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The Case of Arkadi V. Dvorkovich:
Free Russia from the Pirates of the Caribbean!
by Lyndon H. LaRouche, Jr.

Lyndon LaRouche gave this briefing to associates on April 24.

What I have to say about the subject of today's events, which pertain to our ``dear friend" from Russia, Arkadi Dvorkovich, who visited California recently, is not to assume more about him, than I actually say. I am merely sticking to the facts of what he did, the essential facts, and to the implications of those facts, as they reveal a crisis which is building up, internationally, not only *from* Russia, but also, *in* Russia....

Now, what we have on hand, as demonstrated by the remarks, the visit of the gentleman in question to the United States, recently, is what I'm basing this on, and what I know of the historical implications of that. As in most cases of this type, it is the historical implications, often going back several generations, or longer, which must be taken into consideration, to understand anything. In particular, you have to take into account the history of Russia since Peter the Great. And if you're not looking at history against the comparable background, of the position of Russia in Europe, and in the world, since the reign of Peter the Great, you really don't have the background for understanding anything about what I'm going to say now....

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This Week's Cover

- **The Case of Arkadi V. Dvorkovich:**
Free Russia from the Pirates of the Caribbean!
By Lyndon H. LaRouche, Jr.

Arkadi Dvorkovich, the chief advisor on economics to the President of Russia, Medvedev, is a British agent of London's Inter-Alpha Group, which has a death grip on Russia today. Dvorkovich came to United States to intervene against LaRouche's work with economists here. Dvorkovich represents the continuation of the British influence on Russian economic policy, going back to Marx and Engels, which today, is preventing Russia from playing a key role in the LaRouche-proposed Four-Powers alliance to rebuild the collapsed global economy.

- **In His Own Words: Lord Bertrand Russell**
- **Arkadi V. Dvorkovich**
A profile.

Economics

- **Goldman Sachs Debacle Raises Overdue Questions About BRIC**

The BRIC (Brazil-Russia-IndiaChina), as a financial grouping, was created by officials of Goldman Sachs to counter the potential of an alliance of the four great powers—Russia, the U.S.A., China, and India—to initiate the replacement of the bankrupt British financial empire with a sovereign nationbased credit system for real economic development.

- **Restore Nation-States To Create New 'Man-Made' Water Resources**

The worldwide water crisis can only be solved with the development of science and infrastructure, using nuclear power and other advanced technologies. Such proposals stand in stark contrast to solutions being offered by the cartels.

- **Economics in Brief**

International

- **Will Netanyahu Trigger London's World War III?**

Despite the fact that Iran does not pose an existential threat to Israel, scare stories about Iran's imminent atomic bomb breakout are being spread by a faction in London which wants an Israeli 'breakaway ally' attack on Iran. A subsequent U. S. intervention to contain the Iranian asymmetrical response throughout the Middle East could lead to world war and the post-Westphalian empire called for by Britain's Tony Blair.

- **Change History:**

- **Implement the Four Powers!**

The author, **Summer Shields**, is challenging House Speaker Nancy Pelosi, in the June 8 Democratic Primary election in California's 8th C.D.

LPAC-TV Weekly Report

- **LaRouche Analyzes the Global Crisis:**

- **Monetary Value Has Nothing To Do with Real, Human Value**

Lyndon LaRouche warned that talk about a supposed economic recovery is a lie. LaRouche's solution is to emphasize the physical economy, and the fact that it is based on technological progress, 'the human side of what we mean by physical economy.'

Editorial

- **The Issue Is Glass-Steagall**

This Week's News

U.S. Economic/Financial News

- **Goldman Sachs Model Was Not Unique: Introducing Magnetar**

- **300,000 Teacher Jobs May be Cut Nationwide**

Conrad Attempts to Impose Obama's 'Fiscal Commission' in Advance

Reich Takes Dodd to Task: Glass-Steagall Is Necessary

Goldman Sachs Model Was Not Unique: Introducing Magnetar

April 21 (EIRNS)—Two weeks ago, before the news of the SEC charges against Goldman Sachs—for having designed their own mortgage CDO to fail—investigative website ProPublica released a report which documented the same exact process, this one involving the Chicago-based hedge fund Magnetar. Magnetar, the astronomical name for a collapsed star which has become a black hole, capable of consuming galaxies, named its funds after ... the galaxies.

Magnetar was created in 2005 by Alec Litowitz, a whiz-kid trader who struck out from Chicago hedge fund Citadel Investment. Litowitz and New York recruit David Snyderman quickly zeroed in on the "equity" portion (the "junk bonds," if you will) of the mortgage CDO market. Equity was the hardest "tranche" (CDO segment containing the poorest-performing loans) for the banks to sell, but after collecting \$1.7 billion of investor money, Magnetar put out the word: "We're buying." In doing this, Magnetar actually helped perpetuate the bubble which Greenspan had created.

At its height, Magnetar was consuming about a third of this "toxic waste" portion of the CDO market—deals eventually amounting to \$23 billion—with Wall Street's biggest banks virtually kissing their feet for buying the stuff. (Magnetar's first fund, Orion, involved Deutsche Bank, who brought in the "small German bank" IKB.) In an article just before the collapse of market, in March of 2007, *Business Week* put Magnetar near the top of their "Who Will Get Shredded?" list.

What nobody knew, but soon found out, was that Magnetar, like Goldman Sachs and John Paulson's hedge fund, was betting that their own investments would go bad. Even as the market began to collapse, Magnetar continued making deals, but they finally succeeded in creating one, "Tigris," in March of 2007, which was so bad that rating agency Moody's refused to rate it. Tigris was eventually sold to Japanese bank Mizuho, with Magnetar pocketing \$450 million.

In 2007, founder Alec Litowitz was rated as making \$280 million; Magnetar's central Constellation Fund was up 76% for the year; its "assets under management" had grown to \$7.6 billion (a 300% increase in two years); and its two top traders were given "Trader of the Year" honors. Today, Litowitz has been informed that the SEC is "looking into" the Magnetar deals, and an ongoing suit between Merrill Lynch (as fund seller) and Dutch Rabo Bank (as the "sucker" buyer), involves a collapsed fund, "Norma," created by Magnetar. But for now, they are still in "business."

300,000 Teacher Jobs May be Cut Nationwide

April 22 (EIRNS)—April is the month of reckoning in the U.S. for planning the next school year, and the latest nationwide projection for loss of teacher jobs is 300,000, as localities hopelessly try to "adjust" to their shrinking revenue as the economy collapses. Programs of all kinds are being eliminated (athletics, music, foreign languages), as well as class hours.

Local staffing for the current school year was propped up by the 2009 Obama "stimulus" funds of about \$1 billion, now running out. The Obama solution is talk of more "stimulus" and mockery about rewarding only "quality" teachers.

State teacher lay-offs slated:

New York—15,000 teachers and staff.

Illinois—17,000

California—22,000

Michigan—8,000

New Jersey—6,000

Oklahoma—5,000

Protests are occurring almost daily. Yesterday, 15,000 education staff and supporters rallied in Springfield, Ill.—the biggest demonstration there in 25 years. Also yesterday, hundreds of Teaneck (N.J.) High School students staged a walkout, and marched on their football field to protest athletic cuts.

Part of the mass-strike activation, the stated purposes of the rallies range from no tax hikes, to no budget cuts, to just, "No." For instance, in New Jersey, in local votes for school budgets on April 19, 58% of all localities turned down their proposed school budgets—a 35-year record number of "No's"—mostly because they didn't want more tax hikes, and wanted teachers to take pay cuts. Now the governor and others are implementing drastic cuts.

Conrad Attempts to Impose Obama's 'Fiscal Commission' in Advance

April 21 (EIRNS)—Budget Committee chairman Sen. Kent Conrad (D-N.D.) today introduced a five-year budget resolution for FY2011-15. Conrad is in line with the "Peterson Commission" idea of Wall Street oligarch Peter Peterson, to impose draconian austerity on the American people after Wall Street is bailed out with trillions. "The [Federal] debt is the threat" is Conrad's jingle-slogan. He and Gregg teamed up with British puppet President Obama to try to get Congress to vote away its budgetary power to such a commission. That failed in January.

Now Conrad has introduced the same quackery in his budget resolution, extending Obama's freeze on "all" non-security discretionary spending for three full years, through FY2013. Conrad's budget draft cuts spending by \$671 billion more (or 1.6% of GDP more) than Obama's budget. The Committee for Economic Policy Research (CEPR) estimated that this means Conrad would cut total American employment, by FY2015, by 2.3 million jobs below even the mass unemployment Obama is satisfied with.

Conrad says his budget already meets the Obama Deficit Commission's target, of lowering the Federal deficit to 3% of GDP by FY2015. This, though he doesn't say so, is the globalist European Commission's so-called "Maastricht rule" straight-jacket on national legislatures.

But, he bragged, his three-year freeze doesn't apply to quite "all" discretionary spending. "Green energy" spending, which he and Obama favor, is "funded in this budget at \$500 billion more than President Obama's request." No expense too great to charge to Americans, in order to force their energy use down! And as for the Iraq and Afghanistan wars, Conrad's bill would increase spending by \$20 billion immediately.

The Conrad proposal also contains a \$2 billion so-called "budget reconciliation instruction." This sets up the use, again, of "reconciliation" tactics on the floor of the Senate to pass highly controversial and ideological legislation with just 51 votes. Conrad intoned that "it will be used only for debt reduction." He knows that's not likely to be true. The likely intended beneficiary is Obama's global-warming "cap-and-trade" legislation.

Reich Takes Dodd to Task: Glass-Steagall Is Necessary

April 21 (EIRNS)—Calling Senate Banking Committee chair Chris Dodd's so-called Wall Street reform legislation "a very small step," former Clinton Labor Secretary Robert Reich says the Glass-Steagall repeal of 1999 has to be reversed.

In a syndicated column on April 21, Reich demanded: "Resurrect the Glass-Steagall Act in its entirety so commercial banks are separated from investment banks. The current bill doesn't go nearly far enough. Commercial banks should take deposits and lend money. Investment banks should be limited to the casino we call the stock market, helping companies issue new issues and making bets. Nothing good comes of mixing the two. We learned this after the Great Crash of 1929, and then forgot it in 1999 when Congress allowed financial supermarkets to do both."

Reich's other demands are for breaking up banks of over \$100 billion in assets; and requiring all derivatives to be traded on clearinghouses or exchanges.

Global Economic News

- [IMF Wants Global Tax to Feed Giant Bailout Fund](#)

IMF Wants Global Tax to Feed Giant Bailout Fund

April 22 (EIRNS)—On April 24 and 25, the World Bank and IMF had their Spring meeting in Washington. The IMF is planning two kinds of taxes on banks and hedge funds, according to the BBC website, on April 21. One payment will be a "payment for financial stability," which should either flow into a fund or into national budgets. This would be paid by all financial institutions, banks, hedge funds, and insurance companies. Later, the amount should be defined according to whatever risks these institutions are willing to take. Hedge funds are supposed to pay much more than banks.

Also, a "financial activities tax" is to be imposed, which is defined according to the total income. The stability fund could amount to 2-4% of the GDP of a country. For Germany, this would mean, that German banks could have to pay something between EU50 and 100 billion. This includes all banks, including the regular chartered banks, S&Ls, Landesbanken, etc., thus a new, clear ripoff of those institutions that are still (somewhat) sound. No wonder, that British Chancellor of the Exchequer Alistair Darling supports the IMF plans.

In June, the G20 meets and will review the final concept. The announcement made last week by the IMF, that it wants to inflate its crisis-intervention fund from its present \$50 billion to \$550 billion, to be able to intervene "better and more" (for more bailouts, that is) certainly has to be seen in this context.

United States News Digest

[Chicago Bank Failure Could Revive Interest in Rezko-Obama Ties](#)

[Issa Requests That Holder Name a Special Prosecutor](#)

[Blagojevich Defense Wants Obama Subpoenaed](#)

Chicago Bank Failure Could Revive Interest in Rezko-Obama Ties

April 24 (EIRNS)—Life got a little more complicated for Barack Obama, yesterday, when the FDIC shut down Broadway Bank of Chicago, after it missed a deadline to raise \$85 million in capital. Broadway was owned by the family of Alexi Giannoulias, once described as the "protégé" and basketball partner of Obama. Giannoulias, now the Democratic nominee for U.S. Senate from Illinois, seems to have even deeper ties than that, including to the organized crime apparatus of convicted felon Tony Rezko. According to Chicago media reports, Obama got such a good deal on the mortgage on his second house in Chicago, the one that Rezko sold him, because he walked into the bank with a bid from another bank, unnamed. It's been rumored that that bid came from Broadway Bank.

Giannoulias had been a senior loan officer at Broadway until 2006, when he decided to run for state Treasurer. The Democratic Party endorsed his opponent, a 12-year state prosecutor, but Obama supported Giannoulias. The latter was only 29 years old at the time, and had never run for public office, but he easily won the Democratic Party nomination, and then the general election, with his family money and the star power of Obama behind him. However, even after he had won the nomination, senior party leaders in the state, including the speaker of the state house Mike Madigan, refused to endorse him because of reputed links to organized crime. This not only involved reported ties to Rezko, but also to Michael "Jaws" Giorango, a Chicago mob figure convicted of bookmaking and promoting prostitution. Giannoulias had touted his "experience" as a loan officer as a credential in his 2006 campaign, but, according to *Politico*, began to downplay it after reports emerged "of dubious loans and financial dealings with organized crime members and convicted political fixer Antoin ('Tony') Rezko."

It now appears that Obama is prepared to let Giannoulias twist in the wind, even to lose another Democratic Senate seat, rather than attract more attention to their relationship by backing his Senate campaign. *Politico* reported April 23, before Broadway Bank was shut down, that Illinois' senior Senator, Dick Durbin (D), went to White House Chief of Staff Rahm Emanuel, asking for help for Giannoulias's campaign, but left without any commitments. *Politico* surmised that the White House "seems open to the idea of losing Obama's old seat rather than putting the President's prestige on the line" for Giannoulias. Obama apparently fears renewed attention to his own ties to Rezko—and who knows what else?

Issa Requests That Holder Name a Special Prosecutor

April 22 (EIRNS)—On April 21, Rep. Darrell Issa (R-Calif.) sent a letter to U.S. Attorney General Eric Holder requesting that he "name a special prosecutor to conduct a formal investigation into whether a crime was committed when White House officials attempted to secure Rep. Joe Sestak's withdrawal from Pennsylvania's Democratic Primary for the United States Senate," the seat now held by Sen. Arlen Specter. According to Issa, "This request follows attempts I have made to obtain more information from the White House. I have written two letters asking some basic questions. To date, the White House has not responded. Their silence is virtually an admission that they do not quarrel with Rep. Sestak's account. The White House's unwillingness to clearly and emphatically deny Rep. Sestak's allegations of criminal conduct leads me to conclude that his account is accurate, reliable and truthful."

Issa concludes: "After you have reviewed this matter, I would appreciate it if you would let me know how the Department plans to proceed."

As Issa stated in an interview on April 19, the ultimate target of this investigation is likely President Obama himself, because either he made the offer, or an officer of the President made the offer. If the offer was made by Chief of Staff Rahm Emanuel, or some other high ranking officer we certainly would believe that the President knew, or in vague terms, knew about it," Issa wrote.

Blagojevich Defense Wants Obama Subpoenaed

April 22 (EIRNS)—According to an article in the *Chicago Tribune* by Jeff Coen, lawyers for Blagojevich today asked a Federal judge for permission to subpoena President Barack Obama to testify at Blagojevich's upcoming trial.

Blagojevich is charged with using his office to enrich himself and close associates, including allegations he tried to sell the U.S. Senate seat that Obama vacated in 2008 with his election to the White House.

The filing charges that Obama has direct knowledge related to allegations in the indictment and, additionally, has made public statements in direct contradiction to other witness statements.

LaRouche: Only Idiots Don't Understand What 'Tea Parties' Are

April 18 (EIRNS)—Don Balz of the *Washington Post* today joined the ranks of those political commentators who are trying to pin labels on the "Tea Parties." Balz wrote that unlike the Ross Perot voters of 1992, who were truly independent, the so called "Tea Party" of today is only an adjunct of the right wing of the Republican Party.

"He's an idiot!" Lyndon LaRouche replied. "Actually, [the Tea Party's] character is that it's pushed by the circumstances. People are responding to circumstances: they hate the government! This present government is hated!"

"They're not stupid enough to be Obama voters," LaRouche said, "and are searching for a remedy, an alternative, in the 'Tea Party.' We're not defending the Tea Party, because we don't know where it's going, exactly. But it's based on a very legitimate protest against the moral corruption characteristic of the Obama Administration....

"We don't know where they're going; they don't know where they're going, but they are a legitimate reaction against the criminal policies, which are in fact criminal policies of the Obama Administration, and the crooked, gangster methods used by the Obama Administration. And we can now refer to 'gangster methods.' Protest movements are not necessarily defined by what they're for; sometimes, they're defined by what they're against. Only idiots don't know that!"

Ibero-American News Digest

[Haiti: Obama Continues To Earn His Mustache](#)

[Soros Lackey Demands Mexico and Colombia Push Drug Legalization](#)

[Brazilian Foreign Minister Sent on Iran Mission](#)

Haiti: Obama Continues To Earn His Mustache

April 19 (EIRNS)—Today's discussion at the Wall Street think tank, the Inter-American Dialogue, on the "U.S. Military Response to Haiti's Earthquake," was both impotent and immoral—by omission and neglect. The Hitler mustache on Obama seems kind, in view of what he is doing, and is refusing to do, in Haiti.

Two months ago, Lyndon LaRouche demanded that Obama offer Haiti the deployment of the U.S. Army Corps of Engineers to provide logistics for the mass relocation of a million-plus homeless Haitians to safe ground and sanitary

conditions, before the rainy season were to hit, as the only way to avoid a new round of mass death. When this was proposed to Obama, he rejected it. The rains have now begun, and the hurricane season looms.

The Dialogue meeting was cast as a wrap-up of the operation in Haiti, by Lt. Gen. P.K. Keen, head of the Joint Task Force Haiti for Operation Unified Response since Jan. 12. Keen is turning his command over to another general as the U.S. military mission winds down. As far as Obama is concerned, the U.S. has finished its work there; only about 2,200 troops remain in Haiti, along with a mere four aircraft and no U.S. naval ships, down from a peak deployment of 22,000 troops, 58 aircraft, and 15 ships. And the remaining troops are scheduled to leave by June 1—just in time to leave Haitians to die without anyone having to watch, when the hurricane season hits. Only a few troops will stay, per normal deployment in the region, along with a meager force of about 500 National Guardsmen from Louisiana, who are scheduled to leave by September—which is not even the end of the rainy season, to say nothing of the 25 years of development work that needs to be done in the destroyed nation.

At the Dialogue meeting, Keen discussed the weak options being pursued to help the homeless Haitians—telling them to go back to their homes, or go back to their neighborhoods, or go to a few of the camps we do have—even if the conditions would not, as one of Keen's assistants said, be acceptable to any American. And he highlighted the ongoing relocation of 9,000 people to a safer site, the big "victory" that is being trumpeted, although, as someone who was recently in Haiti noted: "A few weeks ago, they said 400,000 people were in danger; now they change the number to 9,000, so they can say 'we succeeded.' "

Soros Lackey Demands Mexico and Colombia Push Drug Legalization

April 23 (EIRNS)—Jorge Castañeda, the Mexican foreign minister in the 2000-06 Vicente Fox Administration, and longtime lackey of British agent George Soros, has called for the Presidents of Colombia and Mexico to promote drug legalization, and to "convince" the United States that it's a good idea.

Castañeda, who works closely with the pro-legalization U.S. Drug Policy Alliance's Ethan Nadelmann, has pushed drug legalization for a long time. But as drug-related violence increases in Mexico, the Soros lobby is intensifying its legalization offensive, using the lying argument that legal drug consumption will curb the violence and take the profit out of the drug trade.

Speaking April 21 at the U.S.-Europe-Ibero-America Forum in Madrid, sponsored by, among other entities, Wall Street's Inter-American Dialogue think tank, Castañeda remarked that "I can't conceive of a solution [to the drug problem] that doesn't include [decriminalization]. I'm of the opinion that it's time for Presidents like Uribe [of Colombia], Calderón [Mexico], and others, who have great moral authority, to promote legalization." Uribe is about to leave office, and Calderón has only two years left in his term, Castañeda added. Both, therefore, are well situated to promote decriminalization, because "this implies no political harm for them."

Sleazebag Castañeda also noted that, at a time when the U.S. government is working "more closely than ever" with Mexico in the war on drugs, several U.S. states and counties are backing decriminalization, "or legalization of marijuana and/or heroin."

He noted that when these two heads of state say that "nothing can be done without the U.S., they're right; but then what they have to do is convince the U.S." of the necessity of legalizing drug consumption." Castañeda is of course aware of the fact that President Uribe is strongly opposed to drug legalization, but that he is about to leave office at the end of his term.

Brazilian Foreign Minister Sent on Iran Mission

April 23 (EIRNS)—Brazilian Foreign Minister Celso Amorim will be in Turkey for meetings on April 24; in Moscow on April 25; and in Tehran on April 26-27, where he will meet with his counterpart Manouchehr Mottaki, and President Mahmoud Ahmadinejad. Amorim's trip was announced by President Lula da Silva, in a press conference following his meeting with Lebanese President Michel Suleiman in Brasilia on April 22. Lula said he was not sending any special message to Ahmadinejad through Amorim, but since Lula is scheduled to visit Tehran in mid-May, Amorim went ahead to work out a negotiated solution to the Iran crisis.

Lebanon will chair the UN Security Council in May, and pesky reporters wanted to know from Lula whether President Suleiman would permit the introduction of the sanctions resolution against Iran. That Lula would not answer, but he was adamant that Brazil would not go along with a campaign to deny Iran the right to use peaceful nuclear energy:

"We defend the use of nuclear energy for peaceful purposes. We want for Iran, what we want for Brazil.... Brazil defends the thesis that Iran has the right to produce nuclear energy for peaceful purposes, be it for producing electricity, be it to produce medicines.... Brazil will never defend the idea that Iran cannot use nuclear energy for a peaceful purpose. Everyone has the right to use it for peaceful purposes."

When pressed as to what guarantee he had that Iran really doesn't have a military program, Lula countered, the same type of guarantee we have that China, India, Pakistan, the U.S., and Russia are for peace: treaties and agreements. There must be a negotiated solution to the difference of opinion between Iran, the UNSC, and the International Atomic Energy Agency (IAEA).

Western European News Digest

Goldman Sachs Case of Interest for NRW Voters

EU Financial Dictatorship Takes Shape

Belgium Back on Radar of Speculators

British Rail Union Condemns DBahn Takeover

Finland Approves Two Nuclear Reactors

Goldman Sachs Case of Interest for NRW Voters

April 23 (EIRNS)—Many citizens and voters of North Rhine-Westphalia, especially tenants of LEG (Landesentwicklungsgesellschaft NRW) flats, are very angry at incumbent State Governor Juergen Rüttgers (CDU) and his "black-yellow" government, because the sale of the LEG's 93,000 flats to Goldman Sachs in 2008 resulted in increased rents, but decreased maintenance and other services. The LEG sale for EU4.3 billion, which allowed Rüttgers to fill some acute holes in the state budget, made Goldman's real estate branch, Whitehall, the single-biggest owner of privatized flats in the formerly state-owned housing sector, in Germany.

Questions about the details of this scandalous transaction will be posed, now that Goldman Sachs is the target of an official fraud investigation in the U.S.A., during the remaining three hot weeks of the election campaign in NRW. And voters, in the Erler Settlement in Kreuztal, Kaerntnerstrasse in Moenchengladbach, Westerfilde and Wickede in Dortmund, or the

Reichel Settlement in Rheinberg, will be eager to learn what the BüSo has to tell them. In Berlin, the opposition SPD (Social Democrats) has already called for an investigation.

EU Financial Dictatorship Takes Shape

PARIS, April 19 (EIRNS)—"Eurozone May Review National Budgets" is the headline of an April 16 article of Brussels-based newspaper *The European Voice*, a publication of the London Economist Group.

The EU Commission, says the daily, "called for Eurozone countries to submit draft budgets for evaluation at EU level. The issue is highly sensitive for member-states, for whom the right to set their own national budgets is an essential part of their sovereignty. The Commission, however, claims that the step is essential to avoid a repeat of the Greek debt crisis. 'We are of the view that [governments] should integrate the European dimension into national processes when it can still make a difference,' Olli Rehn, the European commissioner for economic and monetary affairs, said." *European Voice* reports the proposal is strongly backed by Jean-Claude Juncker, of Luxembourg, the president of the Eurogroup.

Should this measure go through, it would be implementation of the economic dictatorship which Helga Zepp-LaRouche warned against in the campaign she led against the Lisbon Treaty.

Belgium Back on Radar of Speculators

PARIS, April 22 (EIRNS)—Belgium's five-partner coalition government, lead by Prime Minister Yves Leterme, collapsed today, after just five months in power. Leterme offered his resignation to King Albert II after the Flemish liberal VLD party staged a walkout, claiming they had lost confidence in Leterme's ability to settle regional quarrels.

If the King accepts the resignation, the House of Representatives will be dissolved, and early elections organized. But the instability of Belgium, which has to preside over the EU in two months, and hosts the headquarters of both the EU Commission and NATO, further destabilizes an already shaky Eurozone.

Belgium faces a deficit of 4.9% of GDP, and its public debt will soon reach beyond 100% of GDP. "So far, one can say that Belgium was not on the radar screen of the financial markets, but the political crisis could bring it back on the screen of the speculators," declared Etienne Callatay, an economist of the Degroof Bank, Belgium's largest private bank.

British Rail Union Condemns DBahn Takeover

April 23 (EIRNS)—The £1.59 billion takeover of the Arriva transport group by Deutsche Bahn (DB) was condemned on April 22 by Britain's biggest specialist transport union RMT, as another worrying step towards the creation of a pan-European private transport monopoly. The RMT points out that, although still nominally owned by the German state, DB has slashed its workforce by half since moves to privatize it began in 1994, and is aggressively raising capital for acquisitions, while making full use of the EU's forced liberalization of the European rail network. DB already runs Chiltern Railways and the newly privatized Tyne and Wear Metro, and has closed freight depots at Trafford Park and Falkland since it acquired EWS (Britain's biggest freight rail unit).

Bob Crow, RMT general secretary, said, "Millions of people across Europe believe that railways should be publicly owned and publicly run, not a commodity to be smashed up and exploited by privateers who are ultimately only interested in the bottom line."

Finland Approves Two Nuclear Reactors

April 22 (EIRNS)—In Finland, three companies have been bidding to build new reactors, in addition to the four old ones still in service, and a new one under construction. Yesterday, the government decided that two of the new reactors could be built, even though the conservative party in the government coalition wanted all three. The Green Party blocked the third one, but faces a storm of criticism for accepting two. Now it is up to the parliament to make the final decision in the beginning of May.

The two reactors are to be built by companies owned by industries in Finland; Sweden will produce the electricity for those industries at actual production cost. The third and unsuccessful bidder wanted to build its reactor to sell the electricity at market cost.

Russia and the CIS News Digest

LaRouche Videos Grab Attention in Russia

Russia: Fight Drugs, Rebuild Afghan Economy

Kyrgyzstan's Instability: Potential British Geopolitical Tool

Polish Government, Church Leaders Speak on Russian Relations

Chubais To Host American Venture Capitalists

Ukraine Trades Uranium Enrichment for Nuclear Cooperation

LaRouche Videos Grab Attention in Russia

April 16 (EIRNS)—The LaRouche PAC video "Obama's Opium War" has been published in Russian on RuTube (larush-tv.rutube.ru). In the clip, Matthew Ogden reports on Russian anti-drug chief Victor Ivanov's offer for Russia-NATO cooperation to end narcotics production and trafficking out of Afghanistan, and the protection of that business by London and Barack Obama. Filmed just days after the March 29 Moscow subway bombing, the report emphasizes the financing of terrorism with drug money.

By the end of its first 24 hours online, the Russian "Obama's Opium War" had the third-highest RuTube viewer ranking among news videos for the day. The clip is currently featured on the front page of the Russian Anti-Drug Front's website.

Russian-language blogger Yuri Tsarik also linked to the "Opium War" video on his "Sovereign Development" site, alongside a photo of the LaRouche Youth Movement banner which greeted President Dmitri Medvedev in Argentina: "We Want Russian Support for the LaRouche Plan: Wipe Out the Afghan Opium and Smash the Bankrupt British Empire." The Argentine banner was also clearly visible in yesterday's RIA Novosti video clip of Medvedev's wreath-laying in Buenos Aires.

Also published with Russian voiceover is Lyndon LaRouche's March 13 "Ides of March" webcast keynote.

Russia: Fight Drugs, Rebuild Afghan Economy

April 14 (EIRNS)—At a press conference today following talks in Brussels with the European Parliament's special envoy on drugs Pino Arlacchi, Russia's anti-drug agency chief Victor Ivanov said that the war on drugs must be waged ruthlessly, but so must be the effort to rebuild the economy of Afghanistan. Russia, Ivanov said, is ready to assist in rebuilding 142 economic facilities, built by Soviet specialists in Afghanistan. Among them is the Jalalabad irrigation system, the Naglu hydroelectric plant, the Mazar-e-Sharif mineral fertilizer plant, and the Salang Tunnel.

"We are ready to invest in rebuilding these objects and, of course, we hope that NATO, which has specifically undertaken to maintain security in Afghanistan, will guarantee this for us," Ivanov said. According to Russian expert estimates, the facilities built with Russian support in 1952-1988 accounted for more than 60% of Afghanistan's GDP in 1970-1980.

Kyrgyzstan's Instability: Potential British Geopolitical Tool

April 14 (EIRNS)—One week after an uprising ousted President Kurmanbek Bakiyev from this Central Asian nation, Kyrgyzstan remains extremely unstable, with a political stand-off between the former President, and the new government. On April 13, at a speech at the Brookings Institution, Russian President Dmitri Medvedev declared that that nation "is on the verge of civil war," warning that such a war would "immediately attract terrorists and extremists of all kinds because, in the course of such conflicts, the best possible conditions are created for radical movements." (Days later, Bakiyev fled the country to Kazakhstan, then Belarus.)

In pursuit of short-term stabilization, Russia has given \$50 million to the small nation; \$20 million as a grant, and \$30 million as a concessionary loan. Apparently, Bakiyev had left the state cashless.

In fact, failure to resolve the crisis would open the field for Wahhabite-British terrorists centered in the area, the Islamic Movement of Uzbekistan, for one, to move in. This would represent a serious security threat not only to Russia, but to China as well.

Polish Government, Church Leaders Speak on Russian Relations

April 18—"I don't know whether there will be a political breakthrough, because we have many opposing interests with Russia. But we already have an emotional breakthrough. And that is already a great deal," Polish Foreign Minister Radoslaw Sikorski said on the radio April 12. "I must emphasize that the Russian side is behaving with extraordinary openness. And even more, with Slavic openness and kindness," he was quoted in the *New York Times*.

Some officials in the Obama Administration are referring to the "genius" of Prime Minister Vladimir Putin's comportment after the plane crash in Russia which killed Polish President Lech Kaczynski and 95 others, as having defused what would otherwise have been a destabilizing crisis.

At Kaczynski's funeral in Krakow on April 18, Archbishop of Krakow Stanislaw Dziwisz, who was the late Pope John Paul II (Woytila)'s closest personal aide for many years, also took up the theme of reconciliation. Turning to President Dmitri Medvedev, one of the few foreign leaders able to attend the funeral, despite the disruption of air travel in Europe, Dziwisz said:

"70 years ago, Katyn [the execution of Polish officers by Soviet police in 1940—ed.] separated our two peoples, and the cover-up of the truth about the blood innocently spilled prevented the wounds from healing. The tragedy of eight days ago set loose manifestations of the goodness, which is inherent in peoples and nations. The sympathy and help we have

received from Russian brothers in these days are bringing a rebirth of hope for a rapprochement and reconciliation of our two Slavic peoples. I address these words to the President of Russia."

Chubais To Host American Venture Capitalists

April 25 (EIRNS)—Anatoli Chubais, veteran of the 1990s looting of Russia, and one of the primary British agents whom Lyndon LaRouche has identified as wrecking that country's economic policy, has invited a team of 20 leading venture fund directors from the United States to visit Russia, along with State Department representatives, from May 25 to 27. The announced purpose of the trip is to "provide the delegates with an opportunity to learn about Russia and its growing investment potential in the high technology and nanotechnology fields," according to a press release from Rusnano, the state nanotechnologies corporation that Chubais heads.

Since being appointed by President Medvedev to head Rusnano in 2008, Chubais has used his position to pose nanotech and IT as the top priority for Russian science, rather than the infrastructure and basic science policies advocated by sane members of the Russian government, and promoted by LaRouche as critical for the survival of Russia and mutual benefit of all mankind. Chubais has been committed for over two decades to shifting Russian to a "post-industrial" economy, as he put it in a 1990 paper delivered at the International Institute for Applied Systems Analysis (IIASA). For him and his allies, "commercialization" of IT inventions is everything.

During a recent meeting to brief Prime Minister Putin on the work of Rosnano, Chubais talked almost exclusively about solar batteries as a technology Russia could develop and find a market niche for. Putin warned Chubais not to forget about technologies which Russia badly needs, including new types of materials and productive machinery.

Chubais ally Arkadi Dvorkovich, the Kremlin economics adviser who was the subject of LaRouche's briefing on "The Case of Arkadi V. Dvorkovich" (see InDepth this week), issued yesterday, told U.S. audiences in Washington and California earlier this month, that his top priority is to attract foreign "venture capital and private equity funds" into Russia to back IT and related start-up companies.

The Rosnano release states: "During the three days of the trip, the delegates will have a unique chance to meet the movers and shakers of the Russian technology markets, including government officials, members of the Russian business elite, famous hi-tech entrepreneurs, major law firms and investment banks, technology executives, and local investors. The delegates will also have a great opportunity to explore the emerging scene of the Russian start-ups and learn about the established technology companies with high-growth potential."

Ukraine Trades Uranium Enrichment for Nuclear Cooperation

April 12 (EIRNS)—In a joint statement today issued with President Obama, Ukrainian President Viktor Yanukovych committed Ukraine to giving up all of its highly enriched uranium by the time of the next nuclear summit in 2012, and to utilize thereafter only low-enriched uranium for its nuclear energy program. While this measure plays into Obama's flaky nuclear summit confab now going on in Washington, the joint statement also commits the two parties to "explore ways to strengthen cooperation in the peaceful uses of nuclear energy, further nuclear cooperation, including development of Ukrainian nuclear research capabilities, and efforts to diversify Ukraine's nuclear power industry's fuel supply, in accordance with the 123 Agreement between the United States and Ukraine." The 123 Agreement with Ukraine was negotiated under President Clinton and allowed the transfer of nuclear technologies from the U.S. to Ukraine.

Southwest Asia News Digest

Hariri: Syria SCUD Story a Hoax; Clinton Defends Diplomacy

Settler Fascists Burn Palestinian Olive Groves, Attack IDF

Iran Holds Its Own Nuclear Summit

Iran Police Seized Over 557 Tons of Drugs Last Year

Hariri: Syria SCUD Story a Hoax; Clinton Defends Diplomacy

April 23 (EIRNS)—In the face of widely circulated reports that Syria has sent SCUD missiles to Hezbollah in Lebanon, there have also been a number of denunciations of the SCUD story as Israeli disinformation.

On April 21, a very strong statement denying the SCUD missile story, was issued by the office of Lebanese Prime Minister Saad Hariri—the leader of the March 14 Coalition, which was supported by the U.S. after the 2005 assassination of his father, Rafiq Hariri.

"The media suddenly started reporting that there are SCUD missiles in Lebanon," said the statement, as quoted in *Al Jazeera*. "Threats that Lebanon now has huge missiles are similar to what they used to say about weapons of mass destruction in Iraq.... Such arms were not found. They are trying to repeat the same scenario with Lebanon."

Well-placed intelligence sources in Washington, D.C. have told *EIR* that while the SCUD missile transfer information is "credible," that only means that the source—Israeli intelligence—is considered "credible" by the U.S. intelligence community. "That doesn't mean that it is true," said a source. "There is no confirmation that any missiles have actually been transported by Syria into Lebanon."

Several days after *EIR* received the above report, British news agency Reuters reported that "two U.S. officials" told them that "there were 'no indications' any SCUD rockets were transported into Lebanon." The official added that "surely" Syria realizes that transferring SCUD rockets to Hezbollah in Lebanon "could lead to serious consequences."

Israeli President Shimon Peres has stated point blank that Syria has already made this transfer, a charge which has been denied by both the Syrian and Lebanese governments. The Israel Lobby in the U.S. is trying to use this propaganda to block the confirmation of the nomination of Robert Ford as U.S. Ambassador to Syria, which has already been approved by the Senate Foreign Relations Committee.

Secretary of State Hillary Clinton gave her support to sending Ambassador Ford to Syria, at a news conference on April 22, before the opening of a NATO foreign ministers meeting in Estonia. Clinton said, "we believe it is important to return an ambassador" to Syria, and that engagement between the U.S. and Syria is a better way to voice U.S. concerns. The full Senate has yet to approve the Ford nomination.

Settler Fascists Burn Palestinian Olive Groves, Attack IDF

April 21 (EIRNS)—"Violence and raising hands against IDF soldiers is crossing the line in an intolerable manner. This intolerable and deviant conduct will be handled according to the law with the necessary resolve," stated a spokesman for the Israeli Defense Forces on April 21, according to the Chinese *People's Daily*. The statement came after some 100 settlers from Yitzar settlement in the West Bank threw rocks and attacked soldiers as they tried to stop the settlers entering

a Palestinian village.

The pro-peace Zionist organization, Americans for Peace Now, reports that the settlers from Yitzar have tried numerous attacks on Palestinian villages over the past several weeks. In another area of the West Bank near Nablus, settlers uprooted and then burned in a bonfire, about 250 olive trees belonging to Palestinian villagers. There was no intervention by Israeli police or military to stop this Nablus rampage. All this occurred on Israeli Independence Day, April 20.

The growing influence of Jewish religious fanatics in the Israeli military and other state institutions is becoming a big concern both in Israel, and among American Jews who support a Palestinian state. This was the subject of a forum at the New American Foundation in Washington April 21, that featured Eyal Press of the NAF and International Crisis Group, and Prof. Yoram Peri, a former aide to the late Prime Minister Yitzak Rabin, who was assassinated by a radical settler in 1995. While both speakers admitted that there is a greater and greater number of religious fanatics entering the official Israeli military, Peri believes that there is a strong enough tradition inside Israel and inside the military—going back to Ben Gurion's crackdown against the right-wing militias—to prevent religious agendas from determining policy.

But others in Israel, such as author Prof. Yigal Levy, believe that the religious infiltration of the Israeli army is so large that it will eventually bring about a "putsch" by the religious nuts when Israel is eventually forced—under international pressure—to give up the settlements. Levy is among those who have exposed the activity of fundamentalist rabbis during Operation Cast Lead in Gaza, who were telling IDF soldiers that theirs was a mission from God, and to show no mercy to Palestinians.

Iran Holds Its Own Nuclear Summit

April 17 (EIRNS)—Iran has answered President Obama's nuclear security extravaganza of the previous week, with a nuclear summit of its own. Organizers of the conference, entitled "Nuclear Power for All, Nuclear Weapons for No One," claimed representation from 60 nations and several international organizations, including a number of foreign ministers, and the deputy foreign ministers of Russia and China.

Kazem Jalali, member of the Majlis (parliament) National Security and Foreign Policy Committee, told the *Tehran Times* that the conference seeks to revive the Nuclear Non-Proliferation Treaty (NPT). "The Tehran conference is a global call for the peaceful use of nuclear energy and the Islamic Republic of Iran is seeking to integrate states that are trying to attain nuclear technology meant for peaceful purposes," he said. He also said that, "through the conference Iran is announcing to the world that it is not pursuing nuclear weapons," because to do so violates the fatwa issued by Supreme Leader Ali Khamenei.

The conference was opened by President Mahmoud Ahmadinejad who denounced the "bullying" by certain nations through the UN Security Council, and called for the U.S. to be suspended from the IAEA. In reference to the recent Nuclear Posture Review, in which the U.S. kept open its options regarding the use of nuclear weapons against Iran, Ahmadinejad, said that "those nuclear weapons states that threaten others with nuclear weapons should be suspended from the IAEA and its board of governors." Ahmadinejad also proposed that a new institution, under the auspices of the UN General Assembly, needs to be formed to supervise global disarmament. Only non-nuclear weapons states should be involved in this new exercise, and the United States, specifically, should be barred because it has been involved in the production, proliferation, and use of nuclear weapons.

Iran Police Seized Over 557 Tons of Drugs Last Year

April 18 (EIRNS)—In their effort to defend their country from the avalanche of drugs which the British Empire pours over

their border with Afghanistan, Iran's police have reported to the *Tehran Times* that they seized 461 tons of opium and 45 tons of hashish, 22 tons of heroin, 14 tons of morphine, and 14 tons of other illicit drugs last year. In addition, they seized 951 kilos of methamphetamine and 14 million ecstasy tablets.

Last year, 1,717 operations were launched against the drug traffickers that resulted in the deaths of 214 traffickers, and, unfortunately, 34 deaths and 46 injuries among police. Police intercepted 957 vehicles of drug traffickers and seized 37 tons of drugs at checkpoints using sniffer dogs. (The Iranian year began March 21, 2009, at the festival called Nowrooz, at the vernal equinox.)

"Well, it's good work," Lyndon LaRouche said. "They have a problem; they're dealing with it. You can't blame them."

Asia News Digest

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Afghan MP: British Troops Trained Opium Experts in Helmand

April 20 (EIRNS)—It was an open secret. Nonetheless, cited by an Afghan Member of Parliament, Nasimeh Niazi, the news will bend many ears inside, and outside of, Afghanistan. Niazi told Iran's Fars News Agency (FNA) on April 20 that the foreign forces deployed in Afghanistan were involved in the production and trafficking of illicit drugs in the country, adding that the British troops have even trained opium experts. Britain began to deploy troops, which grew 9,500-strong over the next two years, in Helmand province beginning in 2006. Helmand province, where almost 50% of Afghanistan's opium is produced, began to register huge growth in opium production that year. In 2007, it reached a level of 4,400 tons, which is almost the amount entire world consumes annually. Productivity of opium per hectare, aided by British research, has grown enormously.

Niazi also pointed out that Helmand province in southwestern Afghanistan has been transformed into a profitable center for foreign states to earn an expense fund for their deployment in the country. Heroin production labs in Helmand, which did not exist before the U.S.-led war in Afghanistan, are now plentiful and work overtly, Niazi added. It is also important to note that with the "foreign" (read: British) experts' help, the conversion of opium into heroin has shown an almost 30% rise in Afghanistan.

Pointing to her recent trip to Helmand, she said that during the trip, foreign forces pretended that they were destroying opium poppy farms, but it was only a token effort.

Opium Is Destroying the Children in Afghanistan

April 21 (EIRNS)—Allowing the City of London and Wall Street to sustain themselves from ever-growing opium production in Afghanistan, the Bush and Obama administrations have now successfully presided over the destruction of the next generation of the Afghan population. A team of researchers hired by the U.S. State Department has found staggering levels of opium and heroin use among Afghan children as young as 14 months. This was totally unexpected. No one has ever seen this type of exposure in young children. And it's laying a foundation for drug abuse for a whole generation, said Bruce Goldberger, one of the University of Florida scientists heading up the study.

"This is a doomed generation of children," Goldberger said. "These children are classic opium or heroin addicts. They crave the drug. If the drug is withdrawn, they go through withdrawal."

The picture precisely mirrors the destruction which the British wrought in China through their 19th-20th Century Opium War.

A fact sheet prepared by the State Department has some of the raw numbers: In 31 of 42 homes where adult addicts lived, children tested showed signs of significant drug exposure.

Their field testing of homes of known drug users found that small children, even infants, have been passively exposed to heroin and opiates by the adult users in their homes. Both American and Afghan counter-narcotics officials said this is a new problem for the country. Only in recent years, as refugees from war fled to Pakistan and Iran, did a significant number of Afghans start using the drugs themselves. When they returned home, they brought both drug use and its noxious byproducts back with them. Compounding the problem is that the drug traffic originating in Afghanistan has changed, with more opium being converted into heroin before it leaves the country's borders.

Senator Webb: Move Funds from AFPAC to East Asia

April 24 (EIRNS)—U.S. Sen. Jim Webb (D-Va.), who has taken a leading role in the Congress in support of Secretary of State Clinton's policy of shifting U.S. foreign policy toward the Pacific, and also criticizing U.S. policy in Afghanistan, issued a call to increase the State Department's East Asia budget by \$100 million, while cutting the same amount from Afghanistan and Pakistan. Webb has been arguing since May 2009 that Afghanistan and Pakistan "would not be able to absorb the massive amounts of funding provided to them, exacerbating corruption, misallocation, and overall ineffective assistance." He said that of the \$700 million appropriated to Pakistan counterinsurgency in 2009 "nearly \$500 million remains and the State Department has requested an additional \$1.2 million this year." State is requesting a total of \$6.98 billion for AFPAC this year.

East Asia, on the other hand, is severely underfunded, Webb says. Despite the official policy of "re-engaging" in Asia in the Obama Administration, the FY11 budget request for East Asia and Pacific is the smallest of all the regional bureaus. "The U.S. is a Pacific nation and has a vital long-term economic and strategic interests throughout Asia," said Webb. "This region is the only place in the world where the direct interests of the U.S., China, Russia and Japan directly intersect."

Blair Confronted in Malaysia as War Criminal

April 24 (EIRNS)—*EIR* received a report from Matthias Chang, an advisor to former Prime Minister Mahathir, who participated in a protest of the appearance of war criminal Tony Blair today, getting close enough to denounce him for his crimes, but failing to deliver an indictment prepared by the Kuala Lumpur War Crimes Commission, set up by Dr. Mahathir and his allies.

Chang wrote: "War criminal Blair, the keynote speaker at the National Achievers Conference organised by Success

Resources, a sycophant Singapore outfit ... hid in fear at the threat that members of the Malaysian anti-war NGOs would throw slippers at him and that members of the Kuala Lumpur War Crimes Commission would serve an indictment for war crimes. Extensive security measures were put in place before his arrival for the three-day event. For the first time, delegates to the conference had no itinerary of the speakers invited to speak at the convention.... Delegates have to wear a special wrist band for the entire duration of the convention for identification purposes."

Chang and another leader of the War Crimes Commission, two representatives of Mahathir's Perdana Global Peace Organisation, together with representatives of the Iraq Community in Malaysia, confronted Blair as he entered the hall, with the Iraqis shouting "mass murderer, war criminal, shame on you," repeatedly. Blair was obviously unsettled and put on an embarrassed smile, according to Chang.

Mahathir and others issued strong denunciations of the sponsors of the conference and the government for allowing admitted war criminal Blair to set foot in Malaysia, let alone to address youth on the subject of "Achievements," where he repeated his bragging about his crimes to the Chilcot Commission while calling for another illegal war on Iran.

China Daily Starts to Question Global Warming Myth

April 21 (EIRNS)—An article in the official *China Daily*, and a new book making the rounds in China, have rejected the usual Chinese policy of paying lip service to global warming and the need to reduce carbon emissions (even while rejecting policies which would undermine growth). Zhu Yuan, writing in today's *China Daily*, notes that Chinese nationalists "tend to interpret what the United States or West is doing as a conspiracy to maintain their supremacy over developing countries. The financial crisis was described as a conspiracy in a series of books titled *War of Currency*. The latest book, *Carbon Empire* (tanke diguo) by Bai Haijun, claims that global warming is a lie, and the low-carbon economy a conspiracy by the US to maintain its position as the world's leading power."

Zhu then asserts that by "cutting the emissions of carbon dioxide by a large margin, our economic growth will undoubtedly drop and as a result, we will not be able to create enough jobs. That will have a negative impact on a populous nation like China at least in the short term. So it is reasonable for China and other developing countries to maintain a differentiated policy for the reduction of greenhouse gas emissions."

Real pollution, on the other hand, is a real problem for China, and thus Zhu adds: "Yet, that does not mean we have enough reason to slacken our efforts in raising energy efficiency and reducing the pollutants our industries discharge."

Africa News Digest

British Empire Strategy Unchanged: Balkanize Sudan

How Goldman Sachs Screwed Ghana

British Empire Strategy Unchanged: Balkanize Sudan

April 21 (EIRNS)—The City of London-based imperial financial cartel announced its plan to split up Sudan before the April 11-15 national, state, and local elections. London needed the election to fulfill the requirements demanded by the Comprehensive Peace Agreement (CPA), before the referendum scheduled for next January could take place. London and its allies are doing everything possible to get southern Sudan to vote for secession. The January 2005 CPA settled the protracted, British-engineered conflict between North and South Sudan.

While accepting the election, to pave the way for the referendum, the media reports of the British and their allies are describing the election as flawed, so as not to give any credibility to the government of President Hassan Omar al-Bashir.

The London *Financial Times* revealed its intention of splitting up Sudan, in an editorial yesterday. It stated that it hoped Jimmy Carter was right when he said that he expects the world to accept the results of the election, despite the technical problems of the elections. The Carter Center had 70 observers in 25 states in Sudan during the election.

The *Financial Times* stated in an editorial that, "the international community must not lose sight of the bigger goal, which is the referendum," adding bluntly that "A vote for secession ... is now all but certain." It called on its Western allies to join in the campaign for secession of the South.

Even before the elections took place, on April 8, the London *Economist* stated flatly that, "A flawed election would be better than none, for it would mean progress towards a peaceful north-south split." On the last day of the elections, April 15, the *Economist* charged that the vote was "rigged in the north, more or less fair in the south." The *Guardian* on April 18 reported that Sudan "is on the brink of splitting," and went so far to propose a name for South Sudan if the British have their way in promoting its secession: "Republic of the White Nile."

Despite the Western reports that the election fell short of international standards—a range of logistical troubles on the days of the election, intimidation of voters SPLM-ruled South, and problems stemming from the consequences of the rebellion in Darfur, Russia, China, the African Union, and the Intergovernmental Authority on Development (IGAD) (a bloc of Sudan's neighbors, which were instrumental in the process that led to the CPA), are not lining up with the British-led attacks on the Sudan government and on the election, all of whom sent observers. And in their view, the election was a success, and a step forward for Sudan.

One example is Russian special envoy to Sudan, Mikhail Margelov, who said that there were only technical flaws at the polls, which did not impact the integrity of the process as a whole. He criticized Western monitors for their assessments made over the weekend, and told the Russian Interfax news agency: "This country is just emerging from a state of war." He also said that the opinion of the EU observers, to the effect that the elections "did not meet the key requirements of the electoral process," were too categorical. Margelov said the elections in Sudan should be judged by African, and not European standards. The Russian official stressed that the reported irregularities did not give enough grounds for casting doubt on the validity of the elections in Sudan. Russia had sent observers to monitor the election, as did China and the African Union, among others.

Some of the northern opposition parties made a show of boycotting the election on April 1, shortly before it took place, claiming the elections were flawed. Gerard Prunier, a French Africa expert who knows Sudan well, and is not a supporter of the ruling NCP, said at a forum in Washington, that the opposition parties pulled out because the election would have shown how weak they are. They no longer have the support of their traditional base, he asserted.

Sudan is facing outbreaks of violence among factions in the South, along with severe food shortages in that region, which will feed into the drive for secession being organized by the British.

How Goldman Sachs Screwed Ghana

April 27 (EIRNS)—An April 20 report from Ghana describes how Ashanti Gold was gobbled up by the British financial cartel, an operation in which Goldman Sachs played the critical inside role.

In 1998, Ashanti Gold was the third-largest gold mining company in the world. The first "black" company on the London Stock Exchange, Ashanti had just purchased the Geita mine in Tanzania, which positioned Ashanti to become even larger.

But, in May 1999, the Treasury of the United Kingdom decided to sell off 415 tons of its gold reserves. With all that gold flooding the world market, the price of gold began to decline. By August 1999, the price of gold had fallen to \$252/ounce, the lowest it had been in 20 years, according to the report. Ashanti turned to its financial advisor—Goldman Sachs—who recommended that Ashanti purchase enormous hedge contracts to sell gold at a "locked in" price. Goldman advised Ashanti that the price was going to continue to fall.

But, in addition to being an advisor, Goldman was a worldwide seller of gold, and hedge contracts. One month later, in September 1999, 15 European Banks with whom Goldman Sachs had professional relationships, made a unanimous surprise announcement that all 15 would stop selling gold on world markets for 5 years. Because of the announcement, gold prices immediately rose. Since Ashanti now had contracts with 17 banks to sell gold at a low price, but had to buy at a high price to cover, it was in deep trouble.

Ashanti's stock plummeted, and in the end (2003), it was purchased by its largest African competitor, AngloGold, a British company operating out of South Africa, which bought it for a song. Not surprisingly, Goldman was also the financial advisor to AngloGold.

The operation was summed up in the report in this manner: "The destruction of Ashanti Gold by Goldman Sachs was saturated with fraud and conflicts of interest: Goldman Sachs served as Ashanti's financial advisors; profited from the contracts they designed and marketed for Ashanti; was involved in the manipulation of the gold prices on which the contracts depended; represented Ashanti's creditors when the contracts went bad; and profitted as the Financial Advisors to the company that picked up the Ashanti corpse for pennies on the dollar."

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