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Shift to the Pacific:
The Historic Mission Of the United States
by Nancy Spannaus

“Go West, young man” was a popular admonition in the United States of the post-Civil War period, when the Transcontinental Railroad, industrialization, and millions of enterprising settlers moved across the vast territory of the country toward the Pacific Ocean, thus fulfilling the historic vision of the founders of the American Republic to establish a continental republic on these shores. Today, that admonition must be extended further, through a determination of the U.S. government to establish new partnerships for economic development with the nations of the Asian-Pacific and Indian-Ocean Basin, specifically, the nations of Russia, China, and India.

The establishment of the United States republic, from 1776 through 1865, provided a “beacon of hope” for rallying against the powers of Empire in the world, but that empire, now run through the supranational financial institutions of the world, still maintains a stranglehold over the planet, and threatens to bring it into an unspeakable devolution into a New Dark Age...

In-Depth articles from EIR, Vol. 36, No. 46
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Why India Must Resolve Its Regional Conflicts

If India can resolve its historical conflicts along its borders to make possible the exchange of manpower and scientific and technological development, it has the wherewithal to become an equal partner in a Four-Power alliance to develop a new international economic system.

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- **The Incredible Shrinking Obama Presidency**

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- The Inescapable Failure of Counterinsurgency**

- The late **David Galula**, a French lieutenant-colonel, wrote a book in 1964, "Counterinsurgency Warfare: Theory and Practice," which is still used as a manual by the U.S. Army. Based on his experience in the Algerian war, it is as incompetent as was the French attempt to win that war. By **Jacques Cheminade**.

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- **Have We Got an (Underwater) Deal For You!**

- With every passing week, it becomes more apparent that the Obama Administration has been a complete failure. Wipe away the grimy layers of hype and spin, and all you find is catastrophe, a galloping, accelerating disaster.

- **Berlin Must Apply the Glass-Steagall Standard, To Avoid Ungovernability**

- by Helga Zepp-LaRouche.**

- Banks and financial institutions have proven that they control governments, and not the other way around. As a result, speculators are making more money than ever before, and the free fall of the real economy continues. The problem must be brought under control by the strict separation of commercial banks from investment banks.

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The LaRouche Show

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This Week's News

U.S. Economic/Financial News

Nearly 15% of Americans were 'Food Insecure' Last Year

Will Local Governments Disappear Without Federal Reorganization?

Will State Governments Disappear Without Federal Reorganization?

Nearly 15% of Americans were 'Food Insecure' Last Year

Nov. 16 (EIRNS)—Globalization kills. In a land that even a generation ago could produce food surpluses that could provide nutrition to a world beyond its borders, a year ago 14.6% of households were "food insecure at least some of the during the year" 2008, according to a report released by the U.S. Department of Agriculture (USDA) today.

More than a third of the " food insecure," or 5.7% of the total, had "very low food security," meaning that the food intake of one or more household members was reduced, and their eating patterns were disrupted at times because the household lacked money and other resources for food. "Prevalence rates of food insecurity and very low food security were up from 11.1% and 4.1%, respectively, in 2007, and were the highest recorded since the first national food security survey was conducted in 1995."

But the USDA would prefer you think about it this way: "Eighty-five percent of American households were food secure throughout the year in 2008, meaning they had access at all times to enough food for an active, healthy life for all household members."

Yet President Obama, the man who pushed through trillions in bailout money for the banks, boasted during his Asia trip: "I signed into law last month [a bill that] invests \$85 million in new strategies to prevent children from experiencing hunger in the summer."

Obama contended, "My Administration is committed to reversing the trend of rising hunger. The first task is to restore job growth, which will help relieve the economic pressures that make it difficult for parents to put a square meal on the table each day...."

Will Local Governments Disappear Without Federal Reorganization?

Nov. 20 (EIRNS)—Two events in Washington, D.C. yesterday focused on the crisis faced by U.S. local governments. Unemployment in U.S. cities is "staggering, well-beyond the national figures," past president of the U.S. Conference of Mayors, Trenton's Douglas Palmer, told the Economic Policy Institute audience: 17% in Trenton, N.J.; 14.9% in Providence, R.I.; 13.4% in Las Vegas, Nev.; and 19.4% in National City, Calif. "I can't go to the grocery store, or walk down the street, without people coming up to ask for a job," Palmer said; every Senator and Congressman should "walk down the street of any community" to get in touch with reality.

The National League of Cities/Brookings Institution event concentrated on the bankruptcies of the cities: Nine out of ten

city finance officers report that they don't know how to balance their budgets in 2009—and it's getting worse.

The League begged for Federal money so that cities can "establish public service employment programs," hiring people to do such things as maintain properties left vacant by the collapse, and invest in transportation; they asked for aid to lower borrowing costs for municipal bond issuers and facilitate financing for local capital projects.

Will State Governments Disappear Without Federal Reorganization?

Nov. 18 (EIRNS)—The disappearance of state tax revenues in the depression collapse, combined with urgent service demands arising from mass unemployment, hunger, and lack of health care, are starting to drive states beyond "budget crisis," to existential threat of disintegration of state government. California under Gov. Arnold Schwarzenegger, is closest to disaster. President Obama has repeatedly ruled out special aid to the state; Lyndon LaRouche has warned that it, and soon other states, must be taken into a kind of Federal bankruptcy protection, or they will not survive as states. LaRouche has also emphasized the leading role California should play in a U.S. Four Power Pacific-oriented economic renaissance, along with China, Russia and India.

Less than six months after monstrous budget cuts of \$15 billion, combined with new taxes, were forced on the state legislature by Schwarzenegger, California is facing a new \$21 billion shortfall. Next year's budget (fiscal years 2010-11) is already expected to face a \$21 billion shortfall. This includes the postponement of an approximate \$8 billion shortfall which remains in the FY 2009-10 budget, into the next budget.

A state official told *EIR* that the \$21 billion shortfall is based on estimates of an economic recovery beginning in January 2010, with a forecast that the revenue shortfall will begin to ease! The official admitted that this is a "highly unlikely scenario."

Were California to make new budget cuts of this magnitude, it would have eliminated nearly 40% of its total budget spending, in four years—from approximately \$105 billion, to approximately \$65 billion, in each two-year budget! Competent state authority would not survive.

Other states which, on smaller scales, are similarly threatened, include Illinois, Arizona, Pennsylvania, New York, and Virginia. The last, after cutting \$7 billion from its \$70 billion FY 2009-10 budget, already projects at least another \$3 billion shortfall in the next budget, as tax revenues keep falling far below forecasts. All state agency budgets may be reduced by 15%. "These budget numbers are scary. They're going to have a grave impact on the citizens," said one Democratic state delegate.

Global Economic News

Speculators Drool as Rice Crisis Looms

Half of Israelis Fear Netanyahu Will Lead Them into Poverty

Speculators Drool as Rice Crisis Looms

Nov. 17 (EIRNS)—With a "failed" (i.e., delayed) monsoon in India, causing drought in some regions, and devastating typhoons in the Philippines, the fact that global rice production has stagnated for three years running, is about to translate into famine. Duncan Macintosh, development director for the International Rice Research Institute (IRRI) in the

Philippines, said that "prices are at a nine-month high and seem to be climbing towards the levels of last year's rice crisis," when world food trade nearly collapsed.

This is not a "natural crisis," but genocide. IRRI director Dr. Robert Ziegler pointed out that "inside a grain of rice is the genetic potential to develop higher yields; and the capacity to grow rice in harsh conditions," and that a new Green Revolution, with the necessary funding and commitment, could easily double the productivity of rice, to sustain the one-half of the world population which depends on rice.

However, such funding and commitment are not forthcoming. "Prices won't peak until March," said Rex Estoperez, a spokesman for the National Food Authority of the Philippines, the biggest importer in the world. The Philippines is increasing its imports by 30%, to 1.45 million tons, due to the typhoons which flooded Manila and destroyed 1.3 million tons of paddy rice.

India has become a net importer for the first time in two decades, and may surpass the Philippines by importing 3 million tons, after the worst monsoon season since 1972.

This is a disaster that was created systematically by the world food cartels and the international financial institutions. The IRRI reports that the average annual yield growth slowed to 1.4% from 1990 to 2005, down from 2.14% during the previous two decades. This is due to the failure of necessary research funding, and to IMF and WHO demands that nations give up food self-sufficiency in favor of "globalization," buying food on the world markets, or be cut off from international credits.

Half of Israelis Fear Netanyahu Will Lead Them into Poverty

Nov. 17 (EIRNS)—A poll of 500 Israelis revealed that 50% are concerned that the policies of Prime Minister Benjamin Netanyahu will force them into poverty, while only 25% express a sense of security about their economic situation, according to today's *Ha'aretz*. Some 77% agreed that the blame for poverty cannot be placed exclusively on the poor, and that government has a responsibility to help the poor escape the cycle of poverty. The poll was conducted by the Forum To Mark International Day for Eradication of Poverty.

United States News Digest

California Student Strikers Target Wall Street Looters

Mammogram Report Designed To Kill as Part Obamacare

USDA Report Tries To Hide Hunger Crisis in America

California Student Strikers Target Wall Street Looters

Nov. 22 (EIRNS)—While a great deal of attention is being focused on California Gov. Arnold Schwarzenegger's budget cuts as the cause for the 32% hike in tuitions and fees in the University of California system, Bob Samuels, president of the UC-American Federation of Teachers, was interviewed on Nov. 20 by Democracy Now's Amy Goodman, and he presented a very different story.

First, the UC Regents, who administer the financial affairs of the university system, lost \$23 billion in 2009, through speculative investments in the financial bubble. A former CEO of Wachovia Bank is the head of the Board of Regents, and there are strong odors of conflict of interest and outright thievery in this story. Despite these massive losses, which parallel similar losses by the endowments of Yale and Harvard (the latter, courtesy of Larry Summers), the University of California made something like \$20 billion from research contracts with the government and with private corporations during the same year. There is no fiscal justification for the spike in tuition and fees.

Second, the university system is going through a de facto privatization, by focusing cuts in faculty in the undergraduate areas, especially lecturers and non-tenured professors teaching the required courses of the first two years. In one case, the entire teaching staff for several mandatory freshman and sophomore courses has been fired. This, combined with the tuition and fees spike, will force many poorer students to either skip university altogether, or start out their first two years at community colleges, from which the credits can be transferred, based on performance, to the state universities.

In effect, the universities are being transformed into research corporations, where the undergraduate degrees are the lowest priority, and could almost be eliminated altogether.

Mammogram Report Designed To Kill as Part Obamacare

Nov. 17 (EIRNS)—Informed sources say that the report issued by the U.S. Preventive Services Task Force (USPSTF), calling for curtailing the number of life-saving mammograms allowed to women, was commissioned 8-9 months ago, in the expectation that Obama's Nazi-like "health-care reform" would already have been passed by now, so as to begin its implementation.

The Agency for Healthcare Research and Quality (AHRQ), whose USPSTF concocted the spurious report, explicitly considers those lives which would be lost as not important, in the face of the "wasteful" screening procedures. That Agency's director, Dr. Carolyn Clancy, is a leader of the pro-euthanasia faction of strategists that crafted the Obama Administration health-care-rationing program.

The American Cancer Society immediately denounced the killer recommendation, saying that "The American Cancer Society continues to recommend annual screening using mammography and clinical breast examination for all women beginning at age 40. Our experts make this recommendation having reviewed virtually all the same data reviewed by the USPSTF, but also additional data that the USPSTF did not consider...."

The Society's statement continued, "In 2003, an expert panel convened by the American Cancer Society ... found convincing evidence that screening with mammography reduces breast cancer mortality in women ages 40-74.... We specifically noted that the overall effectiveness of mammography increases with increasing age. But the limitations do not change the fact that ... mammography starting at age 40 saves lives."

Some 40 million mammograms are performed yearly in the United States, mainly on the over-40 female population totaling some 70 million. Women aged 40-49 number around 20 million. Sacrificing one in 1,904 women in this age group, as called for by the Task Force, means that thousands of lives would be lost by the "cost-saving" measures advocated by the Administration.

USDA Report Tries To Hide Hunger Crisis in America

Nov. 17 (EIRNS)—The U.S. Department of Agriculture (USDA) released its annual report on Household Food Security yesterday, admitting that their figures were the worst since surveys began, in 1995. In plain sight, though not mentioned, is

the proof that the nation is on the edge of a food crisis of significant proportions.

The report reveals that 17 million or 14.6% of U.S. households, had "low food security" (difficulty putting food on the table) during some part of last year. Of this segment, almost half (40% of 14.6% or 5.7% of the nation) has "very low" food security, defined as "food intake was reduced and eating patterns were disrupted" at least some time during the year. Lost in all the percents and etceteras, is that the figure of 17 million hungry Americans represents an alarming 30% *increase*, from 13 million in 2007, and that the "very low" (5.7%) segment increased by 42%. Buried within the report, the graphs verified this sharp increase, beginning in 2007.

Other than pointing out the obvious, that "the fundamental cause of food insecurity and hunger in the U.S. is poverty," the best that the Obama Administration—handcuffed as it is to the Bernanke Bailout program—can do, is offer platitudes about "promoting job creation and combatting hunger in our nation."

Ibero-American News Digest

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LaRouche to Ibero-America: Look to the Pacific

Nov. 13 (EIRNS)—Questioned by an Argentine listener during his Nov. 11 webcast, as to whether potential cooperation between the Obama Administration and Ibero-American nations has been truncated by the installation of U.S. military bases in Colombia, which, in the view of the questioner, plays "into the hands of war-mongers such as [Venezuelan President] Hugo Chávez or [Ecuadorian President] Rafael Correa, who absolutely *do not* represent the general sentiment of the majority of the Ibero-American people," Lyndon LaRouche outlined a strategic perspective for the region, in the written answer which follows:

"To respond appropriately to your question, I should begin with the following statement.

"I never supported Barack Obama's campaigns for the Presidential Nomination the Election. However, I did commit myself to assist that Presidency for a few months, until I discovered his the Hitler-like fascist ideology of his health-care intentions, as I reported this fact in my April 11, 2009 international webcast. He is President, but must either be impeached soon, or, in the only acceptable alternative, put under 'adult supervision' as an occupant of the 'Oval Office.' His policies are evil, and his intellect virtually non-existent.

"As you know from where you write, there is presently no movement within Ibero-America which is actually committed to an effective role in dealing with the presently accelerating general, economic breakdown-crisis of every part of the present world economy. The recent election in Mexico is only one case of the present strategic ineptitude of the leading political forces through most among the nations of South America. There have been brighter moments in South and Central America, as during the Spring and Summer of 1982, but they were crushed then, and are not in control there today.

"Therefore, if we look at the planet as a whole from inside South and Central America, we should recognize the hard truth that the rescue of this region will be made possible only through a Pacific-, rather than Atlantic-based movement: through an alliance which must be brought into being among the U.S.A. (with certain obvious, and actually possible, improvements in the Office of the President and leadership of the U.S. Congress) and the major Pacific powers of the world, Russia, China, and India. In other words, we must take victory in those parts of the world where the relevant quality of political forces exist, and use that victory of the nations of the planet as a whole.

"The strength of Colombia, which, among many of the best nations, lies in its resistance to the British drug-running interests. Wherever pro-legalization of the drug-traffic occurs, we find either an intrinsically corrupt, or greatly weakened sovereignty among leading political circles. Brazil is the only nation of the region, apart from Colombia, which has strategically significant economic and political influence on the planet at this time; but, we also know the internal problems even there. The conditions for leadership from South and Central America must come by way of the leading role of a changed direction from the U.S.A. working in partnership with Russia, China, India, and certain relevant other nations to be directly associated with that partnership. In that view, Argentina does have some important, and most interesting potentialities as a factor within the Americas; I would hope that, despite the limited options actually existing presently through South and Central America, that certain important elements of Argentina's history will come into play again."

Mexicans Now Send Remittances to Family in the U.S.

Nov. 17 (EIRNS)—Poor Mexicans have begun to send peso wire transfers to their unemployed family members in the U.S., who had originally fled Mexico in search of jobs up north, in order to send remittances back home to Mexico.

According to an article in the Nov. 16, *New York Times*, "unemployment has hit migrant communities in the United States so hard, that a startling new phenomenon has been detected: instead of receiving remittances from relatives in the richest country on earth, some down-and-out Mexican families are scraping together what they can to support their unemployed loved ones in the United States."

There may be an element of drug money laundering involved in this, which *EIR* is investigating. But the underlying physical economic collapse on both sides of the border, is the dynamic causing this new phenomenon.

Over the last three decades of British free trade and globalization, there has been an exodus of some 13 million Mexicans, who were driven to the United States as economic refugees in search of sustenance for themselves and their families back home in Mexico. Not only could the Mexican economy no longer maintain these workers; their families back home were kept alive by the remittances they sent, which reached a peak of \$25 billion in 2007.

British Demand Green Genocide in Mexico

Nov. 18 (EIRNS)—British Amb. Judith Macgregor has instructed the Mexican government to adopt green policies to stop "climate change," according to today's daily *El Norte*. Mexican companies should stop complaining about the costs of green policies, Macgregor stated, because they can always pass them on to consumers, since "a recent study showed that 70% of consumers wish to purchase products from green companies." The British Embassy itself has invested 2 million pesos (about \$140,000) in the state of Nuevo Leon to help develop a green action plan. Macgregor also spoke about the opportunities that exist for economic cooperation between the two countries, in such essential activities as "financial services and the restaurant industry."

The Mustache Strikes in Mexico City

Nov. 18 (EIRNS)—The PRI bloc of legislators in the Mexico City Legislative Assembly proposed on Nov. 17 to modify the city's Advanced Will Law to allow "active euthanasia" to be practiced, so that "a patient can express his will as to whether or not to prolong his existence beyond the natural course of the disease," according to a report in the Nov. 18 *El Sol de Mexico*. PRI legislator Israel Betanzos said that "it is absurd to prolong the agony of a person when he is administered medicine or therapy against his will," when his disease is going to kill him shortly anyway.

This promotion of London's Nazi policy is argued with bald-faced genocidal intent—no hiding here behind euphemisms such as "assisted suicide." "Euthanasia is defined as the right that a patient has to decide the manner and time of his death," reports to *El Sol*, which also notes that other countries have already moved in this direction. "Despite slow advances [in euthanasia legislation] since 1934, Uruguay's Penal Code permits so-called Mercy Homicide," the article reports.

Mexico City Mayor Marcelo Ebrard, of the PRD party, supported the euthanasia initiative, while others in his administration, including the city's Health Secretary Armando Ahued, strongly opposed it.

Given the role of British agent George Soros in financing both drug legalization and euthanasia worldwide, and the recent legalization of drug consumption in Mexico, one is led to wonder if dollar bills originating in Soros's deep pockets, perhaps with traces of cocaine on them, didn't play a role in the legislative initiative of Señor Betanzos and his confederates.

Western European News Digest

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Obamastache in Prime Time News in Italy

Nov. 20 (EIRNS)—The main Italian TV news program, TG1, today prominently showed LaRouche PAC's "Obamastache" poster, in the context of a news item on Obama's popularity at home sinking below 50% in the latest Gallup poll. The opposition to Obama is growing where his greatest support was originally found, namely, the Internet, TG1 reported, showing first some blogs, and then a full-screen picture of an Obamastache poster, with the "LaRouche PAC" logo visible. It then went on with clips of Obama's bowing to the Japanese Emperor, saying Obama is accused of being too obsequious to kings and emperors, and with Michelle Obama's embrace of Queen Elizabeth—the latter to show that she was not obsequious enough!

Britain Controls New EU Foreign Policy Post

Nov. 20 (EIRNS)—Whatever the wheelings and dealings in the back rooms over control of the new top European Union (EU) posts, Britain now occupies the key EU post: External and Security Affairs. After Tony Blair was defeated as President of Europe, Catherine Ashton, Baroness Ashton of Upholland, was chosen as a compromise as the new "EU Foreign Minister" position, which has a gigantic new diplomatic apparatus.

The new position of "EU President" is given to Belgian Prime Minister Herman van Rompuy. He is said to have been the "compromise choice" of the French and German governments, which wanted to prevent Blair, or any other strong personalities in these two positions, so as to secure "more maneuvering room for the governments." The editorial of the Swedish daily *Dagens Nyheter* today described van Rompuy as a federalist, citing reports from last week's Bilderberg Group meeting, that he has considered introducing EU (federal) eco-taxation. As Belgian Premier, he succeeded one year ago in reconciling the two parts of the country; he is described in *DN* as somebody who would enforce the federalist structure of the EU. *DN* describes him as a low-profile person, with high diplomatic, but unscrupulous talents.

The position of general secretary of the EU-Council of Ministers, which is important for selection of EU projects and arbitrage questions, went to Frenchman Pierre de Boissieu, who in one and a half years will be succeeded by Uwe Corsepius, European expert in the German Chancellor's office. They all will operate under the new Lisbon Treaty rules, effective from Dec. 1.

French Premier Fillon Booed by Angry Mayors

PARIS, Nov. 18 (EIRNS)—The annual Congress of Mayors opened yesterday in Paris, with speeches given by André Laignel, vice president of the Association of French Mayors (AMF), Paris Mayor Bertrand Delanoë, AMF president Jacques Pellissard, and finally, by French Prime Minister François Fillon.

As Fillon, followed by the entire government, made his entrance into the Congress hall, they were greeted by loud and uninterrupted heckling and boos from most of the 6,000 mayors, and by isolated interventions from the audience shouting things like, "They want to kill us!" and "We're not going to take it!" There was anguish and fear in the faces of the government members, who sat, clustered together, at the dais, next to the speakers, in an obvious attempt to intimidate those protesting in the room.

Squads of organizers from Solidarité et Progrès (the LaRouche movement in France) distributed 5,000 leaflets at the entrance throughout the day, while others went into the hall to make contacts. The S&P squads reported widespread recognition of its leader Jacques Cheminade, and many mayors reacted to a picket sign against toxic financial assets, since they themselves had been manipulated by Dexia, the bank that traditionally lends to them, to go into massive debt based on structured products.

Deutsche Bahn Will Build Rail System for Qatar

Nov. 21 (EIRNS)—Deutsche Bahn will build a passenger and freight rail system in Qatar, including a high-speed, long-distance connection to Bahrain. Total investment volume is estimated to be around EU17 billion. Soon, the Qatar Railways Development Corp. will be founded, 51% owned by the Qatar government and 49% by DB International. One early step will be the construction of a passenger transportation system in Doha. The airport will be connected with Doha, and then further on to Bahrain with a high-speed rail system.

This means a boost for German industry, as Siemens probably will supply the trains and the German construction industry

will be massively involved. Also, Qatar plays a key role for the whole region, in terms of rail traffic, including to Saudi Arabia. This deal has been worked on for some time, and included, at some point, discussion of building a maglev system, which then-Chancellor Gerhard Schröder proposed to the Qatar government.

Tremonti Invites Chinese To Invest in Italy

Nov. 21 (EIRNS)—Italian Economy Minister Giulio Tremonti met Cao Xiqing, director general of China Investment Corporation, in Beijing yesterday. According to *Corriere della Sera*, Tremonti reported that the two "discussed the activities of the fund and of the possibility that the fund can intervene in Italy. We expect a CIC visit in our country, to find out which investments could be of common interest." Tremonti also met Chinese Vice President Xi Jinping, who has accepted an invitation to Italy in 2010.

Britons Want Out of Afghanistan

Nov. 15 (EIRNS)—A growing majority of Britons want British troops out of Afghanistan within 12 months, a poll released today showed, as a NATO commander spoke of his son's horrific injuries in the war. Some 71% of those questioned by \ the *Independent on Sunday* newspaper said they would back a phased withdrawal of British forces leading to an end of combat operations within 12 months.

Some of Britain's most dangerous al-Qaeda leaders are promoting jihad from inside high-security prisons by smuggling out propaganda to the Internet and finding recruits, claims an authoritative report by Quilliam, a think tank funded by the Home Office.

Blair To Be Grilled on Iraq War

Nov. 20 (EIRNS)—Former British Prime Minister Tony Blair will be publicly questioned about the Iraq War by a government commission, the inquiry chairman said today. John Chilcott said Blair and other senior politicians will be questioned early next year on their role and decisions over the war. Chilcott said the first round of hearings will start Nov. 24 and last until February 2010. He said senior officials and military officers would give evidence first, and politicians, including Blair, would be questioned beginning in January.

Russia and the CIS News Digest

Yakunin Briefs U.S. Officials on Russia's High-Speed Rail

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Yakunin Briefs U.S. Officials on Russia's High-Speed Rail

Nov. 20 (EIRNS)—Russian Railways President Vladimir Yakunin gave U.S. Transportation Secretary Ray LaHood a presentation on the Russian high-speed rail program yesterday in Moscow at the Center for Scientific and Technical Information at Riga station; LaHood was accompanied by John Beyrle, the United States Ambassador to Russia.

Yakunin showed the U.S. officials the Sapsan (Peregrine Falcon) high-speed train, and briefed them on the development program of high-speed rail transport in Russia, planned up to 2030.

According to a Russian Railways report, LaHood said that he was impressed by the first Russian high-speed train, built jointly by German and Russian engineers (it is a model of the Siemens Velaro train). LaHood pointed out that the railway systems of Russia and the United States have much in common, and he said that the Russian program to develop high-speed rail transport is of great interest to Washington, in light of what he called the U.S. Administration's plans to create a high-speed national rail network.

Russia Holds International Transport Conference

Nov. 22 (EIRNS)—The briefing on Russia's high-speed rail plans, given to U.S. Secretary of Transportation Ray LaHood last week, by Russian Railways CEO Vladimir Yakunin, came in the context of a three-day conference called "Russia's Transport: Establishment, Development, Prospects." This year the annual event was keyed to the 200th anniversary of the 1809 founding of Tsarist Russia's Sea and Land Transport Directorate and the Institute of the Corps of Transport Engineers. Held as an exhibition in the Manege Hall next to the Kremlin, the conference was attended by Minister of Transportation Igor Levitin, Deputy Prime Minister Sergei Ivanov, and Kremlin Chief of Staff Sergei Naryshkin. On Nov. 20, the visiting transportation ministers of 24 nations were received by President Dmitri Medvedev.

According to a report in *Kommersant* daily, Medvedev told the foreign guests that "development of a strategy for transport is largely the basis of our future cooperation," citing the potential for foreign investment in Russian road-building, as well as the exploitation of existing capabilities such as transpolar air routes from Asia to the Americas across Siberia. *Kommersant* commented that "both West and East are interested in creating transport corridors across Russia, equipped with the latest technology." Medvedev confirmed this, noting that "because of Russia's unique capabilities, we would like to expand work on the North-South and West-East transport corridors. This means creating modern, multimodal logistics centers and improving our technologies in use at border crossings."

Many Russian regional leaders attended the event, pushing for funding of projects in their areas. Media in Siberia and the Far East, in particular, played up the "Russia's Transport" conference. Interviewed by Vesti state television, deputy chairman Anatoli Ballo of the government-owned VEB Bank—the major conduit of state crisis-mitigation funds into the Russian economy—stressed that "in the recent period, we have been devoting more and more attention to the Far East." Citing the construction of a new terminal at Vladivostok on the Pacific (a project involved in the recent Russia-China economic cooperation package), Ballo said that Russia wants to attract more international freight shipments to its railways, which means there is a need for "transportation corridors, logistics centers, and the whole range of transport infrastructure."

Sergei Ivanov, in his address to the conference, highlighted the scheduled 2010 completion of the 2,000-km Chita-to-Khabarovsk highway, which will mean that "for the first time in the history of the Russian Empire, the U.S.S.R., and modern Russia, our country will have a highway connection all the way from the West to the East."

A report in *Marchmont News*, earlier this month, said that the Moscow conference would be an occasion for renewed discussion of the Sakhalin-to-Mainland Russia bridge or tunnel connection, with upgrading of the rail system on Sakhalin Island and a further connection to Hokkaido in Japan. Russian Railways head Yakunin announced, after a Nov. 10 meeting with Sakhalin Region Governor Alexander Khoroshavin, that his company will back the Sakhalin government's efforts to launch the project. Giving Japan a direct outlet to the Transiberian Railway will be a major enhancement of Eurasian Land-Bridge connections.

Sobyanin: Source of Terror Funding Is Drugs

Nov. 16 (EIRNS)—Russia's Deputy Prime Minister Sergei Sobyenin, during his talks with India's External Affairs Minister S.M. Krishna, said drug trafficking is a major source of funds for terrorists, and stressed the need for a crackdown on it. Sobyenin said his country, like India, faced a challenge from terrorism.

Sobyenin also noted that terrorists work in a coordinated manner, and that drug trafficking is a major source of their funding. The two leaders underlined the need for consolidated action by the international community against drug and terror in all its aspects, sources said.

On Oct. 27, Russian Minister of Foreign Affairs Sergei Lavrov, at a joint press conference after the Ninth Meeting of the Ministers of Foreign Affairs of Russia, India, and China in Bangalore, India, had said that "among regional themes, we paid special attention to the situation in Afghanistan. We are not indifferent to what is happening in that friendly country near the borders of our two states. We are all interested in continuing to be actively and concretely involved in international efforts to promote peace and stability in Afghanistan, to eliminate terrorist and narcotic threats and help the socioeconomic recovery of that country." He also pointed out that "our three countries concur on the need to intensify international efforts to combat terrorism and drug trafficking."

Southwest Asia News Digest

Fatah's Barghouti Calls for Popular Resistance

Israeli High Court Rules Prison Privatization Unconstitutional

Fatah's Barghouti Calls for Popular Resistance

Nov. 19 (EIRNS)—Speaking from his Israeli prison cell this week, Palestinian Tanzim leader and Fatah central committee member Marwan Barghouti urged Palestinian Authority President Mahmoud Abbas and the Palestinian factions to lead a "popular resistance" to stop Israel's settlement construction and "Judaizing" activities. He also said that it is not possible to make peace with the current Israeli government.

Barghouti, who has been in an Israeli prison for over five years, and who is, by far, the most popular Palestinian leader, is quoted by the Palestinian daily *Al-Hayat al-Jadida* of Nov. 19 as having said, through his attorney, "I have always called for creatively combining negotiations with resistance and political, diplomatic, and popular activism. I warned against relying exclusively on negotiations, but some were late to discover this." He added, "Whoever thinks it's possible to make peace with the current Israeli government is delusional."

In an interview with Reuters, where he answered questions submitted in writing through his lawyer, Barghouti advocated reconciliation between Fatah and Hamas. "I do not see that there are fundamental political differences between Fatah and Hamas," he said. When asked if he would run for President of Palestine, he replied, "When national reconciliation is accomplished and there is agreement on holding elections, I will take the appropriate decision."

Israeli High Court Rules Prison Privatization Unconstitutional

Nov. 20 (EIRNS)—In a landmark decision that is expected to have worldwide impact, the Israel High Court of Justice issued a ruling that privately run prisons are unconstitutional. This is the first ruling of its kind anywhere in the world, since no one has hitherto succeeded in taking the issue to a national supreme court. Private prisons already exist in the

U.S., France, Germany, and other countries. The issue does not just concern prisoners; it affects the limits of privatization of government responsibilities.

Ha'aretz quotes attorney Gilad Barnea, who represented the petitioners, that the ruling does two significant things. "First, it defines the bounds of what is permissible and not permissible in transferring the powers of the state to private hands. Second, the ruling takes the social compact and turns it into an element of human dignity ... which means that if something contravenes the social compact, it can be annulled." This, Barnea added, "is an international precedent."

Israel has already passed a law and contracted with one prison to a private company, A.L.A. Management, which has already built one prison.

The case was brought before the court in 2005, by the human rights department of the Academic College of Law in Ramat Gan. The suit challenged the transfer of prison powers to private hands as a violation of the prisoners' human rights to liberty and dignity, since private organizations always aim to maximize profit, and would therefore seek to cut costs.

In her ruling, Judge Beinisch, supported by eight of the nine High Court judges, wrote that the amendment granted a private corporation invasive authority over prisoners. For example, the manager of the private prison would have been authorized to sentence a prisoner to solitary confinement, and to order invasive inspections and the use of force to search the prisoners. This harms basic constitutional rights, since Israel's Basic Law holds that the right to use force, in general, and the right to enforce criminal law by putting people behind bars, in particular, is one of the most fundamental powers in the state's jurisdiction. Thus, when the power to incarcerate is transferred to a private, for-profit corporation, the act of depriving a person of his liberty loses its legitimacy. Furthermore, in a prison run by a private company, the inmates are transformed into a means of extracting profit. Efficiency, she wrote, is not a supreme value, when the most basic human rights for which the state is responsible are at stake.

In what *Ha'aretz* describes as a "bombshell," Beinisch wrote that experts hold that if this issue were brought before a European court, the privatization of prisons would also be rejected as contrary to the European Convention on Human Rights. The paper also says that this court ruling "will generate a conceptual revolution worldwide and that Beinisch was clearly aware of this. The ruling rests on the political and moral thought of the great philosophers who discussed the modern state...." *Ha'aretz* concludes that privatizing the state's sovereignty and transferring its powers to interested parties "may be profitable, but it is not constitutional."

Asia News Digest

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Moscow Asks India To Be 'Proactive' in Russia

Nov. 15 (EIRNS)—During his ongoing visit to India, Sergei Sobyenin, Russia's Deputy Premier and co-chairman of the Inter-Governmental Commission on Trade, Economic, Scientific, Technological and Cultural Cooperation (IRIGC), told the Press Trust of India that "India's technological feat has opened up new avenues of cooperation with Russia, which is now poised for radical modernization." Sobyenin pointed out that, with China and the West seeking access to Russia's immense mineral and natural resources in its eastern part, Moscow wants "Indians to be proactive in capacity-building." Moscow wants India to invest in various economic sectors where it is traditionally strong; the goods produced in Russia, in turn, could fulfill India's import requirements.

Sobyenin spoke with Minister of External Affairs S.M. Krishna on a wide range of topics including nuclear deals, bilateral trade, and terrorism. This is a prelude to Prime Minister Manmohan Singh's Russia visit early next month. Prior to his visit to Moscow, Singh will be in Washington meeting President Obama in the last week of November.

In mid-October, India's state-owned Oil and Natural Gas Corporation (ONGC) indicated that it is considering purchase of oil and gas fields in the Tomsk region in Siberia's West. The ONGC is currently taking part in Sakhalin-I, an oil and gas project off the coast of Russia's Pacific island of the same name.

New Delhi Proposes Building Power Station in Iran

Nov. 19 (EIRNS)—India may set up a 6,000-MW natural-gas-fired power plant in Iran, India's Power Secretary H.S. Brahma said. The plant is expected to cost about \$6.2 billion. Energy-starved India, which imports 70% of the oil it consumes, has considered several options, such as natural gas pipelines from Iran and Turkmenistan via Pakistan, but the proposals have not made much headway because of tension between New Delhi and Islamabad. "There is a shortage of coal, shortage of gas in India. This [power plant] is viable," Brahma said. "A smaller power station would not be viable, as the power would be transmitted to India across a 1,000-km high-voltage transmission line," he added.

The plan to build the power plant, and bring in electricity to India through a transmission line, is part of a new proposed roadmap of cooperation between Iran and India. New Delhi has indicated that it is still interested in the Iran-Pakistan-India pipeline to bring gas from Iran to India.

Indonesia Will Build a Bridge from Java to Sumatra

Nov. 20 (EIRNS)—Indonesia announced that it will commence building a bridge from Java to Sumatra, across the strategic Sunda Strait, by 2014. The \$10 billion project will go into planning immediately. Unstated in the official releases is that Presidents Hu Jintao and Susilo Bambang Yudhoyono, in their meeting during the Nov. 12-15 APEC summit, reportedly discussed a Chinese role in the funding and construction of the bridge.

The 30-km bridge would be a huge boon for the underdeveloped island of Sumatra, home to 45 million Indonesians. If the north-south link of the Eurasian Land-Bridge were to be completed, another bridge would be needed across the Strait of Malacca, from Sumatra to Malaysia. Together with the Sunda Strait bridge, that would connect Jakarta to Kunming, China, and on to Europe, by rail. Unfortunately, there are as yet no plans to build the Malacca Strait bridge.

GM Pulls Another 'Opel'; This Time in South Korea

Nov. 19 (EIRNS)—General Motors announced on Nov. 17 that it will begin manufacturing the GM Daewoo's Lacetti Premiere compact in the United States, starting in April next year.

The vehicle was developed and first manufactured by GM Daewoo, the Korean unit of the U.S. carmaker. Since its release in November 2008, GM Daewoo has rolled out 370,000 Lacetti Premieres, including 330,000 exported to Europe and China. It is one of the few successful GM models.

After being acquired by GM in 2002, GM Daewoo has not received any new investments from its parent, nor has it developed any new models, other than the Lacetti Premiere. Over the last few months, it has been working to cut its research and development staff by urging them to apply for early retirement. In "taking away the crown jewel of its Korean unit," the Korean paper *Chosun Ilbo* says, it directly brings up the German Opel case.

GM's Opel division was bailed out to the tune of EU4.5 billion by the German government, with the understanding that GM would then sell the unit so that German jobs could be preserved. GM, which is now majority-owned by the U.S. government, announced that it was reneging on the Opel deal on the same day that German Chancellor Angela Merkel was speaking before the U.S. Congress.

GM had attempted to coerce the South Korea government into a similar bailout of the GM Daewoo Division. However, the Korea Development Bank (KDB), which already owns a minority stake in GM Daewoo, insisted that the Korean enterprise retain its intellectual property rights in locally developed products and be guaranteed orders for five years. Corporate GM refused the conditions, and the KDB did not put up more funds.

One of the goals of President Obama's Nov. 18-19 visit to South Korea was to push the acceptance of the Korea-U.S. Free Trade Agreement negotiated during the George W. Bush years. Some Congressmen want to renegotiate the treaty so as to allow more "U.S. access to the Korean automobile market." Korean car makers have pushed to maintain the agreement as originally signed; GM's action certainly will not make them more amenable.

China Denounces U.S. Dollar Carry Trade

Nov. 15 (EIRNS)—Liu Mingkang, chairman of the China Banking Regulatory Commission, described ultra-low U.S. interest rates as a "new systemic risk," immediately before President Obama's arrival in China.

"This situation has already encouraged a huge dollar carry trade and had a massive impact on global asset prices," he said in a speech at a financial forum in Beijing. "It is boosting speculative investment in stock and property markets and will pose new, insurmountable risks to the global recovery and, particularly, to the recovery in emerging markets."

This stance by China will present a serious problem to that faction in the U.S. delegation which desires to let the yuan appreciate; appreciating the yuan will "benefit U.S exports."

Africa News Digest

- [Huge Chinese Investments in Zimbabwe Announced](#)

Huge Chinese Investments in Zimbabwe Announced

Nov. 20 (EIRNS)—China announced \$8 billion in investment deals with Zimbabwe yesterday, the day after President Obama left China. This is the single largest foreign direct investment in Zimbabwe since the February formation of the Zimbabwe Unity government. According to news reports, the investments by China Sonangol (a China-Angola joint venture company) will be in gold and platinum refining, oil and gas exploration, fuel procurement and distribution, and

housing development.

President Obama has slavishly followed the British policy of maintaining sanctions against Zimbabwe, thus refusing to collaborate with the effort of Zimbabwe's government to rebuild its economy. By implementing what Zimbabwe officials refer to as the "Look East Policy" adopted by the government four years ago, Zimbabwe is now orienting toward the new Asian-Pacific center of world development.

When Zimbabwean Prime Minister Morgan Tsvangirai visited Obama, as the head of a Unity government, on June 12, Obama offered a pitifully small amount of aid, and would not allow a member of the delegation, who is a member of President Mugabe's Zanu party, to attend the meeting.

Chinese Premier Wen Jiabao and President Mugabe held bilateral talks concerning this investment package at the Nov. 8-9 China-Africa Cooperation Forum in Egypt, and China chose the day after Obama's departure from China to announce the deals, a clear message to those backing the British destabilization and economic warfare against Africa, a message that will not be lost on African leaders.

After the announcement of the deal, the chief secretary in the Office of the President and Cabinet, Dr. Misheck Sibanda, expressed the hope that this collaboration would continue, so that Zimbabwe could regain its status as the "jewel of Africa," according to the online *Zimbabwe Guardian* yesterday.

In June-July, China had already provided nearly \$6 billion to Zimbabwe, after Western nations had refused Tsvangirai's requests. The Zimbabwe government reported in July that Zimbabwe and China had signed a \$5 billion loan deal, the largest signed up to that point between the two nations, which was secured by various mining and infrastructural development rights. Zimbabwe Finance Minister Tendai Biti and Reserve Bank officials signed a Memorandum of Understanding with China Exim Bank (CEB), which guaranteed the loan. Zimbabwe got \$5 billion from the CEB, and China received some equity in a \$40 billion platinum concession.

At that time, Tsvangirai also announced that Zimbabwe had secured an additional \$950 million in credit lines from the Chinese government.

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