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[Japan on Eve of FAO Meet:](#)
[Let's Double Rice for Africa!](#)
[by Ramtanu Maitra](#)

Less than a week before the FAO's June 3-5 high-level conference on World Food Security and Global Challenges in Rome, Japanese Prime Minister Yasuo Fukuda addressed the Fourth Tokyo International Conference on African Development (TICAD IV), in Japan's port city Yokohama. With 52 African nations represented at the gathering, Fukuda pledged Japan's expertise to bring about a "Green Revolution" in Africa to make the continent food secure.

"As Africa seeks to achieve its own Green Revolution, I would like to put out a call for action, aiming to double the current rice production output of 14 million tons, over the next ten years," the Japanese prime minister said.

Japan's initiative to become involved in Africa to eradicate that food-short continent's hunger, and make it food-secure, poses a stiff challenge to the centuries-old policies imposed by the Anglo-European colonial powers....

[***In-Depth articles from EIR, Vol. 35, No. 23***](#)

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This Week's Cover

- [**Japan Pledges To Eradicate Hunger in Africa in 10 years**](#)

Japanese Prime Minister **Yasuo Fukuda** addressed the Fourth Tokyo International Conference on African Development, putting forward a plan of action to achieve a Green Revolution in Africa, to make it food secure with the help of Japan's expertise. Japan's initiative poses a stiff challenge to the centuries-old policies imposed by the Anglo-European colonial powers.

- [**Renewed World Mission:**](#)

- [**Food for All!**](#)

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- From a speech by Minister of Agriculture **Alexei Gordeyev** at a May 19 conference.

- [**Schiller Institute Founder Calls for Doubling World Food Production—Now!**](#)

- [**Starving? No Gas?**](#)

- [**Blame London**](#)

Food Policy

- **LaRouche PAC Memorandum:**

- **Kill the WTO; Double Food Production**

This memorandum features an analysis of total food production from 1970 to 2007, showing the severe inadequacy of food output, given population growth, and projects that were online that would have met today's food requirements had they been built. Included is a developed strategy for self-sufficiency, for immediately averting today's threat of starvation, and for a long-term alliance among Russia, China, India, and the United States.

Feature

- **More on Insight:**

- **Science & the Making of History**

Lyndon H. LaRouche, Jr., in a continuing series of reports, emphasizes the importance of the work on science by the LaRouche Youth Movement 'as the necessary foundation and guide for a competent study of the history of European civilization.' Citing his own insight, over a lifetime, into fundamental issues of science, he writes: 'In this present report, I continue along that pathway, from its inferred, ancient origins, toward its own importance for a competent grasp, today, of that series of great crises of globally extended development of modern European civilization, which is to be traced from the work of Cardinal Nicholas of Cusa's founding of modern science, into the time of the accelerating global economic breakdown-crisis, now in an advanced stage.'

International

- **Brits Fear Elder Statesmen's Challenge to Free Market**

After European senior statesmen came out with a call for a new 'European Crisis Committee' to take the financial markets in hand, the *Daily Telegraph* attacked the statement as 'a grave threat to the City of London.'

- **Documentation:**

The text of the statesmen's call, 'Free Markets Cannot Ignore Social Morals. '

- **Russian President's Trip to China Advances the Eurasian Alliance**

- **Jiang Zemin:**

- **"Creativity Is the Soul of a Nation."**

- **European Resistance Against Dictatorial Lisbon Treaty Grows**

- **Documentation:**

From a forthcoming pamphlet by Prof. Giuseppe Guarino, a legal expert from the University of Rome.

- **The Lisbon Treaty:**

- **A 'Yes' Vote Means Death to Democracy**

A statement by five Members of the European Parliament.

- **Dutch Citizens Hold Poll on Lisbon Treaty**

National

- **LaRouche:**

- **Obama Must Break From British Colonial Policy**

Lyndon LaRouche demands that Barack Obama publicly and decisively break with British colonial policy in Africa, and renounce the

comments he made at a recent campaign fundraiser in London, which effectively called for putting the United States under British diktat.

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Editorial

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U.S. Economic/Financial News

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Greenspan: Financial Crises 'Of Necessity, Are Unanticipated'

May 27 (EIRNS)—For those with a healthy sense of irony, reading the financial press these days can be quite amusing, what with all the whining going on. The May 27 *Wall Street Journal*, for example, has the first of a three-part series on the final days of Bear Stearns, which relates how a "senior trader" demanded an explanation from the bank's president as to how the bank could have collapsed. We hate to be rude, but a senior trader in a bank with a checkered history of selling worthless crap to its clients, should have more of a clue. It's sort of like the guy who starts forest fires demanding to know how his house burned down. Maybe what Bear Stearns really died of, is stupidity.

Then there's the King of the Bubble himself, Sir Alan Greenspan, who, as reported by the May 27 *Financial Times*, believes that although "there is a greater than 50 percent probability of a recession ... that probability has receded a little and I think the probability of a severe recession has come down markedly." Greenspan said it was "too soon to tell" if the worst of the financial crisis were over. If that weren't enough, Sir Alan warned that the central banks should not try to suppress bubbles lest they suppress innovation and growth, adding that "micro-meddling" merely undermines the financial system, since financial crises "of necessity are unanticipated."

Denial and stupidity often run together, and perhaps if Sir Alan were to pull his head out of his data long enough to take a good look at the state of the nation, he could see that we plunged from recession into depression a good while back, and our nation is going to Hell in a handbasket.

Home Prices Collapse Continues; LaRouche's HBPA Needed Now

May 27 (EIRNS)—Prices for homes sold in the month of March showed the national collapse of real estate values still accelerating. The Case-Shiller "20 city" index for prices of homes sold in March showed a drop of 14.4% compared to last year, with the top "10 city" index falling by 15.3%. Since the Case-Shiller Index peaked in July 2006, average home prices have dropped 17% for the 20 metro areas, and 19% for the biggest 10 metros. And the rate of loss of home "value," as of March, was over 2% *per month*. Housing economist Robert Shiller now forecasts that the bottom will be at least 30% down, likely more.

Suppose, then, that Congress were going to vote to use government-sponsored agencies Fannie Mae and Freddie Mac to insure the buying hundreds of thousands of failed 2006-08 mortgages from banks and lenders, at 85-90% of their peak

value? That would be a giant bailout of those banks, would it not?—putting a convenient floor under their ongoing, worsening losses in mortgages and mortgage securities. And as those losses then continued faster and faster over the next year, the government would be absorbing them for the banks, by insuring new "85%" mortgages which will soon be in default.

That is exactly what Congress is about to do! The Barney Frank (House)-Chris Dodd (Senate) bill, largely drafted by the Financial Services Forum and Wall Street banks, is that giant bailout, and is supposedly ready to pass both houses of Congress. Its purpose is to block Lyndon LaRouche's proposed Homeowners and Bank Protection Act (HBPA), which would freeze mortgages and foreclosures *for as long as it takes for home prices to drop all the way*, while reorganizing the banking system.

The Case-Shiller report says that the price collapse in first quarter 2008 was "the highest in the series' 20-year history." During the worst of the 1990-91 housing collapse, the rate was a mere -2.8% annually—roughly the monthly drop now!

No surprise then that Wall Street's "Conference Board" reported a "greater than expected" collapse in their index of consumer confidence, led by the combination of collapsing home values, and rising fuel and food costs.

Global Economic News

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- [French Fishermen and Farmers Strike Over Oil Prices](#)
- [French Real Estate Market in Free-Fall](#)
- [Famine Threat Stalks Iraq, Too](#)
- [China's Central Bank: Fed Rate Cuts Spurred World Inflation](#)

Nuclear Debate Breaks Out in Italy

May 24 (EIRNS)—The statements by Italian Industry Minister Claudio Scajola on a return to nuclear energy, are stirring up a national debate. The opposition, through Shadow Minister for Industry Pier Luigi Bersani or the president of the Piemonte industrial region Mercedes Bresso, are making fools of themselves by rejecting the nuclear option. However, a prominent member of the opposition, Sen. Umberto Veronesi, said that nuclear power "is not an option, but an inevitable aim."

Prominent support also came from physicist Antonino Zichichi, president of World Federation of Scientists. Zichichi is among the 100 scientists who signed a letter to the UN Secretary General last December against the global warming fraud and the Intergovernmental Panel on Climate Change (IPCC). He also led the anti-IPCC faction at the Vatican conference on climate last year.

Zichichi said that nuclear power is the only instrument to save the world from the onrushing energy crisis, to allow poor countries to develop and to achieve independence from oil.

Confirming Zichichi's arguments, the national electric company ENEL announced it was ready to build new reactors (third-generation) in six to seven years, indicating bureaucracy was the main obstacle.

French Fishermen and Farmers Strike Over Oil Prices

May 27 (EIRNS)—The majority of the fishermen in ports in France, from Brittany to the Mediterranean Sea, renewed their strike May 26, over their inability to pay the 29% diesel price increase since December. The fishermen are demanding that fuel be no higher than Eu40 cents a liter, and not 75 cents as it is now. Under pressure, the French government decided to give Eu310 million in short-term aid, but must first negotiate with the Brussels EU Commission to make this aid "euro-compatible," i.e., make sure it is not ruled unfair competition with other European farmers. Agriculture Minister Michel Barnier has therefore reintroduced the aid in the category of "emergency aid" permitted, in the Commission's jargon, to people as "individualized social aid." At this point, Barnier is still negotiating with the Commission. This is just a short-term band-aid, which is why the fisherman have continued to strike.

As of May 26, the strike was restarted in the majority of the ports. In the English Channel and the Mediterranean area, and including La Rochelle—one of Europe's major fishing ports—more than ten ports have gone on a 48-hour strike. In Brittany, the strike spread like wildfire, with ports like Guilvinec, the first artisanal fishing port of France, and Saint Brieuc heading the action. Some of the tactics involve blocking highways and oil refineries. Fishermen and farmers blocked a four-lane highway yesterday between Rennes and Saint Brieux, and in the Normandy port of Le Havre, actions are underway to block the Total refinery and other oil depots in the area.

The strike has a desperate and dangerous character as well. In some areas, the fishermen are pouring fuel on the fish; in other areas of Brittany, fisherman have carried out raids against companies importing fish from the developing sector. Cite Marine and some of its subsidiaries, were targetted, with fishermen destroying tons of frozen fish.

Following a meeting over the weekend in Ancona, Italy, fishermen from four countries—Portugal, Italy, France, and Spain—decided to extend the strike to their countries, and are considering a demonstration in Brussels in the near future.

French Real Estate Market in Free-Fall

May 28 (EIRNS)—According to the French Ministry of Durable Development, transactions in new housing dropped during the first quarter by an annualized 29.7%. This "brutal" drop, says the French daily *Les Echos*, which reports it on the front page, is a general tendency in 18 out of the 22 regions of France; some—the Limousin, Lorraine, and Auvergne areas—being worse hit than others, with a drop reaching 60%! New construction permits for the period February-April dropped by 16.3%. Prices for apartments continue to increase, while those of single family homes and land are beginning to drop.

Famine Threat Stalks Iraq, Too

May 31 (EIRNS)—Adnan Pachachi, a veteran Iraqi politician and member of parliament, reported this week, in a speech at the Woodrow Wilson Center in Washington, that one of the main sources of discontent among the Iraqi population with the government of Prime Minister Nouri al-Maliki, is the government's inability to deal with the country's economic crisis, including the falloff in agricultural production. In response to a question from *EIR* on the food situation, Pachachi noted that Iraq was, at one time, a food-exporting country, but became a food importer through mismanagement and neglect of agriculture. He said that two weeks ago, a delegation from Baghdad visited Babil province (immediately south of Baghdad), and warned that there may be a famine in parts of the province, "which is something impossible to understand." He noted that Iraq has two great rivers and fertile land, "but now there is the danger of famine in some areas.... This shows mismanagement and ignorance in the way the state is being run," he said.

China's Central Bank: Fed Rate Cuts Spurred World Inflation

May 31 (EIRNS)—The deep interest-rate cuts made by the U.S. Federal Reserve have both increased liquidity and led to rising commodity prices, Zhou Xiaochuan, governor of the People's Bank of China, said May 30 at a conference in Beijing, the *China Securities Journal* reported. These rate cuts have affected the anti-inflation policies of emerging markets, Zhou said. "The U.S. Fed has significantly reduced interest rates, on the other hand, global commodity market prices have risen. A lot of developing countries are now suffering from rising inflation," Zhou said. He said that the world's central banks should cooperate more closely to tackle the inflation problem.

Zhou also said that reports of "hot money" flows into China may be exaggerated by experts. Hot money flows, which triggered the Asian financial crisis in 1997, are being carefully watched in China, which is being hit with a fast rise of its currency against the dollar, and high inflation. Zhou said that analysts should not just "look at trade surplus and FDI [foreign direct investment, to calculate speculative capital inflows], you have to make a comprehensive check of the overall international balance of payments."

China's huge forex reserves have risen by \$154 billion in the first quarter alone this year, to \$1.68 trillion. China's trade surplus was \$41.4 billion, and incoming FDI \$27.4 billion, leaving an \$85 billion difference from the forex increase. China's reserves were up to \$1.76 billion by end-April. Zhou said that some of this difference is due to services trade flows and other factors, and it should not all be considered "hot money" inflows.

United States News Digest

- [Clinton: My Government Will Work To Solve Food Crisis](#)
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- [Carter: Europe Should Break with U.S. over Hamas Embargo](#)
- [Bloomberg Promoted for 'Veepstakes'](#)

Clinton: My Government Will Work To Solve Food Crisis

May 29 (EIRNS)—In response to a question by a LaRouche movement organizer about the global food emergency, Sen. Hillary Clinton, campaigning in Huron, South Dakota, said today, "We've got to help revolutionize food production" around the world, and "my government will work with other governments to solve the food crisis."

In Sioux Falls and Madison, Clinton had impromptu appearances in cafes, and in Huron and Watertown, she spoke in front of large crowds which to organizers had distributed LaRouche PAC pamphlets.

At the Huron event, LaRouche supporter Herman Eilers was seated on the stage behind the candidate, along with six other war veterans. As the rally was winding up, Hillary turned around to have a word with the veterans, and Eilers asked her a question about the upcoming FAO meeting in Rome (June 3-5), and the need to double food production. She told him that he had asked a really important question, asked her staff to turn the microphone back on, and asked him to repeat his question so the audience could hear it.

Eilers said: "I'm a veteran and a farmer. I grew up here in the breadbasket of America being a producer who could help feed the world. But now millions of people are at the brink of starvation. On June 3, the same day as our primary, the FAO conference opens in Rome, and we want the agenda to be doubling food production. What would you say to give hope to the starving and to those government representatives who will be at the FAO?"

Clinton answered: "That's a very good question. We can help feed people, but we have to really help them develop the technology to expand food production in their own countries." She talked about the devastation in countries throughout Africa and in Haiti and said: "We've got to help revolutionize food production. We have got to work with the UN FAO and send our people trained in food production through the Peace Corps and other institutions. We have to work government-to-government. My government will work with other governments to solve the food crisis."

Clinton then asked Eilers if he had anything else to say and he asked: "As a farmer, we're putting a lot of acreage into ethanol. I wonder how we're going to double food production, the way everybody is focused on biofuels for energy self sufficiency." When Clinton answered by starting to talk about cellulosic research, etc., Eilers interrupted her: "How about going after the speculators?" The crowd applauded, and Hillary responded: "Absolutely. We're going to stop the speculators."

McClellan: Bush Drew a Blank on Cocaine Use

May 28 (EIRNS)—Former White House press spokesman Scott McClellan reveals new details in his forthcoming book *What Happened*, about allegations regarding Bush's former drug use which were raised during his 2000 campaign for President. McClellan traces Bush's tendency for self-deception back to an incident on the campaign trail in 1999, when then-Governor Bush was being confronted by reports that he used cocaine in his younger days. The book recounts an evening in a hotel suite "somewhere in the Midwest." Bush was on the phone with a supporter and motioned for McClellan to have a seat.

"The media won't let go of these ridiculous cocaine rumors,' I heard Bush say. 'You know, the truth is I honestly don't remember whether I tried it or not. We had some pretty wild parties back in those days, and I just don't remember.'

"I remember thinking to myself, how can that be?" McClellan wrote. "How can someone simply not remember whether or not they used an illegal substance like cocaine? It didn't make a lot of sense." Bush, according to McClellan, "isn't the kind of person to flat-out lie."

"So I think he meant what he said in that conversation about cocaine. It's the first time when I felt I was witnessing Bush convincing himself to believe something that probably was not true, and that, deep down, he knew was not true," McClellan wrote. "And his reason for doing so is fairly obvious—political convenience." In the years that followed, McClellan "would come to believe that sometimes he convinces himself to believe what suits his needs at the moment."

Carter: Europe Should Break with U.S. over Hamas Embargo

May 26 (EIRNS)—Former U.S. President Jimmy Carter, after making a presentation at the 2008 Hay Festival, in Wales, told the London *Guardian* that European governments should break with U.S. policy over the international embargo on Gaza, calling the EU's position on the Israeli-Palestinian dispute "supine," and its failure to criticize the Israeli blockade of Gaza "embarrassing."

When asked whether he thought Europe should break with the U.S. over blockading Hamas, he said, "Why not? They're not our vassals. They occupy an equal position with the U.S." He called the blockade of Gaza, imposed by the U.S., EU, UN,

and Russia—the so-called Quartet—as "one of the greatest human rights crimes on Earth," since it meant the "imprisonment of 1.6 million people, 1 million of whom are refugees.... Most families in Gaza are eating only one meal per day. To see Europeans going along with this is embarrassing," Carter said. Alternatively, he said, "Let the Europeans lift the embargo and say we will protect the rights of Palestinians in Gaza, and even send observers to Rafah gate [Gaza's crossing into Egypt] to ensure the Palestinians don't violate it."

Carter said the Quartet's policy of not talking to Hamas unless it recognized Israel had been drafted by Elliott Abrams, the top neocon at the U.S. National Security Council, whom he called "a very militant supporter of Israel."

Carter said the EU's self-imposed ban on talking to Hamas not very bright, since everyone knows Israel was negotiating with Hamas through an Egyptian mediator, Omar Suleiman. Carter said that supporting a Fatah-only government was a "subterfuge," aimed at getting around Hamas's election victory two years ago, which Carter said was conducted fairly. "The top opinion pollster in Ramallah [West Bank], told me the other day that opinion on the West Bank is shifting to Hamas, because people believe Fatah has sold out to Israel and the U.S.," he said.

Carter also called for the U.S. to hold direct talks with Iran over its nuclear program, and in this context, declared that Israel has 150 nuclear weapons in its arsenal.

Bloomberg Promoted for 'Veepstakes'

May 25 (EIRNS)—Following the Lazard Frères-controlled *New York* magazine's May 22 promotion of New York Mayor Michael Bloomberg as a Vice Presidential candidate for either a Democratic or Republican nominee, syndicated columnist David S. Broder put his two cents in, with a Sunday piece entitled, "Let the Veepstakes Begin." After mentioning some lesser-known prospects, Broder writes, "Still, given the low state of the Republican Party, McCain might want to take a bolder leap, bidding for independent votes with someone such as New York Mayor Michael Bloomberg or another business executive who could reinforce his reformer credentials."

Ibero-American News Digest

- [**Mexican Congressmen Demand Funding for PHLINO Project**](#)
- [**Mexico Can and Must Be Self-Sufficient in Food Again**](#)
- [**WWF: Brazil's Biofuels Program Is 'Good Business'**](#)
- [**IADB Food Program Will Exacerbate Poverty, Promote Biofuels**](#)

Mexican Congressmen Demand Funding for PHLINO Project

May 30 (EIRNS)—Congressman Carlos Navarro López, head of the Rural Development Committee of the Mexican Chamber of Deputies, and fellow committee member Cong. Martín Ramos Castellanos, joined a well-attended press conference May 29 at the federal Congress, given by four leaders of the "Pro-PLHINO of the 21st Century Committee," to insist the money allocated by Congress for technical feasibility studies of the Northwest Hydraulic Plan (PLHINO) be released, quickly, so that Mexico can secure its food self-sufficiency and avoid starvation, at a time of global food crisis.

The PLHINO is the long-planned engineering project, joining 16 rivers in Mexico's three northwestern states of Nayarit, Sinaloa, and Sonora, which would open up at least 800,000 hectares of land for farming. Lyndon LaRouche has championed the PLHINO for decades, and LaRouche's associates in Sonora play a leading role in the Pro-PLHINO Committee, which was founded last year by more than 30 rural producer, labor, and grass-roots groups from the area.

The Pro-PLHINO Committee leaders targetted the head of the National Water Commission (CONAGUA), José Luis Luege Tamargo, for holding up the funds for the PLHINO on spurious ecological grounds. Should Luege Tamargo succeed in diverting or slowing down implementation of the PLHINO, he would be committing "a crime against the Mexican population which is threatened by hunger as a consequence of the world food crisis," Committee leaders warned.

The Congressmen stated that the Rural Development Committee will take its fight for funding for technical, not ecological studies, to the whole Congress, and fight to get an annual budget line for the project included in the 2009 budget.

The press conference was held in the midst of an intense debate in Congress over what Mexico should do about the food crisis. The Pro-PLHINO Committee, joined by the members of Congressional Rural Development Committee, detailed just how far the PLHINO will go in ending Mexico's dependence on foreign food imports, including the possibility of doubling wheat production and increasing corn production by 40%, nationally.

Mexico Can and Must Be Self-Sufficient in Food Again

May 26 (EIRNS)—Mexico can readily produce enough grain to feed 150 million people, according to Antonio Turrent, former director of the National Institute of Forestry and Agricultural Research. Mexico's population of about 110 million has become dangerously dependent on food imports to meet over one-third of its basic food consumption needs. Conditions of imposed import dependency, and skyrocketing grain prices have caused the food issue to become a subject of national debate.

As in Argentina, the discussion centers on the need for government measures to ensure that people have enough to eat, before allowing the cartels to export food, and on the ability to sharply increase domestic food production. In Argentina, the government is actually taking such steps; in Mexico, various institutions are making these demands of the free-trade-dominated Calderón government. This has been the case especially after President Felipe Calderón's May 25 announcement of emergency measures to address the food crisis, which only intensify the same free-trade policies that destroyed Mexico's agriculture in the first place.

According to Turrent's remarks published in the May 13 edition of *La Jornada*, Mexican grain production can be quickly increased, by:

* Irrigating some 2 million hectares of arable land in Sonora, Sinaloa, and five other states. This coincides with the PLHINO projection of irrigating some 800,000 hectares in Sonora and Sinaloa alone.

* Planting corn on 9 million hectares of fertile land in the southeast region, which is currently used as pasture land.

* Returning to corn production in six other states where it has been largely abandoned, due to globalization and free-trade decimation of Mexico's agriculture.

WWF: Brazil's Biofuels Program Is 'Good Business'

May 29 (EIRNS)—In a report issued by its Brazilian office, Prince Phillip's World Wide Fund for Nature (WWF) has

happily endorsed the Brazilian government's insane biofuels program, which produces ethanol from sugar cane.

"From an environmental point of view, it's good business to substitute ethanol for gasoline," WWF's Brazilian director Luis Fernando Laranja told the BBC on May 25, adding that the study "endorses the position held by the Brazilian government." He particularly emphasized that Brazilian ethanol has been proved to be extremely effective in reducing the greenhouse effect.

While noting that certain precautions should be taken to protect Brazil's ecosystem and biodiversity, Laranja affirmed that his study dispels certain "myths" about ethanol production. He denied that sugar-cane production is expanding into the Amazon region, or that it in any way interfered with food production. In order to prevent environmental damage, he said, new areas should be designated as "protected" from the expansion of sugar cane. Other areas for sugar-cane production should be "strategically" located.

Laranja didn't comment on the fact that a large portion of Brazil's sugar cane is produced by virtual slave labor, and that the Labor Ministry has more than once in the past year been called upon to rescue cane workers who were forced by company owners to live in sub-human conditions.

IADB Food Program Will Exacerbate Poverty, Promote Biofuels

May 27 (EIRNS)—The Inter-American Development Bank (IADB) announced today that it is extending a \$500 million credit line to assist its member countries in dealing with the food crisis afflicting the region. In a press conference announcing the initiative, Bank president Luis Alberto Moreno warned that unless action is taken, all the economic advances achieved by the region in recent years could be wiped out by the impact of rising food prices, throwing millions back into poverty.

The credit line has yet to be approved by the Bank's board, and details as to what it will offer remain to be seen. But it's worth remembering that Moreno sits on the board of the Inter-American Ethanol Commission (IEC) founded by former Florida Gov. Jeb Bush, and that during his tenure as head of the IADB, he has made the Bank synonymous with biofuels development. The IADB is up to its eyeballs in a host of projects that Bush's IEC and other financial predators are setting up in Central America.

Asked by one reporter whether the Bank had "reevaluated" its support for ethanol production, given the severity of the region's food crisis, Moreno defensively responded that the Bank was taking proper steps to make sure that the ethanol projects it financed wouldn't exacerbate the food crisis. In fact, he insisted, the Bank only funds ethanol programs based on sugar cane (!), pointing to Brazil as the great leader in this area. He then lamely asserted that the region wants to see "standards established" for biofuels production, to take into account the concerns of nations most severely affected by the food crisis.

Another aspect of the IADB's announced "assistance" program is its recommendation that governments use the Bank's credit line to encourage expansion of "conditional cash transfer" programs, first developed in Mexico under the name "Opportunities," and later enthusiastically embraced by New York Mayor Michael 'Mussolini' Bloomberg. These "CCT's" reward the poor for "good behavior": They receive stipends if they keep their children in school, have them vaccinated, or successfully perform mundane tasks. They are intended to keep the poor impoverished, and nothing else.

Western European News Digest

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- [Attac Blasts Lisbon Treaty, Calls for 'New Bretton Woods'](#)
- [British Government Rejects Truckers' Demands](#)
- [Airbus Downsizing Threatens Franco-German Relations](#)
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- [Direct German-China Rail Link Nears Completion](#)
- [Middle Class Holocaust in Italy: It's the Euro, Stupid!](#)

Danish Schiller Institute Testifies to Parliament

COPENHAGEN, May 28 (EIRNS)—Tom Gillesberg, chairman of the Schiller Institute in Denmark, joined by a delegation of five from the Schiller Institute and LaRouche Youth Movement, today brought the Institute's international campaign on the food crisis to the Danish Parliament's Agriculture Committee, and called on it to put the campaign to double food production on the agenda of the Rome FAO conference (June 3-5). There were at least nine MPs present, including representatives from all but one of the seven parliamentary parties.

In his 15-minute testimony, Gillesberg attacked the environmentalist policies of the leftists, and the free-trade policies of the rightists. Gillesberg's speech was similar to his May 22 testimony in the Foreign Policy Committee, but with a sharper attack against financial speculation, an attack against Prince Philip's genocide policy, and a call for shutting down the World Trade Organization (WTO), not just changing its policies.

Attac Blasts Lisbon Treaty, Calls for 'New Bretton Woods'

May 29 (EIRNS)—In a statement issued May 19, the anti-globalist organization Attac charges that the global financial crisis has "systemic roots"; denounces the Lisbon Treaty which would allow "the complete takeover of society by finance"; and calls for establishing "a new Bretton Woods" monetary system. The document, which picks up many of Lyndon and Helga LaRouche's ideas on the crisis and its solution—although without ever mentioning them by name—was described by Helga Zepp-LaRouche today as being very useful.

Entitled, "The time has come for a democratic control of the financial markets," the Attac document emphasizes the systemic nature of the crisis: "The crisis is not the result of an unfortunate circumstantial context and it cannot be reduced either to the failure of controls, rating agencies, or the bad conduct of isolated actors. It has systemic roots and therefore the structure and mechanisms of the system in general are called into question."

It goes on to propose: "Systemic changes rather than fragmentary repair; "a new Bretton Woods instead of so-called self-regulating market forces; and "special attention" to the "financial dimensions" of treaties, "especially that of Lisbon." Attac also calls for banning hedge funds, limiting securitization strictly to governments, and overall taxation of capital.

British Government Rejects Truckers' Demands

May 28 (EIRNS)—The government of Prime Minister Gordon Brown has refused to accept the demands of British truckers for a 25 pence rebate per liter of fuel, to offset high prices. The truckers had staged a protest by sending a convoy of hundreds of trucks into central London yesterday and delivered a letter to the Prime Minister.

There is, at best, a "hint of retreat," according to the *Guardian*, which reports that the government might consider withdrawing a proposed two-pence tax increase on fuel, which in no way answers the truckers' demands. On top of this, in a *Guardian* commentary, Brown calls for a "global solution" for the increase in oil prices, arguing that there is an oil shortage because of "higher demand," and blaming the Chinese, who, he reports, by 2020 will have 140 million cars.

Airbus Downsizing Threatens Franco-German Relations

PARIS, May 26 (EIRNS)—The rise of the euro against the dollar has compelled European aircraft producer EADS, the parent company of Airbus, to outsource production to countries "belonging to the dollar zone," notably Mexico. Airbus will also produce parts for the Pentagon, in Alabama.

But overall downsizing is the word, and the management announced its "Power-8" plan for cutting back more than 9,000 jobs in order to remain "competitive" as a "world player."

Since EADS remains a European multi-partner company (France, Germany, Spain, and U.K.), tensions have emerged between German Chancellor Angela Merkel and French President Nicolas Sarkozy, over whether job losses will hit mainly France or Germany. Today, the media are leaking confidential documents which will only exacerbate tensions.

Of course, the criminal pro-Lisbon Treaty policies of Sarkozy and Merkel—not opposing the financial sharks destroying the aircraft industry—have led to this logic of self-cannibalization. The British devils orchestrating the media leaks on both sides of the Rhine are happy to whip up the old demons again. Already, in Toulouse, the management had to repeatedly clean up anti-German graffiti with swastikas and slogans that appeared on the walls of the Airbus assembly lines. And French workers were thrown out of the Hamburg production site by German workers, in Toulouse, where 2,500 German employees work; the threat of physical clashes is rising daily.

Crisis Causes Another Labour Electoral Debacle in Britain

May 23 (EIRNS)—British Prime Minister Gordon Brown's Labour Party continued its meltdown, losing a "safe" Parliament seat to the Tories in today's by-election in Crewe and Nantwich. A full 17.6% shift of the vote from the last general election in 2005, gave Tory candidate Edward Timpson a 7,860-vote advantage. The Labour candidate had taken the seat with over 7,000 votes in 2005. The turnout, at 58.2% was high for a by-election, just short of the 60% in the general election. This is the first time the Tories have won a by-election in 26 years.

Labour lost despite the last-minute efforts of Brown's government to grant £2.7 billion worth of tax rebates to the low-income people who had been hit hard by the government's elimination of the 10% tax bracket, which allowed many low-income working people to pay lower taxes. Brown's government claimed it had "overlooked" this problem, when the tax change was carried out, when Brown was still Chancellor of the Exchequer (Treasury Minister). Brown had attempted a "re-launch" of his premiership after the debacle of the local elections May 1. He has not succeeded.

Direct German-China Rail Link Nears Completion

May 27 (EIRNS)—The direct Germany-China Eurasian rail may begin regular operation as early as three months from now, according to Deutsche Bahn and the China United International Railway Container Transport (CUIRC), *Die Welt*

reports. The rail route was first tested in January, and the special container train pulled by different engines in different nations along the way made the 9,800-km trip from Beijing to Hamburg in a record time of 15 days. Deutsche Bahn spokesman Gelfo Kroeger said today that DB aims "to have a regular freight service this year, and if it can be achieved sooner, so much the better." DB has an 8% stake in CUIRC, which is planning to build 18 rail freight terminals in China. Ultimately, the trip should just take ten days, DB chief executive Hartmut Mehdorn said in January.

The service is confined to freight, not passengers.

Middle Class Holocaust in Italy: It's the Euro, Stupid!

May 29 (EIRNS)—Official statistics published today show that the introduction of the euro has decimated Italy's middle class.

In 2000, the average income of Italian families was 4% above the European average. In 2008, it is 9% *below* the European average, which itself has decreased. It is reported that over 50% of Italian families earn an income below Eu1,900.

Completely disregarding this disaster, European Central Bank führer Jean Claude Trichet stated in an interview with the Italian media, that the introduction of the euro was a success for Italy, especially because "jobs increased!"

The fact that new jobs pay a fraction of what they used to, is apparently irrelevant to the European bureaucracy.

Russia and the CIS News Digest

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Russian Science Policy To Stop 'Brain Drain'

May 29 (EIRNS)—Russia will spend 600 billion rubles (US\$25 billion) on scientific research in the next two years, Prime Minister Vladimir Putin announced today to the general assembly of the Russian Academy of Sciences, which is meeting in Moscow. Key areas for such state investment in science will be nano- and biotechnology, nuclear energy, and aerospace, he said.

Putin addressed the critical issue of scientific manpower, which has been Russia's most essential asset for 300 years. The "brain drain" that the government wants to reverse is due not only to emigration, but to young people going into business, rather than science. Putin announced that his government will institute incentives "for encouraging more young people to work in the sphere of science, education, and high technologies...." Other problems to be solved include low wages and inadequate housing for scientists. Over the past two years, he reported, an Academy of Sciences researcher's salary has been tripled, from 6,000 rubles monthly, to 20,000 rubles (about \$870).

Young scientists need to "see the horizons of their scientific growth," and have decent living conditions, Putin said, calling for housing construction on Academy-owned land. He also raised the ever-sensitive question of making scientific research pay for itself in immediate money terms, saying: "We cannot make do without the launching of modern approaches to the organization of research, without developing competition among scientists. It is only this way that can convert investment into the growth of effectiveness of our science, into creation of the intellectual product needed both in Russia and elsewhere in the world."

Putin wants the Academy to contribute to creating a network of federal universities, which will be "world-class scientific and educational centers, and their students and teachers should have the opportunity to work at laboratories of the best institutes of the Academy."

The Academy elected 44 new Academicians yesterday, notably the economist Sergei Glazyev. Others are Khabarovsk Territory governor Viktor Ishayev, a specialist in policymaking for Russia's regions, whose name was attached to the YEAR State Council report that called for dirigist measures to rescue and mobilize the productive economy in Russia; space exploration institute director Lev Zelyony, who specializes in space plasma; Alexei Sisakyan, director of the Unified Institute of Nuclear Research in Dubna, Moscow Region; and Anatoly Torkynov, rector of the Moscow State Institute of International Relations (MGIMO), under the Russian Foreign Ministry, a specialist in the Asian-Pacific region and northeastern Asia. Polar explorer and Duma member Artur Chilingarov, who last year led Russia's expedition to the North Pole and did a bathyscaph dive to the Arctic Ocean floor there, was elevated to Corresponding Member of the Academy.

Russia and Mongolia Move Towards Nuclear Cooperation

May 26 (EIRNS)—Following the visit of Mongolian President Nambaryn Enkhbayar to Moscow May 16, Prime Minister Sanjaa Bayar is today in the east Siberian city of Chita, to carry forward talks on nuclear energy cooperation with Sergei Kiriyenko, director general of Russia's state nuclear energy corporation, Rosatom, Itar-Tass reported. Bayar told the press that "back in Soviet times, Mongolia conducted sweeping prospecting works of its uranium deposits, and now it is high time to develop these deposits with mutual profits." Chita is located in the Zabagkalsky Krai, which borders both Mongolia and China.

Kiriyenko and Bayar visited the Priargunsk Mining and Chemical Integrated Works, and went down a shaft at a uranium ore mine. Mongolia currently has six uranium fields and more than 100 uranium deposits, with explored reserves at some 62,000 tons and projected further reserves of some 1.3 million tons. It is fourth in the world in uranium reserves, after the United States, Kazakstan, and South Africa.

Recently, Kiriyenko said that Russia has reserves of some 615,000 tons, which will be enough for its nuclear plants for several years, but new prospecting must begin. The Rosatom head said that "Russia will boost investments in geological prospecting tenfold for the next two years, and will spend 1 billion rubles [about \$255 million] for these operations in 2008 alone.... At present the price of one kilogram of uranium is about \$100, but quite recently a kilogram of uranium cost only \$40 on the world market.... This situation makes it economically profitable to produce uranium for the needs of the developing nuclear industry." Kiriyenko said that "Russia intends to produce uranium everywhere it is economically profitable for us."

The director general of the Russian company Atomredmetzoloto, Vadim Zhivov, was quoted by Itar-Tass, saying that "Mongolia certainly links real prospects for uranium production growth with the resumed cooperation with Russia in this sphere.... [A]s compared with other countries, Russia has many advantages for these mining operations in Mongolia.... Russia has a long-standing experience of cooperation with Mongolian specialists and a large-scale uranium production plant not far from the major Mongolian uranium deposits."

Desperate for Food, Tajikistan Lured into World Bank Trap

May 30 (EIRNS)—Desperate for food, Tajikistan is being lured into the World Bank financial clap-trap. More than 1.5 million people, about one-fifth of the population, have a chronic lack of food, and tens of thousands go entire days without eating anything at all, according to a UN report scheduled to be issued this week.

The crisis in Tajikistan comes amidst skyrocketing food prices, famine in Africa, and the urgent aid needs of cyclone-hit Myanmar. The UN Food and Agriculture Organization on May 28 listed Tajikistan as among 22 nations that are particularly threatened by the global food crisis. In April, neighboring Kazakstan, which has a wheat surplus, announced it would suspend grain exports until September, in a bid to tamp down domestic prices. Russian wheat exports also have dropped off significantly this year, raising the specter of famine in Tajikistan.

Meanwhile, like the "honorable" subprime mortgage lenders, the World Bank has announced that financing for Tajikistan, Togo, and Yemen to buy food from the world market would be considered by the Bank board in June. The Bank has not yet specified the pound of flesh that it would like to extract from these nations in return.

Tajik Social and Ecological Union executive director Sonya Kurbanova has endorsed Helga Zepp-LaRouche's call for emergency action to double world food production and convene a conference on a New Bretton Woods system.

Russian Publication Features LaRouche on the '68ers

May 26 (EIRNS)—The online version of a prominent Moscow magazine, *Russky Zhurnal* (*Russian Journal*), today published Nikita Kurkin's interview with Lyndon LaRouche on the occasion of the 40th anniversary of the May 1968 student strikes in Paris, which touched off a sequence of destabilizations of European nations, in parallel with similar events in the U.S.A. In his replies, which *Russky Zhurnal* includes in full, LaRouche identified the pathology of the now-ruling Baby-Boomer generation, as rooted in the post-war period when President Franklin Roosevelt's commitment to freeing the world from Anglo-Dutch oligarchism was overturned by Harry Truman and other tools of the British Empire.

Under the headline, "'68 Was a Show, Orchestrated by Intelligence Services," *Russky Zhurnal* introduces LaRouche's remarks with an editorial note: "Lyndon LaRouche is one of the most colorful and original public figures in America today. You will be able to see this for yourself, when you read his answers to questions from the editors of *Russky Zhurnal* about the Paris events of 1968, and their sociocultural and political consequences."

Included in the interview were these historical observations by LaRouche:

"Until the day President Franklin Roosevelt died, U.S. policy for the post-war world was to eliminate all forms of colonialism, especially the Anglo-Dutch Liberal forms, through aid of both U.S.A. physical-economic power, and the conversion of the great economic capabilities developed for the war against Nazism, into economic power for development of the nations to emerge from their liberation from sundry forms of imperial subjugation. We knew, as Franklin Roosevelt knew precisely, that Mussolini and Hitler were creations of London, and that London was the chief enemy of the U.S.A. and civilization generally.

"However, already, in the Summer of 1944, a sharp right-wing turn had erupted in the U.S.A. and Fabian Society circles in London.... Thus, first, whereas FDR had been anti-colonialist, Truman defended British and Dutch colonialism, although sometimes in altered forms. The plan for a 'preventive nuclear attack' on the Soviet Union, which was authored openly by Bertrand Russell, and the launching of cultural warfare in such forms as existentialist conspiracies and the Congress for Cultural Freedom (CCF), were typical....

"The development of the so-called 'New Left' generations in the Americas and Europe, were not 'spontaneous' social eruptions, but were orchestrated developments, always under the fine-tuning control of relevant security organizations. The leading political forces in both leading U.S. political parties are of the 'Baby Boomer/1968er' characteristics typified by the British Fabians and the model of former U.S. Vice-President Al Gore. They are radical Malthusians, whose role has been the destruction of the economy and sanity of the population of the most politically and culturally influential stratum of the U.S.A., from the relevant section of the children of the 'white collar' class born between 1945 and the depths of the U.S. deep economic recession of 1957-58. The lower eighty percentile of family income-brackets in the U.S.A. are reduced to choosing among both physical and mental items presented for consumption by the presumptive 'ruling class,' composed largely of hard-core 'sixty-eighters' in positions of either power or great influence.

"If one does not understand the nature and significance of today's '68er' phenomenon, no competent grasp of current world history is possible today."

Southwest Asia News Digest

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Olmert: Only 'Fantasists' Believe in 'Greater Israel'

May 26 (EIRNS)—Israeli Prime Minister Ehud Olmert, speaking in defense of his peace initiative towards Syria, said that those who believe in achieving "Greater Israel are 'fantasists,'" which is a remarkable statement from someone who came from the more extreme wing of the nationalist camp. "Only fantasists can believe that in this day and age, and in the current situation, it is still possible to cling to the vision of 'Greater Israel,'" Olmert told the Knesset Foreign Affairs and Defense Committee today, according to Ynet. "Today we face the choice between Greater Israel and a Jewish nation—the two are mutually exclusive. They only exist together in the minds of deluded fantasists who misconstrue reality."

Olmert revealed that he initiated the opening of contacts in February 2007, knowing exactly the concessions Israel would have to make. He pointed to the "record of four predecessors who went to Damascus and committed to painful concessions; and let no one put me to the test on proving those commitments: They are all accounted for." This was a reference to Yitzhak Rabin, Benjamin Netanyahu, and Ehud Barak, all of whom knew that the price for peace would be for Israel to give up the Golan Heights.

He said that he did consult the United States on the move, and that "there is not a single party in the world that told Israel not to negotiate for peace." But what tipped the scales, he said, was "the burning question of what might happen if, heaven

forbid, we would be drawn, due to a miscalculation, into a violent confrontation with Syria. Then I would be asked—how can it be that they were seeking peace and you did not even examine the possibility?"

On the Palestinians, he said he was committed to a negotiated settlement based on two states, adding: "I was one of those who thought the two-state solution was wrong, but that was a mistake. Most today understand that the choice is between two states for two peoples or one state in which all have an equal right to vote."

Syrian-Israeli Talks Could Lead to Peace on All Fronts

May 30 (EIRNS)—Statements attributed to Syrian President Bashar al-Assad and Israeli sources involved in the Syrian-Israeli talks, suggest that these talks could lead to a comprehensive peace agreement, not only between Syria and Israel, but also among Syria, Lebanon, and Israel, and even Hezbollah and Hamas.

Assad told a group of visiting British parliamentarians, including former Home Minister and Labour Party member Charles Clark, that as Syrian and Israeli talks develop, Lebanon should open up its own talks with Israel.

Assad has dismissed Israel's demand that Syria cut its ties to Iran, cited by one source as saying, "The President said Syria has normal relations with Iran. He made it clear that any suggestion to drop them was not a reasonable request. He said that if Israel could question Syria's relations with Iran, then Syria could question Israel's ties with other countries, particularly the United States."

The London-based Arabic daily *al-Sharq al-Awsat* quotes an Israeli official who has been involved in the talks with Syria, who said the Israeli position "does not mean that Syria will have to sever its ties with Iran and its followers in Lebanon and the Gaza Strip, but it will join those influencing them in a positive manner—in accordance with peace relations between Israel and Syria."

The same sources said that 85% of a Syrian-Israeli deal has already been worked out. Both sides already agree that Syria has sovereign rights over the Golan Heights. The remaining questions deal with where the new border will be: Syria wants it to touch the northeastern shore of Lake Tiberius, whereas Israel as of now does not agree to that.

On May 30, *al-Sharq al-Awsat* quoted a Syrian official saying that Israel and Syria have made progress on the issues of water, security, borders, and normalization of relations.

Drive To Oust Olmert Threatens Syria Peace Initiative

May 28 (EIRNS)—Lyndon LaRouche said today that Israeli Prime Minister Ehud Olmert is "doing the right thing" in pursuing peace with Syria, and "you have to give him credit for that." As top Labor Party leader, Defense Minister Ehud Barak, held a press conference and called for Olmert to step down because of a corruption probe, LaRouche said, "Olmert has been right. He's working from the standpoint of the region and he's doing the right thing. Ehud Barak has his own agenda."

U.S. intelligence sources told *EIR* that the highest-level military officers in Israel agree that Olmert is doing the right thing. Last week, Olmert reportedly received a visit from a top military delegation, which expressed full support for the Syria initiative.

But today, the drive to oust Olmert escalated, with Barak's call for Olmert to resign, and several Labor Party members of the Knesset submitting a motion to dissolve the government. Barak said another member of Olmert's Kadima party should

be designated as prime minister.

But Olmert is fighting back. "I need to resign because someone said something against me? Every minute an investigation is launched and someone has to resign? If so, four prime ministers should have resigned in recent years," Olmert told a meeting Israeli town councils near the Gaza Strip. He said that "every testimony [against him] will be refuted," and stressed that the main "source" against him, his former driver, had flunked a lie detector test after answering ten questions on TV.

Ambitious members of Olmert's own party, Shaul Mofaz, the former defense minister, and Foreign Minister Tzipi Livni, who is very close to London, also have been screaming for him to resign. Mofaz is against returning the occupied Golan to Syria. And the warmongering Likud Party, headed by Dick Cheney's friend Benjamin Netanyahu, also wants Olmert out.

Olmert: No One Will Dictate Kadima's Timetable

June 1 (EIRNS)—With Foreign Minister Tzipi Livni calling for Kadima party primaries "as soon as possible" and Labor Party Defense Minister Ehud Barak saying there could be a general election before the end of the year, Prime Minister Ehud Olmert today finally broke his silence. In remarks said to be addressed to Livni, who is also deputy prime minister, Olmert said: "Certain people have been acting under duress in the past few days: I urge them not to. We have responsibilities and we have to exercise caution in our decisions. I suggest we don't act under duress.... We have to stay united and lead Israel."

The prime minister also criticized Labor Party chairman Ehud Barak, saying that Kadima "was and will continue to be the ruling party, and no one on the outside will dictate its timetable." Olmert made these statements at a Kadima faction meeting in Jerusalem. As for the corruption investigation against him, Olmert said: "I haven't been given the chance to clarify things, but I will do so." Kadima's council chairman Meir Nitzan said: "Lay off the prime minister and stop the inheritance wars. Stop talking of primaries and general elections in November. Let him prove his innocence."

Larijani Elected Speaker of Iran Parliament

May 28 (EIRNS)—Ali Larijani, the former head of the Supreme National Security Council of Iran, and former chief nuclear negotiator, was elected today as Speaker of the 8th Majlis (Iranian Parliament). This is being welcomed as a signal that a new leadership configuration, more determined to pursue effective diplomacy on nuclear and other issues, has come into focus.

Larijani, who was ousted by President Mahmoud Ahmadinejad and his loyalists in October 2007, is known for diplomacy, not confrontation, received 232 votes out of 263. He is a member of the same Conservative bloc as Ahmadinejad, but a different faction. U.S. policy circles that want negotiations, not war, with Iran hope that Larijani will again become more active in securing an agreement on uranium enrichment with the "Five-plus-One" group, Washington intelligence sources are reporting.

Iran Minister: Next U.S. President Should Change Foreign Policy

May 31 (EIRNS)—Iranian Foreign Minister Manouchehr Mottaki called on the next President of the United States to conduct a "serious review" of its foreign policy, which is being seen as a signal that Iran is leaving open the possibility of improved relations with Washington, according to Associated Press.

In an interview on the sidelines of a conference on Iraqi reconstruction taking place in Stockholm, Sweden, Mottaki said, "We don't want to make a problem for the American Presidential candidates, but this election is among a limited number of

American Presidential elections where foreign policy plays a key role. The American people need change."

Mottaki said he was less concerned with "parties and people" than the course of U.S. policies after the election. "The United States of America needs a serious review of its foreign policy toward the Middle East," he said. "These policies in ... Afghanistan, Iraq, Lebanon, Palestine, and generally speaking the Middle East, are mistaken policies."

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Indian Minister: Keep Politics Out of Myanmar Aid

May 25 (EIRNS)—Speaking at the International Pledging Conference in Myanmar's largest city, Yangon, India's Minister of Commerce and Power, Jairam Ramesh, who led a delegation there, urged the international community to keep politics out of the aid process to Myanmar.

Ramesh met Prime Minister U Thein Sein, who expressed gratitude for India's prompt and generous assistance and commitment to assist in rehabilitation efforts, according to an Indian government statement. Ramesh also had a meeting with UN Secretary General Ban Ki-moon, who is in Myanmar to spearhead aid efforts. India has sent two ships and six aircraft carrying food, tents, and medical supplies. Another Indian aircraft is expected to reach Myanmar next week with more relief material. Two Indian medical teams, comprising 47 personnel, are currently in Pyapon and Bogale, towns in the affected areas.

Ramesh pointed out that his statement should be read in the context of the controversy that has broken out after Cyclone Nargis hit the Irrawady Delta, when the military junta barred international aid agencies and foreign countries from directly distributing relief materials or sending in foreign rescue workers.

First Batch of Russian Nuclear Fuel Arrives in India

May 27 (EIRNS)—Enriched uranium fuel for use in the Russian-supplied reactor for the Koodankulam Nuclear Power Project has arrived in India. The plant KNPP-1 will go into operation later this year. Two Russian reactors, designated VVER-1000, are being built at Koodankulam. Each reactor will generate 1,000 MW of electricity. KNPP-2 will be commissioned six months later, Indian authorities said.

India currently cannot freely purchase fuel or any equipment for production of nuclear energy, because it is not a member of Nuclear Non-Proliferation Treaty (NPT). Koodankulam is an exception, since its construction deal was signed with the

Soviet Union 20 years ago, when Russia was not a member of the Nuclear Suppliers Group (NSG).

In February 2008, the two countries signed a new agreement to construct four more reactors for Koodankulam. In accordance with the agreement, Russia is obliged to supply nuclear fuel for the reactors and the re-export of used uranium. However, to receive the fuel under the new agreement, India will have to receive consensus support from the 45 member-nation NSG.

Asked when the first reactor would be commissioned, S.K. Jain, chairman and managing director, Nuclear Power Corporation of India Limited (NPCIL), said: "This is the first of its kind. A lot of checks and tests are required. We do not want to hazard a guess.... We are on course for the commissioning of the first unit."

The KNPP reactors will use enriched uranium as fuel, and light water as both moderator and coolant. While Russia is supplying the design and all the equipment for the two reactors, it is the NPCIL which is building the units. Russia will supply the enriched uranium fuel for the KNPP reactors for their lifetime.

India and Pakistan Propose Stronger Cooperation

May 27 (EIRNS)—The six-decade-old India-Pakistan hostilities are now being revisited by both the nations, in the light of a changing regional relationship brought about by the closer collaboration among Russia, India, and China. Following the May 15 meeting of the foreign ministers of the three nations at Yekaterinberg, Russia, where the troika got closer in discussing regional security and stability, a number of positive developments have taken place. One of those was Indian External Minister Pranab Mukherjee's visit to Pakistan and his meeting with the Pakistani Prime Minister Yousaf Raza Gillani and Gillani's party chief, Asif Ali Zardari.

Four days after meeting Pakistan's new civilian leadership, Mukherjee said on May 26 in New Delhi that the two sides had discussed new ideas for building confidence, and responded positively to a suggestion to create a special economic zone along the border.

"A lot of new ideas to build confidence between the two countries were discussed when I met Asif Ali Zardari [co-chairman of the Pakistan People's Party, which leads the ruling coalition] and Nawaz Sharif [leader of the Pakistan Muslim League (N)]," Mukherjee said. "We have to find out how to implement these ideas."

Meanwhile, Zardari has called for a grand reconciliation with India. This would include reduction of troops along the Line of Actual Control in the disputed state of Jammu and Kashmir, and creation of economic zones, populated by Indian and Pakistani entrepreneurs. Zardari said his model for India-Pakistan relations is to create economic zones along the border, use Pakistan's coal reserves in Thar to generate power that could be exported to India, and even acquire gas from friendly Muslim states that could be supplied to India. "Pakistan could act as a force multiplier for the Indian economy through increased cooperation in key sectors like energy," Zardari said.

Indian Press Notes Shift on SCO at Yekaterinburg

May 29 (EIRNS)—At the May 13 trilateral meeting in Yekaterinburg, Russia, while the Indian shift to side with Russia and China on the issues of Kosovo and Iran was most useful, "the most remarkable shift in India's position came on the issue of joining the Shanghai Cooperation Organization (SCO)," wrote *The Hindu's* Russia correspondent Vladimir Radyuhin today. Radyuhin wrote that India, less than a year ago, was indicating that it wanted to "steer clear" of "aligning with the SCO in military, strategic and political terms," although it has official Observer status and wants to increase trade and economic cooperation. "However, in Yekaterinburg [Indian External Affairs Minister Pranab] Mukherjee for the first time went on record to say that India aspired to full membership in the group.

Korea's Lee and Taiwan's KMT Head Wu Visit China

May 29 (EIRNS)—In the wake of the Russia-India-China meeting in Yekaterinburg, Russia, in mid-May, the government of China continues to engage in breakout diplomacy in the region.

South Korea's President Lee Myung-bak and Chinese President Hu Jintao met in Beijing and announced an upgrading of the relationship between the two countries to "Strategic Partnership," and agreed on political and economic cooperation in a number of fields. Lee invited Hu to visit South Korea, and the invitation was accepted for the second half of the year. The warm reception given to Lee in China belies rumors of China-Korea discord.

Lee has now met with U.S. President George Bush, Japanese Prime Minister Yasuo Fukuda, and is scheduled to meet Russian President Dmitri Medvedev. Korean diplomacy is also active in building ties to Central Asia and to Southwest Asian Arab countries.

A trip by Wu Poh-hsiung, chairman of Taiwan's KMT party, to the Mainland, is precedent-breaking, since no high-level official of the KMT has been on the Mainland since 1949. The KMT has just taken over Taiwan's leadership, in the person of Ma Ying-jeou.

Wu's extended trip started in Nanking, included Beijing, and will end at Shanghai. Wu met with Hu Jintao, in the latter's capacity as head of the Chinese Communist Party. Hu expressed deep gratitude for the aid which Taiwan has offered to deal with the earthquake, and which China has accepted. Hu's invitation to Wu to attend the Olympic games was accepted.

Both sides made it clear that peaceful cooperation in development and trade offered the most to both parties. Taiwan has skills and capital that China can use, while Taiwan's own growth has slowed and is threatened by developments in the West. A follow-on meeting to discuss mostly technical issues of communications and transportation, such as landing rights and visas for travel, is scheduled to start in two weeks.

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Japan Looks to Role in Sudan Peacekeeping

May 25 (EIRNS)—Based on an advance copy of Japanese Prime Minister Yasuo Fukuda's speech to the Fourth Tokyo International Conference on African Development, the Japanese daily *Yomiuri Shimbun* noted that the conference comes at a time when Japan is planning to send a commission of inquiry to Sudan, to study the possibility of its Ground Self-Defense Force participation in a UN mission to monitor the ceasefire there.

The daily cited Gabon's ambassador to Japan, Jean Christian Obame, who said that the conference would showcase opportunities in African countries that are hoping to build strategic partnerships with Japan.

From London's standpoint, Japan is encroaching on Anglo-Dutch imperial territory.

Mbeki Denounces Attacks on Immigrants in South Africa

May 25 (EIRNS)—South Africa President Thabo Mbeki today denounced violence against immigrants in South Africa as a "disgrace," and said his government will act firmly to curb the attacks. "We must acknowledge the events of the past two weeks as an absolute disgrace," Mbeki said in a televised address, "Everything possible will be done to bring the perpetrators to justice." Mbeki called out the army May 21 in an effort to clamp down on the anti-immigrant violence. The *Sunday Times*, the largest-circulation paper in Africa, has called for Mbeki's removal. The British are still enraged that Mbeki has stymied their attempts to overthrow the Zimbabwe government of Robert Mugabe.

The attacks began suddenly May 11, first in Gauteng province. Speaking at a public event this week in Washington, the South African ambassador also made a strong statement against the violence, saying that South Africans, after going through a long fight against apartheid, are not going to tolerate this kind of behavior. Many immigrants have fled their homes.

The international press claims that the reason for the violence is that South Africans are upset that foreigners are taking their jobs. One high-level South African source reported, however, that the immigrants are doing jobs that South Africans don't want to do anyway. He pointed out that the attacks are being carried out in a coordinated manner by gangs who are moved around from place to place, showing that this is a sophisticated operation. The source said that South African authorities are conducting investigations to find out who is deploying these groups.

South Africa Says Outside Forces Are Causing the Violence

May 28 (EIRNS)—On May 22, South Africa National Intelligence Agency director Gen. Manala Manzini said the spate of violent attacks, primarily on immigrants from neighboring countries, had been deliberately unleashed ahead of next year's general election. Intelligence Minister Ronnie Kasrils said that the gangs carrying out the violence were motivated by other sources. He charged that there are "forces in this country and outside" who are responsible, and that as South Africa attempts to move forward, it is to be expected that there are those in its midst, "influenced and supported by external forces," who would want to "push us to the back." He pointed out that the attackers were well-organized.

Mugabe Threatens To Expel U.S. Ambassador

May 25 (EIRNS)—Zimbabwe President Robert Mugabe today accused U.S. Ambassador James McGee of political interference in his country, speaking at a rally in Harare, as he launched his campaign for the June 27 run-off Presidential election. McGee has taken a partisan position in support of the British-backed opposition party, the Movement for Democratic Change (MDC), which Mugabe has referred to as a retread of the Rhodesian Front party of the racist minority government of Ian Smith. "I'm just waiting to see if he makes one more step wrong," said Mugabe. "He will get out."

Dropping all pretense of diplomacy, McGee has charged that violence is spiralling "out of control" in Zimbabwe. He and British Ambassador Andrew Pocock were making of a show of investigating supposed Zanu-PF (Mugabe's party) violence against the MDC opposition May 13, when they were briefly stopped by Zimbabwean authorities. Justice Minister Chinamaso has proposed, as a solution, that a team, with one member from the MDC, and one from the ZANU-PF, investigate all cases of alleged election violence.

Morgan Tsvangirai, candidate of the MDC, returned to Zimbabwe yesterday, after a more than seven-week absence, during which he said he feared for his life. During his absence, he was busy organizing support from outside the country.

At the rally, Mugabe also attacked the U.S. State Department's top diplomat for Africa, Jendayi Frazer, for suggesting that the MDC and Tsvangirai had won the March 29 elections: "You saw this little American girl trotting around like a prostitute celebrating that the MDC had won. A disgraceful act," Mugabe said.

Mugabe was referring to Frazer's trip to southern Africa after the March 29 election, during which she sought to organize opposition to Mugabe. Frazer gave a press conference in South Africa, with McGee at her side; the latter said that if Zimbabwe would just adopt a free-trade policy, the U.S.A. would support the government.

South Sudan Pulls Out of Talks on U.S.-Sudan Relations

May 28 (EIRNS)—With the Anglo-Dutch financial cartel's scheme to cause the disintegration of Sudan gaining momentum, government ministers from South Sudan yesterday said they will not participate in talks between Sudan and U.S. special envoy Richard Williamson. Williamson arrived in Khartoum today for what had been scheduled to be a continuation of talks that were held in April, focussing on normalizing U.S.-Sudan. The United States has imposed sanctions on Sudan for 11 years.

A serious conflict between forces of the North and South broke out last week in the contentious border area of Abyei, which forced the town's population, from the South, to flee, amidst recriminations between the two sides.

While military leaders and officials from both sides agreed yesterday that "there would be no return to war," there is a potential for this crisis to go out of control. The conflict could threaten the 2005 agreement between the North and South, and lead to renewed civil war. The British press is citing analysts who warn that a new civil war would destroy chances of settling the Darfur crisis, and suck in many of Sudan's nine neighboring countries. Today, President Omar al-Bashir demanded international action against neighboring Chad, charging that Chad supported the May 10 attempt by the rebel group based in Darfur, the JEM, to attack the capital, Khartoum.

Africa Is Cooling to Biofuel Producers

May 29 (EIRNS)—Given the severity of the food crisis, Tanzanian officials are having second thoughts about turning over vast chunks of their country to foreign biofuel companies, the London *Financial Times* reports today.

A land specialist with the relief agency Oxfam in Tanzania was quoted saying that Tanzanian President Jakaya Kikwete first appeared enthusiastic about biofuels; but three weeks ago he made a speech warning about their effect on food security.

One report estimates that in Mozambique alone, over the past year, foreign investors put in bids for 110,000 square kilometers of land, more than one eighth of the country's entire land area! Sun Biofuels of the U.K. owns plantations in Tanzania, Ethiopia, and Mozambique. In Tanzania, they hoped to plant no less than 40,000 hectares with *jatropha*, a

poisonous plant used for biofuels. Sun Biofuels executive Peter Auge boasts that his company pays their workers \$3 a day, calling it "relatively good pay for the area"! Farmers have been forced off the land, receiving compensation of no more than \$1,000 apiece.

However, a high-level Mozambique source told EIRNS that the government has still not made a decision on what land, if any, to lease. "Nothing is definite," he said.

The *Financial Times* notes that if, in the future, governments should want to use the land for food production, this would be very difficult to do. Sun Biofuels is getting the land for free on a 99-year lease! A Swedish company is bidding for 50,000 acres of prime agricultural land to grow sugar cane for biofuels. All of this is done hand-in-glove with the EU, which has signed free-trade agreements with some of these countries.

Brazil has signed agreements with several African governments for biofuels development, arguing that this is the solution to African unemployment and poverty. But when President Lula da Silva traveled to Africa recently for a UNCTAD conference, he discovered that officials of several nations with which Brazil has agreements, are not enthusiastic about biofuels. One trade union leader from Mozambique told Lula that feeding people and guaranteeing food security are the top priority now, not biofuels development.

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