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Our U.S.A., Our Traitors & Today's Roman Empire:
The Crucial Atlantic Triangle
by Lyndon H. LaRouche, Jr.

January 24, 2011—In February 1763, in the Peace of Paris, the future U.S.A. was divided between the Liberal faction of the British East India Company and the American patriots. Since the period from the February 1763 "Peace of Paris" to the United States' victory at Yorktown, that division has existed to the present day, as between the American patriots and the "party of treason," that of the so-called "Tories" of the British East India Company faction in North America. This division, as it has been described by Anton Chaitkin's *Treason in America*, has been the continuing quarrel between our patriots and what is regarded as of such offshoots of the British East India Company as the Wall Street gang associated with the legacy of the traitor Aaron Burr's founding of the Bank of Manhattan. So, Burr had remained a British agent against the United States, and associated with the name of "Wall Street." U.S. Presidents such as Richard M. Nixon, George H.W. Bush, George W. Bush, Jr., and Barack Obama, are merely typical of that same, Wall Street-to-London "party of treason" which has been, still lately, the agents of influence of the British empire's interest inside the financial centers and government of our United States...

Separate In-Depth articles from
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(Suitable for emailing, printing and other organizing purposes.)
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This Week's Cover

- **Our U.S.A., Our Traitors & Today's British Empire:**
The Crucial Atlantic Triangle
by Lyndon H. LaRouche, Jr.

In February 1763, in the Peace of Paris, the future U.S.A. was divided between the Liberal faction of the British East India Company and the American patriots. Since 1763, to the American victory at Yorktown, that division has existed to the present day, as between the American patriots and the 'party of treason,' that of the so-called 'Tories' of the British East India Company faction in North America. Now with the release of the Angelides Commission report, LaRouche's 40-year record of economic forecasts, and proposed remedies, have been fully demonstrated to have been correct. As LaRouche writes: 'The current report of Philip Angelides' Federal Financial Crisis Inquiry Commission, has become virtually a map of the history of those confirmed economic forecasts of crisis-points, and their neglected, but prescribed remedies, for the U.S. economy which I had delivered over the three recent decades, which are now to be added to similarly confirmed, earlier forecasts dating since August 1956.'

- **The Angelides Report Tells the Truth:**
LaRouche Was Right! Glass-Steagall Now!

What LaRouche said; what the Angelides report says; what the 'experts' had to say; and, what really happened.

Strategic Studies

- **How Can Europe Be Saved?**

LaRouche writes that the nations of Europe, including those of the British Isles, now sinking under the weight of the British/Euro empire, can be saved, if they adopt 'the great principle of a credit system,' modeled on a Hamiltonian reform, as embodied in FDR's 1933 GlassSteagall Act.

- **Is Europe Breaking Up?**

Youth Need a Vision for the Future!

by Helga-Zepp LaRouche.

The escalation of violent confrontations in Egypt and the growing protests in North Africa, Yemen, Syria, Jordan, and India, are but regional manifestations of the ongoing collapse of the global financial system.

- **BüSo Party Congress:**

LaRouche Movement Launches Campaign for Germany

A report on the Jan. 29 congress of the Berlin branch of the Civil Rights Solidarity Movement (BüSo), the party of the LaRouche movement in Germany.

International

- **The Global Truth About the 'Egypt' Crisis**

Since the beginning of the demonstrations in Cairo, Alexandria, and other Egyptian cities on Jan. 25, Lyndon LaRouche has been emphasizing that the so-called 'Egypt crisis' cannot be understood, unless situated in the context of a global disintegration of the entire financial system, which is creating impossible conditions throughout much of the planet, starting in the trans-Atlantic region.

- **Can President Karzai Undo Washington-London-Riyadh Afghan Plan?**

Afghan President Karzai is now replacing the Taliban as the number one enemy of the Washington-London-Riyadh nexus in Afghanistan. We present the evidence.

- **Can the Philippines Be Saved?**

- **Space Technology Can Transform Africa**

- **Interview:**

Dr. Mohamed Argoun:

Space Technologies To Develop Africa

Dr. Argoun is the former director of the space program of Egypt, the National Authority for Remote Sensing and Space Sciences (NARSS).

National

- **LaRouche Candidates Confront States with Angelides Report**

The Angelides Report has provided thorough affirmation of what Lyndon LaRouche has said for decades about how the elimination of Glass-Steagall, and the promotion of derivatives, created the current economic-financial breakdown crisis. Now, any decision by legislators to carry out murderous budget cuts is a criminal act of stupidity. This is the message the six LaRouche Democratic Congressional candidates are taking to state legislatures around the country.

Science

- **New Evidence for a Non-Particle View of Life**

France's leading virologist, Luc Montagnier, has brought forth remarkable new evidence for a non-particle view of life. The emission of low-frequency electromagnetic waves from bacterial DNA sequences, and the apparent ability of these waves to organize nucleotides (the raw material of DNA) into new bacterial DNA, by mediation of structures within water, are among the important results reported to date.

Editorial

- **The United States, Or Obama**

This Week's News

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U.S. Economic/Financial News

Barofsky Calls Biggest Banks a 'Recipe for Disaster' Unless Broken Up

Behind Closed Doors, Bernanke Admits: 'Worst Financial Crisis in History'

The Abandoned Millions of Unemployed

Blackouts Freeze Texans, Fill Pockets of Speculators

Barofsky Calls Biggest Banks a 'Recipe for Disaster' Unless Broken Up

Feb. 1 (EIRNS)—In his report released to Congress Jan. 26, the day before the Angelides Commission (FCIC) report, TARP bailout inspector-general Neil Barofsky advised that the 12 to 13 biggest U.S.-based banks be broken up, calling their continued operations as commercial bank/investment bank/securities conglomerates a "recipe for disaster." Barofsky's report did not explicitly call for restoration of the Glass-Steagall Act, but he said that without "some other effective regime" for breaking these banks up and reorganizing them, they will produce "a doomsday cycle" of collapse and huge bailouts.

Barofsky's testimony was attended by only a handful of members of Rep. Darrell Issa's (R-Calif.) Government Oversight

Committee, and Issa asked him just one question about "Too Big To Fail" (TBTF) banks, referencing Bank of America. But Barofsky's report, which focuses on the past and future bailouts of Citigroup, has the same warning as does the Angelides Commission report: If those measures necessary to reorganize banking and prevent global monetary collapse are not taken, the consequences will be disastrous. This requires immediate Glass-Steagall restoration.

The SIGTARP report says in effect, that the Bush and Obama administrations have created a dozen Fannie Mae and Freddie Mac monster financial institutions, all with virtually explicit guarantee of bailout under any collapse circumstances, all the borrowing and leverage advantages which go with that, and which are too overextended and complicated to be managed. It cites the fact that Standard & Poors now states that it takes the implicit "TBTF" government bailout guarantee into account in rating the credit and securities of banks "throughout the cycle and not just during a crisis."

As to the solution, Barofsky's report discusses the Dodd-Frank Act's so-called "resolution authority," which is supposed to head off the collapse too-big-to-fail banks and non-banks; it cites FDIC head Sheila Bair's position, that the Fed and FDIC can compel break-up of these institutions without waiting for a "crisis." But Barofsky also cites Kansas City Fed President Thomas Hoenig, who is calling for "re-establishing Glass-Steagall."

Treasury Secretary Tim Geithner, interviewed by Barofsky's office about TARP on Dec. 16, admitted that, "in the future we may have to do exceptional things again," referring to huge bailouts. Barofsky concludes that unless "some effective regime" to reorganize the big banks is implemented, "the cost of TARP will remain unknown until the next financial crisis occurs," because the bailout guarantee for TBTF institutions is open-ended.

Behind Closed Doors, Bernanke Admits: 'Worst Financial Crisis in History'

Jan. 30 (EIRNS)—Admitting what only Lyndon LaRouche has had the guts to say publicly, Federal Reserve chairman Ben Bernanke stated the following in a closed session, as reported in the Angelides Commission report, Chapter 20, titled, "Ben Bernanke, closed-door session with FCIC, November 17, 2009."

"As a scholar of the Great Depression, I honestly believe that September and October of 2008 was the worst financial crisis in global history, including the Great Depression." Bernanke explained: "If you look at the firms that came under pressure in that period ... only one ... was not at serious risk of failure.... So out of maybe the 13, 13 of the most important financial institutions in the United States, 12 were at risk of a failure within a week or two."

If this wasn't just an excuse for ramming through the bailout, it shows Bernanke was even more of a witting criminal, in acting to sacrifice the U.S. population to a failed bankrupt system.

The Abandoned Millions of Unemployed

Feb. 5 (EIRNS)—Real people pay the price for the fraud of the Obama Administration's unemployment statistics, what Lyndon LaRouche denounced, yesterday, as the "symbolic decapitation of the labor force." This cost is dramatized in two articles posted yesterday on two progressive websites. Dave Johnson, a blogger for the Campaign for America's Future, wrote of his astonishment that almost no one is covering the plight of the "99ers," those who have been unemployed for longer than 99 weeks, and have exhausted their unemployment benefits. "The long-term unemployed are forgotten, a nuisance," he writes, and each month "another several hundred thousand people drop into the void." He notes that the 99ers are more likely to be older Americans and yet "the deficit cutters, just back from passing more tax cuts for the wealthy, are saying we need to cut Social Security and raise the retirement age."

Another article, by Lila Shapiro, posted on the *Huffington Post* website, discusses another, but possibly overlapping group

of unemployed, those who are no longer even counted by the Bureau of Labor Statistics, which Shapiro puts at 4.9 million, workers who she says "have effectively gone missing." She quotes from a number of economists who are trying to figure out what has happened to these people; one goes after the fraud in the Obama Administration's unemployment reports. "You could solve the 'unemployment problem' tomorrow if all fourteen and a half million [unemployed] workers just said 'I give up. I don't want a job anymore,'" said Carl Van Horn, a labor economist at Rutgers University who has studied the phenomenon of the long term unemployed. Van Horn was referring to the Bureau of Labor Statistics' practice of massaging the unemployment rate, by dropping people out of the labor force.

Shapiro adds to the picture by citing a number of cases of highly qualified older workers who were unable to find new jobs after getting laid off. One of these, a man of 65 who believes he still has another 20 good years left in him, says, "There seems to be this unspoken hope that people like me will just sort of disappear."

Blackouts Freeze Texans, Fill Pockets of Speculators

HOUSTON, Feb. 2 (EIRNS)—Texas was hit by rolling power blackouts on Feb. 2, as temperatures dipped below freezing. The Electric Reliability Council of Texas (ERCOT) announced that the cold weather led to the shutdown of 8% of the state's power production, with generators which produce 7,000 megawatt hours closed down. To protect the whole state system, ERCOT initiated rolling blackouts in the morning, and warned that it might be forced to continue blacking out areas of the state tonight and tomorrow. It is reported that "electricity traders," i.e., speculators, were charging \$2,000 per mwh, when the average price is \$50/mwh. It was also reported tonight that Texas is importing electricity from Mexico!

Foolish Texans have been bragging for years that they had cleverly made sure that the state would have enough power, with the construction of natural gas plants in the last decade. However, there have been no new nuclear plants, and there is a lack of redundancy, for crises such as this, when the temperature uncharacteristically drops below freezing for several days. Further, using the "Enron model" of electricity trading, the speculators are taking advantage. Included among the areas of the state affected by the rolling blackouts, were many sectors of Houston, the nation's third-largest city, and areas immediately around Austin, the state capital.

Global Economic News

At Davos, Bankers Dream of Dictatorship

Goldman Sachs Tells Germans To Pay for Bailouts

If Europe Accepts Brutal Austerity, Germany Will Provide Bailouts

At Davos, Bankers Dream of Dictatorship

Jan. 30 (EIRNS)—The bankers at this year's Davos, Switzerland World Economic Forum (Jan. 26-29) were back to dreaming of running their world dictatorship, according to Liam Halligan in the Jan. 29 London *Daily Telegraph*. As the summit closed, Halligan reported, executives from JP Morgan, Barclays, and Cr dit Suisse, among others, summoned a meeting of Western finance ministers and other officials, to tell them to "lay off" the bankers. Their best pupil was, not surprisingly, U.K. Chancellor of the Exchequer George Osborne.

Halligan reports that the bankers were busy at Davos, getting rid of every threat for more regulation. The new Basel rules for higher capital requirements have been totally diluted. And U.S. regulators have dropped new accounting rules that

would have required marking their asset "to market," thereby restoring "their official licence to cook their books."

Meanwhile, Halligan reports, the banks continue to expand, with the top 10 U.K. banks' balance sheets totalling 460% of national income and the entire sector accounting for five times GDP. This dwarfs U.S. banking indebtedness, which is only 100% GDP. Halligan is actually in favor of a Glass-Steagall-style reform in light of this situation, separating investment and commercial banking. But he doesn't expect it to come any time soon.

Goldman Sachs Tells Germans To Pay for Bailouts

Feb. 4 (EIRNS)—The German taxpayer will have to bleed, Alexander Dibelius, CEO of Goldman Sachs in Germany, stated bluntly in an interview today with *Bild Zeitung*, Germany's leading mass-circulation daily. "We must not forget that Germany has so far profited much more from the euro than the debt crisis has cost it. The benefits are so enormous, Germany is so strong today, that it could almost theoretically afford a restructuring of Greece on its own."

And the bailout of Greece is crucial, Dibelius explained, because "even though Greece generated just 2% of Europe's total economic output, it has become a symbol for the euro-debt crisis and therefore could not be allowed to fail.... It must not get to a situation in which a great currency system fails." And the euro must not fail, he added, because Germany needs it to compete with the "new rising powers," China, India, and Brazil.

Apart from outing himself as a propagandist for the BRIC (the Brazil, Russia, India, China combination being promoted by the Rothschilds' Inter-Alpha Group of banks), Dibelius's taking to the press on the issue a few hours before a European Union summit in Brussels, is of special relevance, because he is generally attributed with the role of a crucial door-opener in 2005, when German industry was still skeptical about Angela Merkel's capabilities as future Chancellor. Dibelius convinced the skeptics that Merkel was the best choice to replace Gerhard Schröder, later in 2005. Dibelius has special political leverage on Merkel, therefore.

If Europe Accepts Brutal Austerity, Germany Will Provide Bailouts

Feb. 4 (EIRNS)—The first reports from the European Union summit in Brussels today, spoke of the Franco-German position prevailing there, implying that the two countries and a couple of others in Europe that still have an AAA credit rating, will step in for the more troubled countries and increase their own guarantees for the Eurozone banking rescue fund EFSF. That may imply a doubling (!) of guarantees that Germany alone would supply, from the present volume of EU123 billion euros.

The price that the troubled countries that need a bailout would pay, is a whole set of new and more brutal austerity measures: limits on debt levels written into national laws, a higher retirement age, the abolition of indexing of wages to inflation, and a minimum corporate tax rate. Details will have to be worked out for the March 25 EU summit.

Initially, the smaller countries of the EU revolted against the whole idea, but they were apparently blackmailed into accepting it. The main blackmail, however, is the one that drove Germany into making this idiotic and suicidal proposal in the first place.

United States News Digest

Congressional Battle Expected Over Angelides Report

Former Boston Official Cites 'Frühmenschen' in His Conviction

HHS to Governors: Use Obamacare To Cut Medicaid Benefits

Republicans Push for Deal with Obama on Catfood Commission Diktats

Obamacare Promotes Medicare Cuts in 2012

Congressional Battle Expected Over Angelides Report

Feb. 2 (EIRNS)—Three Republican House committee chairmen have launched an attack on the Financial Crisis Inquiry Commission (FCIC), or Angelides Commission, whose new report just showed how right economist Lyndon LaRouche was, in insisting that the 2007-08 financial/economic collapse was foreseeable and preventable, and publicizing the measures to prevent it (see InDepth).

The FCIC's full budget and spending records, staff records, and over 400,000 internal e-mails have been demanded, with subpoena threats from Rep. Darrell Issa (R-Calif.), chairman of the Government Oversight and Reform Committee; Financial Services Committee chairman Rep. Spencer Bachus (R-Ala.); and Banking subcommittee chairman Patrick McHenry (R-N.C.). In a letter of demand to FCIC chairman Philip Angelides, the three essentially charged that it was the Commission's fault that four of its Republican members had to write "dissents," defending Wall Street, and specifically denying that the repeal of FDR's Glass-Steagall Act led to the 2007-08 crash.

The Republican Congressional attack is sure to draw more attention to the crucial FCIC report, between now and when Angelides testifies to Bachus's committee on Feb. 16. Several blistering attacks on the "dissenting" Republican-appointed commissioners were published today, including one by Rep. Brad Miller (N.C.), a leading Democrat on that committee. Former Federal bank regulator Prof. William Black, in a contribution to *Mortgage Investor* newsletter, exposed the leading "dissident" commissioner, Peter Wallison of the American Enterprise Institute, as having severe conflicts of interest as President Ronald Reagan's leading deregulator of banking, and subsequently, as a Wall Street banker himself.

And a commentary in "Smart Investor" by Sara Nunelly, co-author of a book on the crash, emphasizes that the key issue involved in the fight is the repeal of Glass-Steagall, "with the Gramm-Leach-Bliley Act, also known as the Financial Services Modernization Act of 1999. Many folks believe this repeal was responsible for the buildup of risky assets and investments and contributed heavily to the global financial crisis." The Angelides Commission report makes that clear.

Responding in writing to Issa et al., Angelides said that the FCIC is scheduled to finish its work on Feb. 13, and that its remaining staff are working to gather the committee's historical records for the National Archives. He said it does not have the staff or the funds to comply with the GOP three's voluminous demands. Ironically, one of Issa's charges against the FCIC is that it has spent too much money.

Former Boston Official Cites 'Frühmenschen' in His Conviction

Feb. 5 (EIRNS)—Former Boston City Council member Chuck Turner was sentenced to three years in prison in a public corruption case that has all the earmarks of the FBI's infamous Operation Frühmenschen campaign against black elected officials, and Turner himself is saying so. According to the *Jamaica Plain Gazette*, Turner's lawyer Barry P. Wilson suggested in a sentencing memorandum that his client's conviction was related to the FBI's "Frühmenschen project." The *Gazette* notes that "a similar theory was posited in 2009 by controversial international political activist Lyndon LaRouche. LaRouche claimed the conspiracy is partly backed by a supposed secret Boston group he calls 'the Vault' that has 'historic

connections to Anglo-Dutch imperial interests,' and is 'committed to the destruction of the US as a sovereign nation.'"

Turner told the *Gazette* that evidence that he has seen since then, including testimony from a former FBI agent, convinced him that the FBI program may have existed. "I saw some information that was substantive," he said. "Although I initially had questions about it, I thought there was enough information to include it [in the sentencing memorandum] as a footnote."

HHS to Governors: Use Obamacare To Cut Medicaid Benefits

Feb. 3 (EIRNS)—In a letter sent today to the nation's 50 governors, Health and Human Services Secretary Kathleen Sebelius suggested, in the words of the *Los Angeles Times*, "a range of cuts they can make to Medicaid, including dropping some people from the program." These "helpful" suggestions were made in response, in Sebelius's words, to the fact that "many States are re-examining their Medicaid programs and looking for opportunities to meet the pressing health-care challenges and better cope with rising costs. In light of difficult budget circumstances, we are stepping up our efforts to help you identify cost drivers in the Medicaid program and provide you with new tools and resources to achieve both short-term savings and longer-term sustainability while providing high-quality care to the citizens of your States. We are committed to responsiveness and flexibility, and will expedite review of State proposals."

The suggested cuts are outlined in Sebelius's letter (supplemented by an enclosed paper), after she tells the governors, that one option provided by the Obamacare law is "to reduce eligibility for non-disabled, non-pregnant adults with incomes above 133 percent of the Federal poverty line (\$14,500 for an individual) if the State has a budget deficit." However, if this is done before June 30, "this would mean the loss of the enhanced FMAP [Federal Medical Assistance Percentage] under the Recovery Act."

Most of the proposals are written in technocratic jargon, but the first proposal is intelligible even to the average citizen: "While some benefits, such as hospital and physician services, are required to be provided by State Medicaid programs, many services, such as prescription drugs, dental services, and speech therapy, are optional. States can generally change optional benefits or limit their amount, duration or scope through an amendment to their State plan, provided that each service remains sufficient to reasonably achieve its purpose. In addition, States may add or increase cost sharing for services within limits...."

Republicans Push for Deal with Obama on Catfood Commission Diktats

Feb. 2 (EIRNS)—Proponents of the genocidal budget cuts proposed by President Obama's Catfood ("Fiscal") Commission continued to press for an alliance between Tea Party Republicans and the White House, in order to force through draconian austerity measures.

On Feb. 1, nearly one-half of the members of the Senate attended a morning briefing on the debt crisis, with many talking about bringing Obama to the table with the new House GOP majority, according to *Politico*. "I think we will make it easier for him [Obama] to jump in," said Sen. Tom Coburn (R-Okla.). Sen. Richard Burr (R-N.C.) gushed that "if we can bring the White House to the table on Social Security, the House will be there."

A few hours later, at a Senate Budget Committee hearing, chairman Kent Conrad (D-N.D.), who has been calling for a budget summit with the White House, said: "What I said at the last hearing, I think even more strongly today. It has to start somewhere. And in a Congressional process, we are it.... I think we have to prepare ourselves to begin crafting a plan here." Conrad's scenario is that the annual Spring budget resolution would be expanded to ten years, and would effectively adopt the deficit reduction targets set by the Catfood Commission.

Obamacare Promotes Medicare Cuts in 2012

Feb. 1 (EIRNS)—The U.S. hospital and medical treatment system is currently under assault by a number of pilot projects, under the ACO (accountable care organizations) rubric; among these is the TACO (Tucson Medical Center ACO, begun Jan. 1), Camden, N.J. This is preparatory to going live nationally in 2012 with cuts in treatment to the Medicare population, under the direction of Sir Donald Berwick, director of the Centers for Medicare and Medicaid Services (CMS). Berwick consulted on Tony Blair's formation in 1999 of the NICE (National Institute for Health and Clinical Services), whose ten years of "reforms" of the British National Health Service have dramatically driven up death rates for whole classes of patients.

Obamacare mandates that ACOs for Medicare, under its Medicare Shared Savings program, will begin in 2012. The nominal idea, is that the patient will be assigned to a team of treatment providers (doctor, hospital, home health, social staff, etc.) called the "care organization," *whose members will be paid less*, but be expected to treat you as an individual better, while meeting the "social need" to use less of scarce resources. ACOs are to start with the elderly and poor—those on Medicare and Medicaid.

Ibero-American News Digest

Protests Erupt in Mexico Over Food Prices, Shortages

Not Just in Mexico

Brazilian Lives Keep a Dead Bank Afloat

Clinton Rejects UN Ambassador Rice's Threats Against Haiti

Reviving Historic Ties of Ireland and Argentina

Protests Erupt in Mexico Over Food Prices, Shortages

Feb. 1 (EIRNS)—The time for building Mexico's Northwest Hydraulic Plan (PLHINO) and the North American Water and Power Alliance (NAWAPA) is now! Because of soaring food, fuel, and electricity prices, reporters are button-holing any politician they can, to ask whether Mexico will be "the next Egypt"—with riots and mass protest. The price of corn has shot up by 50% in less than two months, and is putting the country's basic staple—tortillas—out of reach. The price of lime, another staple in the Mexican diet, is also soaring.

The National Food and Energy Sovereignty Movement held a protest in Mexico City on Jan. 31, attracting 20,000 people from trade unions, the National Peasants Confederation (CNC), legislators, and social organizations. But LaRouche Youth Movement organizers present there reported that no one offered any solutions to the crisis.

So, there is talk of "national collapse," and food shortages affecting millions. The National Millers and Tortilla Producers Union (UNIMTAC) charges that the Cargill grain cartel is speculating on corn prices and has driven the cost up to 4,000 pesos a ton from 3,150 pesos just a short time ago. This, says UNIMTAC, has forced 5,000 tortilla producers into bankruptcy.

Just as food price inflation was taking off in December, the Mexican Senate was preparing to *lift the national ban on using maize to make ethanol!* Legislation authorizing this was passed in committee and presented to the Senate on Dec. 9. Once the protests began against the 50% increase in the price of corn and tortillas, the legislation was put on "temporary" hold.

Not Just in Mexico

Feb. 1 (EIRNS)—Around Central and South America, food price increases and shortages are also creating crises. Last week, members of the regional Central American Agricultural Council (CAC) met in emergency session in Guatemala to discuss the severe shortage of basic grains in the region. Charging that speculation was the culprit in forcing grain prices up, the attendees agreed to keep their borders open to grain import and export, as a guard against speculation.

Horror stories abound. In Honduras, the price of propane gas, used for cooking in homes and small eateries, has risen by nearly 39%; electricity prices are also rising.

In Bolivia, mass demonstrations and lootings of food warehouses in protest against severe shortages and high prices of staples such as sugar, have shaken the government of President Evo Morales. Observers report long lines in front of state-run food distribution centers, as people try to obtain staples just to survive. On Jan. 31, the state-run marketing entity, EMAPA, began selling sugar imported from Brazil, but at a 40% price mark-up, which enraged buyers. The government has been forced to import food on an emergency basis to counter shortages.

Brazilian Lives Keep a Dead Bank Afloat

Feb. 4 (EIRNS)—Emilio Botín, the president of Spain's Banco Santander, on Feb. 2 performed a public autopsy on his own cadaver, in the form of presenting Santander's annual report for 2010. Santander is the largest bank in Europe, and is a key member of the British Empire's Inter-Alpha Group of banks, which Lyndon LaRouche pronounced *de facto* bankrupt more than a year ago.

According to Botín, the bank's "attributable profits" for 2010 were down 8.5% from 2009, principally as a result of a 39% plunge in profits from its Spain-based operations, where it is heavily involved in the disintegrating real estate bubble. Santander reported EU27 billion in Spanish real estate loans, of which EU4.6 billion (17%) are in arrears, and another EU4.9 billion (18%) are deemed "substandard" or have a risk of defaulting. In addition to that, Santander has already taken over some EU7.5 billion in properties where loans have already been defaulted on. This makes Santander, along with sister-bank BBVA, one of the largest feudal landholders in the country.

Santander might more truthfully be reclassified as a Brazilian bank. Botín's bank is weathering this collapse of its Spanish speculation, by relying on even more speculative investments in Brazil and its carry trade, where Santander's 2010 profits rose by 24%. Brazil is by far the single largest profit center for Santander, now accounting for 25% of its total profits.

Clinton Rejects UN Ambassador Rice's Threats Against Haiti

Jan. 31 (EIRNS)—U.S. Secretary of State Hillary Clinton rebuffed threats made by U.S. UN Ambassador Susan Rice recently, that "sustained support" for Haiti from the U.S. would be cut off unless the Préval government complied with demands by the Organization of American States (OAS) to overturn the results of the Nov. 28, 2010 Presidential elections. Rice made these threats during a Jan. 20 meeting of the UN Security Council.

During Clinton's Jan. 30 visit to Port-au-Prince, Haitian leaders specifically asked her about Rice's threats, and whether the U.S. intended to cut off aid or embargo Haiti. She replied sharply, "We're not talking about any of that.... We have a deep

commitment to the people of Haiti, that goes to humanitarian aid; that goes to governance and democracy programs, that will be going to a cholera treatment center."

When asked if there were any circumstances under which the U.S. would ever cut off aid, she replied, "No."

Reviving Historic Ties of Ireland and Argentina

Feb. 6 (EIRNS)—Argentina and Ireland have a long history of friendship, cemented by the deep-rooted recognition in both national cultures that they have a common enemy in the British Empire. Thus, Argentine President Cristina Fernández de Kirchner has supported Ireland's right to defend itself from destruction by its British creditors, and the Irish have kept alive the history of the British empire's recent war against Argentina.

British crimes during the 1982 Malvinas War were spelled out in graphic detail in an *Irish Times* feature of Nov. 11, 2010 on "The Ghosts of the *Belgrano*." The feature documents the May 2, 1982 torpedo attack by a British submarine on the Argentine Navy cruiser *General Belgrano*, personally ordered by then British Prime Minister Margaret Thatcher, and the horrors suffered by the veterans of that attack who survived, and by all veterans who subsequently received no treatment or recognition for what they did. Successive Argentine governments abetted the "de-Malvinization" policy which ignored veterans, and told them never to discuss what happened during the war.

A total of 649 Argentines were killed in the war, but another 640 have since committed suicide, with many more suffering from post-traumatic stress disorder, and a range of other psychological illnesses, alcoholism, and depression.

Adding insult to injury, British oil firms are now drilling for oil *in the very same waters* in which the sunken *Belgrano* lies, which President Fernández has called "an illegal act." Veterans are outraged that the British colony on the Malvinas, and the U.K. itself, may reap vast economic gains from any oil finds, spitting on the graves of those Argentines—many of them young conscripts—who fought in the war.

Recently declassified British government documents also reveal "Iron Lady" Thatcher's appeal at the time to all British Commonwealth governments to help "destroy" the Argentine economy, through economic and trade sanctions. "Measures to limit their access to markets and to credit will hit [Argentina] hard," she wrote. She told the Irish Prime Minister at the time, Charles Haughey, that while the Irish economy might also be hurt (Argentina was an important trade partner), it would be worth the pain, if it brought Argentines "to their senses" and forced them to withdraw troops from the islands.

Ireland refused to directly impose financial or trade sanctions on Argentina, and there was enormous sympathy among the Irish people for Argentina, as they knew all too well what it meant to be on the receiving end of British vindictiveness and cruelty.

Western European News Digest

[Hankel Warns: Last Big Bailout Led to Hitler](#)

[Sinn Féin Campaign: There Is a Better Way](#)

[French 'Call to the Left' vs. Euthanasia](#)

Now It's the Spanish Regional Governments

French Police Go On Hunger Strike vs. Austerity

Food Inflation Hits France

'Network X' Anarchist Terrorists Growing in U.K.

Spain's Unemployment Hits Record in January

Hankel Warns: Last Big Bailout Led to Hitler

Jan. 31 (EIRNS)—In what is probably the only aspect worth mentioning from the World Economic Forum in Davos Switzerland, Jan. 26-29, German euro-skeptic Wilhelm Hankel took on European Central Bank director Jean-Claude Trichet, with harsh words at a Jan. 28 panel, "Euro Grounding?"

Hankel introduced himself as "coming from a country which is still suffering from the tragic mistake of some 80 years ago, when a government tried to make public savings and to pay public debt—that was the last government before Hitler came to power." He added that the Eurocrats' philosophy of drastic budget cuts and the sacrifice of national currencies to the artificial euro, prevents governments from creating create prosperity for their nations; it takes out the pillars—budget and currency—on which a sovereign state must rest. Hankel added that he sees democracy endangered by such policies, and two-thirds of the Eurozone member countries as basically bankrupt. This euro system is doomed to failure, Hankel said.

Sinn Féin Campaign: There Is a Better Way

Feb. 2 (EIRNS)—Today marked the kick-off campaigns for the Feb. 25 Irish "snap" general election. In his speech, Sinn Féin party president Gerry Adams noted that the IMF/EU deal, which has forfeited Ireland's sovereignty to foreign institutions, has become the focus of the election. He said Sinn Féin's election theme, "There is a better way," is resonating among the Irish people, who were being told that they had no choice but to negotiate slightly better terms and accept a future of misery and austerity.

He reiterated Sinn Féin's message: IMF, go home, and take your money with you.

In his opening day speech he drew the line between Sinn Féin and any of the other parties, which, he said, are part of "the cozy coalition of cuts."

French 'Call to the Left' vs. Euthanasia

Jan. 31 (EIRNS)—Just days after a pro-euthanasia bill was defeated in the French Senate, several medical experts in various areas of palliative care, including oncologists and psychologists, declared in a "Call to the Left," published in the weekly *Marianne*, that they felt ashamed seeing so many Senators "of the Left" backing the new drive for "voluntary" euthanasia or assisted suicide. They also are infuriated that such a proposal is about to appear on the Socialist Party 2012 Presidential platform. The call points to the abusive practices of the Swiss organization Dignitas, which *EIR* has highlighted, abuses that rush French citizens by train to be executed in Swiss hotels.

Now It's the Spanish Regional Governments

Feb. 1 (EIRNS)—The next shoe to drop in Spain will be the indebtedness of the regional governments. But, with a total debt for all the regions of EU107.6 billion, this is much smaller than the major time bomb, the bankruptcy of the banks because of the half-trillion euros worth of bad real estate loans. Nonetheless, the *Financial Times* writes that the situation with the regions is causing the government to lose a lot of sleep.

Catalonia, the largest and richest region, has a debt of EU30 billion and must raise EU10-11 billion this year. The government has not been paying suppliers, including pharmaceutical companies and other vendors, an arrears of now more than EU3 billion. Similar situations exist in Valencia, which had a EU16.4 billion debt; Madrid, EU12.6 billion; Andalucia, EU11.4 billion; and the rest, combined, EU37 billion. The total public sector debt is EU560 billion.

French Police Go On Hunger Strike vs. Austerity

Jan. 30 (EIRNS)—French President Nicolas Sarkozy's systematic takedown of public services is encountering a new wave of lively opposition, notably by the police. As a result of layoffs in the police forces, public safety is at risk, the government is going ahead with the creation of private public safety militias, allegedly cheaper and hired only on an "as-needed" basis.

So far, France has 64 public security, or CRS (Compagnie Républicaine de Sécurité) units, founded after World War II, and composed of 14,000 well-trained anti-riot police. Protests among the CRS rose when it became clear last week that up to 30 CRS units will be eliminated, as will seven squads of the Army's civilian police force, the gendarmerie.

Since these forces are not allowed to strike, on Feb. 29, Unit 54, one of the three CRS units in Marseille, went on a hunger strike. A CRS unit stationed in Strasbourg joined in on Jan. 30, in solidarity with Unit 54. Several other units have begun to disobey deployment orders. In Perpignan, most of Unit 58 came down with what is called the "blue flu," calling in sick when the unit was deployed to a soccer game. On Jan. 26, 70% of Unit 46 in Lyon was struck with blue flu, as were some 50 officers in Marseille's Unit 53.

Food Inflation Hits France

Feb. 1 (EIRNS)—Figures published yesterday by the French national office for statistics report a more-than-21% increase in average wholesale agricultural prices (the price asked for by producers before sale to distributors).

The increase for cereals was above 87%; above 78% for potatoes; 63% for maize; almost 37% for fresh vegetables, and a wild 150% for wheat. As a result, the distribution industry, which kept comfortable profit margins by buying cheap from producers and selling "relatively cheap" to consumers, and then played the cash on the stock markets, is now saying it has no choice but to pass on to the consumer the increase in producer costs that it pays.

So far, due to the lag time before such increases hits the retail market, prices of food have remained relatively low. Now, however, the consumer price of pasta is expected to rise by at least 10%. France's Agriculture Minister Bruno Lemaire said price increases for consumers are "unavoidable. "

'Network X' Anarchist Terrorists Growing in U.K.

Feb. 1 (EIRNS)—According to the *Daily Mail*, an anarchist terrorist group in Britain is growing in size and violence out of demonstrations and rioting by students.

Reportedly, 1,300 students have been meeting secretly in Manchester, who are part of the new, more deadly anarchist terrorism emerging in Europe, which is known as "Network X." Security services are said to be unprepared to counter this new phenomenon.

The Network X protestors are preparing for a month of demonstrations before April 29, the wedding day of Prince William and Kate Middleton. On the day of the wedding, the anarchists plan to cause chaos with smoke bombs and roadblocks, and divert the ceremony from Westminster Cathedral to St. Paul's, before halting the procession.

Spain's Unemployment Hits Record in January

Feb. 2 (EIRNS)—In January, there were officially 131,000 new unemployed in Spain, bringing the total to more than 4.2 million—the highest level since these records were started in 1996. This was more than a 3% increase over December 2010's newly unemployed, and it brings the official unemployment rate above 20%.

Russia and the CIS News Digest

Rothschild Agent Pimps for the BRIC in Moscow

Vernadsky Institute Prepares Unmanned Mission to Mars Moon

Russia Announces Nanosteel, To Extend Nuclear Reactor Life

Rothschild Agent Pimps for the BRIC in Moscow

Feb. 3 (EIRNS)—Mario Garnero, Rothschild's man in Brazil for decades and head of Brasilinvest, spoke at the Troika Dialog Russia Forum 2011 held in Moscow Feb. 2, a privatization fest featuring the twit Arkadi Dvorkovich and company on the Russian side, and bankers' boys Larry Summers and Joseph Stiglitz, from the U.S., in addition to Garnero.

Garnero told the audience that the BRIC was the best trick money can buy, "the dynamo of world economic growth for the next 10 years." China will remain an industrial powerhouse; India has a "competitive edge in low labor costs," PRNewswire reports Garnero saying; Russia has a large scientific community and lots of room for expanded trade and investment with Brazil; and Brazil is going to stay on course under Dilma Rousseff. Dilma "is quite convinced of the need for labor, social security, and fiscal updates in Brazil," Garnero promised. "She rolled up her sleeves and is working closely with society towards these much-needed reforms."

Brazil's great investment opportunities, according to Garnero, include a major real estate project in Campinas (once the center of the Brazilian aerospace industry and research), the huge pre-salt oil deposits, and upcoming mega-sports events (2014 World Cup and 2016 Olympics). Garnero did not comment on the unconfirmed reports that Brazil will be adding a new Olympic sport in 2016: cross-dressing.

Vernadsky Institute Prepares Unmanned Mission to Mars Moon

Feb. 4 (EIRNS)—Among pictures taken by the European Space Agency's Mars Express spacecraft flying by the Mars moon Phobos at a distance of 100 kilometers on Jan. 9, there are several which feature proposed landing sites for Russia's Phobos-Grunt mission, scheduled for launch later in 2011.

The pictures show in new detail the previously and currently planned landing sites for the Russian Phobos-Grunt mission, which would be the first spacecraft to land on Phobos, notes Alexander Basilevsky, a member of the Phobos-Grunt team based at the Vernadsky Institute in Moscow. The Basilevsky team at the Vernadsky Institute also has selected potential landing sites on the Moon, for future Russian space missions there.

From the new images, scientists can construct a high-resolution topographic map of the landing sites, which should help determine where Phobos-Grunt will ultimately touch down. That decision won't happen until later this year, most likely after the craft has been launched, but the new images indicate that the old landing site may be as hospitable as the new one, says Basilevsky.

Russia Announces Nanosteel, To Extend Nuclear Reactor Life

Feb. 3 (EIRNS)—Russian metallurgists have claimed that the use of nanosteel would enhance a nuclear reactor's life to 60-80 years, and maybe even up to 100 years. Tests of the new material have reportedly confirmed its unique performance properties. Russia has been producing nanosteel in a 30-story blast furnace at the Novolipetsk Iron and Steel Plant (NLMK) for almost ten years.

One major concern of present-day reactors is the slow and steady corrosion they undergo. It was known at the time of the Pressurized Light Water Reactor (PLWR) design and construction, that the primary structural materials used in the fabrication of the nuclear steam-supply system—stainless steels and nickel-base alloys—were characterized by high general corrosion resistance in high-purity, high-temperature LWR-type environments. For example, the initiation time for primary water stress-corrosion cracking (PWSCC) of nickel-base alloys in PWRs can be as long as 25 years.

Previously in conventional alloy development, increasing hardness to improve wear performance made an alloy brittle (less tough or ductile), while increasing toughness (ductility) decreased hardness and reduced wear performance. But, when applied as metallic coatings, nanosteel alloys feature a microstructure with grain sizes refined to a nanoscale which results in increased hardness and toughness with improved wear performance. This reduces the rate of corrosion, the metallurgists say.

Southwest Asia News Digest

[LaRouche: Egypt Is a Key Cultural Center of North Africa](#)

['Who Killed the Egyptian Dream?'](#)

[Egypt Accused of 'Excessive Demand' for Food by Bernanke](#)

LaRouche: Egypt Is a Key Cultural Center of North Africa

Feb. 5 (EIRNS)—For more than three decades, Lyndon LaRouche has been in dialogue with key scientific and intellectual leaders in Egypt, who have consistently fought against British colonialism and its aftermath. Since the beginning of the historic demonstrations on Jan. 25, this dialogue has intensified. LaRouche commented on his long involvement with Egypt in a Feb. 5 discussion:

"When you look at Egypt, today, what are you looking for? You're looking for a rise—in Egypt, you're looking back to

1982. In 1982, Egypt realized, what I admired very much at the time, that, there's no way, by spending money on Cairo and Alexandria, in those days, back in 1982, by which you could not go from worse to worse. Every bit of money you spent in trying to manage the ghetto, made things worse, not better. So, they realized, that trying to jam all this propagation and population into these two cities in similar conditions, was a piece of folly!

"So, they said, 'Oh! Well, we have nuclear power available, don't we? We can do something. What can we do with the aid of nuclear power? Well, we can start to reorganize the water management of this region! We are now going to create new cities, as satellites of the existing cities. They will be true cities. We will build them, we will take yellow sand, and by known principles and with the aid of nuclear power, we are going turn yellow sand, in to brown sand, and then into black sand, black earth.'

"Now, we're going to take these cities, and we're going to call them agro-industrial centers. At the one time, we are building up the land-area: going from yellow to black land. On the side, this is going to create the new agriculture, the new food supply.' Remember, at that point, Egypt was also a major food producer, which it is not any longer, especially in grains. That was taken away.

"So, what happened is, Henry Kissinger and company moved in, as agents of the British, and said, 'No.' And Egypt went down, down, down, down, down, down, as a result. And this, of course, Egypt is a key cultural center of all Northern Africa. One of the *oldest* cultural centers of Africa! The Great Pyramid, for example, was not built by slaves! It was built by artisans of a population! By technologies which boggled the imagination of people who tried to account for the Great Pyramid before them.

"So, if Egypt is going down, and you look at the history of Egypt as known to the ancient Greeks, you understand this. So therefore, obviously, only by reversing the 1982 decision imposed upon Egypt, could you solve the problem of Egypt! So therefore, are you going to talk about doing something for Egypt, without taking this question of creativity into account? Are you an idiot? That you would believe that that would work?"

In coming issues, *EIR* will highlight the energy, water, and infrastructure projects needed for that development as part of the LaRouchePAC NAWAPA initiatives.

'Who Killed the Egyptian Dream?'

Feb. 4 (EIRNS)—The interviews excerpted here were conducted by a team of LaRouche associates who visited Egypt for two weeks in December 1982 to present LaRouche's ideas for massive agro-industrial development of Egypt as a leading nation in both Southwest Asia and Africa. LaRouche and his associates in *EIR*, previous to this visit to Egypt, had conducted in-depth studies of Egypt's potential for development and how international cooperation in building nuclear power and water infrastructure would revolutionize the economy of Egypt, as an example of what could be done elsewhere in the world. These ideas are still valid and more crucial than ever to save civilization. Here are excerpts:

"At the end of the century, hydropower will be the source of 10 to 15 percent of energy, 10 to 15 percent will be gas-powered stations, 15 percent will be coal-powered stations and 15 percent will be diesel-powered stations. The rest, which is 40 percent, we expect to be nuclear power stations. We do not want to have all our eggs in one basket," stated Maher Abaza, Egypt's Minister of Electricity, in an interview with *EIR* conducted in Cairo, Dec. 17, 1982, and published in *EIR*, Jan. 25, 1983.

In the same issue of *EIR*, Youssef Wali, Egypt's Agriculture Minister discussed amazing plans for reclaiming the desert and helping Sudan and Africa in agriculture:

EIR: "Basically, what you are saying is that you can lead all of Africa in agricultural development."

Wali: "That's right. It is along the same lines that your magazine has written its recent cover story: "Egypt's Fight to Become the Japan of the Middle East." I agree with that concept. It is a very smart approach to take. We have to fight, though, to become the new Japan. It is not an easy game. Our transformation into a new Japan will not be served to us on a golden platter. We will have to work hard; we must be organized; we will have to avoid mismanagement, to avoid corruption, to avoid miscommunication, to become the Japan of the Middle East. I agree 100 percent with your vision."

Looking back at this clarity of purpose, *EIR's* Hussein Askary commented this week, "40 years of post-Bretton Woods British monetarism and free trade, and 30 years of IMF and World Bank-led destruction of the Egyptian economy in the name of reform, with support of the United States and Europe, have brought the great nation of Egypt, as well most nations in the developing sector, to its knees economically, socially, and politically."

"The dreams of the post World War II era of freedom, independence, and prosperity, which were shared by President Franklin D. Roosevelt and such independence heroes from Asia and Africa as President Gamal Abdul Nasser, Jawaharlal Nehru, Indira Gandhi, Patrice Lumumba, Kwame Nkrumah, and others, were strangled in the cradle."

"Are the Egyptian government and elites guilty? Yes, but only as junior partners in the crime. It is the British imperial system which moved to kill the development aspirations of all the developing nations of the world. What is required is capital punishment to snuff the life out of the British Empire system without showing any mercy."

Egypt Accused of 'Excessive Demand' for Food by Bernanke

Feb. 4 (EIRNS)—Over the last 40 years of the world casino economics under British Empire monetarism, with world food production falling way below requirements, Egypt has been forced to be increasingly import-dependent; it's now at the point where over half of its yearly wheat consumption is imported, and it is the world's biggest importer of wheat in recent years. Now all that is in question: The food isn't there to be had. Yet, on Feb. 3, U.S. Federal Reserve chairman Ben Bernanke accused Egypt of "excessive demand" for food, blaming its population for soaring food prices.

The truth is that for the second year in a row, the volume of world output of wheat is running far below even inadequate levels of utilization. For this current crop year, wheat production will come in over 17 million tons shy of recent years' annual use.

A scramble is on at the Chicago Mercantile Exchange by nations and companies trying to book scarce supplies of wheat for delivery later this year. All the while, "paper" trading of phantom bushels goes wild.

In 1970, Egypt was 75% self-sufficient in all cereals (wheat, rice, corn, barley, sorghum). Under the Presidency of Gamal Abdel Nasser (1956-70), plans were under way for nuclear power, water, and infrastructure development, for his nation to become 100% food self-sufficient. But none of this was to be.

Interventions were carried out against Egypt, and throughout the world, to obstruct any such development. In particular, in late 1974, the infamous National Security Study Memorandum, NSSM 200 commissioned by then-Secretary of State Henry Kissinger, had Egypt on the list of 13 nations whose development was to be construed as a strategic threat to the dominant London-centered interests.

As of 1975, cereals self-sufficiency in Egypt fell to 64%; in 1990, down to 60%, while the cereals production increased from 7.5 million metric tons in 1970, to 13 mmt. in 1990; and of that total, wheat output rose from 1.15 mmt. in 1970 to 4.3

mmt. in 1990.

Today, Egypt, with 81 million people, is only 50% grains self-sufficient. It is a world emergency, that people in North Africa have their daily bread. As a group, the North African nations (Egypt, Algeria, Libya, Morocco, and Tunisia) have, in recent years, been importing 23 mmt. of wheat a year, out of the total volume of world exports of 134 mmt. of wheat. But far less than that, is now up for export.

Asia News Digest

Poverty, Caste System Cause of India's Low Productivity

China To Build Vital Water Projects Over Next Decade

China Launches Thorium-Fueled Nuclear System

China To Have Maglev Vacuum Tube Train in Two or Three Years

Military Clash on Thai-Cambodian Border

Poverty, Caste System Cause of India's Low Productivity

Feb. 2 (EIRNS)—Recent reports indicate that China's labor productivity is surging and is now two or three times that of India. One Indian economist pointed out that, in 1996, India's average productivity for organized labor was higher than China's (Economist Intelligence Unit figures). In 1998, China drew level.

There is no doubt that, during the last ten years, China's productivity rose sharply because Beijing built the infrastructure necessary for growth of labor productivity. That did not happen in India. India's infrastructure lies in tatters, and its GDP growth has centered around the service sector, and a manufacturing sector that cannibalized the existing weak infrastructure. The Manmohan Singh government has not been able to solve any of India's major infrastructure issues: high-speed rail, power, or water.

One principal reason that New Delhi has not focused its attention to develop the infrastructure that could provide power, water, high-speed rail transportation, and education to hundreds of millions of Indians, is that these hundreds of millions are poor, unskilled, and any large-scale investment on them would not raise the growth rate in the short term. It also so happens that the majority of the poor, if not all, do not belong to the upper rung of the Hindu caste system. In other words, the Singh government's clinging to the caste system, and disdain for poor agricultural labor, has perpetuated this low labor productivity.

China To Build Vital Water Projects Over Next Decade

Feb. 1 (EIRNS)—China will invest 4 trillion yuan (\$608 billion) in essential water-conservation projects over the next decade, the State Council Information office announced on Jan. 30. The policy is included as a national priority, in the Communist Party's first official (No. 1) document of 2011. This level of investment will double China's average annual spending on water conservation during the next ten years. State enterprises as well as the government will provide some of the investment. This is the first time the No. 1 Document has focused on water conservation. "Floods and drought in recent

years have exposed weaknesses in water conservancy infrastructure," the document said. These crises include severe drought in north and southwest China and severe flooding in many areas in 2010. A primary focus will be expanding farmland irrigation, and 10% of local land-transfer revenues will go to expanding irrigated areas.

China will also build effective flood-control and drought-relief systems by the end of 2020, and projects to harness important medium- and small-sized rivers will be completed during the 12th Five-Year Plan (2011-15). All rural areas will have safe drinking water by 2015, and the water situation in western areas, in particular, will improve. Beijing also will try to hold annual water consumption at below 670 billion cubic meters until 2015, an effort which will require much improvement in national infrastructure to eliminate waste.

The country has a serious water shortage: Per-capita water resources are only 2,700 cubic meters a year, just 25% of the world average. The U.S. has over 10,000 cubic meters per person.

A commentary published in the *China Daily* today, describes neglect of this vital area, especially in the 1980s-90s, which now must be addressed. "About one third of the irrigation facilities for the 53.33 million hectares of irrigated farmland in China have already deteriorated after years of neglect," *China Daily* quoted Feng Guangzhi, chairman of the China Irrigation Districts Association. "With nearly no input from the central and local governments, the 1980s can be regarded as the low point for agricultural water conservancy in China. It was only in the early 1990s that the central government started constructing farmland irrigation systems again." The China Institute of Water Resources and Hydropower Research reported that investment in water facilities accounted for barely more than 0.4% of GDP, on average, from 2007-09; this amount has to be doubled, the Institute said. The just-announced increase in investment was made after the first drop in the summer grain output in six years, especially as a result of drought.

China Launches Thorium-Fueled Nuclear System

Feb. 3 (EIRNS)—The Chinese Academy of Sciences (CAS) officially launched its project for "the future of advanced nuclear fission energy—the thorium-based molten salt reactor system," at a conference in Shanghai on Jan. 25, reported *Wen Wei Po*, a Hong Kong-based newspaper. The goal of the project is to develop a thorium-cycle-based nuclear energy system in about 20 years. *Wen Wei Po* quoted CAS Shanghai Institute of Applied Physics researcher Xu Hongjie saying that nuclear is China's future energy pillar, since fossil fuels are being depleted, solar and wind energy are not stable enough, and hydropower development is already over the limit. Nuclear will provide high energy-density, low-carbon emissions, and the potential for sustainable development, Xu said.

The current nuclear fuel, uranium-235, is relatively rare and will eventually be depleted; therefore, Xu said, "We need a better stove that can burn more fuel." China has very large energy needs, but it has sufficient thorium resources (in Inner Mongolia), and if thorium is used for nuclear energy, China will not have to worry about energy security, he said.

China will develop molten salt reactors for the thorium cycle, Xu said. Among the advantages of using thorium, in addition to the much greater abundance of the fuel, is that these reactors can be small and therefore economically adaptable, and they produce very little waste.

China's new program is the largest national thorium-MSR initiative to date. The United States was at the forefront of this technology in the 1950s, developing the first Molten-Salt Breeder prototype at Oak Ridge in 1950, with an operational reactor running from 1965 to 1969, but the project was eventually abandoned. Six heavy-water thorium reactors are planned in India, which has the world's largest thorium deposits.

According to the *Wired Science* website, the Chinese thorium program is led by Jiang Mianheng, son of former President Jiang Zemin and a vice president of the CAS. Jiang led a Chinese delegation to Oak Ridge last Autumn, where the Chinese

thorium plan was discussed.

China To Have Maglev Vacuum Tube Train in Two or Three Years

Jan. 30 (EIRNS)—China has an ongoing project for a magnetically levitated high-speed train to run in a partially evacuated tube, according to today's *People's Daily*. The Southwest Jiaotong University in China's Sichuan Province is endeavoring to develop the vacuum tube high-speed train with a speed of 375 to 620 mph, and is expected to release the train model in the next two to three years, according to Voice of China, China's national radio, today.

People's Daily explains, "In order to build the higher speed train, scientists proposed a new vacuum tube technology. Its principle is to build up an isolated vacuum tube separated from the outside air to run the maglev train in it. The vacuum maglev train is then capable of running in a higher speed without wheel track friction and with much lower air resistance."

The report states that this technology is expected to be widely adopted around 2030, when the travel time between Beijing and Guangzhou is expected to be cut to as little as 2.5 hours to run the 1,430-mile distance.

Lyndon LaRouche has, on a number of recent occasions, spoken about the desirability of moving to this type of transportation technology.

Military Clash on Thai-Cambodian Border

Feb. 4 (EIRNS)—A serious clash between Thai and Cambodian military forces occurred near the disputed Preah Vihear temple World Heritage site, as yet another explosion point in the global breakdown crisis. Reports indicate that artillery and tanks were deployed, and some casualties were incurred on both sides, although there are no firm numbers.

The immediate events leading to the clash are not clear, but the larger picture is very sharp. Thailand's fascist "Yellow Shirt" grouping, answering directly to the royal houses of Thailand and London in bringing down previous Thai governments, is attempting to build a chauvinistic frenzy within Thailand over the government's supposed weakness toward neighboring Cambodia—a disputed 4.6 square kilometers of territory. The imperial target is the cooperation of the Thai and Cambodian governments, which have both been working closely with China on high-speed rail and water projects to integrate Southeast Asian economies with their biggest customer to the North.

Africa News Digest

[Rice Attempts Disruption of UN-AU Mission in Darfur](#)

[AU Asks International Court To Defer Charges against Bashir](#)

[Is Unrest Between North and South Sudan a Harbinger of the Future?](#)

Rice Attempts Disruption of UN-AU Mission in Darfur

Feb. 5 (EIRNS)—Less than two weeks after the peaceful referendum in Southern Sudan, President Obama's Ambassador to the UN, Susan Rice, launched into a new phase of her attack on the government of Sudan in Khartoum, by meddling in the still-unresolved Darfur peace process. At a UN Security Council meeting on Jan. 26, Rice attacked the United Nations

African Mission in Darfur (UNAMID), the UN-African Union hybrid forces deployed there. Rice, following her usual interventionist profile, went on the offensive, attacking UNAMID and its leader, Ibrahim Gambari. Gambari, formerly Nigeria's UN Ambassador, who is now Joint AU-UN Special Representative, deploys the 25,000 AU troops and 6,000 civilians from UNAMID's headquarters in El Fasher, the capital of North Darfur.

Rice demanded that Gambari essentially change UNAMID's Chapter 7 mandate, which is to defend itself when attacked, to a more aggressive confrontational deployment against Sudan's Armed Forces (SAF). Sources close to UNAMID have said that Gambari effectively put Rice on the defensive in his briefing to the Security Council, via video conference from El Fasher. When the meeting was over, Rice went to the press to complain that Gambari and UNAMID are too timid in dealing with the SAF.

Gambari, a well-respected diplomat, does not want to deploy UNAMID forces recklessly, which would result in more casualties from Africans killing Africans, and is choosing instead to use his good working relationship with Khartoum to further the peace process in Darfur. Those opposed to the Khartoum government are trying to use UNAMID to create a new confrontation between the U.S. and Khartoum, while attempts to normalize U.S.-Sudan relations are ongoing.

Has Susan Rice now become the biggest obstacle to peace in Darfur?

AU Asks International Court To Defer Charges against Bashir

Feb. 5 (EIRNS)—In a Jan. 30 interview with the editor of *Sudan Vision*, Dr. Jean Ping, chairperson of African Union Commission, attacked International Criminal Court (ICC) prosecutor Luis Moreno-Ocampo for his indictment of Sudan's President Omar al-Bashir. The interview was conducted in Addis Ababa, Ethiopia, during the 16th AU Summit.

Ping said that the ICC—mainly the prosecutor—is using double standards. He pointed out: "We asked for a deferral, using Article 16 of the ICC to enable the African Union to fulfill its commitment of justice and peace in tandem." Ping responded to a question about AU plans to establish its own criminal court, saying, "Yes, there are plans to establish our own court to avoid this double standard, this injustice, this political bias, and this targeting by the ICC."

In its official communiqué dated Jan. 31, the AU Summit called on all African parties to the Rome Statue of the ICC that have not yet done so, to co-sponsor the proposal for the amendment to Article 16 of the Statue, which requires the UN to defer charges against President Bashir for a year, to be renewed indefinitely.

Asked if the ICC were complicating the AU's task in trying to bring peace to Darfur, Ping replied, "Of course they complicated the situation.... We are dealing with a problem and someone comes and pours fuel on the fire."

The timing of the interview and statement by the AU was meant to be supportive of the government of Sudan, at the very moment that the voting results in the referendum of Southern Sudan in favor of secession were being announced.

Is Unrest Between North and South Sudan a Harbinger of the Future?

Feb. 6 (EIRNS)—On the heels of the South Sudan referendum last month for the secession of the South, which accomplished the British goal of divide-and-conquer, a series of mutinies within the Sudan Army began Feb. 3 in Malakal, and spread yesterday to three other towns in the oil-producing Upper Nile state in South Sudan. Fifty have been reported killed so far.

The British have maneuvered a situation in which continual conflict can be easily manipulated, because the joint units of

the Sudan Army have to be dismantled by July 9, when the South is to be declared independent. The southern members of these units are to be sent to the South after demobilization.

In the present case, former southern militiamen who had fought for Khartoum before the end of the civil war, and had become part of an integrated unit with the Sudan Army after the end of the civil war in 2005, refused to give up their heavy weapons as part of this demobilization process. Many of these southern soldiers come from smaller ethnic groups than the Dinka group which dominates the Sudan People's Liberation Movement, which rules the South, and fear score settling. Hence, they are reluctant to give up their heavy weapons, as shown by the clashes Feb. 3-5. Repeats of this type of conflict could be easily manipulated from now until July 9, and beyond, because of the procedures set up by the British empire.

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