EIR Online
Online Almanac
From Volume 8, Issue 17 of EIR Online, Published Apr. 28, 2009

return to home page

First, Deflation, Then:
Soon, Hyperinflation
by Lyndon H. LaRouche, Jr.

April 23, 2009
The German economy of the immediate post-World War I interval, quickly dropped into a virtually deflationary phase, before entering the hyper-inflationary phase. This happened under the artificial Versailles conditions imposed upon Germany by a cartel centered on the Bank of England which would soon launch its creation of Adolf Hitler's Nazi Party onto the world stage at exactly the time the point of hyper-inflationary blow-out was being reached. Now, a similar process leading into a global hyper-inflationary blow-out is being approached very rapidly. The conclusion to be reached now is that the U.S. and British governments are both behaving as idiots currently....

In-Depth articles from EIR*, Vol. 36, No. 17*
...Requires Adobe Reader®.

This Week's Cover

- **4 First, Deflation, Then:**
  Soon, Hyperinflation
  by Lyndon H. LaRouche, Jr.
  Because the U.S. and British governments are both currently behaving as idiots, a process similar to the artificial Versailles conditions that were imposed upon Germany after World War I is now rapidly leading into a global hyperinflationary blowout.
- **8 To Deal with Inflation, Financial Collapse:**
  'We Don't Need a Bad Bank, But a Good Bank'
  An interview with **Professor Wilhelm Hankel**.
- **10 The KfW and Germany's Postwar Reconstruction**

International

- **16 The Noösphere:**
  Ukrainian Conference Summons LaRouche in Time of Crisis
  Rachel Douglas and **Sky Shields**, representatives of **Lyndon LaRouche**, were received with enthusiasm as featured speakers at a conference in Ukraine titled 'Physical Economy: Research Methodology and the Global Mission of Ukraine,' held April 9 at the Kiev National Economic University.
  - **21 Greetings to Kiev Conference:**
    Science & Society Now
    Lyndon LaRouche's greetings to the conference referenced his longer paper submitted for the proceedings, 'The Principle of

Mind,' and emphasized the scientific achievements of Academician V.I. Vernadsky and his associates, which bear upon defining solutions for the political-economic and social crisis which grips all nations and peoples on this planet today.

- 21 Economic Progress Begins with Creative Discovery

  A speech to the conference by LaRouche Youth Movement leader Sky Shields.

- 24 International Intelligence

Economics

- 26 LaRouche Demands a Thorough Investigation into Freddie Mac

  The acting chief financial officer of mortgage giant Freddie Mac died under suspicious circumstances; he was not under investigation, but he knew a lot about 'where the bodies are buried.'

- 28 G-8 Ag Meet:
  Shift to Pro-Production

National

- 30 Will Israeli Spy Revelations Halt Netanyahu's War Drive?

  Scandals about Israel's continuing political dirty tricks and espionage operations inside the United States could shortcircuit Prime Minister Netanyahu's drive for a military strike against Iran.

- 34 Who Is Running Our Government?
  The 29 Colorful Knights of the Round Table

  Profiles of some of the members and associates of the Behavioral Economics Roundtable who are running the Obama Administration's economic policy: Colin Camerer, Robert Cialdini, Matthew Rabin, and Peter Orszag.

- 39 National News

Development

- 40 Europe's Potential Role in the Reconstruction of Africa

  LaRouche Youth Movement leader in Germany, **Portia Tarumbwa-Strid**, addressed a conference of the Civil Rights Solidarity Movement (*BüSo*) in Berlin. It is a moral failure, she said, that Europe did not heed the call of the summit of the Non-Aligned Nations at Colombo, Sri Lanka, in 1976, which demanded debt moratoria and Western investment to develop the former colonial world.

  - 45 The Transaqua Project:
    Making Africa Bloom

    An illustration of the type of massive development initiatives that should have been taken in Africa by the West—but were not—this 1991-92 report by the Italian company Bonifica, Iritecna, Gruppo IRI, was published in EIR in 1997.

Interviews

- 8 Wilhelm Hankel

  Professor Hankel was Secretary of State in the German Finance Ministry under Karl Schiller, and, for ten years, was the chief economist of the *Kreditanstalt für Wiederaufbau.* His most recent book is "The Euro Lie and Other Economic Fairy Tales."

Editorial

- **56 The Source of the Pestilence:**
  The WWF

This Week's News

U.S. Economic/Financial News

Volcker: 'Political System Won't Tolerate' Fed's Hyperinflation

Fed Admits To Taking $74 Billion in Bad Assets

Chrysler, Ford, GM Continue To Disintegrate

Volcker: 'Political System Won't Tolerate' Fed's Hyperinflation

April 19 (EIRNS)—Former Fed chairman Paul Volcker attacked Ben Bernanke's massive money printing at the Federal Reserve in a speech April 18. Volcker is current chairman of the Economic Recovery Advisory Board (ERAB), an "outside economists" group appointed by President Obama at the time of his inauguration.

In recent weeks it has become clear that Volcker's recommendations of strong, Glass-Steagall-type medicine for the banking system, have led to his being frozen out of decision-making by Obama and the Lawrence Summers clique of economic advisors. Volcker's warnings about Bernanke's policy—which has ballooned the Fed's balance sheet to $2.1 trillion, including dubious and toxic assets—were the strongest delivered at a weekend economic conference at Vanderbilt University in Nashville, Tenn.

Volcker said Congress would have to contravene this tremendous and inflationary Fed expansion of money supply that is being used to feed bailout loans to the big banks. Congress "will probably review the authority granted to the Fed, following the expansion in its assets. I don't think the political system will tolerate the degree of activity that the Federal Reserve, in conjunction with the Treasury, has taken," Volcker said. "I think, for better or for worse, we are at a point where the Federal Reserve Act, after all that has been happening in the last year or more, is going to be reviewed."

Also at the Vanderbilt conference, former St. Louis Fed governor William Poole said, "We are very vulnerable to an inflation explosion" because of current Fed policy.

Fed deputy chairman Donald Kohn and New York Fed chairman William Dudley made "we're doing everything just right, and it's working great" speeches, claiming that the Fed would have "no trouble" turning to fight inflation triggered by such money-pumping. Kohn said that the Fed, during its huge asset-book expansion, has been lending to banks and financial institutions only on the basis of sound collateral—except when it hasn't, as in the cases of AIG, Bear Stearns, etc.; and then, the bailout loans were necessary for "systemic" reasons.

Fed Admits To Taking $74 Billion in Bad Assets

April 25 (EIRNS)—The Federal Reserve admitted yesterday that it took $74 billion in subprime mortgages, depreciating commercial leases, and other bad assets from Bear Stearns and AIG after they collapsed. It said that it had $9.6 billion in unrealized losses from those assets. The information came after requests from Congress and a Freedom of Information Act (FOIA) lawsuit by Bloomberg News. The Fed has lent out $2 trillion to financial institutions but has refused to disclose the borrowers or the collateral they provided.

Chrysler, Ford, GM Continue To Disintegrate

April 25 (EIRNS)—The Obama Administration and auto executives are still laboring through the fantasy that some sort of monetary solution can be found for the auto industry's troubles. Chrysler is being pushed by the White House to come up with a deal with its unions and Fiat that would make the company "viable" again, but such a deal is being held up by Chrysler's creditors, who include not only the usual suspects such as JPMorgan Chase, Citigroup and Goldman Sachs, but also hedge funds who are apparently reluctant to make concessions. The White House's auto task force is rushing to complete a bankruptcy plan for Chrysler by April 27, if a deal can't be made with the creditors, reports the *Washington Post.*

GM got another $2 billion from the Treasury yesterday, and is working on a plan that could see the elimination of its Pontiac line as well as its Saturn, Hummer, and Saab divisions.

Ford is being weirdly optimistic, reporting, yesterday, that it only lost $1.4 billion in the first quarter, and finished the quarter with $21.3 billion in cash. Goldman Sachs has been so impressed with Ford's restructuring and cost-cutting efforts that it upgraded Ford's stock to a "buy" recommendation, causing an 11.4% jump in Ford's share price.

Global Economic News

Asia Population Growth Collapses

Japan's Trade Was in Deficit for 2008

Singapore's Manufacturing Sector Plummets

Desperate French Labor Rebellion: 'From Sheep to Tigers'

China Plays Dangerous British Game at Boao Forum

Asia Population Growth Collapses

April 21 (EIRNS)-Population growth in Asia has slowed to the lowest rate in the developing world, a United Nations report shows. The growth rate since 2000 is now 1.1%, according to the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP). The main cause is rapidly dropping birth rates: The number of children born per woman fell to 2.4 for the period 2000-05, down from 2.9 per woman for the previous five years, according to the UN data.

"Once the total fertility rate falls below the replacement rate of 2.1, we can expect the region's population to start shrinking," said UN Under-Secretary General Noeleen Heyzer.

The UN report showed that fertility rates are below the replacement level in 16 Asian countries, including China, Singapore, Sri Lanka, and Thailand. Japan has not been reproducing its population for some time, and is facing severe problems due to the aging of the population.

Japan's Trade Was in Deficit for 2008

April 22 (EIRNS)—Japan imported more than it exported in fiscal 2008, which ended in March, causing a trade deficit of $7 billion—the first deficit since 1980, the time of the second oil hoax. In the first part of 2008, the inflationary commodities "boom" jacked up the price of imports, especially oil, while the collapse of trade in the second part of the year tore Japanese exports to shreds.

Total exports for the year were at 71 trillion yen ($710 billion), a drop of 16.4% from the previous year and the lowest since 2005.

Exports for March fell 45.6%, while imports dropped 36.7%, according to Ministry of Finance data. This produced an 11-billion-yen ($111.5 million) trade surplus in March, down 99 percent from a year earlier.

Singapore's Manufacturing Sector Plummets

April 24 (EIRNS)—Singapore's manufacturing sector dropped a record 33.9% in March, compared to the previous year. While primarily known for its financial services, manufacturing makes up about 25% of Singapore's total output.

The March figures represent a 13.9% drop from February, which had actually risen slightly from January.

The key areas were pharmaceuticals, which plummeted 55% from the year previous, and electronics, which was down 35%.

Desperate French Labor Rebellion: 'From Sheep to Tigers'

April 22 (EIRNS)—With an impotent French government, and trade unions merely fighting to get "good conditions" for layoffs, French workers are increasingly engaged in desperate, sometimes violent, revolts. Some examples:

Caterpillar: In Grenoble, five people from management were taken hostage for 24 hours by workers opposing workforce reduction.

Faurecia (Peugeot's main car supplier): April 9, three managers were held for five hours by angry workers.

Sony: March 12, the CEO and another manager were held hostage for a full night.

Molex (car supplier): Two managers were released yesterday, after being kept for 24 hours.

Continental: In Clairoix, where tire producer Continental (workforce, 1,120) decided to shut down its production site, the court yesterday denied a request for an injunction to block the closing. The trade unions declared that they are now changing from "sheep" to "tigers." Workers smashed the company's entrance buildings and attacked local government

offices in Compiegne, where the court had denied their request. Today, the company decided to close for a full day for "security reasons."

Electricité de France: After weeks of strikes—hardly covered by the media—at the national electricity company EDF, workers decided, yesterday, to cut electricity to 66,500 customers and to cut gas to 10,000, for several hours, which the government strongly condemned.

Auto: The sharp reduction in output by the French automobile industry, including its suppliers, which, together, employed over 300,000 people in 2004 (10% of productive labor), is causing "restructuring" and closures. Trade unions are increasingly hated by their rank and file, and increasingly attacked for selling out workers.

China Plays Dangerous British Game at Boao Forum

April 18 (EIRNS)—China's Premier Wen Jiabao's opening speech at this year's Boao Forum, which centered on the world's economic crisis, ventured into dangerous territory: "We should advance reform of the international financial system, increase the representation and voice of emerging markets and developing countries, *strengthen surveillance of the macro-economic policies of major reserve currency issuing economies*, and develop a more diversified international monetary system."

While one may assume that Wen's intentions are good, this plan translates into the British proposal for an IMF-centered world financial dictatorship. The United States is not directly mentioned in Wen's speech, but it is the only actual target for "strengthened surveillance" by a "reformed" international finance system (IMF), since the dollar is the only actual world reserve currency. The "increase[d] representation ... of ... developing countries" is, on one hand a British bribe meant to flatter China's ego, while on the other, it is a reliance on the "leftist" reflex in the many small and ex-colonial countries that have been taught to believe that it is the United States, not the British Empire, which is the enemy.

Reuters reports that Wen further said China "would look at expanding its currency swap agreements," which are seen as a step towards eventually making the yuan more of a global reserve asset. "We should give full play to bilateral currency swap agreements and will study expanding currency swaps in scale and to more countries." Support for the yuan as an international currency, even going so far as making it part of the SDR currency, as proposed by Robert Mundell, is another inducement to the Chinese to follow the British lead.

The scope and danger of the Chinese game with the British can be seen in the speech of Zheng Xinli, executive vice chairman of the China Center for International Economic Exchanges. This center was expressly set up by China in late March: "With the aim of developing strategies to counter a world economy under siege in the midst of a deepening financial crisis, the centre will invite experts from home and abroad to explore topics such as the U.S. Treasury bonds bubble, [and] the value trend of U.S. currency and disagreements between the United States and China."

United States News Digest

Congress Jumps on Orszag's Health-Care 'Reform' Kick

LaRouche on Car Czar Rattner: Guilty as Charged!

Soros Unleashes Drug Legalizers on Capitol Hill

Congress Jumps on Orszag's Health-Care 'Reform' Kick

April 21 (EIRNS)—The Senate Finance Committee held a roundtable discussion today on "Reforming America's Health Care Delivery System," which barely acknowledged the worsening shortages of hospitals, physicians, and nurses, and instead focused on how to cut costs, while "improving outcomes" of treatment, by Office of Management and Budget director Peter Orszag's "behavioral economics" drivel. Thirteen witnesses participated in the discussion, convened by committee chairman Sen. Max Baucus (D-Mont.), who yesterday wrote a letter to President Obama, co-signed by Sen. Ted Kennedy (D-Mass.), pledging to come up with a new bill for "comprehensive reform" by Summer. This continues the stage show hosted by the Administration from March to early April, of two White House summits and five field hearings, on health-care reform.

The reality is, that the U.S. system of health-care delivery—based on regional networks of hospitals, anchoring programs of education, sanitation, and epidemiology, as well as screening and treatment—is falling apart, due to the economic crisis, and to the cumulative impact of "managed care"/HMO swindles. State and local officials are fighting rearguard skirmishes to keep the doors open. What is required, is Federal government intervention to hold the line, cancel the HMO deregulation, and re-build the medical infrastructure.

Instead, Congress is entertaining behavioral economics talk of new "models" of care to be imposed, to cut costs, such as the Accountable Care Organizations (ACOs), proposed April 9 by MedPAC (Medicare Payment Advisory Commission), the agency advising Congress on how to curb Medicare expenditures. Citizens would be assigned to a local network of doctors and facilities, which would get bonuses for meeting required "benchmarks" of "outcomes" of treatment (such as cutting down on hospital readmissions), and penalties for delivering high-cost care.

Meantime, the process of shutdown of the U.S. hospital system proceeds. The American College of Emergency Room Physicians, meeting in Washington, D.C. this week, spoke of the "crisis in emergency medicine." From 1992 to 2003, the nation's emergency departments decreased by 15%, but over the same period, millions more people have been seeking emergency room medicine. Some examples:

New Jersey: Kessler Memorial Hospital closed March 12 in Hammonton, Atlantic City.

Pennsylvania: Northeastern Hospital in Philadelphia is to close on July 1.

Ohio: The 96-bed Commonwealth Medical Center in Alquippa, an Ohio River town, closed in December 2008.

California: The Community Hospital of Los Gatos ceased operations on April 10.

Nationwide: Six of the 22 children's hospitals run by the Shriners will be reviewed for shutdown by the national charity chain, after decades of providing highly specialized and free care. Its $8.5 billion endowment has shrunk to $5 billion. The shortlist for consideration of closure: Greenville, S.C. (an 82-year-old institution); Shreveport, La.; Spokane, Wash.; Erie, Penn.; and Springfield, Mass. This would eliminate at least 250 high-tech, licensed beds from the U.S. hospital system. In March, the Shriners voted to shut four of their eight research centers.

LaRouche on Car Czar Rattner: Guilty as Charged!

April 20 (EIRNS)—The investigation into President Barack Obama's "auto czar" Steve Rattner is going national—with New Mexico, following New York, to investigate the "kickback policies" where "placement agents" (similar to lobbyists) greased the skids to channel billions of dollars in state pension funds into select hedge funds and private equity funds.

After the *Wall Street Journal* broke the story on April 17 that Rattner's Quadrangle had paid off political consultant Hank Morris, who arranged for New York State pension money to go to that firm, from which Rattner profited, the *Financial Times* of London today exposed the fact that the Carlyle Group, the George H.W. Bush/bin Laden family private equity fund, had also utilized Morris's talents to land a $1.3 billion investment from the New York State Pension Fund. Morris was paid $12 million for his services.

But Carlyle now claims that they discontinued the practice of using "placement agents" sometime in 2006—long *after* they got the New York State funds through Morris. Oops! It could be too late. Not only is Carlyle, like Quadrangle, under investigation by New York Attorney General Andrew Cuomo, who has indicted Morris and three cronies, but New Mexico has uncovered a similar scheme. New Mexico has already suspended one investment company involved in the deals.

Lyndon LaRouche's comment was: "Guilty as charged!" Saying that bluntly makes them nervous, he said, "because they realize they are a bunch of crooks.... What they are doing with the pension funds—that's criminal. That's robbing cradles, babies, and school children and so forth. They are trying to bail out by swindling widows and orphans. Loot the widows and orphans, when in doubt. They are bad people."

Soros Unleashes Drug Legalizers on Capitol Hill

April 20 (EIRNS)—What *The Hill* newspaper shills as "a growing chorus of lawmakers" is, says the tabloid, "openly calling for the legalization of marijuana as a measure to stop the escalating violence along U.S.-Mexico border." *The Hill* and the Soros Quartet—Reps. Loretta Sanchez (D-Calif.), Jim McDermott (D-Wash.), Dana Rohrabacher (R-Calif.), and Ron Paul (R-Texas)—are playing their roles for the George Soros legalization lobby to expand the "debate," following the drug pushers' show inside the halls of the Mexican Congress last week, and in Thailand this week.

"We would welcome a serious debate on the issue. The evidence is clear; legalizing marijuana will reduce its price and the violence surrounding it," *The Hill* quotes Dan Bernath, assistant director of communications of Soros's Marijuana Policy Project.

No bill to legalize marijuana has been introduced into the 111th Congress, and *The Hill* notes that White House Press Secretary Robert Gibbs reiterated recently that Obama does not support legalization.

Rohrabacher said that politicians are afraid of the political fallout if they were to speak out in favor of legalization. But, "If it was a vote—a blind vote where nobody knew who was voting—you would have overwhelming support for legalizing marijuana out there, but they will never vote for it because they are afraid of taking on a controversial issue.

"From a social policy, I don't see any reason not to legalize it, control it, sell it, [and] tax it, said McDermott.

Calvina Fay, executive director of the Drug Free America Foundation disagrees, saying, "I can't understand how anyone thinks that legalizing drugs is going to stop the violence. To think that drug traffickers in Mexico are going to fall in line and pay their taxes if marijuana is legalized is just flawed thinking."

Ibero-American News Digest

PLHINO Project Shaping Midterm Elections in Sonora

LYM Spoils Soros's Dope Show in Mexican Congress

British Make a Grab for Bolivia

Fascist Behavior Modification for Devastated Haiti?

PLHINO Project Shaping Midterm Elections in Sonora

April 11 (EIRNS)—The PRI gubernatorial candidate in the Mexican state of Sonora, Alfonso Elías Serrano is vowing to cause a "hydraulic revolution" in the rich agricultural Yaqui Valley by building the Northwest Hydraulic Plan (PLHINO), garnering support in the southern part of the state that is making his electoral opposition very nervous. The PLHINO project has taken shape as a defining issue in the midterm elections in this crucial Mexican state, which borders Arizona.

The LaRouche Youth Movement (LYM) is creating the intellectual shockwave required for this election period to lead to the national policy changes Mexico must adopt if it is to survive. The LYM distributed 4,000 copies of its DVD "Nawapa-PLHINO: The Future of the Americas," in six weeks' time, in the state of Sonora alone.

On April 6, Elías held a rally with 8,000 people, after meeting earlier in the day with businessmen. He told his audience that in the Yaqui Valley, "where the Green Revolution made it possible to produce food for Mexico and the world, we're going to launch a hydraulic revolution! We're going to make the federal government understand that to oppose the PLHINO is to oppose Mexico's development."

It was just a few days later that Elías's opponent from the National Action Party (PAN), Guillermo Padres, held a press conference to announce that he, too, supports the PLHINO, has always done so, and plans a number of big infrastructure projects if elected. Padres, however, has never supported the PLHINO, even when he served as federal Senator.

LYM Spoils Soros's Dope Show in Mexican Congress

April 14 (EIRNS)—Their behavior modified by years of drug cartel terror and violence, Mexico's pliant Chamber of Deputies (lower house) opened its doors on April 13 to a three-say debate organized by followers of drug kingpin George Soros, on whether or not Mexico should legalize the drug cartels' biggest international money maker, cannabis.

The "Forum Debate on the Regulation of the Cannabis Plant in Mexico" began on the eve of U.S. President Barak Obama's state visit, in which fighting drugs was the leading item for discussion. It quickly became clear that the Soros-sponsored debate was really a British geopolitical trick to reverse his opposition to legalize and capitulate to the drug cartels.

The debate featured some of the worst drug-promoting scum from around the world, ranging from Soros's own drug strategist, "Athan Needleman" (a.k.a. Ethan Nadelmann) to representatives of the British House of Lords-centered Beckley Foundation, the U.S.-based National Organization for the Reform of Marijuana Laws (NORML), and others.

What the organizers didn't count on, was the intervention of the LaRouche Youth Movement (LYM), which busted up the controlled environment, intervening from the floor to expose Soros's past collaboration with the Nazis, and his role as an agent for the British Empire's Opium War against the Americas. The LYM's intervention, which included *bel canto* singing both inside and outside the Congress, received wide media coverage, while the words "Soros ... Nazis ... drugs ... the British" could be heard throughout the hall. At one point, an organizer stood up to offer the speakers and attendees "a gift"—the leaflet the LYM put out for the occasion, titled, "George Soros and Ethan Nadelmann: Prostitutes for the British Empire."

Notably, the debate turned out to be a flop, although the effort is still a dangerous one. Despite all the media hype, a grand total of 30 people attended, including the LYM, for most of the opening day. The second day proved no better for the drug pushers. The Congressional sponsors fronting for Soros loudly proclaimed that this was to be an "informed" discussion of the pros and cons of "regulating" marijuana; but there was only one speaker in the entire first day who opposed the deadly project.

British Make a Grab for Bolivia

April 21 (EIRNS)—When the British House of Commons held a debate March 3 on relations with Ibero-America, there was one point of agreement expressed by left-wing Labourites and their nominal opponents in the Conservative Party: Britain should harken back to the days when "the Bolivarian wars of independence started in Britain," and Britain's commercial and financial domination of the region followed.

Noting that the U.S. is bogged down in economic as well as foreign policy problems, and paying little attention to Ibero-America, Jeremy Corbyn, the Labour MP who initiated and led the debate, asserted that Ibero-America can finally "free" itself from the United States—and step into the waiting arms of the British.

Bolivia was the lead country discussed in that Commons' debate, a testament to its strategic importance. Located at the center of South America, it borders five nations; most transcontinental Atlantic-to-Pacific rail routes must pass through it.

Lyndon LaRouche has warned repeatedly of this British imperial danger to Bolivia and South America as a whole, and offered a concept of U.S.-allied regional integration and infrastructure development which could stop these plans cold.

But the Bush-Cheney Administration's thuggish foreign policy caused U.S.-Bolivian relations to fall apart. Bolivia and the United States no longer have diplomatic representation in each other's country, and President Evo Morales kicked out the U.S. Drug Enforcement Administration. This is when the British moved in to grab a strategic position. As the country headed towards civil war in 2008, the Soros-promoting British Ambassador Nigel Baker positioned himself as head of the European Union team "mediating" between opposition regions and the government.

The British Defence Ministry has moved in as well, to oversee the rewriting of the national defense and security policy, sponsoring a seminar to that effect at the end of 2008, and equipping a new Joint Doctrine Center, which just opened on March 25, with a mandate to "modernize" the mission of Bolivia's Armed Forces in today's globalized world.

Fascist Behavior Modification for Devastated Haiti?

April 22 (EIRNS)—In the absence of any real assistance to the devastated island nation of Haiti, some are proposing that the Rockefeller Foundation-funded "Opportunities" program, could be an alternative. It is based on handing out small amounts of cash to impoverished families, if they adopt "responsible" behavior: send their children to school, have them vaccinated, look for a job, etc.

Forget about what Lyndon LaRouche has proposed, or what Franklin Roosevelt did during the 1930s and 1940s to make Haiti self-sufficient in food production. The Opportunities program has been a favorite of New York Mayor Michael "Mussolini" Bloomberg, who relies on it to control people while he implements brutal austerity. The Mexican and Brazilian governments have adopted variants of the program.

Haiti is desperate for foreign aid. But the most recent donors meeting in Washington offered a little over one-third of what

the government requested, and appeals from President René Préval to several international groupings produced a pittance. Haitian economist and radio commentator Kisner Pharel thinks Opportunities is the way to go: Develop the country "from the bottom up."

From the bottom up? The conditions that sparked food riots a year ago have, if anything, worsened. Malnutrition among children is rampant. The number of children admitted to the St. Catherine Laboure Hospital in Cité Soleil, suffering from severe malnutrition, is on the rise. At least 2.8 million out of Haiti's population of 9 million, are classified as "food insecure." People in this category resort to eating seeds or unripe crops, and often eat only one meal a day, including the now-notorious "mud cakes" made of a small quantity of grain mixed with mud.

Western European News Digest

Netherlands To Investigate Financial Crisis

Mass Layoffs Could Provoke Labor Riots Across Europe

Villepin Sees 'Revolutionary Threat' in France

Global Warming Fraud Challenged in Italy

Brown Could Be Out by July

Blair-Labour Scandal: 'Anti-Drug Hotline' Is Pro-Drugs

Netherlands To Investigate Financial Crisis

April 23 (EIRNS)—The Netherlands Parliament has established a commission to investigate the causes of the financial crisis, including the bailout of ABN-Amro bank. Whether this will become a Dutch equivalent of a Pecora Commission remains to be seen. The investigation is divided in two parts. The first part has an international perspective and will probe the culture of the financial sector up to September 2008. The second part, from September 2008 on, will look at the government interventions and the bailout of banks. Each part will take half a year, and both will be concluded by Summer 2010.

The chairman of the commission with be Jan de Wit, a member of Parliament representing the Socialist Party, for which he, a lawyer by training, is the spokesman on legal issues. In 2002, he served on a parliamentary commission researching fraud in the construction industry.

The Socialist Party is the largest opposition party and the country's third-largest. It led the fight against the anti-national European Constitution, which was defeated by referendum in the Netherlands in 2005. It also opposed the Lisbon Treaty, and its foreign policy expert, Harry van Bommel, was interviewed by *EIR* on the question.

Mass Layoffs Could Provoke Labor Riots Across Europe

April 23 (EIRNS)—The head of the DGB federation of German trade unions, Michael Sommer, warned in an interview ahead of the April 29 summit of German political, business, and labor leaders in Berlin, that mass layoffs would be taken

as a "declaration of war" by workers and unions. "At that point, social unrest can no longer be ruled out," Sommer told the *Nordwest Zeitung* regional daily. "If the government expects a slump of 5%, then one thing is clear: The size of the stimulus packages so far have been insufficient. They have to be strengthened and widened," he said.

With a look across the border into France, where numerous incidents of social unrest, including factory occupations by enraged workers, have been reported during the past weeks, both unionists and entrepreneurs warn against unrest in Germany. Reinhold Wuerth, director of the screw-maker with the same name, said in an interview with the *Heilbronner Stimme* news daily: "I hope we will not get civil war-like riots."

The Social Democratic Party's federal presidential candidate, Gesine Schwan, also warned of social unrest as a consequence of the economic crisis. She said she can see how, in two or three months, outrage could explode, because by then, measures like short-work, which so far have helped to dampen the effects, will run out. "If then there is no glimmer of hope that things will get better, the mood could become explosive," Schwan said in an interview with the Munich paper *Münchner Merkur*.

Villepin Sees 'Revolutionary Threat' in France

PARIS, April 20 (EIRNS)—Former French Prime Minister Dominique de Villepin, speaking on Radio Europe 1 yesterday, called on the Sarkozy government to switch to a higher gear in responding to the mounting anger and despair expressed by workers threatened with layoffs. Villepin warned the risks of "collective behavior that we would no longer be able to manage ... a reaction of society which is unpredictable."

"If we don't want to face this tomorrow, it would be urgent to switch into a higher gear and envision taking exceptional measures," he said. Villepin considers that the government should offer "a just response" to those who are losing their jobs, and "for those suffering the most" in the crisis, especially the youth.

Regarding rumors about an expected government reshuffling (anticipated for after the European elections in June), Villepin said that "two years is, of course, quite long for a prime minister.... Either one maintains the same policy, so no change is required. Or one goes to a higher speed, and then, yes, it's worth seeking reinforcements, maybe adding some more experienced figures." Villepin demurs that he has "no desire to once more become the prime minister."

Global Warming Fraud Challenged in Italy

April 24 (EIRNS)—At the just-concluded G8 Environmental summit in Siracusa, Sicily, Italian Environment Minister Stefania Prestigiacomo set a collision course with the Senate and with her own party—which had mandated the government to review current European Union global warming policies, and attacked the fraudulent Stern Report on global warming.

Prestigiacomo characterized the Senate bill as "negationist" on global warming, and said that it is "outside of time." On April 1, the Italian Senate approved a bill introduced by Sen. Antonio D'Alì and numerous other members of the PdL, the largest government party, calling for a review of current CO_2 policies of the EU, in light of dissenting scientific opinions on man-made global warming. The bill was voted up by a majority of the Senate after a heated debate, in which leading members of the opposition had rejected a rational discussion and used derogatory methods.

Senator D'Alì replied to Minister Prestigiacomo that she "must take into account the expression of the Parliament majority." The operational part of the D'Alì bill mandates the government to "urgently intervene at the European Commission and, previous to the G8, on participating countries (and possibly on the G8+5 and the G20).

Brown Could Be Out by July

April 25 (EIRNS)—The British Fabian fascists are gunning for Prime Minister Gordon Brown, in order to bring in a new crew of Fabian fascist Tories from the Conservative Party. The *Daily Telegraph* quotes unnamed cronies of former Prime Minister Tony Blair, the Fabian version of Benito Mussolini, saying Brown will be finished off after the European elections this June, which the Labour Party is expected to lose miserably.

One unnamed "New Labour" Blairite told the *Telegraph* that Blair would have never increased the tax rate on the wealthiest to 50%, as Brown announced he would do this week. (This is clear, since Blair, now making millions each year, stands to lose a lot.) The paper claims the move will "cost Labour any hope of winning the general election."

The *Telegraph* reports that Labour MPs fear that Brown's "fate may be sealed" in the European and council elections in June, "amid polling evidence that Labour is facing disaster." Another senior "New Labour" figure said the election was already lost. Lord Peter Mandelson, formerly Blair's personal guru, also attacked Brown's so-called "left turn," while Blair crony, former Home Secretary Charles Clarke, said: "Gordon has got off on completely the wrong foot on this."

The *Telegraph* quotes another Blairite: "If we are in fourth place he is in real trouble. I'm not sure we could wait until the party conference to replace him. He would have to go by the summer." Another said, "Brown's been an absolutely dreadful leader."

Blair-Labour Scandal: 'Anti-Drug Hotline' Is Pro-Drugs

April 19 (EIRNS)—"Go ahead and do the drug" advises Britain's official government "anti-drug hotline" aimed at teenagers, in the newest scandal to hit Gordon Brown Labour government. The Home Office hotline, known as "Talk to Frank," has been caught advising callers to smoke marijuana, take Ecstasy pills, combine them, and even what to do if the police catch you.

The "Talk to Frank" hotline was set up by Tony Blair's New Labour government in 2003, with $10 million-a-year funding and coordination from three departments of government. It is now scandalizing Brown's government, with MPs of several parties coming forward on a Sunday to demand a parliamentary investigation of "Frank's" pro-drug advice.

Russia and the CIS News Digest

Medvedev: Unemployment Far Beyond Expectations

Saakashvili Faces Protests; EU Probes South Ossetia War

Russia Makes Rail Agreements With France, Armenia, Iran

Lavrov, on North Korea Visit, Calls for Calm

Medvedev: Unemployment Far Beyond Expectations

April 15 (EIRNS)—Russia has the "very alarming" number of 2.2 million registered unemployed, President Dmitri

Medvedev told experts at the Institute of Modern Development in Moscow yesterday. "The situation is certainly very difficult," Medvedev said. "We have already achieved the rates of registered unemployment that we expected to reach perhaps by the end of 2009: already almost 2.2 million people are unemployed. If we look at the real unemployment rate, this is also growing very quickly. These figures, calculated using ILO methods, have grown impressively: over the past six months; the rate of real unemployment among the economically active population has increased by almost 3%, and [has reached] already almost 8.5%. [J]ust six months ago, this figure was 5.3%."

Things were much worse at the depths of the 1998 crisis, when unemployment was 13.3%, Medvedev said. "But these are not the kind of indicators we want [now]," he said.

Saakashvili Faces Protests; EU Probes South Ossetia War

April 9 (EIRNS)—Opposition to George Soros's and Lord Mark Malloch-Brown's test-tube baby in Georgia, President Mikhail Saakashvili, brought out up to 80,000 demonstrators on today demanding Saaskashvili's resignation. The issues, reportedly, are the President's dictatorial practices, and Georgia's invasion of South Ossetia in August 2008, which led to a defeat of the Georgian military. Saakashvili says he intends to stay in office until his term ends in 2013.

EIR documented, in a series of articles in 2008, that Saakashvili was a creation of Soros's front groups, and the British Foreign Office's Malloch-Brown, and that the Georgia invasion was backed by the British empire and intended to trigger a confrontation with Russia, leading to war.

In the midst of growing opposition to Saakashvili, who failed to gain membership for Georgia in NATO, one of the "plums" he was after to cause tensions with Russia, a report was leaked to the German magazine, *Der Spiegel*, which wrote on March 23, that a European Union inquiry "is shining an unfavorable light" on Saakashvili, and that a "secret document may prove that the Georgian president had planned a war of aggression in South Ossetia."

Spiegel reports that it has "obtained information" that a television appearance by the Georgian commander of the peacekeeping forces in South Ossetia, Gen. Mamuka Kurashvili on Aug. 7, 2008, just at the beginning of the war, "plays a key role in the investigation. His remarks indicate that Georgian President Miheil Saakashvili was not repelling 'Russian aggression' as he continues to claim to this day, but was planning a war of aggression."

On Aug. 7, Kuashvili said on TV that Georgia had decided to "reestablish constitutional order in the entire region," and under investigation is whether he was reading from a pre-existing written order, known as Order #2, which had been intercepted by Russian intelligence during the fighting in South Ossetia. A leading Russian official, Anatoly Nogovitsyn, told the EU commission about Order #2.

The commission is trying to authenticate what the Russians have shown them, but, "The Georgian government still refuses to show the controversial decree to the commission. Officials in Tblisi argue that ... the document is a state secret."

Meanwhile, Saakashvili continues to lie that his invasion of Georgia was a reaction to Russian aggression, and is trying to spin an April 3 statement by President Barack Obama that, as Senator, he had opposed "the Russian invasion" of South Ossetia, into getting a new (long-term)lease on [political] life."

Russia Makes Rail Agreements With France, Armenia, Iran

April 21 (EIRNS)—*Le Figaro* reported April 3 that Guillaume Pepy, CEO of the French national railroad company SNCF, signed a "protocol of agreement" on March 31 with Russian Railways President Vladimir Yakunin. The French and

Russian transportation companies agreed to run good transportation via French trains that will go from Europe to China. Sea transport of goods between these locations can take up to six weeks, while rail can do the job in ten days. The 12,000-km rail corridor would go from China through Mongolia, Russia, Poland, and Germany, and would begin operations three years from now.

Later in April, RIA Novosti reported on a particular section of the Eurasian Land-Bridge coming into existence, around the Caspian Sea. Armenia has reached an agreement with Iran on a $400 million loan for the construction of a railway between the two countries. Armenian Transport Minister Gurgen Sargsyan signed an agreement April 14 in Tehran with his Iranian counterpart, Hamed Behbahani. A working group will carry out a feasibility study. "In addition, Armenia is in negotiations with the Asian Development Bank, the World Bank and other concerned parties," Sargsyan told journalists.

The construction of the 500-kilometer (310-mile) railway, with 60 kilometers (37 miles) in Iranian territory, is expected to take at least five years and cost $1.5-$1.8 billion. The railway, with the Armenian section connecting the northern city of Sevan to the southern city of Meghri, on the border with Iran, will ensure the transportation of energy supplies and other goods, and increase trade between the countries. This will be one of the key branches of the Grand North-South Railway Transport Corridor from St. Petersburg to the Iranian shore of the Persian Gulf.

Landlocked Armenia has rail links with other countries, so far, only through the territory of Georgia, which is complicated by Tbilisi's often fractious relations with Moscow. Russia and Ukraine have expressed interest in financing the project.

Lavrov, on North Korea Visit, Calls for Calm

April 24 (EIRNS)—At the end of his visit to North Korea today, Russian Foreign Minister Sergei Lavrov appealed to the nations involved in the Six-Party Talks to keep calm and seek resumption of the talks. Lavrov said he asked the DPRK (North Korea) to return to the nuclear Non-Proliferation Treaty, when meeting with his DPRK counterpart Pak Ui-chun and the DPRK's parliamentary speaker Kim Yong-nam in Pyongyang, but the DPRK indicated it has no intention to return to the Six-Party Talks yet.

He said Russia proposed that the DPRK use Russian territory for a satellite launch, in line with Moscow's policy of cooperating with other nations' peaceful space programs. Lavrov continued on to South Korea, where he was met by South Korean Foreign Minister Yu Myung-hwan. In Seoul, he said that imposing sanctions on the DPRK is "not constructive."

Southwest Asia News Digest

Hezbollah Allies Could Win Lebanese Election

U.S. Envoy George Mitchell in Cairo and Riyadh

Pickering: Take the Iran Attack Off the Table

U.S. Bill Introduced To Avoid Confrontation with Iran at Sea

Hezbollah Allies Could Win Lebanese Election

April 25 (EIRNS)—Hezbollah and its allies, who are now Lebanon's parliamentary opposition, could be the winners in the

June 7 elections. The coalition has been running a quiet but widespread campaign, which has capitalized on the tremendous credibility Hezbollah has mustered since defeating Israel in the 2006 war. The election results in the areas where Hezbollah is directly fielding candidates are seen as a foregone conclusion, with hardly any serious campaigns against these candidates.

Now, Western media are beginning to discuss the potential victory, in such articles such as an April 23 AP story, "Hezbollah Looks for Election Win that Could Shake Up Lebanon."

In order to preempt the treatment meted out to Hamas after its victory in the Palestine Authority's 2006 parliamentary elections, Hezbollah leader Sheikh Hassan Nasrallah has said that if his coalition wins, it would invite its opponents to join in a national unity government to ensure stability.

The possibility of a Hezbollah coalition government victory, on top of the open-handed policy of the Obama Administration, as demonstrated by special Middle East envoy George Mitchell, has pushed the Saudis into a frenzy. An advisor to the Saudi government, which opposes Hezbollah, told the *New York Times*: "We are putting a lot into this," and would likely spend hundreds of millions of dollars on the elections. Expatriate Lebanese are being flown to their home villages to vote in closely contested districts. Saad Hariri, the leader of the present majority, is reputed to be the biggest spender.

A Lebanese analyst told *EIR* that the election in the little country of 4 million people is the background to the recent arrest of 49 members of a so-called "Hezbollah cell" in Egypt. He said that the old saw of the confrontation of radical militant forces against the moderates in the region was being pushed hard by the Saudis. Yet, he pointed out, the Egyptian newspaper *al-Ahram* editorialized this week, that "the upcoming Lebanese elections will be a test not just for state institutions, in their capacity to run free and fair elections, but also test the ability of international and regional powers to accept their results."

U.S. Envoy George Mitchell in Cairo and Riyadh

April 20 (EIRNS)—U.S. special Middle East envoy George Mitchell was in Cairo and Riyadh over the April 18-19 weekend. He met Egyptian President Hosni Mubarak and Foreign Minister Aboul Gheit on April 18. At a press conference, Mitchell said: "We believe that a comprehensive Middle East peace is not only in the interest of the people of the Middle East, the Palestinians, and the Israelis, and Egyptians ... but it is also in the national interest of the United States and people around the world."

On April 19, Mitchell was in Riyadh, where he met Saudi King Abdullah, Foreign Minister Prince Saud al Faisal, and Intelligence chief Prince Muqrin bin Abdul Aziz al Saud.

Meanwhile, Israeli Prime Minister Benjamin Netanyahu is to make an official visit to the U.S. on May 17, after President Barack Obama meets King Abdullah, and perhaps after he meets Palestinian President Mahmoud Abbas, according to the Israeli daily *Ha'aretz.*

Pickering: Take the Iran Attack Off the Table

April 17 (EIRNS)—Former senior State Department official Thomas Pickering called for immediate U.S. engagement with Iran, with no preconditions, as a first step towards ending the 30-year diplomatic impasse. Speaking at the Middle East Policy Council's (MEPC) Capitol Hill seminar series on April 16, Pickering emphasized the critical role of Russia in these talks, and that U.S.-Russian cooperation in the soon-to-begin talks on Iran should be part of a broad revival of the

Russian-American strategic cooperation. Pickering cited missile defense, nuclear energy, and the global financial crisis as three areas to pursue the strategic partnership. The bulk of the seminar discussion was, however, focused on Iran.

In response to a question from *EIR*, Pickering promoted the idea of an international consortium to produce enriched uranium for nuclear power plants, which could include an enrichment facility on Iranian soil. Such a proposal, if accepted by Tehran, could allow for Iran's sovereign right to enrich uranium, while providing a secure framework for preventing the diversion to a nuclear weapon. Pickering and other speakers said that U.S. intelligence estimates place Iran at least two years away from obtaining a nuclear weapon; therefore, there is time to negotiate without imposing near-term deadlines.

Another speaker, Congressional Research Service Middle East specialist Ken Katzman, confirmed that the Pentagon has delivered a series of unambiguous messages to Israel: There is no U.S. toleration for an Israeli strike against Iran. In response to a second question from *EIR*, Gen. William Nash, the new MEPC president, denounced the "effects-based operations" doctrine, including Israel's applications of that doctrine in the recent Lebanon and Gaza wars.

U.S. Bill Introduced To Avoid Confrontation with Iran at Sea

April 17 (EIRNS)—A bipartisan concurrent resolution calling on President Obama to negotiate an "Incidents at Sea Agreement" between the United States and Iran has been introduced into the Congress by Rep. John Conyers (D-Mich.) and Rep. Geoff Davis (R-Ky.). The bill says an agreement is necessary because there are no diplomatic relations between the two countries. An incident between the U.S. and the Revolutionary Guard Navy came close to confrontation in January 2008. Though it does not mention it, the bill would also provide a way to de-escalate, if President Obama implemented the Condoleezza Rice-Tzipi Livni agreement, that the U.S. would block Iranian ships from delivering anything to Hamas.

The Conyers-Davis bill was brought up by Dr. Trita Parsi, head of the National Iranian American Council (NIAC), as a positive sign of willingness to pursue a peaceful track with Iran. Parsi was one of the speakers on Iran at the April 16 Middle East Policy Council.

The bill says (in part) that whereas, in January 2008, then-Centcom Commander Adm. William Fallon had noted the danger of confrontation "by mistake," and whereas "Retired Admiral James Lyons, who previously served as commander of the Pacific Fleet and Deputy Chief of Naval Operations, suggested, in an opinion piece in the *Washington Times*, that the set of rules and regulations incorporated in the Incidents at Sea Agreement could be applied as modified for naval operations in the Persian Gulf," the Congress resolves that the President should negotiate such an agreement—which does not depend on diplomatic relations.

The bill notes that "at the height of the Cold War, the United States and the Soviet Union entered into an Agreement on the prevention of incidents on and over the high seas (entered into force with respect to the United States on May 25, 1972)," which could be a model for this agreement.

Further, "the Strait of Hormuz [is] ... a global strategic chokepoint through which nearly two-fifths of the world's oil is shipped," and the danger of an incident is related to "the naval buildup in the region, and differences between the United States and Iran, Hamas, and the Israeli-Palestinian conflict, Lebanon and Hezbollah, and Iran's nuclear program, [which] all make for an environment that is highly charged, fragile and very susceptible to destructive developments."

Asia News Digest

Clinton: U.S. Policy Contributed to Pakistan Crisis

Mahathir Is Back in Malaysia

Japan 'Science' Award to Psychotic Dennis Meadows

China Will Not Turn to Overseas Food Plantations

Thaksin: The King was Briefed Before the Coup

Clinton: U.S. Policy Contributed to Pakistan Crisis

April 25—Secretary of State Hillary Clinton acknowledged that U.S. backing for the mujahideen operations against the Soviet Union in the 1980s, had played a role in creating the crisis in Pakistan today, in testimony to a subcommittee of the House Appropriations Committee given on April 23. "We can point fingers at the Pakistanis. I did some yesterday, frankly," Clinton said. "And it's merited because we are wondering why they just don't go out there and deal with these people. But the problems we face now, to some extent, we have to take responsibility for, having contributed to it. We also have a history of kind of moving in and out of Pakistan.

"Let us remember here, the people we are fighting today, we funded them 20 years ago, and we did it because we were locked in a struggle with the Soviet Union. It was President Reagan, in partnership with Congress led by Democrats, who said ... let's deal with the ISI [Pakistani Inter-Services Intelligence] and the Pakistan military, and let's go recruit these mujahideen. And great, let them come from Saudi Arabia and other countries, importing their Wahhabi brand of Islam so that we can go beat the Soviet Union." The Soviets were forced out, and their defeat contributed to the collapse of the Soviet Union, Clinton said.

While this might have been a good investment in bringing down the Soviet Union, "let's be careful with what we sow, because we will harvest," she warned.

Mahathir Is Back in Malaysia

April 19 (EIRNS)—The scrappy former Prime Minister, Dr. Mahathir bin Mohamad, sworn enemy of George Soros and Al Gore, is back in a position of significant influence in Malaysia, after the recent change of government. Datuk Seri Najib Tun Razak became Prime Minister earlier this month, taking over as head of the governing Umno party from Abdullah Ahmad Badawi, and thus becoming Prime Minister.

Mahathir had originally backed Badawi to replace him as Prime Minister when he resigned in 2003, but turned against Badawi when he reversed several of the nationalist policies launched under Mahathir's leadership. The major factor driving the split was Badawi's acceptance of globalization, while Mahathir continued to denounce it.

After a disastrous election last year, in which Umno barely held on to its majority, it was decided by the party that Najib would replace Badawi.

The swing in power has became clear with the appointment of the new cabinet. Two of Mahathir's closest allies during the Asian crisis of 1997-98, when Malaysia stood up to Soros and the IMF in defense of its people, have been placed in key economic posts. While Najib will retain the post of Finance Minister himself, Datuk Mustapa Mohamed will be Minister of International Trade and Industry, or "Second Finance Minister," and Tan Sri Nor Mohamed Yakcop will be Minister in the Prime Minister's Department. Nor Mohamad will also be the Economic Planning Unit Minister, involved in

restructuring the economy.

Najib has given Mahathir a clear and public welcome. When Photon, the Malaysian national auto manufacturer, introduced its new Proton Exora model, Najib and Mahathir presided over the ceremonies. Mahathir's closeness to Photon, as a symbol of Malaysian industry, is well known.

Japan 'Science' Award to Psychotic Dennis Meadows

April 24 (EIRNS)—Dennis Meadows, the co-author of the 1972 book *Limits to Growth*, which Lyndon LaRouche exposed at the time as a psychotic attack on both science and on the American System (see LaRouche's *There Are No Limits to Growth*), was granted the Japan Prize from the Science and Technology Foundation in Tokyo, for supposedly leading the world in a "transformation towards a sustainable society in harmony with nature's supply." The Limits to Growth hoax, put together at MIT, was one of the first efforts to replace actual physical science with computer modeling, "proving" that the Earth's ecosystem and mankind's progress were incompatible, and that we had just better accept mass death and depopulation.

Demonstrating a severe problem within the Japanese institutions, the author of this quackademic monstrosity was presented with the $500,000 award by Emperor Akihito, before dignitaries including (according to the Foundation's website) "the Prime Minister, the Speaker of the House of Representatives, the President of House the Councillors, the Chief Justice of the Supreme Court, foreign ambassadors to Japan and about a thousand other guests, including eminent academics, researchers and representatives of political, business and press circles."

At the ceremony, Meadows repeated his Malthusian apology for the ongoing destruction of the world economy: "If demand against the planet rises above its carrying capacity, the carrying capacity will decline. Growth will not end gradually and peacefully in the distant future. It will end soon and suddenly through overshoot and collapse." As evidenced by the "unfolding collapse of the global credit markets and the precipitous decline in production," Meadows said that mankind has failed to learn its lesson, and must give up "the current faith in technological advances." Indeed, he claimed, the most common policy for solving current economic problems is a desperate effort to get the growth of the physical economy back onto its historical, exponential track," he said. "I know this policy will not work."

China Will Not Turn to Overseas Food Plantations

April 21 (EIRNS)—The Deputy Agriculture Minister of China, Niu Dun, said that his country will not pursue the policy of outsourcing farming in order to supply its home food needs. Niu was speaking yesterday in an interview with the *Financial Times* at the agriculture ministers' conference in Italy. "We cannot rely on [investments in] other countries for our own food security," he said. Some of the existing Chinese food-for-export projects in Southeast Asia and Africa have come in for intense local opposition. Niu said, "We have to depend on ourselves."

The leading countries outsourcing their agriculture are the Persian Gulf states and South Korea. For example, UAE Abraaj Capital contracted for 324 square kilometers in Pakistan in mid-2008. Pakistan reportedly is offering up to 1 million hectares of farmland for foreign purchase or lease, including armed protection. There are many projects in Africa.

This neo-British East India Company model has come into use over the past 20 months, as world markets have become dysfunctional, and no collaborative emergency action has been taken. The World Bank even intends to release a "code of conduct" this Spring on how to make foreign plantation agriculture "fair." It can be expected to be about as equitable as "free" trade is free. The U.N. Food and Agriculture Organization plans to hold a conference this Summer on outsourcing farming "fairly."

Thaksin: The King was Briefed Before the Coup

April 20 (EIRNS)—Deposed Thai Prime Minister Thaksin Shinawatra, according to today's London *Financial Times*, said that the King was briefed by his privy councilors before they carried out the coup against Thaksin in 2006. Despite loud cries from the palace and the government that it is not true, it is known to all that the brains behind the fascist mobs and the military coup was privy council chief Gen. Prem Tinsulanonda, and his deputy, Gen. Surayud Chulanont, who was appointed Prime Minister during the military rule after the coup.

The *Financial Times* wrote that, "According to Mr. Thaksin, the coup was presented as a favour to the king, with his privy councillors accusing Mr. Thaksin of disloyalty. Mr. Thaksin said he had later been told this by General Panlop Pinmanee, who has in the past confirmed that he met Mr. Thaksin but denied politics was discussed."

The paper quotes Thaksin: "General Surayud, Gen. Prem and another privy councillor went to have an audience with his majesty the king and told his majesty that they will do a favour for him by getting me, because I am not loyal to the king. That started the whole process."

Naming the King pushes the conflict to a new level. As the April 24 *EIR* reported, the near-civil war situation has now become explicitly a conflict between the nascent republican policies of Thaksin's associates, of modernization and support for the education, health, and general welfare of the population, vs. a British-sponsored "noble peasant" policy of relative backwardness sponsored by the King, the world's longest-reigning and richest monarch, backed by the military and the Bangkok aristocracy.

Africa News Digest

Sudan's President Bashir Visits Ethiopia

Somali Opposition Leader Rejects Sudan Mediation Effort

Sudan's Talks with France and Britain End Without Positive Result

ANC Returned to Power in South Africa

Sudan's President Bashir Visits Ethiopia

April 21 (EIRNS)—Sudan President Omar al-Bashir arrived in Ethiopia today, at the head of a high-level delegation, according to the *Sudan Tribune*. He was welcomed by President Meles Zenawi. Referring to the International Criminal Court arrest warrant against Bashir, Zenawi said: "The arrest warrant is over-politicized and unacceptable. It is over-politicization of the humanitarian issue and over-politicization of international justice." He added that both countries emphasized the importance of bilateral ties, which are focussed on improving economic relations and infrastructure development, particularly a road link.

Zenawi also said that the implementation of the Comprehensive Peace Agreement (CPA) between North and South Sudan is critical, not only for peace in Sudan, but also for the entire eastern Africa region.

On April 9, the Ethiopian government announced that it was to provide the African Union/United Nations Hybrid peacekeeping operation in Darfur with five tactical helicopters.

Somali Opposition Leader Rejects Sudan Mediation Effort

April 21 (EIRNS)—Sheikh Hassan Dahir Aweys, leader of the Somali militia that opposes the moderate Somali President, Sheikh Ahmed, left Khartoum, Sudan, without meeting Ahmed, according to the *Sudan Tribune* today. The Sudan government had brought the two leaders to Khartoum in an attempt to mediate and bring stability to Somalia. Aweys had worked with Ahmed in the Islamic Courts Union, before it was ousted by the Ethiopian military intervention at the end of 2006. Ethiopia has since withdrawn.

The move by Sudan follows visits to Sudan by President Obama's Special Envoy to Sudan, Maj. Gen. Scott Gration (ret.).

Sudan's Talks with France and Britain End Without Positive Result

April 21 (EIRNS)—A high-level Sudanese delegation ended talks tonight in Paris with French officials and Britain's Lord Mark Malloch-Brown, a Foreign Office Secretary, and a key figure in the founding of the private International Criminal Court (ICC). No progress was made in the talks. French Foreign Affairs Ministry spokesman Frederic Desagneaux told reporters earlier in the day, according to the *Sudan Tribune*, that Sudan must "fulfill its obligations to the ICC." After the talks, Desagneaux said that the French and British delegations "reiterated their commitment to international criminal justice and cooperation with the ICC."

Sudanese Presidential Assistant Nafi Ali Nafi, interviewed on Radio Monte Carlo Arabic service, said the focus of the visit was to establish bilateral relations with the two European countries. This was rejected by the former colonial powers. Nafi said that Sudan refuses to deal with the ICC, calling it a "political tool used against African leaders who are viewed to be uncooperative with Western programs in Africa."

France and Britain are now the only permanent members of the UN Security Council that are refusing to deal bilaterally with Sudan.

ANC Returned to Power in South Africa

April 25 (EIRNS)—The ruling African National Congress (ANC) was returned to power in the April 22 election, in which 77% of the voters turned out. The final results, announced today, were ANC, 65.9%; Democratic Alliance, 16.7%; and Congress of the People (Cope), 7.4%.

The ANC parliamentarians will now elect Jacob Zuma as President of the country, but will not be able to enact major budgetary plans or legislation unchallenged, because the ruling party is just shy of a two-thirds majority.

The ANC election manifesto claimed that the party would "lead a massive public investment program for growth and employment creation," including "expanding and improving the rail networks, public transport, and port operations, dams, housing construction, information and communications technology and energy generation capacity, as well as education and health infrastructure."

In his last public appearance before the voting, however, Zuma indicated in Johannesburg, April 21, that South Africa's future depended on the whims of the markets. "Everything we do, it is according to the means available. I'm sure everyone understands that." He was referring to his government's response to the economic collapse.

The international press dominated by London is hoping that Zuma can be pressured to "get tough with Mugabe," which would be a reversal of the Zimbabwe policy of former South African President Thabo Mbeki, who successfully mediated a unity government in the face of attacks from the London financial crowd and their lackeys.

In provincial results, the London-aligned Democratic Alliance won the premiership of the Western Cape with 51.5% of the vote, but the ANC won in the other eight provinces.

Cope, a split-off from the ANC, and nearly a carbon copy of the Democratic Alliance, won enough votes to lead the opposition in Eastern Cape (13.31%), Limpopo (7.21%), and Northern Cape (15.94%).

All rights reserved © 2009 EIRNS

top of page

home page