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**The LaRouche Show:**

**On the Edge of a New Era: LaRouche's Big Idea—NAWAPA**

*Merv Fansler and Michael Kirsch joined host Harley Schlanger Aug. 21, for a discussion of the work of the Basement Team on Lyndon LaRouche's proposal to transform the Biosphere, and with it, create an economic renaissance throughout the planet, with NAWAPA....*

**Harley Schlanger:** We are in the midst of the approximate two-month time period identified by Lyndon LaRouche, back in mid-July, as the time during which we must have a decisive break with the imperialist monetary system of the British Empire, or we will be plunged into a 1923 Weimar-style hyperinflation, which will destroy human civilization for the next several generations.

In the last week, we saw two things happen: One, the confirmation of the accuracy of LaRouche's forecast, with the decision made by the Federal Reserve and the Treasury Department, to go with what is now universally acknowledged as a hyperinflationary policy. That is, they are not wiping out the bad debts, they are not reorganizing the banking system, they are not going with a Glass-Steagall; they are creating funny money in *huge* volumes, and pumping it into the banking system at the expense of the physical economy....

**In-Depth articles from EIR, Vol. 37, No. 34**

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## This Week's Cover

- **The LaRouche Show:**

- **On the Edge of a New Era; LaRouche's Big Idea—NAWAPA**

Merv Fansler and Michael Kirsch joined LaRouche Show host Harley Schlanger Aug. 21, for a discussion of the work of the Basement Team on Lyndon LaRouche's proposal to transform the Biosphere, and with it, create an economic renaissance throughout the planet, with NAWAPA. Under discussion: the revolution in the self-identity of man, that has emerged with the breakthrough in the Basement, with the posting of a 3-D, interactive, animated map of NAWAPA. LaRouche's concept of NAWAPA is not simply an infrastructure program, or a jobs plan, although it is both, but the means by which mankind self-consciously asserts its authority over the Biosphere, while at the same time, moving into the Solar System, and beyond.

## Economics

- **Bush-Obama 'Decade of Hell' Brings Mass Unemployment**

The drastic real shrinkage of the American workforce in the past decade, obscured by all of the various 'unemployment rates' popularly discussed, is the clearest sign that the U.S. economy has gone into terminal collapse, and has to be rebuilt anew, starting immediately, junking 40 years of British-inspired deindustrialization and globalization policies.

- **The Countdown Is On:**

## **Global Development or Social Explosion?**

**by Helga Zepp-LaRouche**

Two parallel processes define the choice before humanity today: One, the organizing for NAWAPA has sparked the imagination of many Americans. On the other side, the leaders of the financial institutions are like circus performers who have stretched their tightrope over the crater of Mount Vesuvius at Pompeii—a few minutes before the volcano's eruption.

- **Desertec:**  
**A Malthusian Mirage in the Sahara**
- **Those Deadly, Green Nazi Solar Panels**

## **World News**

- **Challenged by Rachel Brown, 'Bailout Barney' Runs Scared**

Will Massachusetts voters elect LaRouche Democrat Rachel Brown in the 4th C.D. Democratic primary, as Texas voters did last March in electing LaRouche Democrat Kesha Rogers? That's impossible to say, but what we do know, is that her opponent, Bailout Barney Frank, is on the ropes, and that Brown's campaign is inspiring the electorate with LaRouche's plan to rescue the planet.

- **Flood-Ravaged Nation:**

### **Pakistan Needs Vast Water-Management Plan**

The true nature of the catastrophe, is probably much harsher than has been reported, in what has been the worst flooding that Pakistan has ever experienced. But, with a largescale water-management system, Pakistan's Biosphere can be transformed.

- **Obituary:**

### **Russian Academician Alexander Granberg**

Academician Granberg was a leading member of the Russian Academy of Sciences and an enthusiastic **Sci-Tech Updates**

## **Science**

- **Evolution and Organismic Communication**

**by Jason Ross**

According to the neo-Darwinists, the tree of evolution splits and develops in a single manner. But, as Ross, a member of the LaRouche Basement Team, demonstrates, Darwin's mechanistic idea is completely absurd. Instead, we must look to the strong correlation between cosmic radiation incident upon the Earth and cycles of biodiversity.

## **Editorial**

- **Andy Young Speaks the Truth**

## **This Week's News**

## **U.S. Economic/Financial News**

### **Brawls at the Fed, as the System Comes Down**

## Retailers in Massive Store-Closing Mode

## As Crash Proceeds, U.S. Real Estate Market Collapses Again

## PPPs Turning into Outright Privatizations

### **Brawls at the Fed, as the System Comes Down**

Aug. 27 (EIRNS)—A senior Washington intelligence source reported this morning that a serious fight has erupted inside the Federal Reserve over hyperinflation, and that people close to the Fed are going to be leaking details, which means the fight will intensify and become more public. He added that that fight is now erupting inside this week's annual Jackson Hole, Wyoming, economic summit of the Fed, whose host, Thomas Hoenig of the Kansas City Fed, has publicly dissented from Fed chairman Ben Bernanke's decision to keep priming the monetary pump, at each of the last eight meetings of the Federal Open Market Committee (FOMC). And indeed, sources at that Jackson Hole gathering report that it is an extremely interesting one, especially its off-the-record discussions.

Lyndon LaRouche commented, "The break actually happened several weeks ago, and what you're seeing with this Jackson Hole meeting of the Fed, and things like that, are reflections of the fact that anybody on the inside knows, without any statistical mumbo-jumbo, that this system is coming down fast."

Similarly, today's *Wall Street Journal* reports that the Aug. 10 meeting of the FOMC, whose decision to purchase hundreds of billions of Treasuries was part of the Weimar-hyperinflationary turn in policy that LaRouche had forecast, was the "most contentious" such meeting in Bernanke's four-plus-year tenure as chairman. Although Hoenig was the only dissenter on the final vote, the *Journal* reports that no fewer than seven of the seventeen committee members expressed serious reservations concerning that insane decision.

### **Retailers in Massive Store-Closing Mode**

Aug. 23 (EIRNS)—Hit by collapsing expendable income of their "middle class" customers, retailers are now faced with massive store closures, exacerbating an already stressed commercial retail market. According to DailyFinance.com, even WalMart is guarded about future consumer spending, and the appearance of a mythical "recovery." Most indicative, however, is that grocery store chains are among the list of store shutdowns: Atlantic & Pacific Tea Company (aka A&P) one of the nation's oldest grocers, will be closing 25 stores in five states in the third quarter, and Winn Dixie, a major chain in the South, will be closing 30 "older and non-performing" stores in the next month.

The majority of the closings are, however, "fashion" clothing retailers: Saks Fifth Avenue closed 3 stores last month, now two more, in Plano, Texas and Mission Viejo (Orange County), Calif. They will instead be opening several "Off Saks" bargain outlets, they say. Trendy French Connection (actually British) is closing 17 U.S. stores, leaving only 6, after closing all 21 in Japan last year. American Eagle Outfitters is closing all 28, as well as its related online business. Bebe Stores is shuttering "all 48 PH8 stores," which had only been re-branded and re-opened last November; Men's Warehouse will be closing 50-60 newly minted "Tux" stores this year, and the total could reach 100; Abercrombie & Fitch will close "nearly 60 underperforming stores" this year; and Charming Shoppes will close 100-120 Lane Bryant and Fashion Bug stores.

In addition, video renter Blockbuster will close 500-545 stores this year, after closing 345 stores last year. Although this is more of a shift to online program delivery, it still represents several thousands of local jobs.

## As Crash Proceeds, U.S. Real Estate Market Collapses Again

Aug. 25 (EIRNS)—After the Obama Administration's "homebuyers credit" buoyed up speculators and suspended the U.S. real estate crash for about eight months, it has fully resumed. Some economists blame the Obama credit for now intensifying the crash it had briefly delayed.

In July, both new and old ("existing") home sales plunged to their lowest levels in the 45-year history of these records, far below even 2009's depression levels. Existing home sales fell 27% to a 3.37 million annual rate; new home sales dropped 12.4% to an annual rate of 260,000, compared to a 600,000/year average for the past 30 years. That difference alone directly represents more than a million construction jobs. Because of large-scale foreclosure sales and short sales, new home sales have shrunk from the long-typical 15% of the housing market, to only 7%. The Mortgage Bankers Association says one-seventh of all mortgages are now delinquent, and more than a million mortgaged homes are being seized for foreclosure sale during 2010.

Coming next: The resumption of major drops in home prices—which have "paused" at about 35% below their pre-crash levels—and the bankruptcy of banks due to the collapse of additional masses of mortgage-backed securities.

Significant numbers of owners of commercial buildings are also now "walking away" from their mortgaged properties, and high-profile foreclosures of big office projects are set to start. The result will be another increase in the pace of local bank failures.

## PPPs Turning into Outright Privatizations

Aug. 23 (EIRNS)—The collapse of America's cities is featured on the front page of the *Wall Street Journal* this morning, indicating that public-private partnerships are becoming more and "private." The Royal Bank of Scotland currently has about 35 privatization deals in the works—worth about \$45 billion—they say, a figure that is 10 times the level of \$4 billion about two years ago. Major cities across the country are trying to "shed" everything from zoos (Dallas) to airports (New Orleans) and water supplies (Milwaukee). They note that these privateers are picking up key properties at bargain-basement prices, with cities left to suffer collapsing credit ratings.

Unlike the deals of the 1980s, where public buildings were sold off and operated under contract, today's deals are seeing control of privatized services completely in the hands of investors, and no longer subject to any licensing agreements. For example, the Chicago parking meter scam allows Morgan Stanley to run 36,000 meters for 75 years, granting "ownership" to the parking spots on public streets. Although rates are set by the city, revenue—now up 200%—all goes to Morgan Stanley. Pittsburgh is now considering a similar parking deal to fund its pension system. This new "industry" has even adopted a euphemism as a name—"rescue investing"—for the parasitical mass of consultants, lawyers, and bankers that has sprung up to service the vultures.

## Global Economic News

[As Ireland Burns, the Arsonists Call for More Fire](#)

[London School of Economic Hit Men on Greece](#)

**As Ireland Burns, the Arsonists Call for More Fire**

Aug. 26 (EIRNS)—With the banking meltdown expanding as LaRouche forecast, the British are calling for more gasoline for the fire.

Standard & Poor's downgraded Ireland's credit rating from AA to AA- because S&P believes the recapitalization of the banks will cost, not EU30 billion, but EU50 billion. This would bring the cost of the bailout to at least EU90 billion. More immediate, according to Bloomberg, is the fact the banks have to roll over EU30 billion in debt in September alone. The only place they will get the money, is from the ECB's printing presses. It now costs close to EU600,000 to insure EU10 million worth of five-year debt, a 6% loss. Close behind Ireland are obviously Greece, Spain, Portugal, and the rest. City of London mouthpiece Ambrose Evans-Pritchard reports that the crisis is pushing funds into the Swiss franc. The yield for Swiss 10-year bonds is at a record 1.2%, even lower than the record lows of German bonds of 2.11%.

Arnaud Mares, an executive director at Morgan Stanley, a former senior vice-president at Moody's, and former official at the U.K.'s Debt Management Office, wrote that sovereign insolvencies are now unavoidable. "Governments will impose a loss on some of their stakeholders. The question is not whether they will renege on their promises, but rather upon which of their promises they will renege, and what form this default will take." The sovereign-debt crisis is global "and it is not over," said the report, as quoted by Bloomberg.

However, the sovereign debt crisis is in reality a banking crisis. This is what lies behind the desperate calls for bailouts, coming today from George Magnus in Britain's *Financial Times* and Carlo De Benedetti in Italy's *Il Sole 24 Ore*. Magnus, who is a British economist working for UBS, writes: "Better to print money and be damned than tighten policy and be damned." De Benedetti, who rarely writes *in prima persona*, but is usually interviewed, says: expansive "monetary, fiscal, and regulation policies must be distributed immediately and in the right doses. The time is now, the amount must be massive."

Magnus stresses the importance that "the usually hawkish" Bundesbank President Axel Weber "acknowledged the ECB will have to keep open the emergency liquidity pipeline to European banks until 2011." Don't be afraid of inflation, he says, as long as banks' reserves are held at the central bank and cash on corporate balance sheets. De Benedetti hopes that "hyper-regulatory mania" does not take over in the U.S.A. (Glass-Steagall anyone?)

## **London School of Economic Hit Men on Greece**

Aug. 26 (EIRNS)—Three London School of Economics types bearing Greek names, have proposed, in the Aug. 24 *Financial Times*, that Greece be killed off, in order to pay what the authors themselves describe as an unpayable debt. The three are Costas Meghir, Dimitri Vayanos, and Nikos Vettas. Their point is that, with "radical pension, health-care and tax reforms," Greece can "yet stave off default." They face the "pessimists' argument" that to service a debt soon to reach 150% of GDP, it will require "huge cuts in government expenditures which have to be impossible politically." This is not true, the three stooges say, because if Greece deregulates, there will be growth in the GDP.

They write: "Public healthcare is one of the most dysfunctional and corrupt sectors. A drastic restructuring based on mandatory private insurance with subsidies for the poor and on the management of public hospitals by the private sector will bring high-quality healthcare to all and remove an important source of tax evasion and corruption. Large gains are also possible by moving to a pension system based on individual savings."

If it sounds like Obamacare, it is—because it comes from the same prompter, the City of London. Will London School of Economics alumnus, Greek Prime Minister George Papandreou, assisted by banker Tommaso Padoa-Schioppa, follow the orders of his masters and slaughter the Greek population?

# United States News Digest

## Obama Foreign Policy Blunders Anger State Department, Pentagon

## White House Reactivates WWF Imperial Scheme for Bering Strait Nature Preserve

## Rangel: Obama Hasn't Been Around Long Enough To Know What 'My Dignity' Is

## Florida Cops Raid Homeless Camps: 'Do It to Them, Not to Me'

## Suicide in the Military: It's the War, Stupid

### **Obama Foreign Policy Blunders Anger State Department, Pentagon**

Aug. 29 (EIRNS)—Sources close to the Obama Administration have confirmed widespread anger and frustration at President Obama's latest diplomatic blunders, on the part of top State Department and Pentagon officials. On the eve of the Sept. 1 White House Middle East peace negotiations, according to one source, "President Obama has, for all intents and purposes, allowed Bibi [Netanyahu] to set the agenda." They cited the President's decision, made behind the backs of Secretary of State Hillary Clinton and Middle East envoy George Mitchell, to invite former Prime Minister Tony Blair to attend the opening ceremonies, as the latest indication that Obama is not even coordinating with his own Cabinet team. The source indicated that there has been a dramatic shift in agenda of the entire negotiations.

Obama similarly blindsided top foreign policy aides by bringing UN Ambassador Susan Rice into a top-level Administration review session on Sudan, another source reported. And, while Clinton reportedly strongly backed Sudan envoy Gen. Scott Gration (ret.), and the two prevailed over Rice's hatred of Sudan, Obama created a senseless diplomatic row on Aug. 27, when he denounced the Kenyan government for failing to arrest Sudanese President Bashir, when he attended a celebration in Nairobi for the signing of a new Kenyan Constitution. The Kenyan government hit back hard against Obama, reminding him that the African Union does not consider that the International Criminal Court has made its case against the Sudanese leader, and the U.S. well knows that.

Lyndon LaRouche commented on Aug. 28 that Obama is acting, first and foremost, on behalf of the British and their continued Sykes-Picot policy of permanent conflict in Southwest Asia. He nailed Blair as an agent of the secret government of Britain, run through the British monarchy. "Blair is nothing but a stooge for the royal family," LaRouche noted. He added that "Obama is behaving like Hitler in the bunker, just as I have warned. He is cut off from all rational influences in his own government. The government no longer has control over President Obama, and he is behaving more and more like a manipulative tyrant."

### **White House Reactivates WWF Imperial Scheme for Bering Strait Nature Preserve**

Aug. 27 (EIRNS)—In 2009, the Obama Administration reactivated a 20-year dormant project, spawned by the World Wildlife Fund (WWF), to impose an international nature preserve on the Bering Strait, to deter any infrastructure development on this key link in the world land-bridge. Moves are continuing this Summer, towards a "Beringian Heritage" lock-up of land and resources, and impoverishment of local people, to directly serve the geopolitical interests of London finance behind the environmentalist game. The area under discussion involves millions of hectares of coastal Alaska and Chukotka, on the Chukchi and Bering seas.

This locale is exactly the region through which the development corridors will go, of the proposed Bering Strait Tunnel, linking Asia and the Americas, in conjunction with the North American Water and Power Alliance program (NAWAPA).

The Obama push for this WWF anti-development program comes under the auspices of the new U.S.-Russia Presidential Commission, established in July 2009, by Obama and Russian President Dmitri Medvedev. Its goals featured the task of advancing "efforts to protect our shared heritage and environment in the Bering Strait region," as the Commission states. This jargon harks back, word for word, to the 1990s World Wildlife Fund propaganda for "Arctic preserves." In June 2010, Russian and U.S. interagency subgroups, including the U.S. National Park Service (NPS), the EPA, Agency for International Development and others, met on this, with the aim of bringing about what the NPS describes as the "reintroduction of a proposal to establish an international protected area" to preserve bears, fish, flora, fauna and quaint "cultural subsistence practices" by native peoples.

Locking up land in the Arctic is a major focus of the WWF international nature preserve drive. The WWF is one of only two NGOs with official observer status in the Arctic Council, which consists of all the nations of the Far North: Canada, United States, Iceland, Denmark, Norway, Sweden, Finland, and Russia. The WWF is especially causing trouble in Russia, claiming credit for creating new nature preserves there, adding up to an area the size of between Switzerland and Norway.

### **Rangel: Obama Hasn't Been Around Long Enough To Know What 'My Dignity' Is**

Aug. 24 (EIRNS)—Speaking at a candidates forum last night, Rep. Charles Rangel (D-N.Y.), who is currently the target of a racist witchhunt for phony "ethics" violations, responded to President Obama's statement on July 31, on CBS TV, "He is somebody who is at the end of his career, 80 years old. I'm sure that what he wants is to be able to end his career with dignity, and my hope is that happens." The remark was widely interpreted as a call for Rangel to resign.

Rangel shot back: "Frankly, he hasn't been around long enough to determine what my dignity is." Then he added: "For the next two years, I will be more likely to protect his dignity."

When Rangel asked the audience if they thought he should resign, the crowd interrupted with a thundering "NO!" Then, in another reference to his age, Rangel said, "If it's okay with my doctor, I'm going to serve the next two years."

As he left, the crowd swarmed around him, as he defiantly marched down the center aisle, shaking hands and offering kisses to the women.

### **Florida Cops Raid Homeless Camps: 'Do It to Them, Not to Me'**

Aug. 23 (EIRNS)—A police action in Florida vividly illustrates the national pattern of war against the homeless.

In Port Charlotte, sheriff's deputies drove 50-60 homeless people out of five encampments. The Charlotte County Sheriff's Office announced that 20 jail inmates filled trash containers with 25,000 pounds of "discarded items and trash" after deputies "cleared the people out of the woods."

The raids began Aug. 21, and 15 more camps are targeted.

Charlotte County, on the Gulf of Mexico, is economically devastated.

Angela Hogan, from the local Coalition for the Homeless, told *EIR* that laid-off workers and retirees, having lost their



homes to foreclosure, sometimes moved in with their parents, and their parents were then foreclosed on. She said the Coalition's homeless shelter has had two-thirds more cases this year than last.

Hogan said that homeless advocates won a fight with the County Commissioners earlier this year, defeating a proposed ordinance that would have allowed the sheriff to drive homeless campers off private property without the sheriff having to get the permission of the landowner.

But the county leadership proceeded with the raids anyway, under a trespassing ordinance.

## **Suicide in the Military: It's the War, Stupid**

Aug. 24 (EIRNS)—After eight years of protracted warfare, a Department of Defense task force finally declared what veterans and military health advocates have been saying for years: The stress of repeated deployments has played a major role in the rising rate of suicide in the military. The Department of Defense Task Force on the Prevention of Suicide by Members of the Armed Forces, co-chaired by Maj. Gen. Philip Volpe, commander of the Army's Western Regional Medical Command, and Bonnie Carroll, the director of the Tragedy Assistance Program for Survivors, released its report today, one year after beginning work.

The executive summary of the report states: "The years since 2002 have placed unprecedented demands on our Armed Forces and military families. Military operational requirements have risen significantly, and manning levels across the services remain too low to meet the ever-increasing demand. This current imbalance places strain not only on those deploying, but equally on those who remain in garrison." The task force concluded that "the cumulative effects of all these factors are contributing significantly to the increase in the incidence of suicide and without effective action will persist well beyond the duration of the current operations and deployments." The task force also found "that multiple deployments and long deployments have taken a toll on the force and its families, eroding the well-being (fitness) and resilience of the force."

The report includes 76 recommendations concerning military leadership, wellness, and training, delivery of care, and investigations and research, with the intent of developing a comprehensive suicide-prevention policy within the Department of Defense.

## **Ibero-American News Digest**

### **Upending Tony Blair's Plans for Colombia**

### **NASA Is Ready To Help Trapped Miners in Chile**

### **Barenboim Returns To Argentina To Celebrate Anniversary of His First Concert**

## **Upending Tony Blair's Plans for Colombia**

Aug. 30 (EIRNS)—In Colombia, a national debate on infrastructure has been unleashed by the surprise Congressional testimony of Cabinet ministers of the new Santos government, in favor of building a metro for Bogotá.

President Juan Manuel Santos took office on Aug. 7, and the furor began on Aug. 24, during Senate hearings on the long-



fought plans to build a metro for Colombia's capital, where more than 7 million people scramble for transportation. Several high-level officials of the Santos government testified in favor of the metro in the debate, but the shocker came when the new Finance Minister, Juan Carlos Echeverry, declared that the Santos government was willing to budget money for the project. Echeverry acknowledged that he was on record opposing the project as not financially viable, but declared that, as a Cabinet member, he supports his government's decisions. So the usually monetarist Echeverry was heard attacking opponents' arguments that Bogotá has too many poor people to afford a subway, calling that argument "peculiar."

Bogota Mayor Samuel Moreno, who has championed the metro since he took office in 2008, made the point in that debate that "the metro is a system which moves the greatest number of passengers, in the least time, generating little pollution and a lower accident rate. The metro system is not only a matter of mobility, but the pivot of the transformation of the city.... Building the metro will cost a lot, but not making the decision to do so, will be much more costly."

Support for the metro in the Congress crosses otherwise entrenched political-ideological lines. Ironically, but lawfully, opposition to the metro is now led by Colombia's Green Party.

The Santos government's adoption of the metro as one of its projects is an interesting turn in Colombian matters more broadly. The LaRouche Association of Colombia has long campaigned for the metro, as part of a national high-speed rail grid which would connect to the World Land-Bridge through the Darien Gap, and the Bering Strait Tunnel. Lyndon LaRouche's influence in Colombia is widespread, and now extends high up in the Santos government, which otherwise has strong connections to British imperial hatchetman Tony Blair.

The Colombian case typifies how the reality of the global collapse, combined with LaRouche's unique solution to the crisis, is creating an "all-bets-are-off" political situation, even in areas that the British thought they had under total control.

LaRouche welcomed this news from Colombia, pointing to the urgency of taking up the technological challenge of building a high-speed railroad through the jungle lands of the Darien Gap, which crosses the Panamanian-Colombian border, stating that "the future of Colombia depends, actually, on the role of the Darien Gap. Because that connection is crucial for all South America to North America. And if the new administration in Colombia goes along with this kind of thing, why, we're going to have a merry old time!"

## **NASA Is Ready To Help Trapped Miners in Chile**

Aug. 26 (EIRNS)—NASA experts in human health and performance at the Johnson Space Center in Houston report they have been contacted, through the U.S. State Department, by the government of Chile, to engage their support for 33 miners trapped in the San José mine, in the Atacama desert.

Since it is expected to be months before the miners can be rescued, Chile's Ministry of Health is seeking input from nutritional and other experts at NASA, who are responsible for maintaining the health of astronauts aboard the International Space Station. The Ministry recognizes the similarity of the miners' situations to those of astronauts, and that astronauts eat food specially designed for long-term stays in space.

NASA scientists are already familiar with the Atacama desert's characteristics, as teams of astrobiologists spend time there, studying this region as an analogue to the deserts of Mars.

NASA has been asked to provide "technical advice related to life sciences," and specifically, advice regarding effective psychological support for the trapped men. Over the past 50 years of human space flight, the space agency has had to deal with a broad range of psychological problems in otherwise healthy individuals, during long-duration space flights. One of

the most critical factors, they have found, is trust between the isolated individuals, and those in charge of their fate, and contact with loved ones. One of the most destructive factors is boredom, as is lack of structure.

Mining Minister Laurence Golborne has also consulted with the head of Chile's submarine fleet, who concurs that the men should be kept busy, with periods of work, rest, and recreation. The Ministry is preparing to run electric lines down to the miners, and is discussing the best nutritional approach with Johnson Space Center's space food systems laboratory.

Once communication with the surface was established, the miners have received food, medical supplies, and even a small camera. In a testament to the human spirit, in the first video they sent back from the mine on Aug. 26, the miners sang the Chilean national anthem, and provided a "tour" of how they have organized their space, 2,200 feet below the surface.

## **Barenboim Returns To Argentina To Celebrate Anniversary of His First Concert**

Aug. 24 (EIRNS)—Israeli-Argentine pianist and conductor Daniel Barenboim returned to his birthplace, Buenos Aires, last week to celebrate the 60th anniversary of his first public performance as a pianist, giving free performances of Beethoven's nine symphonies at the historic Teatro Colón with his world-famous West-Eastern Divan Orchestra, composed of Israeli, Palestinian, and Spanish musicians. According to press reports, his free concerts, which also included his playing Beethoven and Schumann piano works, have created what one newspaper called Barenboim-mania among the Argentinian public. The performances have all "sold out" (although no money changed hands), and attracted even those not accustomed to the Classical repertoire, but drawn to the concerts because of Barenboim's popularity.

## **Western European News Digest**

### **Trichet Demands More Austerity, Targets Elderly**

### **Sarkozy Under International Attack**

### **German Inflation Dynamic Worst in Ten Years**

### **German Memo Stresses Benefits of Nuclear Power**

### **GM Accelerates Destruction of Opel**

### **Desertec Threatens Germany for Cash**

## **Trichet Demands More Austerity, Targets Elderly**

Aug. 28 (EIRNS)—Speaking at the confab of world bankers in Jackson Hole, Wyo., European Central Bank president Jean-Claude Trichet said debt must be reduced and that the only way is for governments to slash expenditures. EU governments must slash their budgets to 60% of GDP with "ambitious fiscal consolidation." As an example of how that is feasible, he mentioned six countries that succeeded in past decades: Great Britain, Belgium, Ireland, Spain, the Netherlands, and Finland. But he forgot to say that Britain, Ireland, Spain, and Belgium are today the most bankrupt countries in Europe (Belgium is also being partitioned as a country)!

Trichet, who, at the end of the year will resign and will receive three retirement checks (ECB, Banque de France, and

IMF), called for slashing pensions: "Aging populations and associated increases in spending on health and pensions require that all fiscal authorities allow budgetary room to respond to those substantial future costs.... That implies a continuation along the path of structural reform in product markets, labor markets and financial markets."

## **Sarkozy Under International Attack**

PARIS, Aug. 24 (EIRNS)—Surveying the outrage French President Nicolas Sarkozy is creating with his Vichyite law-and-order ranting and fascistic attacks against the Rom (Gypsy) minority in France, the international community is moving to pressure Sarkozy, through outlets including London's *Financial Times* and the *New York Times*—which have no lessons to teach on those issues.

On Aug. 23, Pope Benedict issued a call, "welcoming all human diversity." The Catholic community in France is telling the media that the Pope was making an indirect reference to Sarkozy.

Yesterday, an article was posted on the website of Mediapart, one of the main offices covering the scandals against the Sarkozy government, which exposed Sarkozy's "berlusconization" (a reference to Italian Prime Minister Silvio Berlusconi, i.e., a turn to the "right"). In France, says author François Bonnet, the question is "Sarkozy, or how to get rid of him. Will the French right wing also have courage to ask this question? That is the unstated agenda of the post-holiday recess."

## **German Inflation Dynamic Worst in Ten Years**

Aug. 27 (EIRNS)—The officially published figure of 1.2% overall inflation for July 2010 (as against July 2009) certainly does not take into account the real economy; there, where imports of raw materials and exports of manufactured goods are involved, inflation is *officially* listed at 9.9%—the highest monthly increase in ten years.

And that figure breaks down to much higher percentages in select categories; iron ore (prices up 65%), steel (up 30%), and coffee (up 30%). German exporters were forced to increase their prices by 4.1% in July 2010 (as against July 2009), therefore, to balance some of the increased imports bill. And that is the highest monthly increase of prices of exported goods in 18 years.

## **German Memo Stresses Benefits of Nuclear Power**

Aug. 28 (EIRNS)—A Cologne University-based team of energy experts has presented an assessment which they worked out under a mandate from the German government, with alternating scenarios for the "energy mix of the future." Their memo is intended to contribute to the discussion about a new national energy strategy between now and 2050, which the government plans to pass this October. The expert team's assessment unfortunately still holds onto the weird outlook that Germany is "on its way towards the era of renewable energies," but it advocates a change in the existing energy law (which presently sets 2021 as the target date for Germany's final exit from nuclear power), to extend the ability of nuclear power plants to be in operation further into the future.

Extending operational licenses for existing power plants by 12 years, the experts calculated, would reduce the energy bill of private households by 4% and help to create new 43,000 jobs in the energy industry; extending the licenses by 20 years would reduce households' energy bill by 7% and create 71,000 new jobs in the energy industry. German Environmental Minister Norbert Röttgen, however, wants an extension by only 8 years at most, and for only some of the 17 existing nuclear power plants that Germany still has.

Public opinion is shifting on nuclear power. An opinion poll just completed by Germany's *Stern* weekly found that while

48% of Germans polled were still for the final exit from nuclear, 45% endorsed extending operational licenses for existing power plants. Among the generally pro-ecologist Social Democratic Party members, 39% supported extending the licenses, and even among the radical ecologist Green Party, 13% favor extending the licenses. This is up from three months ago, when only 39% of the population favored allowing existing nuclear plants to continue operating.

## **GM Accelerates Destruction of Opel**

PARIS, Aug. 23 (EIRNS)—On Aug. 19, trade unions at Opel Antwerp, along with Flemish President Kris Peeters—who has been working to save the Opel production site in Antwerp, Belgium—became furious at GM, when it was discovered that the company had mandated CB Richard Ellis, a real estate broker, to proceed immediately with the sale of the 950,000 square meter production site, a deal estimated at EU75-100 million, which was in violation of the agreements with the Belgian government, and did not take into account any possible rescue of the production site and jobs. Also, the Gemeentelijk Havenbedrijf Antwerpen, the port's legal entity, said it was very surprised by the move, since the Antwerp port has a priority "first refusal" over any private buyer to acquire the strategic site, and GM knows it.

## **Desertec Threatens Germany for Cash**

Aug. 28 (EIRNS)—The German government's national action plan for renewable energies until 2020, published at the beginning of August, does not include support for the crazy Club of Rome brainchild Desertec, a EU400 billion solar-panel project in the North African desert. This has prompted Paul van Son, the head of the project's planning agency DII, to write an alarmist letter to the three Cabinet ministers of Economics, Environmental Protection, and the Chancellory.

The letter warns that "Germany could lose economic opportunities" if the government does not promote the project with more force, such as giving it a prominent role in the new national energy policy outline between now and 2050 which Chancellor Angela Merkel wants to present during September. So far, no such role is defined in the draft outline, and Desertec fears a collapse of its plans without the government's financial support.

In his letter, van Son warns that absent German government support, the recently established French industrial group Transgreen would press ahead and secure the big deals for France, whereas German companies would be cut off from the alleged "benefits." (See InDepth for more on Desertec.)

## **Russia and the CIS News Digest**

### **Bering Strait Great Project on the Agenda This Year**

### **Putin Underlines Importance Of Siberia**

### **Russia Moves Ahead with Fast Breeder Reactors**

## **Bering Strait Great Project on the Agenda This Year**

Aug. 24 (EIRNS)—The Bering Strait tunnel project will be on the agenda of the November G20 summit in South Korea, Russian Federation Council member Aslambek Aslakhanov told Novosti in a live interview aired yesterday on the agency's English service. The G20 will be hosted by South Korea this year, he noted, and "as far as we know, our South Korean colleagues will put this project on the agenda." Aslakhanov, who was an advisor to Vladimir Putin as President, and geography expert Alexander Bgatov emphasized the critical role of the project for the industrial development of the

entire region, by linking four continents.

Lyndon LaRouche, the world's leading proponent of this great infrastructure project, on Aug. 9, spoke of its worldwide significance. To deal with such crises as the recent drought in Russia, LaRouche said, there must be close collaboration between the United States and Russia, and other nations. "NAWAPA, a terraforming project which will open the way toward realization of the Bering Strait project linking the Americas and Eurasia, is a key ingredient in that."

Aslakhanov, who represents the Siberian region of Omsk, said that in the Russian government, "the overall attitude is positive" to the Bering Strait tunnel project. "One main advantage," he said, "will be creation of hundreds of thousands of new jobs," as well as the "opportunity to build new houses, whole new communities, and develop industry and the whole region." It will also provide access to new mineral projects.

In 1997, the Russian government had held a conference, where it was agreed to actively pursue the project. But "political change" got in the way, Aslakhanov said. It is now back on the agenda. "We need to show the political will to translate the project into reality," he said.

There is opposition: Some economists doubt the economic viability of the project, he said, "but they are too young to see the big picture; they only consider the project as such, without thinking about the industrial and regional development the project could bring." Most of the leading Russian and foreign economists and experts believe the project is "very promising." It would take 10-12 years to complete, and pay for itself in another 10-12 years. Claims that it will be a net loss are "incomprehensible," Aslakhanov said, since the tunnel "would connect four continents and would spur the development of several regions in this country." Many countries are interested in building the project, and the prospect of earning solid dividends from it.

Bgatov pointed out that construction of the tunnel was prevented over 100 years ago, first by the Russo-Japanese War, and then by the 1917 revolution, and other events. In the 1990s, he said, specialists from the U.S.A., Russia, and the U.K. set up a non-profit corporation to study the project, and this group concluded that it had been known since 1902, that the project was feasible. They have already done many studies of the technological background.

The project concept has gone beyond a railroad tunnel to the "construction of a major transport route," with high-speed electric trains, an eight-lane highway, power lines, oil and gas pipelines, fiber optics, and other infrastructure. The major impact, Bgatov said, will not be the railroad itself, but "the project's influence on the development of the regions through which it will pass. We cannot even calculate what that will be," he said, but it will be "enormous." Economists claimed that the Trans-Siberian Railroad would not pay for itself, but it did so in only six years! Beyond that, it made Russia a continental nation: "Without the Trans-Siberian, our borders would be very different today," Bgatov said.

## **Putin Underlines Importance Of Siberia**

Aug. 24 (EIRNS)—While President Obama wallows in the rain puddles at Martha's Vineyard, Russian Premier Vladimir Putin has been travelling in Siberia and the Russian Far East. He visited researchers at the Tiksis Arctic Observatory, which concentrates on the study of the permafrost, and the nature preserve at Ust-Lenski, where he spoke with members of a Russian-German scientific expedition, Lena-2010, who are also investigating changes in the permafrost due to the fluctuations in the climate at the rich Lena delta on the Laptev Sea. "We are planning to develop in the direction of Eastern Siberia," Putin said, "developing here the economy and production, and your findings will help us determine the optimal method for that development." Putin praised the international scientific cooperation in investigating the resources of the Far East, and promised the researchers better working and living facilities (they are still living in tents). He also participated in drilling in the permafrost.

Putin spoke about the exploitation of new oil and gas reserves in eastern Siberia, but also underlined the importance of the mineral deposits of the region. He indicated that without the development of infrastructure, these resources could never be utilized. He stressed the role of the construction in Vladivostok of a major center as the site of the 2012 APEC (Asia-Pacific Economic Cooperation) meeting, after which the APEC facilities will be transformed into a new university for the Far Eastern region.

Putin also underlined the importance of the final construction of a highway between Chita and Khabarovsk, calling it an historic development. Although there has long been a railroad going through Russia, there has been no highway. He also underlined the significance of the establishment of a new space launch facility in the Far East, Cosmodrome Vostochny. Later he travelled to Kamchatka, travelling on a fishing trawler in the area, underlining the need for providing better facilities for the fishing fleet in the region.

## **Russia Moves Ahead with Fast Breeder Reactors**

Aug. 27 (EIRNS)—Some of the 26 reactors that Rosatom, Russia's state nuclear corporation, plans to build before 2030, will use the Fast Reactor technology, corporation spokesman Sergei Novikov said. According to the corporation's outlook, it will completely phase out the current, third-generation equipment by the start of next century.

On one hand, Rosatom's plan to commercialize the fast breeder reactor stems from the fact, Novikov said, that the world is set to run out of affordable uranium in about 12 years, given the plans by Russia, China, India, and other countries to build more reactors. "If all the plans ... are implemented—and they are getting to it so far—the market will have a shortage both of uranium and the facilities for its enrichment," he said. Uranium has already shot up in price from at least \$7/pound in 2005, to \$60/pound as of June 30, Novikov said. Beyond the depletion of uranium, the fast breeder reactor achieves what industry insiders call a closed fuel cycle, the ability to use by-products from one nuclear reaction as fuel for another, allowing for a spectacular expansion of fuel reserves. It usually uses mixed oxide fuel made up of about 20% plutonium and 80% non-enriched uranium that transmutes into more plutonium as it burns.

In addition to a better fuel situation, the fast breeder reactor produces waste that is much safer to store, because half of its radioactivity dissipates over 30 to 40 years. In contrast, waste from current nuclear reactors can take more than 25,000 years to decay.

## **Southwest Asia News Digest**

### **Blair Sides with Netanyahu Against Quartet at Peace Talks**

### **Egypt Moves on Nuclear Power Plant**

### **U.S. State Department: Iran Nuclear Plant Not a Risk**

## **Blair Sides with Netanyahu Against Quartet at Peace Talks**

Aug. 26 (EIRNS)—Against the wishes of Secretary of State Hillary Clinton and her Special Mideast Envoy George Mitchell, President Obama invited "Quartet Representative" Tony Blair to the Sept. 1 opening dinner of the direct talks between Palestinian President Mahmoud Abbas and Israeli Prime Minister and British puppet Benjamin Netanyahu.

In the run-up to the talks, Blair, who has been hyperactive in the region over the last week, sided with Netanyahu in saying that there should be "no pre-conditions" and that the previous near-peace agreements be discarded as applicable. In contrast, the Quartet, which Blair ostensibly represents, issued a statement from its pre-direct negotiations in Moscow with Russian Foreign Minister Sergei Lavrov and Secretary Clinton, calling for the talks to be based on a freeze of settlements, and a guaranteed withdrawal to the pre-1967 War borders. Whereas Netanyahu only accepted Clinton's invitation to the talks based on a "no-pre-conditions" formula, the Palestinians only accepted an invitation based on the Quartet statement.

Now, Netanyahu and hardliner Foreign Minister Avigdor Lieberman have stated that they cannot divide Jerusalem under pre-1967 borders—i.e., so that East Jerusalem can be capital to a Palestinian State—and they cannot turn the moratorium on the settler crazies into a permanent freeze, or Netanyahu's right-wing coalition government will fall. Meanwhile, President Abbas has said that if there is not a settlement freeze, he will break off direct talks.

While using the position of "Quartet Representative" to fatten his fortunes in one conflict-of-interest after another, Blair has performed next to nothing of his main Quartet assignment, namely, developing the West Bank and Gaza Strip for statehood. In the West Bank he takes a tourist-oriented "bottom up" approach to the economy, and in the Gaza Strip, he has refused to fight Netanyahu's deliberate policy of keeping the general population near starvation after "Operation Cast Lead" targetted civilian food production, businesses, and a smattering of infrastructure.

## **Egypt Moves on Nuclear Power Plant**

Aug. 26 (EIRNS)—The start-up of the Bushehr nuclear power reactor in Iran, the first in all of the Middle East and North Africa, has created momentum for pushing forward reactor projects that have been on the drawing boards for years. Yesterday, Hassan Nasrallah, leader of the Lebanese Hezbollah, called for Lebanon to build a nuclear reactor, and Egyptian President Hosni Mubarak announced plans to start building the country's first nuclear power plant, naming a site on the Mediterranean coast.

Mubarak's announcement marks a major breakthrough. The site is at El Dabaa, which was first considered for a nuclear power reactor back in the 1970s. Work on building the infrastructure for a proposed French reactor was begun in the 1980s, but the project collapsed for lack of financing. Since then, the tourist tycoons have been fighting to build hotels there. Now the government has won the fight, after a decision by the Supreme Council of Nuclear Energy, in consultation with Mubarak. Presidential spokesman Suleiman Awad is quoted by AP as saying that studies by the UN International Atomic Energy Agency have demonstrated that El Dabaa is the best site for reactors.

Egypt's Minister of Electricity Hassan Younis said the decision is meant to prioritize the project. He added that bid proposals for the plant's construction will be opened by the end of the year.

In Lebanon, in a speech televised over Hezbollah's Al Manar TV station on Aug. 24, Nasrallah called on the nation to build a nuclear power reactor. "The cost of building the Bushehr reactor was less than Lebanon's investment in the electricity network. I call on the government to build a nuclear reactor to generate electricity, and then we can also sell energy to Syria, Cyprus, and other countries in the region," he said.

All the countries in the region want nuclear power stations. The United Arab Emirates has recently signed a contract for nuclear cooperation with South Korea to build four reactors. Jordan, Algeria, Morocco, and Sudan have all announced plans for developing nuclear energy, over the last year.

## **U.S. State Department: Iran Nuclear Plant Not a Risk**



Aug. 26 (EIRNS)—When State Department spokesman P.J. Crowley put out the statement on Aug. 21, that Iran's first operational nuclear plant was not seen as a risk for the creation of nuclear weapons, it reflected intense negotiations between the U.S. national security team and Russia, commented high-level U.S. intelligence sources. Crowley stated: "Bushehr is designed to provide electricity to Iran. It is not viewed as a proliferation risk, because Russia is providing the needed fuel and taking back the spent nuclear fuel, which is the principal source of potential proliferation."

At the same time, these sources report, the leading Israeli pushers of the British Empire's war against Iran—Prime Minister Benjamin Netanyahu and Foreign Minister Avigdor Lieberman—were warned by Russian officials at the highest level that the Bushehr plan was under Russian supervision.

But as Lyndon LaRouche emphasized in an LPAC release on Aug. 16, the real source of the war danger is the British hysteria over the total collapse of the global dollar/sterling financial system. The British, he warned, can trigger an attack on Iran by Israel, utilizing their imperial control over key regional assets, including both the Jabotinsky apparatus in Israel and factions of the Saudi royal family.

There is no question that British assets inside the U.S. continue to demand war through their propaganda outlets, which include the *Weekly Standard* (July 26 cover story, "Should Israel Bomb Iran? Better Safe than Sorry"), the *Atlantic Monthly*, and neocon John Bolton's mouth, which had been flapping on Israeli Radio for a preemptive strike even before Bushehr went on line.

## Asia News Digest

### Japan Is Developing a Nuclear Reactor With an 80-Year Lifetime

### British Campaign To Partition Afghanistan Attacked

### Malaysian LaRouche Rep Addresses the Nuclear Power Forum

### Floods in China: A Thousand-Year Challenge

## Japan Is Developing a Nuclear Reactor With an 80-Year Lifetime

Aug. 27 (EIRNS)—The Japanese government is now engaged with the Toshiba Corp. and Mitsubishi Heavy Industries Ltd. to develop the next generation light-water nuclear reactor. The key features of this joint project are the reactor's long lifespan of 80 years and high-power capacity. This lifespan is comparable to that planned for the first-generation thorium reactors, and will have an almost 50% larger power-generation capacity than the largest reactors built today. The reactors will take less than 30 months to build, according to the report. The project was undertaken after a two-year feasibility study, and the basic design of the reactors is expected to be completed by 2015.

Takanori Tanaka, executive director of the Institute of Applied Energy (IAE), who oversaw the two-year feasibility study, said on Aug. 17, that it is viable to develop an advanced boiling water reactor or pressurized water reactor that has the world's highest utilization rate—97% over an 80-year life—by using uranium more highly enriched than is currently used. This would also reduce the amount of fuel used.

Toshiba, Mitsubishi, and Hitachi GE Nuclear Energy Ltd. (Hitachi's nuclear unit), have worked together to develop two

varieties of the 1,700- to 1,800-megawatt light-water type of reactors—boiling-water reactors and pressurized-water reactors.

Japan is targeting sales to the U.S., Europe, as well as at home, where a total of 270 reactors are expected to be replaced by 2050, after reaching 60 years in use, according to the report. Japan is also hoping to meet growing demand of nuclear reactors in Asia.

## **British Campaign To Partition Afghanistan Attacked**

Aug. 26 (EIRNS)—Attacking the recent Britain-led cacophony for partitioning Afghanistan, as the way out for the U.S. and NATO troops, Ehsan Azari Stanizai, an Adjunct Fellow with the Writing & Society Research Group, University of Western Sydney, said the reality is that these scholar-officials have a run-of-the-mill local knowledge. They perceive Afghanistan still in terms of Afghanism—the American newsroom argot of the 1960s, which was used as a metaphor for a faraway, obscure, and negligible place or situation.

Stanizai, of Afghan origin, cites neocon Robert Blackwell, former U.S. Ambassador to India, and a Presidential envoy to Iraq during the George W. Bush Administration, as the first to call for partition, in his article in Politico Online on July 7. Subsequently, the article was favorably echoed by the London *Financial Times*, *Newsweek*, the *Washington Times*, and the *Economist*.

The *Economist* on July 22, reported a former UN and EU envoy to Kabul, Francesc Vendrell, saying that the approaching September parliamentary elections in Afghanistan could play as a mechanism by which "the south is handed over to the Taliban and the north to Uzbek, Hazara and Tajik warlords." Moreover, in an essay coauthored Stephen Biddle, Fotini Christia, and J. Alexander Thier, *Foreign Affairs* (July/August 2010) advises that the division of Afghanistan along ethnic lines is the best option for the U.S. to implement its core security interests. The authors conclude that a "mixed sovereignty," not the present policy of centralized democracy will place the country on a path towards stability.

Stanizai, ridiculing the ignorant scholar-officials, pointed out that Afghanistan is indeed an ethnic mosaic. Except for 2 or 3 out of 33 provinces of the country, you can hardly find a place identified with one ethnic identity. Separatism has never been an issue of concern in Afghanistan. During Afghanistan's civil war in the early 1990s, when a fierce internal competition for control of Kabul was raging, no ethnic group and no warlord ever called for partition.

## **Malaysian LaRouche Rep Addresses the Nuclear Power Forum**

Aug. 23 (EIRNS)—Mohd Peter Davis, a LaRouche ally in Malaysia, was invited to address a meeting of the International Movement for a Just World (JUST) by its founder Dr. Chandra Muzaffar on Aug. 22. JUST is a "Third Worldist" organization which has on occasion published material by Lyndon and Helga LaRouche. The venue was to be a debate on nuclear power, but Davis took the opportunity to go far beyond the nuclear issue, briefing the 30 senior members of the organization on the global financial breakdown, LaRouche's fight for Glass-Steagall, a Four Power agreement, and a global infrastructure-based recovery from the current threat of a British-orchestrated dark age and global depopulation. Even the "anti-nuclear" spokesman at the event essentially agreed with everything Davis said.

A private meeting between Davis and Dr. Chandra afterwards focussed on Franklin Roosevelt and LaRouche. Chandra, who, like FDR, suffered from paralytic polio as a child, holds FDR and his rebuilding of America during the Depression as a model for a just world, and expressed his long-standing support for LaRouche's plan for global infrastructure development as a pre-condition for world peace. Davis proposed that now is the time for unity around LaRouche's plan, and looks forward to further cooperation.

## Floods in China: A Thousand-Year Challenge

Aug. 24 (EIRNS)—During this Summer's rainy season, China has been hit with the worst national flood disaster since 1998, which, overall, has killed at least 2,000 people, displaced, for some periods at least, hundreds of thousands, and done major damage to crops, homes, and industry. As in 1998, the floods are inundating central and northeast China, as well as the normally wet South. Water management is possibly the most serious economic challenge China has to face. Despite big resources, per capita, China is a severely water-deficit nation, which affects not only agriculture, but also urbanization and industry. Extreme rainfall, as has occurred this Summer, as well as frequent periods of serious drought, are exacerbated by long-term development problems, including thousands of years of intense cultivation, deforestation, and urbanization.

China is now building a huge national water-management program, with the purpose of actually changing the national climate. This includes the Three Gorges Dam *system*, which will include not only the dam, but also four additional dams upstream, to increase flood control capability in the Yangtze basin—home to some 400 million people. For comparison, floods in the Yangtze Valley alone killed over 140,000 people as recently as 1931 and 1935.

The second large-scale Chinese water-management infrastructure now under construction is the Move South Water North project, begun in 2002. This is a NAWAPA-scale undertaking, which will ultimately create two 1,000-km-long man-made rivers, and a series of reservoirs, tunnels, and canals, to carry 8 trillion gallons of water from the water-rich Yangtze basin to the parched northern plain. The first river should be completed by 2011; the second by 2014. A third project would take water from the headwaters of the Yangtze—like all of East and South Asia's great rivers, on the Tibetan plateau—to the northern Yellow River. This will require more planning.

China also has a serious re-forestation program, but this is badly hampered, especially in the north and northwest, by the lack of water resources.

## Africa News Digest

- [Chinese Interests To Invest Billions in Mozambique](#)

### Chinese Interests To Invest Billions in Mozambique

Aug. 28 (EIRNS)—In stark contrast to the IMF/World Bank austerity-based structural adjustment approach followed by Western industrial nations, Chinese interests are set to invest \$13 billion in Mozambique, according to an Angola News Agency release. This was announced by a delegation of Chinese business people from Shanghai in Maputo on Aug. 26. The investments are to be for a number of projects in Mozambique over the next five years.

Two memoranda of understanding (MoU) were signed by the Mozambique government and the Chinese investors, thus laying the basis for the implantation of these projects.

The MoUs were signed by Mozambique Planning and Development Minister Aiuba Cuereneia and the head of the Chinese delegation, Cao Hongru.

An industrial park and a car assembly plant are included in the projects, which are to be built in Catembe municipality across the Maputo Bay from the capital.

Speaking at the signing ceremony, Cao said that "these two memoranda are the result of the visit of the Mozambican Prime Minister, Aires Ali, to China last June, when he invited Chinese businesspeople to invest in Mozambique".

According to the release, Cao Hongru is also the chairman of the board of the China Tong Jian Investment company in Shanghai.

Cao also noted that the Chinese business people are prepared to immediately invest \$1 billion, and establish direct flights linking Maputo and Shanghai to boost trade and tourism between the two countries.

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