculative limits on financial firms trading U.S. oil contracts on London-run markets, especially the

Intercontinental Commodity Exchange (ICE) which happens to be headquartered in Atlanta.

This "memorandum" does *not* reestablish U.S. sovereignty and regulation over these markets. It is a very small step, according to experts who have been testifying to Congress on the runaway futures problem—like Mark Cooper of Consumer Federation of America ("too little and too late") and Prof. Michael Greenberger of University of Maryland ("The markets are completely dysfunctional and out of control because of speculative activity.... This is not applying U.S. regulation to the problem.")

The oil speculators agreed, driving the price of oil up almost \$2.50 the day after the MOU was announced to the Senate by CFTC chairman Walter Lukken.

The CFTC is deferring to what the British call the "Balls Clause" of their Treasury, which forbids giving up control of this "offshore" speculative trading to U.S. regulators.

Royal Bank of Scotland Warns of 'Global Stock and Credit Crash'

June 18 (EIRNS)—The Royal Bank of Scotland has issued an alert that there will be a "global stock and credit crash" over the next three months, according to an article by the London *Daily Telegraph's* Ambrose Evans Pritchard. The bank's research team forecasts that the S&P 500 index of Wall Street equities will likely fall by more than 300 points to 1050 by September as "all the chickens come home to roost," with "contagion spreading across Europe and emerging markets."

He quotes RBS's Bob Janjuah as saying, "A very nasty period is soon to be upon us so—be prepared." He warned that high grade corporate bond prices will soar, there will be a collapse of lower grade corporate bonds in a "renewed bout of panic on the debt markets."

British Inflation Is Much Higher Than Officially Claimed

June 17 (EIRNS)—While official inflation in Great Britain is 3.2%, the highest in 10 years, the real inflation is closer to double digits. The *Daily Telegraph* reports that the so-called Real Cost of Living Index—an index based on real everyday expenses—is 9.5%.

A partial breakdown reveals that household bills have gone up an average of 10%. This includes Council Tax (up 4%); mortgage payments (up 11%); gas (up 18%); electricity (up 19%); water (up 4%); home insurance (up 1%); and car insurance (up 3%). Transport costs, in terms of gasoline and diesel, increased by 26%, and the grocery bill has increased 23%. It should be noted that despite the Bank of England's rate cut, the cost of borrowing for the consumer and mortgage holder has increased. Mortgage costs have increased by 11%.

Furthermore, a British subject who earns £40,000 (about \$78,000), pays 5% more in income tax (about 31% of his total income), and 8.5% more in National Insurance contributions.

United States News Digest

[Don't Blame Mother Nature: Flood Protection Unfunded for Years](#)

[U.S. General: Bush Administration Committed War Crimes](#)

Soros/Dean Operatives Foment Splits in Democratic Party

Obama Aides Back 'Preventive War' Against Iran

Don't Blame Mother Nature: Flood Protection Unfunded for Years

June 19 (EIRNS)—Today, in Iowa, Illinois, and Missouri, millions of acres of farmland, and untold numbers of homes have been washed away by flood waters, which will result in multibillion dollar losses to the economy. Yet, in every proposed annual budget of the Bush-Cheney Administration since 2001, there have been fewer dollars than required just to *maintain* the critical aging flood-protection system, i.e., levees, locks, dams, etc., while funds for new construction stood at nearly zero.

In 2004, *EIR* reported that Bush's FY2005 budget for the U.S. Army Corps of Engineers represented "the fourth year in a row" in which he asked for less than the previous year's funding level. "In fiscal 2001, the Corps budget was almost \$4.7 billion. In fiscal 2005, the White House" asked for under \$4 billion or a 15% decline from the year before. Making matters worse, Congress failed year after year to pass authorizing legislation for inland waterways infrastructure projects. Not until August-September 2007 did Congress send Bush a veto-proof \$14 billion bill for the Corps. Bush vetoed it as his budget balancers at the Office of Management and Budget deemed it "wasteful spending."

Fortunately, in November 2007, the House and Senate overrode the veto, making the Water Resources and Development Act of 2007 law. While too late for today's flood victims in the Midwest, WRDA 2007 includes about \$2 billion for improvements and restoration on the Upper Mississippi River and Illinois Waterway System. The locks to be upgraded on these are each more than 70 years old. Also included in the WRDA 2007 bill is funding for all forms of flood protection, including the 48 levees in the area.

U.S. General: Bush Administration Committed War Crimes

June 18 (EIRNS)—"There is no longer any doubt as to whether the current administration committed war crimes," declared retired U.S. Maj. Gen. Antonio Taguba, in the preface to a 121-page report issued today by the Physicians for Human Rights, which documented beatings, electric shock, sleep deprivation, sexual humiliation, and sodomy of 11 former detainees held at U.S. prisons in Iraq, Afghanistan, and Guantanamo, Cuba. "The only question is whether those who ordered will be held to account," Taguba added.

Taguba conducted the first official investigation of the Abu Ghraib prisoner torture and abuse scandal in 2004. "This report," Taguba wrote regarding the Physicians report, "tells the largely untold human story of what happened to detainees in our custody when the Commander in Chief and those under him authorized a systematic regime of torture."

Two days of clinical evaluation of the former prisoners by the doctors' group, "found clear physical and psychological evidence of torture and abuse, often causing lasting suffering whether it was scars from brutal beatings or nightmares of sexual humiliations that they endured," said Dr. Allen Keller of New York University.

The report follows the explosive June 17 hearing by the Senate Armed Services Committee, which disclosed that top Pentagon civilian officials—not military personnel as the Pentagon previously said—began collecting information on torture techniques in the Summer of 2002. The documents also show, as previously known, that top military lawyers opposed the use of methods they regarded as illegal and in violation of the Geneva Conventions. As *EIR* has reported, the Pentagon took methods used for training U.S. military personnel to resist torture (known as SERE: Survival, Evasion,

Resistance, and Escape) and used those methods, including waterboarding, on prisoners held at Guantanamo and elsewhere.

Soros/Dean Operatives Foment Splits in Democratic Party

June 16 (EIRNS)—A public exchange of e-mails on a prominent Texas Democratic website adds to the evidence that there is a deliberate effort, orchestrated by the gameplayers running Sen. Barack Obama's Presidential campaign, to create divisions in the Democratic Party, that will cause it to self-destruct before the national convention in August.

David Van Os, a populist/progressive, who was the Democratic Party candidate for Texas attorney general in 2006, and who joined in a challenge to the corporate hierarchy in the state Democratic Party at last week's state convention in Austin, by running against incumbent party chair Boyd Richie, wrote that the decision by the Obama campaign to back Richie's reelection was an example of the worst kind of politics as usual. It was "utterly hypocritical," he wrote, echoing a preconvention posting on LaRouchePAC, "for the campaign of 'change' to load the dice against democracy in the Texas Democratic Party with the cynical manipulation displayed in giving Obama delegates the wink and nod in support of Richie's reelection. The Democratic leadership sanctimoniously talks about voter disenfranchisement but it does not apply common principles of democracy to their own supposed democracy inside the party. All the high-tech 'netroots' methodology, vaunted 'grassroots' techniques, and 'progressive issue' platitudes in the world are wasted if they are used to promote continuation of the culture of deception, sycophancy and hypocrisy. It is this culture that drives people away from voting Democratic...."

In response to this e-mail, Obama convention coordinator Glen Maxey (who had run against Richie, along with LPAC's Kesha Rogers and Charlie Urbina Jones at the '06 convention, but had since made his peace with this crew) wrote that the "Obama sellout" as Van Os called it, left him "as shocked and as angry as you." He said that he was "cut out by Ron Kirk," former Dallas mayor and top Texas operative for Obama.

This pattern of arrogant dismissal of not only the concerns of supporters of Clinton, but even loyal backers of Obama, was evident in the behavior of key national operatives of the Obama campaign in this weekend's Washington State Democratic Convention, and the executive board meeting of the California Democratic Party in San Francisco.

Lyndon LaRouche commented that this pattern confirms his earlier statements, that the vicious attacks on Clinton during the primary campaign were not intended to elect Obama, but only to drive her out of the race, and prevent the emergence of an FDR-style Democratic Party platform aimed at defending the interests of those in the lower 80% of family-income brackets.

Obama Aides Back 'Preventive War' Against Iran

June 16 (EIRNS)—A new "Clean Break"-type offensive against Iran is under study right now at the neocon swamp, the Washington Institute for Near East Policy (WINEP), and has just been endorsed by Barack Obama's top foreign policy advisers Anthony Lake and Susan Rice. LaRouche PAC has been warning for the last month about Anthony Lake's partnership on preventive war with George Shultz at Princeton University, and now the danger of Obama's support for Dick Cheney's war against Iran, possibly this year, is surfacing.

WINEP has just released its report: "The Last Resort: Consequences of Preventive Military Action against Iran," which in its brief introduction, uses the term "preventive military action" seven times. Shultz has been fond of pointing out that "preventive war" is *not* "preemptive war." Preventive war happens when there is no immediate perceived threat; the threat can be years down the line; or something that is not even in preparation. According to Shultz, it is a war to eliminate a

potential capability. That is what WINEP is advocating; and the Israeli newspaper *Ha'aretz* says the plan has the support of both Obama's aides Lake and Rice, and two of John McCain's top advisers, Vin Weber (former Congressman and one of Cheney's closest friends), and James Woolsey.

WINEP says the study "does not advocate military action against Iran's nuclear program. The time is not right for such a decision and diplomacy continues to offer at least a modest prospect of success.... Nevertheless, sometime soon—perhaps later this year, perhaps within a few years—the time for such a decision might come."

Ibero-American News Digest

Argentine President Counters Agricultural Strikers

No Surprise: Soros a Factor in Destabilizing Argentina

Food Crisis, Poverty Force Haitian Girls Into Sex-for-Food

Legislators to Bachelet: Chile Needs Nuclear Energy Now!

Argentine President Counters Agricultural Strikers

June 17 (EIRNS)—In a nationally-televised speech this afternoon, Argentine President Cristina Fernández de Kirchner deftly flanked striking agricultural producers, and their controllers, by announcing that she would send a bill to Congress with the provisions for higher export taxes which she had put into effect by decree last March. The export taxes are the ostensible reason for the producers' strike which has now gone on for 100 days, and whose ultimate goal, as per the British Empire faction orchestrating it, is to topple the government.

The drumbeat from the City of London and allied factions demanding Fernández de Kirchner's overthrow, has been intensifying daily, so enraged are the globalists that the Argentine leader has enacted protectionist policies. Their line is that the President is a "tyrant" who is mercilessly imposing "totalitarian" policy on the poor abused farmers. Little mention is made of the fact that the soybean producers have made spectacular profits, or that the driving force behind the strike is the Rural Society, representing the landed oligarchy which models itself on English country gentlemen.

Fernández wasn't obligated to go to the Congress, since, as she pointed out, she is empowered by the Constitution to issue decrees, such as that of March 11, which raised taxes on soybean and sunflower exports. However, the move nicely undercuts the agro-producers claims that she is acting "undemocratically" and puts the onus on them to act responsibly. She pointed out that she was elected six months ago with 46% of the vote, and used her executive powers to legislate on behalf of income redistribution, "so that Argentines' food—bread, meat, and milk—will continue to be affordable."

Agriculture leaders ended their strike, temporarily, on June 20, to see what comes out of the Congressional debate. But the vice president of Rural Confederations (CRA), one of the four agro-organizations on strike, threatened that if Congress didn't vote on behalf of the producers, "it should be dissolved."

No Surprise: Soros a Factor in Destabilizing Argentina

June 18 (EIRNS)—It should surprise no one that British agent and drug-legalizer George Soros is right in the thick of

efforts to overthrow Argentine President Cristina Fernández de Kirchner, on behalf of British and other foreign financier interests.

Soros has a long history of skulduggery in Argentina, dating back to the early 1990s. How does he fit in now? Through his company Adecoagro, Soros controls one of Argentina's three largest "sowing pools"—speculative investment funds—that have made a financial killing in the soybean business that has expanded so much in recent years that it now accounts for 54% of all Argentine grain production. In several speeches made since agricultural producers launched a strike to protest the government's March 11 decree, Fernández and her closest advisers have repeatedly identified the "sowing pools" as the financial interests driving the strike.

The sowing pools are predators, whose only objective is to make large profits quickly, and get out. Investments in soybeans today yield a net profit of approximately \$2.15 for every dollar invested, as compared to corn, which yields \$0.45 for every \$1 invested. These speculators find foreigners to invest in soybeans in return for a percentage share in the profits, which they promise will be higher than those offered by other financial options. With a large amount of money to throw around, and control over large planting areas and production volumes, these pools negotiate better prices for land rentals, agricultural machinery, and other "services," so as to maximize their profits.

They treat small farmers engaged in subsistence agriculture brutally, forcing them out of their communities, driving them into urban slums where no jobs are available. Argentine agronomist Alberto Lapolla, who signed Helga Zepp-LaRouche's statement calling for doubling world food production, noted in a June 17 article that rural workers who end up working for soybean producers in "semi-slave labor, two-thirds of whom work off the books" in the informal economy. What the soybean producers are disputing are not one or two points in export taxes, Lapolla states, but rather "the State's right to intervene in the economy to modify the distribution of national revenue."

Food Crisis, Poverty Force Haitian Girls Into Sex-for-Food

June 21 (EIRNS)—In the Western Hemisphere's poorest nation, girls as young as 14 are being increasingly forced into prostitution, selling themselves in exchange for food. Girls placed in this situation are labelled *degaje*, a term signifying someone who is in a "survival" mode.

Following food riots that occurred last April, Haiti received emergency food shipments from several nations. But these barely made a dent in a country whose rice-producing capabilities were wiped out by the murderous free-trade policies imposed on it, in exchange for loans from the World Bank or IMF. Farmers who used to produce enough rice to sell domestically, are now only producing for themselves and their families.

Since April, food prices have continued to skyrocket.

The head of the South Florida-based charity Food for the Poor, a large aid group working in Haiti, reports that those Haitians who had some kind of job used to spend 80% of their salaries on food. "Now they've gone from 80% to impossible," he said.

On the streets of the capital, Port au Prince, children were always seen begging for handouts, but now they have been joined by the elderly, and even young adults, who implore passers-by or cars for money.

Legislators to Bachelet: Chile Needs Nuclear Energy Now!

June 21 (EIRNS)—A group of Chilean legislators, from both the ruling Concertación coalition and the opposing right-

wing Alliance for Chile, presented President Michelle Bachelet with a bill proposing to enact plans for the development of nuclear energy in the country.

The legislators' mid-June action occurs against the backdrop of an acute energy crisis which threatens the functioning of Chile's mines in the northern part of the country. A severe drought in central and southern Chile has also devastated agriculture.

Sen. Jaime Orpis told the President that "the time has come to make a decision on this issue. It's not good enough to keep studying it. We're sending a very important political signal that congressmen want to legislate on this, and with this [bill], we want to contribute to making the decision." He particularly emphasized that nuclear plants would be crucial for desalinating seawater, and guaranteeing adequate water and electricity supplies for both agriculture and mining operations.

Bachelet has stated that no nuclear energy development will take place in Chile while she remains in office, but she has come under increasing pressure to consider it as a result of the country's dire energy crisis.

Western European News Digest

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[French Military Officers Refuse To Sing the 'Marseillaise'](#)

LaRouche in Rome: 'We are in a Worldwide Revolutionary Situation'

June 19 (EIRNS)— Lyndon H. LaRouche, Jr., his wife Helga Zepp-LaRouche, and Italian Sen. Lidia Menapace gave a press conference in Rome on June 18 to discuss the results of the recent FAO (UN Food and Agriculture Organization) summit and the Schiller Institute's worldwide campaign to double food production, shut down the WTO, and end speculation. Several press representatives attended, including Egyptian TV and Italian Radio Radicale, which taped the entire press conference and posted it on its website.

LaRouche's introduction focussed on the present world financial disintegration, and how it will affect the U.S. presidential

campaign; Zepp-LaRouche stressed the food campaign, the stalemate over free-trade at the FAO conference, and the victory against the Lisbon Treaty in Ireland. Senator Menapace endorsed LaRouche's call to shut down the WTO (World Trade Organization), emphasizing that the growing threat of famine around the world is the result of a "Malthusian policy," and an unholy alliance between the WTO and the mafia.

The next day, LaRouche was the featured guest speaker at an event commemorating the 30th anniversary of the kidnapping and murder of Italian statesman Aldo Moro. (The July 4 issue of *EIR* will carry a full report on the LaRouches' visit to Rome).

Tremonti Wants To Tax the Oil Industry

June 19 (EIRNS)—Italy's Finance Minister Giulio Tremonti again stirred up the world of finance and business, with his announcement June 18, that even if the G-8 would not take up his proposal for concerted international action against oil price speculation, Italy would take national action in the form of a tax on oil firms, to yield an additional tax income of about Eu3 billion/year. This will allow the government to intervene against the effects of the oil price rise on the Italian economy and its citizens, a ministry spokesman told the press June 1, according to the *Financial Times*. The media call it a "Robin Hood tax."

Behind the 'No' Vote: Growing Poverty in Ireland

June 16 (EIRNS)—The reality of the harsh economic conditions suffered by the lower 80% of Irish family-income brackets, a strong majority of whom voted "No" to the Lisbon Treaty on June 12, was revealed in an *Irish Times* report that over a third of the Irish population have difficulty paying their bills. The underlying dynamic in evidence in Ireland is similar to the strong support Hillary Clinton gained from working-class voters in the Democratic primaries in the U.S., leading one insightful commentator to note that the vote in Ireland amounted to another primary won by Clinton.

The survey involved interviews with just over 1,500 people, between November 2007 and February 2008.

Irish Vote Remoralizes EU Labor Movement

June 17 (EIRNS)—The Irish "No" to Lisbon has, within a few days, lit a new mass strike ferment across Europe. That is demonstrated by the presence of Irish labor leaders at an international railway workers conference, organized by the British railway workers union RMT, in London today. And in France today, more than a million French labor unionists have taken to the streets in protest against the government's budget-cutting policies. That day of national action was preceded June 16 by truckers driving at low speed (Operation Escargot/Operation Snail) to create congestion in and around 30 French cities. They were joined by ambulance and taxi drivers.

Further, Spanish truckers attempted to impose a blockade of Madrid on June 16, until police intervened to stop it. In Britain, several dozen tanker drivers were suspended by Scottish Fuels, in retaliation for their taking part in protest and blockade actions last week. Meanwhile, in northern Germany, metalworkers began warning strikes.

Britain Posthumously Ratifies Dead Lisbon Treaty

June 18 (EIRNS)—In an act of utter rage and futility, the British House of Lords—under pressure from Prime Minister Gordon Brown—voted today to ratify the Lisbon Treaty. This, despite the fact that the Irish resoundingly defeated the Treaty in a referendum five days earlier, rendering it dead on arrival, since ratification requires the approval of all 27 EU members.

Conservative leader David Cameron said the Irish vote leaves the Treaty "dead." He charged that U.K. ratification would imply that Brown wants the Irish to vote again. "It would be ridiculous to allow the Irish to vote twice and not allow the British to vote once. I have seen more spine and leadership from bunch of jellyfish," he said, in reference to the Lords' vote.

Plans To Militarize the European Union

June 13 (EIRNS)—The militarization of the EU, the next round of which will come during the French half-year chairmanship beginning July 1, also has a complementary aspect in Germany, where, in Berlin yesterday, the Grand Coalition government passed a mandate for a survey to be conducted on how the Navy can be deployed for combat missions against "pirates," in order to protect German sea trade. For that to be possible, the German constitution ought to be changed, but leaks have it that the government is thinking of ways of doing it without such a change. Not reported, but implied: If the German Navy starts global deployments of this type, it needs new types of speedy vessels with high firepower, and more vessels.

German Milk Producers May Resume Strike

June 16 (EIRNS)—German milk producers may resume their strike over the milk industry's refusal to keep promises made 10 days ago, which ended the first strike wave, and over the attempts by some in the milk industry to further lower payments to the producers. The trigger for the resumed strike could be a failure of the July 1 talks on the price paid to farmers for milk that is turned into butter. Warning strikes may be called before then, perhaps as soon as this week.

The leading national milk producers association BDM noted increased combat readiness among farmers, built during the first round of nationwide strikes, protests, and blockade actions. The Dairy Farmers Association issued a statement June 13 welcoming the cross-border solidarity among farmers in Europe against the milk industry's attempts to break the strike. Europe has changed, the BDM said, it is different now after that strike wave, and farmers will simply have to be listened to more in the future.

Sarkozy Invites Assad for National Day Celebrations

French President Nicolas Sarkozy has invited Syrian President Bashar Assad to attend France's July 14 national day celebrations. Sarkozy had already invited Assad and Israeli Prime Minister Ehud Olmert to attend a summit in Paris on July 13, where Sarkozy hopes to launch his Mediterranean Union.

In response to criticism from leftist opposition parties to the visit, Prime Minister François Fillon said that, "Syria has fulfilled its obligations regarding the conflict in Lebanon, and therefore there was no reason to continue shunning Assad, adding that, "It is imperative that all the Middle Eastern countries sit at the table together."

Syria's Culture Minister Riad Nassan Agha is in Paris today, and is the first Syrian minister to visit France in three years.

French Military Officers Refuse To Sing the 'Marseillaise'

PARIS, June 18 (EIRNS)—When French President Nicolas Sarkozy concluded his speech about his new defense plans, including France's return to NATO's integrated command, he called upon the room to sing with him, the French national anthem, "La Marseillaise." According to *Libération*, the uniformed officers standing in the room didn't respond, and the expected large chorus finished in murmuring, leaving parliamentarians and ministers dominating the singing. An officer

ironically commented: Great speech, but, clearly, the president does not understand us!

How could it be otherwise? Sarkozy announced 54,000 layoffs (16% of all army personnel), to free up funds to modernize equipment.

Russia and the CIS News Digest

Russian Foreign Ministry Focus on SCO

Russians Invited to Saudi Oil Conference

Gazprom Head Says Oil Will Reach \$250 a Barrel

Russian-Chinese Trade Almost Doubled

Food Security Meetings in Moscow

NATO Chief Visits Ukraine

Russian Foreign Ministry Focus on SCO

June 20 (EIRNS)—A session of the Collegium of the Russian Foreign Minister, chaired today by Foreign Minister Sergei Lavrov, was devoted to preparations for Russia's chairmanship of the Shanghai Cooperation Organization (SCO), beginning later this year. A foreign ministry statement said that working through the SCO is "one of the priorities of Russian foreign policy in the Asia-Pacific Region," and noted that the organization is of growing importance for regional security, stability, and cooperation.

Russians Invited to Saudi Oil Conference

June 20 (EIRNS)—Saudi Arabian Foreign Minister Saud al-Faisal today initiated a phone call with Russian Foreign Minister Sergei Lavrov, the Russian foreign ministry announced. The purpose of the call was to invite Russian participation "at the appropriate level," in what is billed as an international conference of oil producing and consuming countries, taking place June 22 in Jeddah, Saudi Arabia.

Saudi King Abdullah bin Abdul Aziz called for the conference—for producers, consumers, oil companies, and financiers (including hedge funds!)—initially to highlight the role of "speculation" for the high prices. King Abdullah and officials from OPEC emphasized that these inflated prices are not being received by the producer nations. However, since then, speculators have counter-attacked with a major media offensive to take the heat off their role.

On June 11, Lyndon LaRouche commented on the Saudi-proposed conference, saying, "Blame the Queen," and the Anglo-Dutch controlled spot market. What is involved "is not speculation, but rather pure thievery," LaRouche said.

On June 7, in a speech to the St. Petersburg International Economic Forum, Russian President Dmitri Medvedev, talking about food prices, likewise emphasized that it was due to "complex financial instruments," that "the crisis became

systemic."

Gazprom Head Says Oil Will Reach \$250 a Barrel

June 11 (EIRNS)—Alexei Miller, CEO of the Russian natural gas monopoly Gazprom, in a speech to the 11th Annual General Meeting of European Business Congress, Deauville, France on June 10, forecast that oil will hit \$250 a barrel. He said this in the context of a speech on the business strategy of Gazprom, with particular emphasis on Europe.

While terming recent drastic oil price movements as "partially driven by speculation," Miller framed his remarks to emphasize Gazprom's indispensable role as an energy supplier for Europe. In the run-up to the June 26-27 EU-Russia summit in Khanty-Mansiysk, numerous EU officials have voiced a desire to make Gazprom change various of its practices, in the name of "energy security." Said Miller, "Recently, much has been said in Europe about the need to diversify its energy sources. Europe's desire to diversify energy supplies is very understandable. But this talk seems to be based on a strange assumption that anything is better than to rely on Russian energy suppliers. It is hard to see a justification for this misplaced belief." He argued that attempts to circumvent Gazprom as a supplier of Central Asian gas, as well as Russia's own, were actually helping to drive prices upwards, as the overall supply of gas was not being increased.

The Russian official said he was "concerned about certain protectionist tendencies resurfacing in the EU," in the form of what he called an "anti-Gazprom clause," invented by the European Commission to bloc Gazprom acquisitions of distribution companies in Europe.

Russian-Chinese Trade Almost Doubled

June 16 (EIRNS)—Speaking at the 19th International Fair for Trade and Economic Cooperation in Harbin, Ling Ji, deputy director of the Europe department at China's Ministry of Commerce, said that Russian-Chinese bilateral trade rose 39% during January-May 2008, compared to the same period one year earlier. The jump came on top of a 44% increase in 2007 over 2006, bringing the annual turnover to \$48.2 billion, Novosti information agency reported.

Ji said that China had a trade surplus with Russia in 2007, for the first time in 15 years, but that measures are planned to bring the goods flows into balance. He said the exports of Chinese electronics and engineering products to Russia in 2007 accounted for about 40% of total exports to Russia (\$10.3 billion) while 90% of China's imports from Russia were energy products and raw materials. In his recent visit to China, Russian President Dmitri Medvedev emphasized the importance of increased trade between the two countries, and that the technological level of the goods traded had to rise.

Food Security Meetings in Moscow

June 20 (EIRNS)—Two top-level meetings in Moscow today took up the question of food security, amid soaring food prices. According to official figures (which tend to understate the rate of inflation), January to June retail food price jumps in Russia included millet by 32.1%, pasta +25.5%, sunflower seed oil +24.5%, flour +23%, rice +21.6%, bread +18.8%, and sugar +16.9%. About one-quarter of the population has an income below the official poverty line. Institution of a food-stamps program for the poorest citizens is under discussion in official circles, according to *Komsomolskaya Pravda*.

President Dmitri Medvedev chaired a Security Council meeting today, and only one item on the agenda was disclosed in detail: a discussion of food security, for which Agriculture Minister Alexei Gordeyev, First Deputy Prime Minister Victor Zubkov, and Finance Minister Kudrin were brought in.

The second meeting to address food security was a session of the Economic Council of the Commonwealth of Independent States (CIS), attended by the economics minister or a deputy prime minister of each country. The RBC business wire, reporting that this was the first time the CIS Economic Council had met on food security, quoted Academician Sergei Glazyev: "Even posing the question of a food security doctrine for the CIS is a big step forward," and an opportunity for economic integration in the region. For Russia and the other members, Glazyev added, the crisis should be taken as an opportunity to resuscitate their own agricultural production and reduce import-dependency.

NATO Chief Visits Ukraine

June 17 (EIRNS)—NATO Secretary-General Jaap De Hoop Scheffer visited Ukraine the week of June 16, to continue pre-consultations on the country's future membership status in the Atlantic Alliance. NATO's potential expansion into Ukraine was criticized, once again, by Russia during the recent visit to Berlin of President Medvedev. On June 6, Medvedev said that Ukraine's joining NATO would throw the existence of the basic treaty between Russia and Ukraine into doubt.

In recent weeks, a steady stream of mutual retorts has flowed between the Russian and Ukrainian foreign ministries, as well as other officials, over a range of issues, including the status of the Russian Black Sea Fleet, which is based in Sevastopol on the Crimean Peninsula. Russia's lease of the naval base expires in 2017, after which time, the Yushchenko regime has said it will not be extended.

Southwest Asia News Digest

Israeli Source: 'War Party' in Final Push for Iran Attack

EIBaradei Threatens To Quit if Iran Attacked

Expose Plans for Gasoline Embargo Against Iran

Iran Sanctions Bill Targets Russia, Too

Israel Wants to Transfer Gaza Refugees to Egypt

Israeli Source: 'War Party' in Final Push for Iran Attack

June 20 (EIRNS)—A senior Israeli source has warned, in discussions with *EIR*, that an intense policy brawl has erupted in Israel, over the issue of Israeli preventive strikes against Hezbollah, and bombing raids against Iranian nuclear sites, including the enrichment facility at Natanz. The source reported that the Cheney circles in Washington have been putting tremendous pressure on the fragile Olmert government to carry out preventive strikes against sites in Iran, and against the Hezbollah security infrastructure in southern Lebanon. These pressures come as progress is being made on a number of key peace negotiating fronts, involving Israel, Hamas, Hezbollah, and Syria.

The source, which *EIR* identified as a U.S.-based Israeli with strong ties to the present Olmert government, reported that top officials of the Israeli Defense Force, including the current chief of the general staff, Gen. Gabriel Ashkenazi, strongly oppose both of the military schemes. At a recent security cabinet meeting, the source reported, Ashkenazi bluntly warned of the dire consequences for Israel of strikes against either Hezbollah or Iran's nuclear facilities, calling such schemes "madness." Nevertheless, hardliners, including Likud Party chairman and former Prime Minister Benjamin Netanyahu, and

former Defense Minister Shaul Mofaz, Olmert's current deputy prime minister, are pressing for Israeli military strikes against Iran. The source reported that when Olmert was recently in Washington to address the America Israel Public Affairs Committee (AIPAC) convention, he met privately with President George Bush and Vice President Dick Cheney, and came under intense personal pressure from the Vice President to take action against Iran. He claimed that Israeli pilots are now covertly training on state-of-the-art U.S. fighter jets at locations in the Nevada desert, in preparation for an Israeli bombing of Natanz and other Iranian sites.

On June 20, the *New York Times* reported that, in early June, Israel conducted large-scale military exercises, involving more than 100 F-15 and F-16 fighter jets, as well as helicopters, over Greece and the eastern Mediterranean. The exercise covered a distance of 900 miles, which is also the distance between Israel and the Natanz enrichment facility in Iran. The day after the exercises were completed, Mofaz gave an interview to the Israeli daily *Yediot Aharonot*, warning that, "if Iran continues with its program for developing nuclear weapons, we will attack.... Attacking Iran, in order to stop its nuclear plans, will be unavoidable."

ElBaradei Threatens To Quit if Iran Attacked

June 21 (EIRNS)—Following a June 20 *New York Times* story on an Israeli air exercise rehearsing an attack on Iran, International Atomic Energy Agency Director General Mohammed ElBaradei threatened to resign if Iran was attacked. "I don't believe that what I see in Iran today is a current, grave and urgent danger. If a military strike is carried out against Iran at this time ... it would make me unable to continue my work," ElBaradei told Al Arabiya television, as reported in *Ha'aretz*. "A military strike, in my opinion, would be worse than anything possible. It would turn the region into a fireball. If you do a military strike, it will mean that Iran, if it is not already making nuclear weapons, will launch a crash course to build nuclear weapons, with the blessing of all Iranians, even those in the West."

Expose Plans for Gasoline Embargo Against Iran

June 17 (EIRNS)—An international neoconservative network, active in Britain, the United States, and Israel, is planning an embargo of gasoline shipments to Iran, in the hope that this anti-civilian measure will provoke Iran into a war response, reports a highly qualified Arab intelligence source, known to the *EIR* for more than two decades.

EIR finds this report credible, and is alerting policymakers and citizens in order to widely expose the machinations by the British and Vice President Dick Cheney's neocons, and derail their attempts to start a new war in Southwest Asia against Iran.

The main story is that there will be an international embargo on the delivery of gasoline and other refined petroleum fluids which are Iran's major imports, with the assumption that this will have such a devastating effect on Iran's economy and population, that Iran will respond militarily—either directly in the Persian Gulf, or asymmetrically, against the United States or any other country involved in this operation.

Once Iran attacks, a U.S. or Israeli military strike would be justified as "defensive." This would then give the war party around Cheney, led by Deputy National Security Advisor Elliott Abrams, the excuse to avoid having to inform or seek approval from Congress.

The report indicates that this embargo has *not* yet been approved by the Bush Administration—the main reason being, that a shipping embargo, tantamount to a naval blockade of Iran's ports, is an act of war under international law. So, neocon planners are seeking other means to effectively impose the embargo, which they believe would bring Iran "to its knees." Iran imported about one-half of its fuel needs at a cost of \$5 billion in 2006, but is the world's second-largest oil producer,

and fourth-largest crude oil exporter in the world.

Instead of a blockade, the "British are more than happy," reported the intelligence source, to implement an embargo arranging the cancellation of insurance—through insurance giants such as Lloyd's—for any tanker delivering gasoline or fluids to Iran. At the same time, Iran's own large tanker fleet will also be cut off, meaning its tankers will not be allowed to enter any port without insurance.

Iran Sanctions Bill Targets Russia, Too

June 19 (EIRNS)—The "Iran Sanctions Act of 2008," with at least 72 out of 100 U.S. Senators co-sponsoring it, was voted out of the Senate Finance Committee yesterday by a 19-2 vote. A companion bill has already passed the House 397-16. Both bills target U.S. nuclear cooperation with Russia, as well as intensifying economic and financial warfare against Iran.

The Senate bill bans all U.S. exports to Iran (except agricultural commodities and medicines), and all imports from Iran (closing the "pistachio loophole"); it would freeze assets of certain Iranian officials, levy sanctions against foreign companies investing in Iran oil and gas, and would hold U.S. parent companies liable for violations of sanctions by their subsidiaries.

Both House and Senate bills would also kill the U.S.-Russia "123" civil nuclear cooperation agreement. This was opposed by Sens. Jeff Bingaman (D-N.M.) and Jay Rockefeller (D-W.V.), who stressed Russia's cooperation on Iran, but only four Senators voted to take it out of the bill. In a House hearing last week, Administration representatives argued in defense of the "123" agreement, showing its benefits to the U.S., including that about half of the nuclear fuel purchased in the U.S. comes from highly enriched uranium once used in Russian nuclear weapons.

Demonstrating the insanity pervading the Congress at this time, *no one*, Democrat or Republican, opposed tightening sanctions against Iran.

Israel Wants to Transfer Gaza Refugees to Egypt

June 20 (EIRNS)—A major humanitarian disaster is taking place in the Gaza Strip, as a result of the continued isolation of Gaza following the Hamas takeover. There are hundreds of Palestinians trapped at the Erez crossing trying to flee to the West Bank, most of whom are Fatah members who fear for their lives. The Israelis refuse to allow them to transit through Israeli territory in order to travel to the West Bank. Israel wants to transfer them to Egypt, a move that Egypt refuses due to the obvious fear that this would be an attempt by Israel to expel refugees from the territories.

The Israelis have not only refused entry to those who are wounded or sick and requiring medical attention, but have set up barricades and stationed tanks on both sides of the checkpoint. The refugees are trapped between the two barricades. The Israelis are using the excuse that there could be terrorists.

In an editorial demanding that Israel allows the refugees to pass through Israel, the Israeli daily *Ha'aretz* compares the government action to what happened in the days before the Holocaust. "In the dark days before the Holocaust, it was similarly argued ... that the German and Austrian refugees fleeing for their lives could include moles seeking to assimilate into the countries through which they passed and sabotage them." The editorial also quoted scripture on how God damned, even in the tenth generation, the Ammonites and Moabites for not allowing Moses to lead the Jewish people to cross through their land.

The complicating factor is that Palestinian President Mahmoud Abbas also refuses to allow the Gazan refugees to enter the

West Bank on the claim that he does not want to see Gaza totally controlled by Hamas. On the other hand, he refuses to hold a dialogue with Hamas until it returns to the status quo.

Asia News Digest

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Aid to Myanmar Revitalizes ASEAN

June 18 (EIRNS)—Addressing the Fifth ASEAN Leadership Forum at Singapore on June 18, ASEAN (Association of South East Asian Nations) Secretary-General Surin Pitsuwan said: "We are being baptized by Cyclone Nargis (the cyclone that wrought havoc in Myanmar's Irrawaddy Delta killing thousands). We have been able to open the humanitarian space."

The 10-nation bloc has often been criticized by Britain, the U.S., and the EU for not dealing firmly enough with the junta, but Surin said nearly 300 ASEAN assessment team volunteers were now in the Delta working "with full support, collaboration from the government of Myanmar."

"With 2.4 million people teetering between survival and death," ASEAN became the mechanism for getting aid to the worst-hit areas such as the Irrawaddy Delta in the South, helping sort out objections to helicopters and sending in nearly 300,000 volunteers, Surin told government and business leaders, in addition to civil society groups.

"That's a new ASEAN ready to take on responsibility," Surin added. Aid workers said thousands of survivors of the storm are yet vulnerable to sickness, and many are without adequate food and supplies.

India To Enhance Land Links with China, Myanmar, SE Asia

June 19 (EIRNS)—Opening a Ministry of External Affairs (MEA) secretariat in Guwahati, in India's northeast, on June 16, External Affairs Minister Pranab Mukherjee stressed the need for improving connections with the Southeast Asian nations through Myanmar. Guwahati is the end point of the under-construction Kunming-Guwahati road which would link India's northeast with China's southern Yunan province.

"Economic development in the northeast will depend on how quickly we can build up connectivity with the ASEAN [Association of South East Asian Nations] and other neighboring countries. There are lots of opportunities now and we shall have to build up connectivity as fast as possible. Private and government investments are not enough, we need

foreign investments," Mukherjee said.

"We must have good relations with Bangladesh and China. Whatever problems are there, we must resolve them through discussions and dialogues on mutually acceptable terms," he said, and pointed out to the Western nations who would like India to renounce the military junta in Myanmar, that, "it is not [India's] job to determine what kind of government there is [in Myanmar].... Economic development and peace should go side by side."

Behind the U.S. Missile Strike on Pakistani Military Post

June 20 (EIRNS)—The U.S. missile attack on a Pakistani military post along the Pakistan-Afghanistan border June 12 that killed 11 Pakistani soldiers and further soured Washington-Islamabad relations, was a retaliatory action, but not because the Pakistani soldiers were harboring militants, according to one source. The Pentagon had said earlier that the attack was justified because the Taliban militants were sheltered in that post by the Pakistani security personnel.

But according to *EIR*'s source, the real reason is that Pakistani militants based in the Federally Administered Tribal Areas (FATA) have begun to disrupt the U.S. and NATO supply line that passes through the Khyber Pass. Seventy percent of the occupying troops' supplies land at the Karachi Port and travel to Afghanistan under the protection provided by Pakistani security officials. Washington claims that the Pakistanis are not providing adequate protection, and as a result, the supply line has been endangered.

What has really hurt the occupying forces, is that over the past month, the militants seized a number of crates which contained disassembled parts of Cobra, Chinook, and Black Hawk helicopters. The Taliban had seized a number of these crates, photographed them, and sent the photos out to potential buyers, which include China and Iran, the source claimed. The U.S. Embassy in Islamabad neither denies nor confirms the story.

Since the seizure of these crates, Washington has been pressuring the Pakistani troops to move inside the FATA and seize them, but the army has refused to do that. The source claims this disregard of U.S. demands by the Pakistani military was the reason for the attack.

Brits Wage Financial Warfare Against Vietnam

June 16 (EIRNS)—In a move which closely parallels the 1997 attack on the Thai baht and other Asian currencies by George Soros and his fellow hedge-fund speculators, the British locusts have launched an assault on the Vietnamese dong, driving the currency down by 29% on the futures markets, and planning to break Hanoi's frantic effort to defend their currency. Vietnam Finance Minister Vu Van Ninh announced that they would defend the dong, while they are also trying to slow the runaway inflation, now at 25%.

As in the 1997-98 so-called "Asian crisis," the speculators have more money than the target governments, and plan to wait until Vietnam runs out of foreign reserves defending the dong, then collect a fortune on their futures contracts when the dong collapses. Vietnam's only recourse is to impose currency controls, as Malaysia's Prime Minister Mahathir did in 1998.

At the forefront of the locust horde are Morgan Stanley and Deutsche Bank AG, which have "forecast" that the dong will be devalued, with forward contracts betting on a 29% drop over the next year. The "hit men" from the rating agencies have joined the criminal attack, with Standard & Poor's, Moody's, and Fitch all lowering Vietnam's credit rating to negative.

Hanoi has resisted lifting fuel subsidies, retaining a safety net for its population and thus so far preventing the kind of

social explosion taking place across Asia and the world. But this is a huge drain on its budget and currency reserves. The trade deficit tripled in the first five months of the year, from \$4.25 billion a year ago to \$14.42 billion.

Korean, Malaysian Leaders Warn of Worst Crisis in Years

June 16 (EIRNS)—South Korean President Lee Myung-bak, speaking to an audience of Asian and European finance ministers at the Jeju Island, Korea ASEM meeting, warned that, "It's not too much to say that world economies are facing the worst crisis since the oil shock in the 1970s following a surge in oil, food, and raw material prices."

"Each country faces a different situation, but we should share recognition of the difficulties and strengthen international policy cooperation," he said.

Malaysian Prime Minister Abdullah Ahmad Badawi has warned of a "real disaster" unless bold steps are taken to tackle the global inflation crisis.

Abdullah told the World Economic Forum on East Asia in an opening address late yesterday that the prospect of a global recession loomed as the prices of food and fuel spiral upwards.

"About 100 million or more people have descended into poverty worldwide while low- and middle-income groups everywhere are feeling the strain of increased food prices on their budget," he said. "Mass protests over food have erupted in several countries, and more instability awaits those societies which fail to alleviate their problems.

"It seems that we have yet to awaken to the enormity of the problem and its potential for creating a real disaster," he said, adding that measures taken by Asian countries have had only a limited effect.

Abdullah urged developed nations to think again on issues like much criticized farm subsidies, as well as a shift towards biofuel, which is soaking up vast amounts of grain production. He also criticized Western governments for allowing speculators to drive up the price of oil. "If our own financial institutions were involved, I have no doubt that we would have been subject to vociferous criticism," he said.

Vietnam Exports Rice Again; 600,000 Tons to Philippines

June 19 (EIRNS)—Vietnam has lifted its ban on the signing of rice export deals, which was put into place earlier in the year, but will cap exports at 3.5 million tons of rice for the first nine months of the year, as compared to a previous volume of 4.5 million tons.

Companies can sign new deals for "several thousand tons," with a minimum price of \$800 per ton, a Vietnam Food Association official said, citing a directive from the Industry and Trade Ministry.

The Philippine government was the first to take advantage of the reopened export facility. It agreed to buy 600,000 metric tons of rice from Vietnam through a government-to-government deal June 17, bringing to 2.3 million metric tons its total rice imports for 2008—a total which they have had difficulty buying at any price. Manila paid an average of \$940 a ton, including freight.

At its last successful rice tender in April, the Philippines paid an average of \$1,136 a ton, up 60% from a tender in March.

Africa News Digest

Zimbabwe Violence Bears British Counterinsurgency Stamp

British Empire Out To Destroy the Nation of Zimbabwe

Chissano Blasts Europe, U.S., Over Zimbabwe Sanctions

British Fund 'Save the Trees' for the Congo Basin

Shell Shuts Down 10% of Nigerian Oil Production

Zimbabwe Violence Bears British Counterinsurgency Stamp

June 23 (EIRNS)—An African military intelligence source told *EIR* today that the brutality and professional nature of the killings and violence during the period running up to the June 27 run-off election in Zimbabwe were just like the British special-forces counterinsurgency operations that were used against the freedom fighters in Zimbabwe before independence. That force in Zimbabwe, known as the Selous Scouts, during the independence struggle, was a more advanced form of what the British had deployed in Kenya, and Malaya (today, Malaysia) before that, in the respective fights of those two countries for independence from the British.

During the present Zimbabwe election period, the killings and violence have targetted members of the Movement for Democratic Change (MDC) opposition, who then blame the government, and then the Anglo-Dutch controlled media raise a hue and cry about what they call the government's use of violence to influence the election. British-trained SAS special forces are still active in Africa. In the 1990s, *EIR* exposed the fact that this type of force was clandestinely operating out of the huge game reserves the British have set up in Africa, where these forces couldn't be observed because the reserves are restricted, ostensibly in the interest of protecting the wildlife from poaching.

Military observers, who suspect that such a force has been deployed into the Zimbabwe run-off election, are reminded of the role of the Selous Scouts in Rhodesia, during the final phase of the independence struggle in the 1970s. The most feared counterinsurgency operation on the African continent, the Scouts were named after Frederick Courtney Selous, a hunter/explorer, and friend of Cecil Rhodes.

The Scouts were created in 1974 under the direction of Reid Daly, a Rhodesian-born, ex-British SAS serviceman who fought in the Malayan conflict. Their mission was to infiltrate the local population and the liberation networks in then Rhodesia, and neighboring countries. Those who volunteered for the Scouts underwent such a severe selection process, that only 15% made it. Daly's intention was to completely break a man in order to build him up again from scratch, according to the needs of the Scouts. They wore Warsaw Pact uniforms to pass themselves off as freedom fighters, tracked the freedom fighters and their supporters, and were reportedly responsible for 68% of all freedom-fighter deaths during the independence war, even though they only numbered between 700-1,000 fighters. Some 80% of the Scouts were African, a necessary requirement to be able to infiltrate the local populations, and the freedom fighters.

EIR spokesman Larry Freeman, on a live interview with Iranian Presstv today, pointed out that a Selous Scouts-type operation is possibly behind the violence in Zimbabwe.

British Empire Out To Destroy the Nation of Zimbabwe

June 17 (EIRNS)—British Prime Minister Gordon Brown is leading the effort to physically destroy Zimbabwe and drive its population of 12 million further into misery, in the event that President Robert Mugabe wins the run-off election on June 27 against MDC opposition candidate Morgan Tsvangirai. Brown, on behalf of the British Empire, is organizing for a total economic blockade against Zimbabwe, including trying to force the South Africa government to cease supplying Zimbabwe with electrical power, if Tsvangirai, their wholly owned-candidate, loses to Mugabe.

The Foreign and Commonwealth Office, according to the June 16 *Times-online*, is also drawing up a range of options in case Mugabe refuses to go. The British are hoping to persuade Zimbabwe's neighbors to create an economic blockade. Vital imports have to come through Mozambique and South Africa. One way or another, this Summer is likely to mark the endgame of Robert Mugabe, one diplomat said.

The British are hoping to use the growing electrical power deficit in South Africa to manipulate the government led by President Mbeki, who has consistently countered British attacks on Zimbabwe, to restrict or turn off electrical power to Zimbabwe. The newly elected head of the ruling ANC, Jacob Zuma, unlike Mbeki, is sympathetic to British plans to carry out genocide against Zimbabwe.

Sanctions may include, reports the *Times-online*:

- * a complete trade embargo and ban on purchase of goods
- * action against Western companies maintaining a presence in Zimbabwe
- * freezing all aid
- * increased pressure on neighboring states to suspend Zimbabwe from the Southern African Development Community (SADC)
- * pressure on China to break off its relationship with Zimbabwe.

U.S. Presidential candidate Barack Obama issued a statement on June 13, which indicates that he is prepared to march in lockstep with the British, accusing Mugabe of jeopardizing the future of Zimbabwe's children, and using food as weapon against his own people. In fact, it is the Western nations, led by Great Britain, under Labourites Tony Blair and Gordon Brown, who have carried out a systematic destruction of Zimbabwe's economy, especially by denying any assistance to hundreds of thousands of new black farmers, after they received the farmland previously held by the Rhodesian/British landowners.

Obama's statement raises the question of why he has such hatred for Africans, and loves the British so much?

Chissano Blasts Europe, U.S., Over Zimbabwe Sanctions

June 19 (EIRNS)—In an interview published yesterday in the German daily *Suddeutsche Zeitung*, former Mozambiquan President Joaquim Chissano blasted Europe, the United States, and their allies, for being obsessed with attacking Zimbabwe's President Robert Mugabe, while ignoring the fact that the Zimbabwean population is suffering because the economy has been crippled by eight years of illegal sanctions.

In the interview, he said that heaping pressure on Mugabe's government could be counterproductive. He said that whatever happens in the run-off election is not as important as the need to rescue Zimbabwe's economy, which has been destroyed by the sanctions. "Change that is brought about by pressure does not last. Whenever pressure has been exerted on Zimbabwe, the situation has worsened," he stated.

Chissano's approach stands in stark contrast to that of Kenyan Prime Minister Odinga, who was recently in the United States, and was heaped with praise and aid. Odinga is calling for a Bosnia-style international peacekeeping force be sent to Zimbabwe. He appealed for American PPP (public-private partnerships) investments, and groveled, espousing "transparency, accountability and good governance" as policies that Africa should adopt.

Pro-globalist Odinga attained his position in the government after two months of post-election violence, which resulted in the death of nearly 2,000 people. But no one is asking for an investigation of his role in that violence.

British Fund 'Save the Trees' for the Congo Basin

June 18 (EIRNS)—In order to place the forests in the Congo Basin region of Africa off-limits to any activities not deemed "sustainable," the Congo Basin Forest Fund was established in London on June 17, with the UK providing the seed-grant of over \$100 million. The partnership also involves the African Development Bank, the 10-member states of the Central African Forests Commission, and Norway. The fund, which is part of the implementation of the Congo Basin initiative, will seek to prevent the more than 50 million people living in the rainforest from having livelihoods that are not consistent with forest conservation, or violate "sustainable" forest management. Instead, such lunacy as eco-tourism will be promoted. It has been estimated that the region has the potential to generate enough electricity for the Southern African states.

Shell Shuts Down 10% of Nigerian Oil Production

June 19 (EIRNS)—The Anglo-Dutch oligarchy's Royal Dutch Shell Oil shut down production at Nigeria's main offshore oilfield today, following a reported armed attack. The move by Shell cuts Nigeria's total output by 10%. Attacks on Nigerian inland production in recent years had already led to a reduction of 20%, or more. Such attacks are used by the Anglo-Dutch financial cartel as a pretext for jacking up the price of oil further, to siphon off more liquidity as it attempts to keep its bankrupt monetary system afloat.

The Movement for the Emancipation of the Niger Delta (MEND) has taken responsibility for the attack on the state-of-the-art Bonga oil platform, about 120 kilometers (75 miles) off the coast of the Niger Delta, indicating that not even offshore oil fields at that great distance are safe from rebel attack. An attack at that distance requires very sophisticated equipment, and can't be pulled off by disgruntled rebels operating on their own. The Niger Delta, and the area offshore from it, is the location of Nigeria's oil production. The MEND, ostensibly responsible for attacks on oil production, says it is campaigning for a greater share of the oil wealth to remain in the region.

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