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# Breaking Stories

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## ***'Legislative Equivalent Of Breaking and Entering'***

A U.S. federal judge has struck down a key provision of the Patriot Act as passed by Congress in 2001 and amended by Congress in 2005, calling it "the legislative equivalent of breaking and entering, with an ominous free pass to the hijacking of constitutional values."

The stricken section provides for the use of "National Security Letters" (NSLs), which enable the FBI to obtain financial, telephone, and Internet records without a court order or subpoena. U.S. District Judge Victor Marrero of the Southern District of New York said on Sept. 6 that, given the potential seriousness of the intrusion into someone's personal affairs, and the possible chilling effect on free speech and association, there is "compelling need" to ensure that the use of NSLs "is subject to the ... checks and balances and separation of powers that our Constitution prescribes."

The Patriot Act also imposes a gag order on anyone who receives an NSL—in the reviewed case, an Internet service provider—preventing the recipient from telling anyone about it; the court also declared this to be unconstitutional.

An internal FBI audit, and a separate Justice Department Inspector General's report, both found a significant number of legal violations in the FBI's use of NSLs.

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## ***China, Russia Map Plans To Develop Northeast Asia***

The Chinese and Russian governments' programs to develop northeast Asia were under discussion at the third Asian development fair in Changchun, Jilin province. Xinhua and the *Vladivostok Times* reported Sept. 6 that the Chinese policy for the "rebirth of northeast China" and the Russian program for "social-economic development of the Far East and TransBaikal to 2013" will increase cooperation between the two nations, and overall regional development.

In China, the region involved includes Liaoning, Jilin, and Heilongjiang provinces, eastern Inner Mongolia, and other bordering areas.

Jilin province is planning four new rail projects, Gov. Han Changfu announced, including the middle section of a north-south railway trunk line connecting Harbin, Heilongjiang Province, to the port of Dalian in Liaoning Province. The province is looking for international investment, Han said. It is possible the rules on state control of interests may be changed.

An international forum of northeast Asian officials also was held in Changchun on Sept. 3. It was led by Chinese Vice Premier Zeng Peiyan, who said the policy is to revive northeast China, the nation's old industrial center, in 10 to 15 years. The other nations attending were Russia, Japan, Republic of Korea, Democratic People's Republic of Korea, and Mongolia. Infrastructure, industry, and agriculture projects were all under discussion.

Kamil Shamilyevich Iskhakov, Presidential Plenipotentiary Envoy to Russia's Far East Federal District, said Russia is drafting a plan to boost infrastructure in its Far East region by 2013, with planned investment of \$22 billion, and called on the nations to work "side by side" and seek common interests, instead of national interests only.

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## ***Dollar Collapse Hitting Southeast Asian Exports***

Reports from Thailand and the Philippines indicate that the dollar collapse is driving dozens, perhaps hundreds, of export factories out of business. A Bangkok source told *EIR* that 3,000 firms are behind in their payments to the government for social security, and may be shut down, threatening over 1 million jobs. One tennis shoe factory closed suddenly, dumping 5,000 jobs. Trade unions have organized demonstrations to demand government action to stop further factory closings.

In the Philippines, 75 small and medium-scale export businesses have been

closed this year. Sergio Ortiz-Luis, Jr., president of the Philippine Exporters' Confederation, appealed to the central bank to reconsider its foreign exchange policy and slow down the peso's appreciation against the dollar, urging that the peso be made to remain within a fixed range to the dollar. "We cannot survive with the presently strong peso, especially one that rapidly appreciates or one that widely fluctuates," Ortiz-Luis said. "The 'strong peso equals a strong economy' argument is only a myth. ... We only have to look at the export figures to know that while total export revenues are increasing, the fact is, 80% of our exports are labor-intensive and have thus fallen victim to the appreciating peso," he said.

The peso has gained 5% against the dollar since the start of the year, while the Thai baht has gained nearly 11%.

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## ***Speculators Cause Food Prices to Skyrocket***

International speculation in food commodities is showing up in price increases in Chile and Argentina.

Across the board, food prices in Chile increased 3.4% in August, but fruits and vegetables, as a sub-category, rose by 13.6%, while potatoes rose 48%, onions by 22%, lettuce by 17%, bread by 5.6%, and eggs and dairy by 3%. The government has taken a few steps to help ameliorate the situation for poorer sectors of the population, but they are woefully inadequate. Chile's Consumer Price Index increased 1.1% for August, the highest spike since 1995.

Argentines have been stunned by a 20% increase in the price of chicken—a staple—in 15 days. Price increases for bread and vegetables also hit record highs. The cost of the monthly market basket increased by 3.1% in August, with the biggest increases for vegetables, which increased by 49%. Potatoes, which are a staple in the Argentine diet, rose by 40% in one month, and have increased by 115% so far this year. Compared to the same period of 2006, the price increase is 500%.

The government is now threatening to

import potatoes from Peru, to try to force the price down.

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## **Chávez: We Must Replace Current 'World Disorder'**

At a joint press conference with Colombian President Alvaro Uribe in Bogota Aug. 31, Venezuelan President Hugo Chávez was asked by *EIR* reporter Pedro Rubio to comment on actions needed to face the "ongoing collapse of the international financial system, as indicated by the collapse of the mortgage bubble in the U.S."

Rubio cited efforts to create the Bank of the South as part of a new, infrastructure-oriented economic architecture, and then raised three questions: did the Venezuelan President agree with U.S. statesman Lyndon LaRouche's proposal for restructuring the international financial system; was he prepared to finance a railroad through the Darien Gap on a Panama-to-Bogota-to-Caracas route; and, what did he think about the Democratic Party rank-and-file's demand that U.S. Vice President Dick Cheney be impeached?

Chávez said he would not answer the question about Cheney's impeachment in such a venue, but took up the question of the economic crisis at some length—with-out mentioning LaRouche by name.

Chávez said, "The whole crisis to which you referred ... is already affecting other areas of the economy," in areas such as energy and food. He noted that the increase in the price of food is going to cause more problems in the world. The New World Order which had been proclaimed after the fall of the Soviet Union, turned out to be a "World Disorder," and a new, different order is needed, Chávez said.

The world crisis makes our efforts to build the Union of South American Nations, and such projects as the Great Gas Pipeline of the South and the Bank of the South more urgent, Chávez stated. As for a train through the Darien Gap, Chávez thought it was too early to say if Venezuela would finance it, but Venezuela stands ready to cooperate, he said. He reported

that the two Presidents had agreed to begin to study developing railroads. Venezuela is already working on a big railroad project. Imagine, he said, "what a great railroad from the plains of Venezuela, which crosses all of Colombia and unites the Atlantic with the Pacific, would mean."

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## **Gore's Buddy Piñera Calls Protest Nearly 'Terrorism'**

Chilean Presidential aspirant Sebastian Piñera, the fascist millionaire who financed Al Gore's trip to Chile this year to expound on global warming, charged Sept. 2 that trade unionists who demonstrated on Aug. 29 for better living conditions and wages, had practiced a form of "terrorism." Piñera's comments led two legislators from the ruling Concertación coalition to ask if this is how Piñera would deal with public demonstrations, if he were President. "Would he repress them as expressions of terrorism?"

In a national "day of action" Aug. 29, the CUT trade union federation exercised its constitutionally guaranteed right to demonstrate, to demand that Socialist President Michelle Bachelet divorce herself from the neoliberal "Chicago Boy" legacy of the Pinochet dictatorship that has remained intact in Chile. The CUT also asked her to address its call for decent wages, a real reform of the private pension system, and improved labor and collective bargaining rights. Chile's police harshly repressed the protesters and arrested more than 700 people. There were clearly some provocateurs involved in the protest as well.

But in an interview published Sept. 2 by the pro-Pinochet daily *El Mercurio*, Piñera argued that "we all know that these strikes end in violence. I saw criminals attacking the carabineros." He promised that were he President, "I assure you that I would pursue to the ends of the Earth, anyone who attacks the carabineros, to bring them to justice and ensure they were punished. This is not protest," Piñera said. "This is practically terrorism."

# Briefly

**ISRAEL'S** National Insurance Institute's latest report on the level of poverty for 2006 reveals that 1.6 million Israelis, half of them children, live below the poverty line. Every fifth family in Israel is considered poor, as is 25% of the total population, and 33% of the children.

**LEONARDO DICAPRIO'S** global warming film, *The 11th Hour*, which was given Titanic hype, was struck by an iceberg at the Cannes Film Festival. The Sept. 6 Washington Times reported a comment by a Russian filmmaker, who said that at one point of the showing she was the only one awake. In its first 18 days, the film grossed only \$417,913 in ticket sales. The producers of the film have now chosen to pull the film from the theaters and rush it to DVD.

**BRITISH YACHTSMAN** Adrian Flanagan attempted to be the first to sail across the Arctic north of Russia. He based his hope on his belief in the global warming hoax that the Arctic is rapidly losing its ice, thus making his trip possible. But he and his yacht became trapped by the Arctic ice. Flanagan has asked Russian authorities to provide him with the services of a nuclear-powered icebreaker to get him out.

**A SOUTH AFRICAN** Navy submarine "sank" an entire NATO flotilla in an exercise off the Cape coast Sept. 4. The *SAS Manthatisi*, a German-built type 209 diesel-powered submarine, sank NATO's Standing Maritime Group 1, one of NATO's four immediate-reaction maritime forces, in the war game. The defeated flotilla was equipped with state of the art antisubmarine capability.

**ITALIAN** Foreign Minister Massimo D'Alema gave an interview to the daily *L'Unità* of Sept. 4, before leaving for Israel, Palestine, and Egypt, in which he condemned any scheme to exclude Hamas from peace talks. He called for Israel to immediately improve the living conditions of the Palestinians.