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This Week You Need To Know

Racist Gore's Secret History as a Tennessee FBI Hit-Man

by Anton Chaitkin

Al Gore got into national politics as a police agent, rewarded with a seat in Congress for running a racist FBI frame-up against an African American political leader, who was trying to stop Nashville police from destroying the community by allowing unhindered narcotics trafficking and prostitution.

Years later, during Sen. Al Gore's abortive 1988 Presidential race, a biography promoting his campaign suddenly appeared, written, strangely enough, by a former Federal Bureau of Investigation official, Hank Hillin (*Al Gore, Jr.: Born To Lead*, reissued in 1992, as *Al Gore, Jr., His Life and Career*. Until 1999, the FBI man's book was the only published account of Gore's life. Hank Hillin told this reporter that he has known Gore and his family since Gore was four years old, and he described how Gore was brought in to work in the Tennessee arm of the FBI's terror campaign against black elected officials.

The pattern of hundreds of FBI/Department of Justice operations, beginning in the late 1950s, in which minority officials were illegally targeted, fell under the FBI internal designation, "Operation *Frühmenschen*" (German for "early" or "primitive men"). This racist doctrine, guiding FBI prosecutions of minorities, was first publicly identified by Rep. Mervyn Dymally (D-Calif.). On Jan. 27, 1988, Dymally, then the chairman of the Black Congressional Caucus, put into the Congressional Record a sworn affidavit from former FBI special agent Hirsch Friedman, originally filed in Federal court in Atlanta; it stated:

"The purpose of this policy was the routine investigation without probable cause of prominent elected and appointed black officials in major metropolitan areas throughout the United States. I learned from my conversations with special agents of the FBI that the basis for this policy was the assumption by the FBI that black officials were intellectually and socially incapable of governing major governmental organizations and institutions."...

...full article, PDF

In-Depth Coverage

Links to articles from

Executive Intelligence Review,

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Strategic Overview

Why We Keep Losing Wars

by Lyndon H. LaRouche, Jr.

The question the foolish U.S. Senators, and others, should be asking themselves, is: 'Who is it who has virtually drugged our Congress, again and again, into battles which our forces win abroad, but lose at home?'

McCaffrey Critiques Bush War Without End

Brits Drive World War III Provocations in Gulf

A growing number of American, Russian, Arab, and Israeli specialists are convinced that the world has moved ominously closer to a global confrontation, to be triggered by an American or Israeli/American attack on Iran, **Jeffrey Steinberg** reports.

Current History as Tragedy: Russia and Iran on Strategy

by Lyndon H. LaRouche, Jr.

'Just as the stubborn incompetence shown by nearly all of the world's economists today, is a reflection of their reliance on Cartesian mechanical-statistical methods, instead of competent, Riemannian principles of dynamics: a similar problem often infects the foreign-policy and related strategic outlooks of most nations of the world, still today.'

Feature

Racist Gore's Secret History As a Tennessee FBI Hit-Man

Al Gore got into national politics as a police agent, rewarded with a seat in Congress for running a racist FBI frame-up against an AfricanAmerican political leader, reports **Anton Chaitkin**.

Dems Blasted Gore for Murder in Africa

Middlebury College, Felix Rohatyn, and the GreenBrown Cult of Al Gore

The Freaks Who Created Al Gore

A shocking expose´ of how Gore's work for the British government is an echo of the birth of the Eugenics Movement in the British Empire, the evil movement which became today's environmentalism.

Economics

Danish Schiller Institute's Maglev Proposal Sets Debate

The Schiller Institute's proposal for the Danish section of the Eurasian Land-Bridge, has made a splash in Denmark's media.

Professor Sam Aluko: Obasanjo Let in IMF To Destroy Nigeria

A prominent Nigerian economist reports in detail how the vaunted IMF-dictated 'macro reforms' have worsened Nigeria's miserable living conditions.

Lessons From FDR's Handling Of the Housing Crisis

Banking: The Trillion-Dollar Zombies

Business Briefs

World News

Russia-China Partnership Plans To Go Into Space

The most important result of Chinese President Hu Jintao's visit to Russia may be the agreement to launch a mission to Mars, as early as October 2009.

Climate Swindle Will Boomerang on Locusts

by Helga Zepp-LaRouche.

The chairwoman of the Civil Rights Solidarity party (Bu"So) in Germany outlines how Gore's global warming Big Lie is being punctured.

All That Greeneth Is Not Gore

Cheney, Gore Friends Slander LaRouche

Synarchist International Reactivated: Spain's Fascists Host Venezuelan Extremist

National News

International News

Science and Environment

Global Warming Won't Spread Malaria

An interview with Paul Reiter, Ph.D.

Gore's Policies Keep Africa in the Dark

An interview with Paul Driessen.

Editorial

Who Will Replace George Bush?

U.S. Economic/Financial News

Now Subprime Auto Loans Start Going Bad

Oregon's CNW Research estimates that issuance of subprime auto loans rose from \$6 billion in 1999, to \$11.6 billion in 2006, and that a total of about \$34 billion is now outstanding. As a percentage of all autos made each year, they rose from 9.4% in 1999 to 13% in 2006.

Some lenders, like Wells Fargo, are trying to cut back, while others are issuing more such risky auto loans to replace lost business in real-estate mortgages. GMAC says there has been a slight deterioration in its subprime portfolio, but the company is not concerned about it.

S&P Warns vs. Subprime Mortgage-Backed Securities

Subprime mortgage-backed securities sold in 2006 may be the "worst-performing in recent history." The warning was made by Standard & Poor's, noting that delinquencies on the underlying loans have been "consistently higher" than in the prior five years. Some 13% of subprime mortgage loans made in 2006 are delinquent, according to S&P, with 6.65% of the total classified as "seriously delinquent," or more than 90 days late. S&P raised its estimate for losses on bonds backed by the loans to as high as 7.75%, from a previous peak assumption of about 6.5%.

S&P said this revision could have a "material" impact on the ratings of collateralized debt obligations (CDOs), or securities consisting of slices of other higher-rated mortgage bonds. Residential mortgage bonds represented a whopping average of 73.8% of CDOs of asset-backed securities collateralized by so-called mezzanine structured finance tranches in 2006, up from 42% in 2003.

Sixth-Largest U.S. Homebuilder Under Investigation

Beazer Homes USA Inc., a [Mis]Fortune 500 company with assets of \$4.5 billion and revenues of \$5.5 billion in 2006, saw its stock fall 9% on March 28, and another 8% in after-hours trading, according to the *Financial Times*. It had already suffered hefty losses in the fourth quarter of 2006.

Beazer said it believed the U.S. Attorney's request for documents related to its mortgage business was triggered by articles published in the *Charlotte [North Carolina] Observer*, which detailed allegations of questionable loans Beazer arranged for low-income buyers, and unusually high foreclosure rates in Beazer's subdivisions in the area of Charlotte. Those foreclosure rates have averaged 13% since 2000.

"The FBI is conducting a potential fraud investigation regarding Beazer," the FBI said in a statement distributed by its Charlotte field office March 27. The investigation is being conducted jointly with the Department of Housing and Urban Development and the Internal Revenue Service.

States on the Edge of Mortgage Disasters

With news that up to ten U.S. states are now either floating bonds to "help distressed homeowners refinance" or exploring ways to do so, Lyndon LaRouche stressed on March 28 that this path of action—in effect, states attempting to bail out the collapsing \$12 trillion U.S. residential mortgage bubble—will quickly lead to disaster. States can not do anything of the kind without ruining their credit and economies, LaRouche said; he emphasized that *only* the Federal government may

issue sovereign credit in this Constitutional system, and thus only the Federal government has the authority and powers to overcome a financial crisis of this magnitude.

LaRouche approved the action of Massachusetts Secretary of State William Galvin—who testified to the Massachusetts legislature March 27 and demanded "emergency legislation" halting foreclosures statewide. This is absolutely necessary, and a proper state power, LaRouche said. Galvin told the Massachusetts legislators, "You are literally talking about tens of thousands of people in this state, who I would call the 'pre-homeless.' "

But there are already half a dozen states plunging into the hole of bailing out mortgages by refinancing for mortgage-holders with state money raised by taxable bonds, the Ohio policy, which is suicidal. Massachusetts is one of them; others are Maryland, Rhode Island, and Virginia. Others on the brink of doing so are California, Colorado, Washington, and Wisconsin.

Subprime Mortgage Racket Did Not Increase Home Ownership

Despite claims to the contrary, the wave of subprime mortgage lending has not contributed to an increase in home ownership; in fact, it has been a net drain on home ownership, the Center for Responsible Lending (CRL) said in a report prepared for the March 27 hearing of the House Financial Services Committee.

In every year from 1998 to 2006, they project that there will be found a net loss in home ownership; many more families will have lost their homes, than will have become new homeowners. The CRL report shows that subprime loans are creating "the worst disaster in the mortgage market since the Great Depression." Only 9% of subprime loans go to first-time homebuyers; most are for refinancing of existing homes. The CRL estimates that 15.6% of subprime loans originated since 1998 have, or will, end in foreclosure.

U.S. Income Disparity Widens, Surpasses 1928 Gap

The income gap between rich and poor in the United States has widened, and now surpasses that of 1928, on the even of the 1929 Crash. So concluded Prof. Emmanuel Saez, University of California at Berkeley, and Thomas Piketty of the Paris School of Economics. While total reported income in the U.S. increased almost 9% in 2005, the most recent year for which data are available, average incomes for those in the bottom 90% percent fell by \$172, or 0.6%. Yet the incomes of the top 1% rose to an average of more than \$1.1 million each, an increase of more than \$139,000, or about 14%.

The income of the top 300,000 was equal to that of the lowest 150 million Americans, and on average 440 times as great, per person. The income of the top 10% was 49% of all income in 2005, the greatest since 1928, when it was also 49% of the total. The top 1% got 22% of all income in 2005, the highest share since 1928, when they got 24%. The income of the top one-tenth of a percent, and of the top one-hundredth of a percent, each grew by about 20% over a single year in 2005: up \$908,000 to \$5.6 million for the first group, and up \$4.4 million to \$25.7 million for the second group.

The IRS admits that its income data, which were used in the study, markedly understate larger incomes.

Rating Agencies Probed for Collusion with Utilities

The rating agencies are under investigation for collusion in giving power companies false ratings just before they apply for rate increases.

The Illinois State Attorney General, Lisa Madigan, has filed papers seeking disclosure of the credit reports issued by

Moody's Investors Services and Standard & Poor's, of deregulated electricity holding companies with customers in the Chicago area. Cases have come to light showing that after the rating agencies issued their reports, which are supposed to be "objective," the utilities made changes—up to 48 changes in the case of Portland General Electric, formerly owned by Enron. The changes were designed to convince public utility commissions that the utilities were eligible for rate increases.

Madigan's filing refers to seven actions over a period of eight days last fall, and three in the last month. The changes are described as lobbying efforts on the part of the utilities, in collusion with the rating agencies, in order to raise prices. The uproar started last year, when an auction for utilities to buy long-term contracts for power sharply jacked up rates. Requests for the draft (pre-altered) credit reports, and correspondence between companies and rating agencies, have been made for utilities Ameren and Excelon. After Ameren voluntarily proposed a rate-relief plan after the auction, which plan was approved by the state commerce commission, Moody's and S&P suddenly downgraded its rating to junk status! Under the terms of Ameren's offer, the credit downgrade freed them from the obligation of rate relief!

Just as entire countries can have their economies destroyed through credit ratings that garner usurious interest rates from the IMF and commercial banks, Wall Street now determines which utilities are "credit-worthy," on the basis of how much they can manipulate the system, to get away with stealing from their customers.

World Economic News

French Housing Bubble Set To Burst

Ambrose Evans-Pritchard wrote in the *Daily Telegraph* of March 28, "French property construction plummeted 15.1% in February and home prices have begun to slip." French home prices had grown 210% since 1995, compared with 190% in the United States. Last year, construction slowed to 7.2% and in January became negative: -0.6%. Jean-Paul Six, chief economist for Standard & Poor, said that this is "the delayed effect of rising interest rates." The French bust will lead all other European countries, with the exception of Germany and Switzerland. Spain seems pretty vulnerable, with more than 93% of mortgages of the adjustable-rate variety. "It is worse than in the U.S.," says Manuel Romera, director of Instituto de la Impresa in Madrid.

France's mortgages are mostly fixed-rate, and there is no subprime market. However, according to OFCE research institute, home prices are 25% overvalued. In Italy, home prices have increased 92% in ten years, and in February, for the first time in some time, the number of cities with declining prices was more than those with increasing prices.

Argentina To Advise Ecuador on Debt, Economic Policy

Argentina will advise the Ecuadoran government not only on debt restructuring, but on economic policy as well. The cooperation is designed to jump-start Ecuador's economy, which suffers from the combined effect of foreign indebtedness and a large budget deficit. The high-powered Argentine delegation that visited Quito on March 22-23, led by Finance Minister Felisa Miceli, and including the Foreign and Planning Ministers, signed several agreements with their counterparts to share Argentina's experience on restructuring its foreign debt, but also to offer advice on managing financial resources, trade and tariff policy, strengthening the role of state banks, and gearing up the country's productive capabilities as quickly as possible to begin to reverse extreme poverty.

While in Ecuador, Argentina's First Lady Sen. Cristina Fernandez applauded the agreements signed between the two nations' business sectors, emphasizing that these go well beyond mere economic or trade accords. "They are decidedly a productive framework for social progress and improving our people's living standards." Foreign bankers couldn't have been pleased with the remarks of Ecuador's Finance Minister Ricardo Patino; asked whether the Correa government might

consider the same type of debt restructuring that Argentina implemented, with a large writedown, he coyly replied "I don't know. We'll see how things go over the next few weeks."

United States News Digest

Waxman Ups Pressure on Rice on Niger Uranium Hoax

On March 30, House Oversight and Government Reform Committee chairman Henry Waxman (D-Calif.) sent a letter to Secretary of State Condoleezza Rice requesting that she appear before the committee to answer questions on the Niger uranium hoax—the falsehood that showed up in President Bush's January 2003 State of the Union address, that Saddam Hussein had attempted to purchase enriched uranium from Niger.

Waxman's latest request follows Rice's failure to answer a March 12 letter in which Waxman requested information and documents on the matter, including Rice's personal role in propagating the hoax in 2002 and 2003, when she was in the White House as National Security Adviser. Waxman concluded his March 12 letter, in which he had noted 16 prior requests for information, most of which went unanswered, by lecturing Rice on the system of checks and balances between the legislative and executive branches of government. "Ignoring Congressional requests for information, as you apparently ignored my inquiries," he wrote, "is not consistent with our Constitutional system of government."

Desperate GOP Tries To Shut Down Hearing on U.S. Attorneys

With the White House facing rapidly eroding support among its one-time Republican allies, some GOP dead-enders attempted to sabotage, and then shut down, a March 29 Senate Judiciary Committee hearing on the firing of U.S. Attorneys in which the sole witness was Attorney General Alberto Gonzales's former chief of staff, Kyle Sampson. These desperation moves parallel the White House's refusal to allow top White House aides to appear publicly and testify on the record and under oath in Congressional hearings.

First, with tremendous attention focussed on this hearing, and a packed hearing room, the Senate Republican leadership called a series of unnecessary roll-call votes on the defense supplemental appropriations bill, forcing Senators to run back and forth to the Senate floor, so that for the first hour or so of the hearings, there were only one to three Senators at the hearings.

Then, shortly after the afternoon hearing session began, a Republican Senator invoked a seldom-used Senate rule to prevent the hearing from continuing while the Senate was in session, which threw the whole proceeding into an uproar. After the hearing was able to reconvene again about half an hour later, committee chairman Patrick Leahy (D-VT) said he had never seen this particular scenario used in his 33 years in the Senate.

After the morning session had concluded, Sen. Charles Schumer (D-NY) declared, with good reason, that "the credibility of the Attorney General has been shattered by what happened in that hearing room." For despite Gonzales's denials of involvement in the decision to fire eight U.S. Attorneys, Sampson testified that he had discussed it with Gonzales at least five times, and that although he had made certain recommendations, the final decisions were made by Gonzales.

Of the committee's Republicans, there are now only two—Orrin Hatch of Utah, and John Cornyn of Texas—who fully defend the Administration. Two other normally die-hard Administration supporters, Jeff Sessions of Alabama and John Kyl of Arizona, were openly critical of the Administration's handling of the situation. Kyl said that, despite Arizona U.S. Attorney's policy differences with the Administration, "I expressed shock and dismay at the decision" to dismiss him, and Kyl tried to get top DOJ officials to reverse the decision. Sessions said that the invocation of the 5th Amendment by

Gonzales's aide Monica Goodling "casts a cloud over the Justice Department," and pointed out that any police officer who did that would be off the force.

Senator Charles Grassley (R-Iowa), who was cut off when the hearing was abruptly shut down, complained about all the contradictory information coming out of the Administration, and said, "I'm glad we're having this hearing." And the ranking Republican, Sen. Arlen Specter, was furious at what he called the Justice Department's "abusing" of the Patriot Act, to "circumvent" the Senate by avoiding confirmation hearings for the replacement U.S. Attorneys. Specter, who called the Justice Department "dysfunctional," also insisted that he wants to hear from Karl Rove, whom the White House won't let testify before the committee.

The day before, during a hearing on the FBI's abuse of "National Security Letters," Leahy indicated that the Senate would be re-examining the powers that it granted to the Bush Administration in the Patriot Act. "Last year the Administration sought new powers in the Patriot Act to appoint U.S. Attorneys without Senate confirmation and to more freely use National Security Letters," Leahy said. "The Administration got these powers, and they have badly bungled both."

Global Warming Not on Democrats' Recess Agenda

The Congressional Democratic Majority is being told to hold town hall meetings on the majority's accomplishments of the first 100 days, like Iraq veterans' health care, the budget, Congressional oversight, and the war in Iraq. This was revealed by the leak of the April Recess Packet compiled by aides to Speaker of the House Nancy Pelosi (D-Calif.) and Democratic Caucus chairman Rahm Emanuel of Illinois. It is of note that climate change is absent from the list of subjects to be discussed at the town hall meetings.

Cheney's Ohio Vote Fraud Under Closer Scrutiny

The Bush-Cheney Ohio vote fraud in the 2004 and 2006 elections is increasingly the focus of probes, prosecutions, and public hearings. The Ohio chairman of the Bush-Cheney campaign in 2004, Kenneth Blackwell, was also Ohio's Secretary of State, controlling the state's notoriously rigged election procedures while the members of county boards of election served at Blackwell's pleasure. The Ohio state results swung the national Presidential outcome to Bush-Cheney. Now the Ohio fraudsters are being targeted for legal action and intense official scrutiny.

Ohio Republican Party Chairman William T. Bennett, who is a member of the Cuyahoga County (Cleveland) Board of Elections, and Sally Florkiewicz, his fellow Republican Board member, have both refused the demand of Ohio's new Secretary of State, Jennifer Brunner, that they resign. The Board's two Democrats complied and have resigned.

Subsequently Secretary of State Brunner has filed a complaint charging Bennett and Florkiewicz with misfeasance, nonfeasance, and violation of state law in both the 2004 and 2006 elections. The state attorney general has set up a legal-process hearing for Monday, April 2, at the Euclid, Ohio, City Hall Chambers, to present, *before the public*, evidence for their removal.

Among the charges to be aired is "failure to adopt adequate procedures for election recounts." That "failure" has already led to the felony conviction of two county election officials, Jacqueline Maiden and Kathleen Dreamer; they were sentenced March 13 to 18 months in prison for rigging a recount of 2004 Presidential election ballots. The Cuyahoga County judge in that case, Peter Corrigan, indicated he thought there was a bigger conspiracy among election officials, saying, "I can't help but feel there's more to the story." Erie County Prosecutor Kevin Baxter was brought in from the outside as a special prosecutor to go after the Cuyahoga County cesspool.

Now the same Kevin Baxter will again be a special prosecutor in a new criminal investigation into the entire operation of the 2006 elections in Cuyahoga. Among the irregularities being probed are that officials allowed an unexplained cable connection to the computer that counted the votes, and election officials downloading results onto laptops for possible home access.

There were massive computer failures in the 2006 elections. William Bennett, current Republican state chair and Kenneth Blackwell's man on the Cuyahoga Election Board, was the one who pushed through the \$20 million purchase of Diebold electronic voting machines. Bennett's forced removal from office will be the subject of the April 2 public hearing.

Hagel Raises Possibility of Impeachment

In an appearance March 25 on ABC's "This Week" With George Stephanopoulos, Sen. Chuck Hagel (R-NB), threatened that President George Bush could face impeachment if he continues to arrogantly ignore the wishes of the American people, and the actions of the U.S. Congress on Iraq. It was not the first time in recent days that Hagel has spoken of impeachment. In an interview with Charles Pierce, published in the April 2007 issue of *Esquire* magazine, Hagel said, "The President says, 'I don't care.' He's not accountable anymore. He's not accountable anymore, which isn't totally true. You can impeach him, and before this is over, you might see calls for his impeachment. I don't know. It depends how this goes."

Asked by Stephanopoulos about that comment to *Esquire*, Hagel elaborated: "Well, any President who says 'I don't care,' or 'I will not respond to what the people of this country are saying about Iraq or anything else,' or 'I don't care what the Congress does. I am going to proceed,' if a President really believes that, then there are, what I was pointing out, there are ways to deal with that. This is not a monarchy." Pressed by Stephanopoulos if he was calling for Bush's impeachment, Hagel continued, "I didn't say that. I didn't call for it. I didn't predict it. What I was saying, I was laying out options here. No President can dictate to this country, nor should he. This is a constitutional form of government. We have three equal branches of government. No President is bigger than the other two. There are three coequal branches of government. Article I of the Constitution is not the Presidency. It's the Congress.

"So what I was pointing out, George, is that there are ways to deal with this and I would hope the President understands that. I mean, his comments this weekend, yesterday in his radio address were astounding to me. Saying to the Congress, in effect, you don't belong in this. I'm in charge of Iraq."

Hagel said he was referring to Bush's remarks about the House vote on Iraq supplemental funding, "and essentially dismissing them. Now, he can disagree, of course. I understand that. That's his responsibility. But to dismiss them, the Congress, by saying 'you don't have a role in this, you're irrelevant to this,' he's getting some bad advice and I would suggest they all go back and reread the Constitution."

Ibero-American News Digest

LaRouche on the Subject of Chilean President Bachelet

On March 26, *EIR* issued the following release, signed by Ibero-American Editor Dennis Small:

"An article released last week in Mexico by Juan José Mena Carrizales, purporting to represent the LaRouche Youth Movement, which lyingly characterized Chilean President Michelle Bachelet as Mrs. President Pinochet, requires immediate clarification of the views on the matter by U.S. statesman and *EIR* editor-in-chief Lyndon LaRouche. The unstable Mr. Mena does not represent the LaRouche Youth Movement, nor the views of any organization or publication

associated with Mr. LaRouche.

"President Bachelet's election to the Presidency of Chile in 2006 represented a fundamental change in the Chilean political landscape, in which the fascist, synarchist forces associated with Gen. Augusto Pinochet were swept from their dominant position in Chilean political life for the first time in three decades. Although President Bachelet's economic policies fall short of what is required internationally and in Chile at this time, with her defense of features of globalization and free trade, her association with what Mr. LaRouche has referred to as the informal Presidents Club in South America, and in particular that Club's movement towards continental integration and great infrastructure projects free of the policies of the International Monetary Fund, especially as promoted by Argentine President Nestor Kirchner, has made President Bachelet part of an important, and positive, dynamic across South America. That dynamic can be brought to fruition in association with the movement inside the United States headed by Mr. LaRouche to return the U.S. to the successful economic policies associated with Franklin Delano Roosevelt."

Gore's Friends Take Aim at Bachelet Government

Billionaire Sebastian Piñera, the right-wing Rohatyn-Shultz candidate who lost to Michelle Bachelet in Chile's 2005 Presidential elections, is putting himself forward as the man who can save Chile from the chaos he alleges Bachelet has created. Remember: This is the brother of the man who privatized Chile's social security system under Pinochet; this is the man who is paying Al Gore \$400,000 to speak at his May 10-11 conference in Santiago on "Climate Change and Global Warming: The Time to Act is Now."

In mid-March, the launching of a new public transportation system in Santiago was a disaster, as shortages of buses and unannounced route changes left citizens waiting for hours to get on packed buses, or stranded altogether. This sparked violent protest. Bachelet was forced to shuffle her Cabinet, and bring in four new ministers from the "old guard" of the ruling Concertacion coalition which still defends the free-trade model.

Pinera seized on the opportunity to act as a virtual shadow President, attacking Bachelet as an incompetent novice who dares to dismantle the Chilean free-trade "model." In its March 29 edition, the London *Economist* adds that the new Secretary General of the Presidency, Viera-Gallo, has the "political experience, contacts and intellectual weight that Ms. Bachelet herself lacks. Some hope that Mr. Viera-Gallo will assume the post of de facto Prime Minister." The *Economist* objects that Bachelet had actually proposed reaching "over the heads of political parties"—the Concertacion structure that Pinochet set up—to create "a government of citizens."

Gore Spokesman Targets Mexican Youth

Arturo Keller, a Mexican professor who teaches at the University of California-Santa Barbara and claims to be Al Gore's spokesman for Ibero-America, spent last week meeting Mexican university youth and other members of academia to try to brainwash them into joining Gore's "Climate Project." Keller, an environmental engineer, told *El Universal* on March 27 that he went to Mexico to "push hard" on this, because Gore thinks that this issue can't remain at the level of politicians, or be dealt with through international treaties. "Everyone has to act now."

Keller insisted that Mexico get sucked into the carbon-trading market, and begin working on alternative energy sources like solar panels. Mexico is developing quickly at the moment, and hasn't yet exceeded the world average for carbon dioxide emissions, he said, but if it doesn't act quickly, it will become one of the biggest polluters. Keller said he intends to bring Gore's message to all of Ibero-America, but started out in Mexico because of its ties to the U.S., and because of his contacts with the "Reforest Mexico" organization, created by the Grupo Bimbo.

Mexicans Respond Happily to LaRouche Youth Singing

The general happiness sparked by the LaRouche Youth Movement singing at every occasion possible during the March 21-25 II National Democratic Convention of the Lopez Obrador resistance movement, demonstrated once again that people respond eagerly to beauty, even as it drove some ideological 68er die-hards in the "old guard" nuts.

The convention in Mexico City was attended by fewer people than previous mobilizations, but LYM organizers report that the people who are still active are eager to fight for Mexico's future. This was best demonstrated in the workshop on energy and resources (titled "The Fatherland Is Not for Sale"), where most of the speakers emphasized nuclear power as a priority for the country.

The LYM contingent, amidst briefings and leafletting, not only sang, but made the words available to all, so others could join. Lots of people sang their "Tortilla" canon against ethanol, but the most popular was their cheerful song, built around the movement's popular chant, "It is an honor to stand with Obrador," which the LYM set to the tune of the "March of the Toreadors" in Bizet's opera *Carmen*. The idea that that song could become the anthem of the resistance movement is suggested by a nice little video now posted to one of the most popular blogs associated with the Obrador resistance, Sendero del Peje. Opening with shots of a crowd enthusiastically, if not always tunefully, singing the LYM-composed "It is an Honor" song, the video also provides a picture montage of highlights from the Lopez Obrador resistance, accompanied by a full orchestral version of the "Toreador" march.

Two silly slanders published on March 24 and 25 by *La Jornada* reporter Jaime Aviles, evidently at the behest of one of the more backward people on Lopez Obrador's team, Secretary of Education, Culture and Science Raquel Sosa, testified to the power of song, albeit in a backhanded way. Aviles called the LYM's singing "provocations," inventing out of whole cloth the claim that the LYM "tried to interrupt the debates with religious songs against the law which soon will decriminalize abortion in the Federal District!"

The LYM sent Aviles a letter advising him that only a total ignoramus could consider songs such as Beethoven's *Freundschaft*, a Spanish adaptation of "We Shall Overcome," and their other songs to be "religious songs," never mind that only a nut would discuss "abortion in the midst of the ongoing collapse of the world economy." The LYM pointed out that those in the United States who attack LaRouche are the worst of the oligarchy whom LaRouche has attacked: George Shultz, Dick Cheney, etc., and asked: Where, then, do these attacks in Mexico come from?

Greeting Alan Garcia with Beethoven—and LaRouche!

Peruvian President Alan Garcia got an unexpected taste of LYM singing during a visit to Colombia's Congress in Bogota on March 28. He was given an honorary award by the Congress, and in the silence which followed the orchestra playing the anthems of each country—Colombia and Peru—LYM members in the press gallery rose to lift up their voices, singing, twice, to the tune of Beethoven's little canon, "Marmotte":

"To save humanity, fascism must be eradicated,

Replace oil with powerful nuclear energy

For peace, get rid of the neoliberal model

Ethanol will cause starvation and world tragedy."

Like a Greek chorus, they then declared: "Alan Garcia, LaRouche tells you: Join the Club of Presidents. Yes to the Bank of

the South, no to the International Monetary Fund!"

LYM members told fascinated journalists afterwards that Garcia, who in his second period as President (he was first President in 1985-1990) has fanatically championed free trade, should rediscover his fight from the 1980s for debt moratoria and a change in the global financial system.

Change Financial System, Ecuador Tells IAD Meeting

"It is essential to organize a new financial system and a new international financial code ... which puts money at the service of life, and not life at the service of the debt," Ecuadoran Finance Minister Ricardo Patino told the annual meeting of the Inter-American Development Bank (IDB) on March 20. "The international financial system ... should be an ally of the nation-state" in the state's task of ensuring human development. It is the responsibility of the state "to promote national productive investment, instead of international speculative investment," he stated, because the current system is "destroying life on this planet, under our noses."

Operation Condor Nazis under Judicial Fire

Forensic scientists in Chile exhumed the body of former President Eduardo Frei Montalva, who died in 1982, and found traces of mustard gas in his body, confirming long-held suspicions that Frei was murdered—most likely by the Nazi doctors who worked for the Pinochet dictatorship and its secret police, DINA. In January, Frei's son Eduardo Frei Ruiz-Tagle, also a former President, had filed a petition asking a Santiago judge to rule his father's death a homicide. Former Nazis with expertise in chemical and bacteriological warfare served as advisers to the DINA, and DINA chemist Eugenio Berrios was adept at producing toxic substances used to kill detainees at clandestine concentration camps and others of Pinochet's opponents.

At the same time, a prosecutor in Uruguay is considering issuing a formal request for Henry Kissinger's arrest and extradition, on charges of having overseen the atrocities committed under the Pinochet-led Operation Condor. After hearing a case against Kissinger on March 7, Uruguay's Supreme Court sent it to another judge, who designated prosecutor Mirtha Guianze to pursue it.

Likewise, the Spanish government has agreed to a request from a Paraguayan lawyer that it open its files on the ties of the regime of the late Spanish fascist dictator Francisco Franco to Operation Condor.

Western European News Digest

***Economist* Again Fantasizes of Dominating Post-U.S. World**

The British Fabian Society's *Economist* ran a fantasy projection of the world in 50 years, exposing its very real intention to destroy the U.S. and the world. On the occasion of the 50th anniversary of the European Union, founded in 1957, the *Economist* wrote on "how it might be in 50 years":

"The EU is celebrating its 100th birthday with a quiet satisfaction. Predictions when it turned 50 that it was doomed to irrelevance in a world dominated by America, China, and India proved wide of the mark. A turning point was the bursting of America's housing bubble and the collapse of the dollar early in the presidency of Barack Obama in 2010."

After praising the "reforms" in Germany and France under Chancellor Merkel and President Sarkozy, the article praises the

leadership of Prime Minister David Miliband. The only dark spot in the five-decade stretch was Putin's threat to invade Ukraine, but, luckily, "the EU pushed the Obama Administration to threaten massive nuclear retaliation," and not only was Putin stopped, but the czar was restored[!] and Russia now "has an impeccable democratic government."

Pan-Europeanist Meeting Parallels EU Anniversary

The Pan European Union, an oligarchical operation against the nation-state, held its semi-annual meeting March 25 at Kloster Andechs (a cloister famous for its beer) in Bavaria—which just happened to coincide with the Berlin meeting celebrating the European Union's 50th anniversary. The PEU meeting was featured on German TV news in the context of the Berlin meeting.

The theme of the Pan European Union meeting was "the Christian roots of Europe" going back to Roman times. Its current president (Otto von Habsburg retired) is the French lawyer Alain Terrenoire; the German PEU is led by Member of the European Parliament (MEP) Bernd Posselt, long associated with Otto von Habsburg, and also Bavarian head of the "Union der Vertriebene und Aussiedler"—an organization of displaced persons (mostly from Central and Eastern Europe).

Bank of England To Defend City's Leading Position

Sir John Gieve, the Bank of England's deputy governor for financial stability, recently praised London's rapid growth as a world financial center, which is worrying New York, Frankfurt, and Paris. According to the establishment mouthpiece the *Financial Times* of London, Gieve foresees the UK becoming "an even more important cluster for financial activity" in the future. Financial services today account for 12% of the UK's GDP, as compared to 14% for manufacturing.

However, Sir John warns of complacency and the dangers of "operational disruptions" to the City's present course. "Any widespread disruption or fear about security ... could be very damaging". This is one reason that the "tripartite authorities [the Bank of England, the Financial Services Authority, the regulator, and the Treasury] are spending so much time on improving crisis response and management," he is quoted as saying.

Gieve was a civil servant at the UK Home Office before moving to this special post at the Bank in the beginning of 2006.

European Social Democrats Take Aim at Private Equity Funds

Poul Nyrup Rasmussen, head of European Social Democrats, attacked capital funds and the EU Commission in a report prepared by a group of experts which he presented March 28. The 217-page report states that action is needed on a national and European level to stop the looting by private equity funds. The funds loot companies of assets, fire employees, and make no investments in research and development, the report asserts. "We have to conclude that we are in trouble. The funds do not help companies to develop. We do not have a financial market that can provide the necessary long-term investments in our society. Therefore, we are proposing a series of regulations," Nyrup stated. The report provides case-studies of 21 European companies that have been taken over by private equity funds.

Nyrup attacked Charles McGreevy, EU Commissioner for the EU Internal Market, for not taking action against the funds. "I think Commissioner McCreevy is the last man in the world to say nothing is wrong. Everybody else is worried," he said. Nyrup will send the report to the EU Commissioner in the hope that "some of his employees will read it for him." Among other things, the report suggests that the European Commission present a directive demanding more openness from the funds, so that regulations can be uniform throughout Europe.

Another Prominent German Calls for Locust Fund Regulation

On its commentary page March 26, the German edition of the *Financial Times* of London published an article by Lucas Zeise, who called for efficient action to control the systemic risks posed by hedge funds. The best way, he wrote, is a regulation posing restrictions on credits to such funds, modelled on similar regulations for credits in other sectors of the economy. Zeise added, however, that he believes regulation will come only after another big fund crisis, because the U.S. and British funds still have the backing of their countries' establishments, and not only do the private banks earn money through the funds, but many have turned into locust funds themselves.

Hungarian President Blasts EU Commission Energy Policies

Remarks by Czech President Vaclav Klaus over the past week have indicated that the kind of European Union supranationalism which the EU Commission (and its current head, German Chancellor Angela Merkel) are promoting, is growing increasingly unpopular in Eastern Europe. On March 23, Hungary's Prime Minister Ferenc Gyurcsany, on a visit to Moscow, voiced his anger at the EU Commission energy policy, and announced his intent to secure Russian gas supplies for Hungary through a new branching pipeline, built with the Russians, from the undersea Russian-Turkish Blue Stream pipeline in the Black Sea.

This has angered the EU bureaucrats in Brussels, who are promoting the "Nabucco" pipeline project from the Caspian to the Mediterranean, bypassing Russia. Budapest has repeatedly voiced its doubt that Nabucco would be ready by 2012, because of the EU's many, and typical, typical delays. "What we need to heat our homes is real gas, not dreams on paper," Gyurcsany said in Moscow.

France Indicts Mitterrand's Son, Networks for Arms Dealing

French prosecutors have indicted 42 individuals, including the son of the late French President François Mitterrand, Jean-Christophe Mitterrand, and former Cabinet Minister Charles Pasqua, for illegal arms trafficking and other corruption charges. Culminating a seven-year investigation, prosecutors said that arms traders Pierre Falcone and Russian-Israeli billionaire Arcadi Gaydamak had bought their way into setting up a network of political contacts to favor their activities in Angola from 1993 to 2000, selling heavy weaponry to the Angolan government for a total of nearly \$791 million. Mitterrand, Jr. served from 1986-1992 as counselor on African affairs under his father; Pasqua is a conservative former French Interior Minister. Pasqua, and Jacques Attali—an advisor to Mitterrand—are suspected of accepting large sums of money to facilitate deals. Both Gaydamak and Falcone are still considered very close to the Angolan government, and Falcone has been appointed Angola's ambassador to UNESCO.

Synarchist Financiers Behind Green/Gore Moves in France

The Greenpeace organization in France has launched a campaign, "Solar Generation," with the aim of brainwashing the population on the fraudulent issue of global warming and man-made carbon dioxide emissions. The entire campaign is funded by a "fondation ensemble" nominally run by the Pierre & Vacances entertainment and leisure chain. The chain is chaired by Gerard Bremond, Deputy CEO at Vivendi, along with Claude Bebear, CEO of AXA. At the foundation one also finds Gerard Worms of Banque de Rothschild, a descendant of the synarchist banking family at Banque Worms that promoted the takeover of France by the Petainists and Nazis before and during World War II.

Russia and the CIS News Digest

Lavrov Warns of Danger of U.S. Attack on Iran

On March 30, Russian First Channel TV coverage of the crisis in the Persian Gulf led with Foreign Minister Sergei Lavrov being asked point-blank, about the reports of a specific date for a U.S. attack. Lavrov said that in the situation around the Iranian nuclear program, as in all other tense situations in the world, Russia is working for a peaceful solution.

The broadcast went on to show British Prime Minister Tony Blair, standing against a London backdrop, and threatening total isolation of Iran if Tehran refuses to release 15 detained British sailors; this was followed by an interview with British Ambassador Anthony Brenton, saying that London is asking Russia to make use of its good connections with Iran, to obtain the release of the British sailors. Brenton visited the Russian Foreign Ministry for discussion of the matter. (See this week's InDepth for "Brits Drive World War III Provocations in Gulf," by Jeffrey Steinberg.)

LaRouche, Primakov Warn of Re-Balkanization of Balkans

Referring to a March 13 op-ed in the *Washington Post* by former U.S. Ambassador Richard Holbrooke, Lyndon LaRouche said March 30 that Holbrooke was a "catastrophe," whose policy amounts to re-Balkanization of the Balkans, and is against the nation-state. This is contrary to the U.S. Constitution, LaRouche said, and we don't need Holbrooke or other lackeys, such as Al Gore, making U.S. foreign policy.

With respect to the potential crisis in the Balkans, recall that former Russian Prime Minister Yevgeni Primakov was on his way to Washington to meet with President Clinton and try to avert the war over Kosovo in the Spring of 1999, when then-Vice President Al Gore phoned him to say that NATO bombing of Belgrade was starting, thus forcing Primakov to turn his plane around over the mid-Atlantic. Primakov wrote about the current situation in the *Moscow News* of March 23, 2007. Under the headline "Opening Pandora's Box in Kosovo?" he reported on "informal, but extensive" talks he had just had in Belgrade with President Boris Tadic and Prime Minister Vojislav Kostunica. "Some Western politicians may have hoped that President Tadic would put EU membership above Serbia's territorial integrity," wrote Primakov, but, "That did not happen." Now, "the two Serb leaders are opposed to the plan proposed by [UN Special Envoy] Martti Ahtisaari" (see InDepth, "Brits Drive World War III Provocations in Gulf," for more on this).

Primakov noted three points in the Serbian position: 1) preservation of Kosovo's *de jure* status within Serbia, with increased autonomy, but no actual change in national borders; 2) continuing commitment to "integration into Europe" on the part of Serbia itself; 3) continued negotiations with the Kosovo Albanians, to harmonize positions and achieve a compromise formula that would be acceptable to both sides, which the Ahtisaari plan is not. Primakov said he thought that "not all negotiating avenues have been exhausted," and suggested that haste to adopt the Ahtisaari plan was attributable to the Bush Administration's desire to balance the "stigma" of failure in Iraq, with some "victory" in the Balkans, "meaning that the air strikes on Belgrade eight years ago were not in vain." (Coming from Primakov, this observation stresses the continuity from Gore to Bush/Cheney.)

Primakov explicitly took up the Holbrooke column: "While I was in Belgrade, Richard Holbrooke made a statement, predicting that delay in resolving the Kosovo issue would lead to more bloodshed. 'This is not an analysis, but a scenario,' a senior Serb government official said." While Primakov said he did not agree that Holbrooke would be pushing such an option, he warned of its consequences, including a renewal of violence throughout the Balkans: "Should, God forbid, the scenario be played out, many questions are bound to arise. One of them will be as follows: NATO forces and police have been deployed in Kosovo for the past eight years, therefore hasn't this entire international operation, initiated by the United States, failed to establish stability in the province? ...

"Finally, I would like to draw attention to yet another problem. Once Kosovo is granted independence, the Bosnian state, created with so much difficulty, could start coming apart at the seams. It cannot be ruled out that centrifugal trends will reemerge and start picking up pace. Bosnian Serbs could start gravitating toward Serbia, while a similar trend among Bosnian Croats with respect to Croatia could result in their secession from the Croatian-Muslim federation in Bosnia. In

this situation, Bosnian Muslims will perforce reach out to independent Kosovo, which will further radicalize politics. Under the Ahtisaari plan, Kosovo will not join other states, but then others could join Kosovo. All of this requires thinking."

Kremlin Describes Putin-Bush Phone Call

In what the Kremlin described as a "thorough and frank" telephone conversation, initiated by the White House on March 28, Presidents Putin and Bush discussed U.S.-Russian differences over the planned U.S. installation of anti-missile facilities in Europe, as well as Kosovo. Their discussion also covered the Iranian nuclear stand-off.

Russian Weather Service: Global Warming Good for Siberia

The head of Russia's weather service, Rosgidromet, Alexander Bedritsky, said March 27 that global warming is a problem that one must certainly deal with, but deal with in a scientific way. He opposes talking about a "catastrophe" before all the facts are on the table. Experts are still studying the implications of the warming on Russia, preparing an assessment of what situation Russia will be faced with in 2015. There may be negative effects of the warming, along with positive ones, Bedritsky said. For example, large parts of Russia could benefit from warming: farmers in Siberia, for example, who could start growing heat-loving plants in regions that have been cool in the past. For the Siberian north, the fact that the average March temperature is up to minus 2.2 Celsius, as compared to minus 4 Celsius ten years ago, is a great favor from nature, Bedritsky said.

Southwest Asia News Digest

Diplomat Debunks Claims UK Sailors Were in Iraqi Waters

Craig Murray, the former Head of the Maritime Section of the UK's Foreign and Commonwealth Office, in a March 28 posting on his website, cited two "colossal" problems: First, "The Iran/Iraq maritime boundary shown on the British government map does not exist. It has been drawn up by the British Government. Only Iraq and Iran can agree on their bilateral boundary, and they never have done this in the Gulf, only inside the Shatt because there it is the land border too. This published boundary is a fake with no legal force." Second, "Accepting the British coordinates for the position of both HMS Cornwall and the incident, both were closer to Iranian land than Iraqi land."

Murray laid out the matter of the non-existence of the maritime boundary in a March 23 posting, and noted that the British forces had no lawful right to board any vessels in the area: "The U.N. Convention on the Law of the Sea carries a heavy presumption on the right of commercial vessels to 'innocent passage,' especially through straits like Hormuz and in both territorial and international waters." On March 26 he returned to this point, stating, "For the Royal Navy to be interdicting shipping within the twelve mile limit of territorial seas in a region they know full well is subject to maritime boundary dispute, is unnecessarily provocative. This is especially true as apparently they were not looking for weapons but for smuggled vehicles attempting to evade car duty. What has the evasion of Iranian or Iraqi taxes got to do with the Royal Navy?"

In his most recent posting, on March 29, titled, "Both sides must stop this mad confrontation, now," Murray concludes his remarks, "The British people must break out of the jingoism created by their laudable concern for their servicemen and woman, and realise that this is just a small part of the madness of our policy of continual war in the Middle East. That is what we have to stop."

In addition to his post in the Foreign and Commonwealth Office, Murray was the UK Ambassador to Uzbekistan, but,

according to IRNA, was dismissed in 2004 after disagreeing with his government's foreign policy. In one posting on his website, he characterizes himself as "an Africanist."

Rice's Trip to Southwest Asia a Failure, as Arab Regimes Know

A well-placed Arab source told *EIR* on March 28 that U.S. Secretary of State Condoleezza Rice's March 24-27 trip was a complete failure—she is looked upon as a joke in the Arab world, with no power at all, and no ability to implement a peace plan even if she really wanted to. Deputy National Security Advisor and top neo-con Elliott Abrams was at her side during the whole trip to Egypt, and Israel, and Jordan, and her presence was barely tolerated. The U.S. is clearly seen as having no serious intent to force Israel to the negotiating table to bring about a peace settlement in the Palestine-Israel conflict.

At the same time, the Arab nations agree that the *first* thing on the agenda—as reported in the Baker-Hamilton report—is settling the Palestinian occupation crisis, with a plan for Palestinian state. This contact also sees the danger of a U.S. war on Iran becoming more intense, with the British playing a significant role in the context of the conflict over the Iranian capture of their sailors.

White House Slams Pelosi Plan To Visit Syria

On March 30, a Congressional delegation led by House Speaker Nancy Pelosi (D-Calif.) took off for the Middle East on a trip which includes a planned stop in Syria. A spokesman for Pelosi said she discussed her travel with plans with George Bush, who, she said, did not object, but on March 30, White House deputy spokesman Dana Perino accused Pelosi of not informing the White House of her plans, and said, "We don't think it's a good idea. We think that someone should take a step back and think about the message that it sends." Brendan Daly, Pelosi's spokesman, dismissed warnings about the trip from the State Department, and said the Speaker was following the Baker-Hamilton Iraq Study Group's recommendations to "discuss a wide range of security issues" with Middle East governments, including Syria.

Ironically, a separate group of Republicans, led by Rep. Frank Wolf (R-Va.), and including Congressmen Joe Pitts (Pa.) and Robert Aderhold (Ala.), arrived in Syria prior to Pelosi, and held talks with President Bashar Assad.

Pelosi's delegation includes Reps. Tom Lantos (D-Calif.), Keith Ellison (D-Minn.), Henry Waxman (D-Calif.), Nick Rahall (D-W.V.) and David Hobson (R-Ohio).

Bush Administration Campaign To Isolate, Embarrass Syria

The Bush Administration has launched a campaign to isolate and embarrass Syria, which some insiders fear is an Elliott Abrams-trademarked effort at destabilization or "regime change."

"It's the new Cuba—no language is too tough," said one official. Sources also connect it to the harsh State Department criticism of House Speaker Nancy Pelosi's scheduled Syria trip.

Some officials who are aware of the campaign say they fear its real aim is to weaken or even overthrow President Assad, and to prevent him from thwarting the creation of an international tribunal to investigate the February 2005 assassination of former Lebanese Prime Minister Rafik Hariri.

One goal is to discredit Syria's forthcoming April elections. A classified government document which surfaced in February, proposed a covert election-monitoring effort under State's Middle East Partnership Initiative, formerly headed by Dick Cheney's daughter Elizabeth. It named the government-funded International Republican Institute as a potential

partner in the effort. U.S. officials confirmed the existence of the document, which was first reported by *Time* magazine.

Several Internet sites have been created to monitor and discuss the elections, and the Bush Administration has orchestrated meetings of Syrian opposition figures under the auspices of the Aspen Institute's Berlin offices, as McClatchy Newspapers reported last year.

Arab Summit Message: It's Either Peace or War

Speaking at the heads of state summit of the Arab League in Riyadh March 28, Saudi Arabian Foreign Minister Saud al-Faisal said Israel should accept the Arab Peace Initiative. "If Israel refuses," Saud said, "that means it doesn't want peace. Then (the conflict) goes back into the hands of the lords of war."

Hamas Leader and Palestinian Prime Minister Ismail Haniyeh, in an interview to Reuters just before the conference, expressed confidence that the summit would not compromise the rights of the Palestinians, especially the right of return. Haniyeh said, "I expect the Arab summit meeting in Riyadh to reiterate the Arab countries' commitment not to compromise in any way on the Palestinian refugees' right of return under any circumstances."

At the summit, UN Secretary General Ban Ki-Moon warmly endorsed the Arab peace initiative, which was first put forward in 2002. "The Arab peace initiative is one of the pillars for the peace process," Ban told Arab leaders at the conference. "This initiative sends a signal that the Arabs are serious about achieving peace.... When I was in Israel, I urged my Israeli friends to take a new look at the initiative. Here in Riyadh, I also urge you, my Arab friends, to benefit from this initiative and reiterate your commitment to it, because the situation is dangerous."

Amr Moussa, secretary general of the Arab League, responding to demands from Israel that the initiative be changed, said, "The Israeli response was to ask for an amendment. We tell them to accept it first. We are at a crossroads; it is either we move towards a real peace or see an escalation in the situation."

For more on *EIR*'s evaluation of the summit, see InDepth, "Brits Drive World War III Provocations in Gulf."

Israeli Chief of Staff Forecasts Summer Offensive in Gaza

Israeli Chief of Staff Maj. General Gabi Ashkenazi told a parliamentary committee that the military will launch a Summer offensive in the Gaza Strip to crush Palestinian resistance groups, according to aljazeera.com on March 30. Speaking before the Foreign Affairs and Defense Committee of the Knesset March 29, Ashkenazi warned that "the strengthening process of the terror organizations in the Gaza Strip will have to be confronted." Palestinian groups responded that they are prepared to defend Gaza.

Khalilzad Wants to Change Iraqi Constitution He Pushed

Outgoing U.S. Ambassador to Iraq Zalmay Khalilzad gave an interview to the March 26 *New York Times* in which he said that Iraqi Shi'ites and Kurds will have to consider revising the constitution and rolling back the de-Ba'athification purge of Sunnis from the Iraqi government. Others say that Khalilzad and his colleagues rushed through a flawed Constitution, which angered Sunnis, who overwhelmingly rejected it, because they were fixated on meeting the Bush Administration timetable to hold elections in Iraq by the end of 2005. (Others have pointed out that the constitution, by decentralizing power in the regions, created an inherently unworkable arrangement.)

Khalilzad also said, in the first official acknowledgment of this, that he held talks last year with Sunni insurgent groups,

including the Islamic Army of Iraq and the 1920 Revolution Brigades, in an unsuccessful effort to bring about Sunni participation in the central government.

Asia News Digest

Tamil Tiger Air Force Hits Sri Lankan Air Base

Despite a news blackout by Colombo, ground reports indicate that the Tiger Air Force's attack on the Sri Lankan Air Force (SLAF) base at Katunayake, outside the capital, under the cover of night, in the early hours of March 26, had a debilitating effect, according to Tamil Net March 27. The operation, a daring one, was very well planned, since it did not cause any civilian casualties, but did severely damage, if not destroy, at least half of the aircraft of the SLAF.

The attack could be a one-time incident, but when an insurgent or terrorist organization acquires an independent air-strike capability, the task of countering it becomes much more difficult. As it is, Colombo's ability to infiltrate the Tigers is virtually non-existent.

On the other hand, Colombo, boosted by providing a virtual naval base to the United States and access of another port to the Chinese, has become extremely ruthless in dealing with the Tamils. In recent months, since the ceasefire talks collapsed, Colombo has unleashed its army on the areas where the Tamils are in the majority and where Tigers are ensconced. The result has been slaughtering of Tamils, whom Colombo always identifies as "Tamil Tigers."

Mukherjee, in Japan, Calls NPT a 'Fraud' Pact

Addressing a seminar at the Japan Institute of International Affairs (JIIA) in Tokyo on March 27, Indian External Affairs Minister Pranab Mukherjee, who was in Tokyo seeking Japanese support for the Indo-U.S. nuclear deal, told the audience: "India has an impeccable record on non-proliferation. We have also been consistently a leading advocate of the elimination of all nuclear weapons.... If India did not sign the Nuclear Nonproliferation Treaty (NPT), it is not because of its lack of commitment for non-proliferation, but because we consider NPT as a fraud treaty and it did not recognize the need for universal, non-discriminatory verification and treatment," as reported by the *Evening Post* of Tokyo March 27.

India Welcomes Iran in Southeast Asia Group

India has welcomed Iran as an observer in the South Asian Association on Regional Cooperation (SAARC). SAARC consists of seven South Asian nations—Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka—and was set up at the late Prime Minister Rajiv Gandhi's initiative in 1987.

According to *India Defence* March 20, Indian Foreign Secretary Shivshankar Menon, in welcoming Iran to observer status, noted that Iran's application has been circulated among the SAARC member countries, and will be formalized through a series of meetings in the coming days. As chairman of the SAARC, Menon pointed out, "India likes the idea of more involvement in SAARC by our friend [Iran]." Menon indicated that the SAARC countries are now considering including Afghanistan as a full member-nation, the eighth, in the upcoming summit.

Iran's inclusion as observer in the present situation sends a message, one analyst pointed out. It shows that the South Asian nations, of which India and Pakistan are the most dominant, have taken note of the threat to Iran's sovereignty posed by UN Security Council's resolutions and the hostile postures of Britain and the United States. The announcement to make Iran a part of the SAARC would necessarily mean the South Asian nations' intent to intercede in the present situation.

South Korea Pension Fund To Dive Into Choppy Waters

South Korea's largest public institutional pension fund plans to triple its equity by taking more risks, modelling itself after Calpers in California. Minister of Health and Welfare Rhyu Si Min announced that the pension fund he supervises will be focussing more on overseas assets and stocks, Bloomberg reported March 29. "Domestic bond yields appear to be stabilizing lower, so we must take more risk to increase returns," Rhyu said, adding that the pension fund has not ruled out investing in hedge funds and derivatives.

Africa News Digest

South African President Mbeki To Mediate in Zimbabwe

The heads of state of the 14-member Southern Africa Development Community (SADC) held a summit in Dar es Salaam, Tanzania March 27. The situation in Zimbabwe was among the matters of regional concern for the summit, which had originally been scheduled at the foreign minister level. The conflict between President Robert Mugabe and the opposition Movement for Democratic Change (MDC) is being continuously fanned by the Western press, with the British press taking the lead, calling for stronger action to be taken against Mugabe. Violence is increasing, and Zimbabwe's economic crisis is deepening.

Agreement was reached at the summit, according to a March 29 BBC wire, that South African President Thabo Mbeki should try to mediate the crisis. Mbeki will attempt to formally arrange talks between Mugabe and the opposition.

The summit also called on the West to drop sanctions and appealed to Britain to "honour its commitments" to fund land reforms in its former colony (see below for final communiqué).

Before the summit, former Zambian President Kenneth Kaunda said in a March 20 Reuters wire, that Western powers have no moral right to demonize President Mugabe. Kaunda, who is one of the few remaining African statesmen with Mugabe's liberation-era credentials, said Zimbabwe's economic and political woes were largely due to "broken promises" on land reforms, by former colonial power Britain. Kaunda said: "We need to find an answer and not to throw accusations at him." He said Zimbabwe required the immediate intervention of African leaders, and that this would have to be through talks that brought Mugabe and leader of the opposition MDC, Morgan Tsvangirai, together.

South African government spokesperson Themba Maseko said March 20 that, "It was the position of the South African government that the recent elections had been free and fair," although the MDC claims this not to be the case.

Before going to the summit, Zambian President Levy Mwanawasa, compared Zimbabwe to the Titanic. He also categorically stated that the Zambian government didn't want any other nation, outside of the SADC, to meddle in the Zimbabwe situation, either directly, or indirectly.

South African Deputy Minister of Foreign Affairs Aziz Pahad again rejected suggestions that economic sanctions should be imposed as a means to resolve the crisis in Zimbabwe. In an official statement, the South African government said, "[The] cabinet, once again, expressed its concerns about the deteriorating situation in Zimbabwe, and reaffirmed the government position, as recently stated by the deputy minister of foreign affairs, that only dialogue among the main political and economic protagonists can help bring about a lasting solution to the current political and economic challenges facing Zimbabwe.

"As stated previously, South Africa is ready to provide whatever assistance is required in bringing about a peaceful and lasting solution to the situation in Zimbabwe."

In the *Mail and Guardian* of March 27, Pahad said: "It's constructive diplomacy that we're working on." He noted South Africa could not bring about a solution alone, but that the situation demanded a collective approach within the framework of the SADC or the African Union. He stated that if there had been a collective approach from the start, the crisis would not have progressed to this stage.

Pahad emphasized that "we will never just make militant statements simply to satisfy ourselves or governments far away." He concluded: "Our objective is to help normalise the situation and enable us to protect ourselves from any further serious impact of what will happen if we are not able to resolve the Zimbabwe situation."

After the summit, on March 30, the central committee of Mugabe's party, the ZANU-PF, backed his decision to run for a new term as President in 2008.

SADC Summit Refuses To Join British Attacks on Zimbabwe

The March 28-29 Extra-Ordinary Summit of Southern African Development Community (SADC) issued the following communiqué on Zimbabwe.

"The Extra-Ordinary Summit noted and appreciated the briefing by H.E. President Robert Mugabe on the current developments in Zimbabwe.

"The Extra-Ordinary Summit recalled that free, fair, and democratic Presidential elections were held in 2002 in Zimbabwe.

"The Extra-Ordinary Summit reaffirmed its solidarity with the Government and people of Zimbabwe.

"The Extra-Ordinary Summit mandated H.E. President Thabo Mbeki to continue to facilitate dialogue between the opposition and the Government and report back to the Troika on the progress. The Extra-Ordinary Summit also encouraged enhanced diplomatic contacts which will assist with the resolution of the situation in Zimbabwe.

"The Extra-Ordinary Summit mandated the SADC Executive Secretary to undertake a study on the economic situation in Zimbabwe and propose measures on how SADC can assist Zimbabwe *to recover economically*.

"The Extra-Ordinary summit reiterated the appeal to Britain to honor its compensation obligation with regard to Land reform made at the Lancaster House.

"The Extra-Ordinary Summit appealed for lifting of all forms of sanctions against Zimbabwe."

Worst Fighting in Somalia Since UIC Ousted

On March 29, Ethiopian helicopter gunships fired at a market near a reported insurgent stronghold in southern Mogadishu. Ethiopian tanks are also deployed, and anti-government militias responded with heavy artillery fire, according to BBC. Insurgents are reportedly also using rocket launchers and machine guns against the Ethiopians. The Ethiopians want to take control of five key junctions, in what they call a three-day operation. They appear to be doing this before the meeting of all factions which is supposed to take place the first week in April. Ethiopian President Zenawi says two-thirds of his troops

have been pulled out. Wounded people, many of them civilians, are stranded.

The only part of the Africa Union peacekeeping force that has arrived, are 1,500 Ugandan troops, and they are feeling as if they are guinea pigs, according the Kenyan daily *East African* of March 27.

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