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This Week You Need To Know

Bio-Foolery Is Causing 'Food Shocks'

by Marcia Merry Baker and Christine Craig

It shouldn't take a specialist to realize that the current fad of "biofuels" is a scientific fraud, roughly equivalent to Jonathan Swift's depiction of scientists trying to produce light from excrement. Sure, it's a scientific challenge—but it's absolutely insane. The reality is that humanity's demand for clean and plentiful energy can only be met by an advance into the nuclear realm of fission and fusion power. As we reveal below, the "biofuel" alternative is not only a rip-off, but also it will never solve the energy crisis, and will starve people in the meantime.

The impact of biofuels mania on the food chain, is now hitting as *food shocks* at points all along world supply lines. This results from interaction with pre-existing crises of low grain stocks, marginalized agriculture, monoculture cropping, speculation, and the many other features of globalization.

The most dramatic effects so far relate to corn (maize), the grain for which the United States has typically accounted for over 40% of the world's annual production, and 70% of annual exports. But in 2006, fully 20% of the entire U.S. corn harvest went into ethanol distilleries, creating an automatic squeeze on exports, current and near future, and domestic uses as well.

Mexico, forced by the North American Free Trade Agreement (NAFTA) to be a corn-importer, is in a corn-for-tortillas crisis. U.S. livestock producers are being hit by sky-high corn-for-feed prices, and family-scale operations are threatened with shutdown. Unless stopped, this food-for-fuels dynamic—based on a *scientific fraud* of net energy gains from biomass—will guarantee outright famine.

Who will starve? "In the long run, it means that we are fueling our cars with food that people might have eaten. There are important trade-offs," was the warning from the Director of Public Resources, Lisa Kuennen-Asfaw, for the Catholic Relief Services, who put out an alarm in mid-January, that the agency is being forced to drastically cut its international food aid for the coming year. One SUV's 25-gallon tank of ethanol consumes enough grain to feed one person for a year, is the calculation of the trade-off, by Lester Brown of the Earth Policy Institute....

...full article, PDF

Latest From The Worldwide LaRouche Youth Movement

Will Congress Sing the Song of Double Impeachment?

by Matthew Ogden, LaRouche Youth Movement

No matter how much Howard Dean screams, he will never be able to claim credit for the landslide victory that the Democrats won on Nov. 7. The new 110th Congress is full of maverick freshmen Democrats who rode the wave of a great generational paradigm shift, which swept them into Congress, and they are now in Washington with a mandate from millions of young people to make trouble. On campuses across the country, these millions of youth were shocked to discover that you didn't have to imitate the Howard "Scream" to consider yourself political, but that the real political leadership were the youth who were calling for the impeachment of Cheney and Bush, pushing for a FDR-style economic recovery, and mobilizing the population through song!

Unless *bel canto* voice lessons become a regular activity for Dean's Democratic National Committee (DNC), the "Scream" should retire and give way to the real leadership of the Democratic Party, the LaRouche Youth Movement. Many members of the new Congress have already claimed Lyndon LaRouche as their leading intellectual point of reference in Washington, D.C., and these Congressmen are now asking the LaRouche Youth Movement to teach them how to sing!

Back to the FDR Legacy—With Song

Gathering together in Washington last week from months of intensive campaigning all around the country, 75 members of the LaRouche Youth Movement felt like this was their Congress. This was the concrete result of our generation asserting itself politically, with our youth movement blazing the trail out of the "no-future" era of the Baby Boomer, and leading a new Democratic Party back to the legacy of FDR.

Most of these Congressmen had not been sanctioned by the DNC and had made it to Washington obliged to no one but the youth who had elected them. We assembled a full youth chorus of all the ensembles that had been working hard across the country, and brought our music to the streets of Washington and the Congressional offices of Capitol Hill, under the banner: "Youth to Congress: Read Between the Votes, Impeach Cheney Now."...

[...full article, PDF](#)

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Ethanol, Free Trade in Mexico Augur Inflation, Starvation, Mass Migration

by Dennis Small

Have you ever eaten a Mexican tortilla? Odds are you have. . . or what passes for a tortilla in the fast-food demiworld of tacos and burritos. But Mexicans—all 107 million of them—eat the real thing every day. In fact, according to Mexican press accounts, Mexicans are estimated to eat a staggering 630 million tortillas a day!

Inside the Cartesian Corridor of Congress

by Joe Smalley, LaRouche Youth Movement

Echoing what Lyndon LaRouche has described as an intrinsically incompetent approach to economics, a wave of propaganda is now being dumped on the U.S. Congress and the American public, to divert attention from the necessity actual technological progress.

It's Still Moonshine

Smell of Gigantic Hoax in Government Ethanol Promotion

by Laurence Hecht

The warning signs of a gigantic hoax in the promotion of ethanol as a substitute for gasoline came into sharp focus in mid-January, as EIR stepped up investigations of the claims by government agencies to the efficiency of biofuels. The evidence is not yet conclusive, but sufficiently suggestive to warrant prompt Congressional investigation into what might be one of the greatest and most costly hoaxes perpetrated by the Cheney-Bush Administration since the selling of the Iraq War.

Only Nuclear Power Can Close Energy Gap

by Marjorie Mazel Hecht

Nuclear energy is the only way to keep the lights on and the wheels of industry turning in the United States and around the world. There is no other way to ensure that the 6.5 billion and growing world population will enjoy the standard of living and longevity typical in the industrial world today. Windmills, solar cells, biomass, and other so-called alternatives cannot power an industrial society.

British Crown Assaults Canadian Wheat Board in Grab for World Grain Control

by Rob Ainsworth and Jean-Francois Sauve', Canadian LaRouche Youth Movement

Acting through its Canadian and Australian Privy Councilors, the British Crown has launched a coordinated assault to destroy both the Canadian and Australian Wheat Boards, to the benefit of its assets in the international grain cartel. Combined, the two nations account for a stunning 65% of global wheat exports, control of which would give the Crown and its food cartel unchallenged dominance over world wheat prices and supplies.

Cartels Crush Wheat Board in Australia

by Robert Barwick

The Liberal/National government of Australian Prime Minister John Howard, in December 2006, stripped the Australian Wheat Board (AWB) of its export monopoly of wheat, known as the 'single desk.' Thus ended over six decades of regulated wheat marketing for Australia's wheat growers, who produce 15% of all world wheat exports.

International:

International Mobilization To Stop U.S. Attack on Iran

by Muriel Mirak-Weissbach

Anyone, including those in Iranian political circles, who cherished the illusion that the Cheney-Bush cabal was not committed to a new war in Southwest Asia, has had to abandon such dreams in the wake of George W. Bush's Jan. 10 speech on his 'new' policy for Iraq.

Madrid +15 Conference Calls for Immediate Mideast Peace Negotiations

by Dean Andromidas

Yossi Beilin, chairman of Israel's Meretz party and architect of the Oslo Peace Accords, called last August for the convening of a Madrid II peace

conference as the only solution to ending the Israeli-Palestinian conflict and ending the war in Iraq. Beilin's call soon received the warm endorsement of American statesman Lyndon H. LaRouche. This month, some of the original Madrid conference organizers took steps toward the goal of an official Madrid II.

Interview: Yossi Ben Ari

Madrid +15 Must Lead To a New Peace Plan

Brig. Gen. Yossi Ben Ari (res.) was a participant in the Madrid +15 Conference. He served in the Israeli Defense Forces as a senior military intelligence officer, and is a former codirector of the Strategic Affairs Unit of IPCRI (Israel-Palestine Center for Research and Information).

Even Sharon Allowed Israel-Syria Talks

by Dean Andromidas

As Vice President Dick Cheney was plotting newwars against Iran and Syria, the Israeli daily Ha'aretz on Jan. 16 revealed that secret back-channel talks were held between the two nations' representatives from September 2004 to July 2006.

London, Opus Dei Ran Argentine Atrocities

by Cynthia R. Rush

When Argentine Federal judge Rau'l Acosta ordered the arrest of former President Mari' Estela Marti'nez de Pero'n on Jan. 12, charging her with responsibility for atrocities carried out under her 1974-76 government, it set off a political firestorm in the country, while attracting significant international media attention.

New Ecuador Leader: Replace 'Inhuman' Globalization With National Economy!

Inaugurated on Jan. 15, coinciding with the birthday of that great fighter for the universal dignity of man, Martin Luther King, the new President of Ecuador, Rafael Correa, addressed with remarkable pungency, the fundamental issue facing mankind today: the urgency of restoring the moral principle of the Common Good as the premise of economic policy. To do that, he made clear, 'inhuman and cruel globalization' must be buried, replaced by a return to the primacy of the Nation State.

Response to Chancellor Merkel: Germany Needs a New Economic Policy

by Helga Zepp-LaRouche

The speech that German Chancellor Merkel gave before the European Parliament on Jan. 17, in her capacity as President of the European Union, betrayed a fundamental problem which lurks behind her policy of 'small steps.' That she holds the opinion that Voltaire, of all people, expressed the soul of Europe, is alarming. One can only hope that it is just due to Mrs. Merkel's youthful frivolity, as a '17-year-old youth in the European Union,' as she herself put it in her speech, that she sides with Voltaire, in the anti-Leibnizian tradition in Europe.

French Elections Cheminade and the LYM Revive Republicanism

by Fred Bayle, LaRouche Youth Movement

'Now I'm back in shape.' This is how one French mayor ended his meeting with Jacques Cheminade, the Presidential candidate of the Solidarity and Progress party, who is allied with Lyndon LaRouche. As the April 22 date of the Presidential election is getting closer, the LaRouche Youth Movement (LYM) and Cheminade are awakening the soul of the country, so that the nation can shake off its rotten elite, and regain its republican tradition.

CIA Agents on Trial in Amu Omar Kidnapping

by Claudio Celani

CIA paramilitary activities launched under the Cheney-Bush phony 'war on terror' policy went to court in Milan on Jan. 9, when the first preliminary hearing took place in a trial against 26 CIA officials for the kidnapping and torture of an Egyptian citizen, Nasr Osama Mustafa Hassan, known as Abu Omar. Abu Omar was kidnapped on Feb. 17, 2003, in Milan, and flown to Egypt via U.S. military bases in Italy and Germany. He was imprisoned and tortured, but managed to smuggle out an affidavit to Milan prosecutors, with a dramatic description of the treatment he underwent.

U.S. Military Strike In Somalia Is Part of Bush-Cheney 'Surge'

by Lawrence K. Freeman

In good political intelligence work, one should never get so focussed on the facts on the ground, that one fails to see the actual cause motivating the observed events. This is certainly true of the U.S.-supported Ethiopian invasion into Somalia. After the U.S. used an AC-130 gunship attack on Jan. 8 in southern Somalia, which mowed down dozens of civilians according to numerous accounts, I kept asking myself this question: If the U.S. were truly serious about hunting down three alleged al-Qaeda operatives, why would they use the equivalent of a flying tank to indiscriminately fire on a large group of Somalians?

Congress Takes First Steps Toward Curbing Cheney

by Jeffrey Steinberg

Scarcely two weeks have passed since the 110th Congress was sworn in, and already battle lines have been sharply drawn between the legislative branch and the embattled BushCheney White House. And, as forecast by Lyndon LaRouche in his Jan. 11 Washington webcast, increasingly, Republicans are joining with their Democratic counterparts to challenge the permanent war dogmas of Bush-Cheney, and the words 'double impeachment' are being heard around the Capitol.

Will Congress Sing for Double Impeachment?

by Matthew Ogden, LaRouche Youth Movement

No matter how much Howard Dean screams, he will never be able to claim credit for the landslide victory that the Democrats won on Nov. 7. The new 110th Congress is full of maverick freshmen Democrats who rode the wave of a great generational paradigm shift, which swept them into Congress, and they are now in Washington with a mandate from millions of young people to make trouble. On campuses across the country, these millions of youth were shocked to discover that you didn't have to imitate the Howard 'Scream' to consider yourself political, but that the real political leadership were the youth who were calling for the impeachment of Cheney and Bush, pushing for a FDR-style economic recovery, and mobilizing the population through song!

LYM at the 'Temple of Doom'

'Moving On,' From The Old Politics

by Wesley Irwin, LaRouche Youth Movement

In the weeks leading into the Nov. 7, 2006 Democratic Congressional landslide victory, and later, in an even more focussed intervention the following month in a special election held in San Antonio, Texas, the LaRouche Youth Movement (LYM) physically demonstrated, that the political process in the United States for the coming revolutionary period will be determined by the quality of creativity embodied by the LYM.

Culture:

Rembrandt's 'Thirty Years War' vs. Anglo-Dutch Liberal Tyranny

by Bonnie James

The year 2006 was an unusually rich year for significant birthdays: We commemorated the 250th birthday of Wolfgang Amadeus Mozart (Jan. 27, 1756) and the 300th birthday of Benjamin Franklin (Jan. 17, 1706). It is therefore fitting that, as we bid adieu to 2006, we remember the great genius and sublime artist, Rembrandt van Rijn, born 400 years ago, on July 15, 1606 (Rembrandt lived till 1669).

Editorial:

Don't Be a Bio-Fool!

While there is no question but that the issue of the impeachment of Vice President Cheney, and the prevention of the war against Iran, are at the cutting edge of what the incoming Congress must do in the weeks ahead, Lyndon LaRouche nonetheless chose to commission a major feature this week on the subject of 'biofuels.' Why? As LaRouche put it in one memo, 'the characteristics of the present intersection of the Congressional agenda with the global strategic, economic, and other realities, require that the biofuels delusion be called into question, popularly, as widely and deeply as possible.'

U.S. Economic/Financial News

December Foreclosures Top 100,000 for Fifth Month

For the fifth month in a row, foreclosures in December topped 100,000, it was reported Jan. 17. Some 109,652 homeowners nationwide entered into some stage of the foreclosure process in December, down 9% from November but up 35% compared with December 2005, according to RealtyTrac. This corresponds to a national foreclosure rate of one new foreclosure filing for every 1,055 households. The combination of slower home sales and rising interest rates on adjustable-rate mortgages (ARMs), especially subprime ARMs (to borrowers with poor credit histories), RealtyTrac said, continue to drive foreclosures at "significantly higher numbers than a year ago."

The three metropolitan areas with the highest foreclosure rates were Greeley, Colorado; Fort Worth, Texas; and Detroit, Michigan.

Number 3 Homebuilder to Scale Back by 20% This Year

The third-largest U.S. homebuilder announced it will cut construction by 20% in 2007. Lennar Corp. also reported its first quarterly loss in at least a decade Jan. 17—\$195.6 million for the quarter ended Nov. 30, as it wrote down the value of its land holdings and options.

Oberstar Blasts Bush Transport Commission for Pushing PPPs

A Congressionally created, but Bush Administration-controlled commission, is mandated to study and recommend proposals to address the nation's transportation needs and how to fund them for the next 30-50 years. While Congress established it, Bush's Department of Transportation chairs it and determines the "experts" who will testify. Most of its "experts" have attempted to make a case for using public-private-partnership (PPP) funding for transportation projects in the future. Rep. James Oberstar (D-Minn), the new chair of the House Transportation and Infrastructure (T&I) committee, blew the cover on the commission's activities: "[It] seems to be moving in the direction of replacing the highway trust fund with public-private-partnerships," Oberstar said, *Congressional Quarterly Today* reported Jan. 18.

EIR's investigation into the commission not only found this to be true, but also learned found dissension among its commissioners on this point. Rep. Peter DeFazio (D-Ore), now chair of the T&I's Highways subcommittee, said the administration "merely wants to privatize existing infrastructure so that the private sector can make money on it." The much-touted Indiana toll road is presented as the model for states' infrastructure funding needs.

Rail Funding Bill Expected To Pass House and Senate

A bipartisan bill to fund national and state rail operations and projects, was introduced in the U.S. Senate Jan. 16 by Frank Lautenberg (D-N.J.) and Trent Lott (R-Miss), and will likely see swift passage in both houses of the 110th Congress. The newly introduced bill S. 294, the Passenger Rail Investment and Improvement Act of 2007, was introduced as a bipartisan initiative to re-authorize Amtrak and provide Federal grants for state rail corridor development. So far, there are 17 co-sponsors, five of whom are Republicans. In the 109th Congress, a nearly identical bill (S. 1516), known as the Lott-Lautenberg rail bill, was introduced and passed in the Senate. That bill died as the House failed to act on it.

At Jan. 16 press conference held in Union Station, Washington, D.C., Lott humorously alluded to the new control in Congress when he quipped, the bill "used to be Lott-Lautenberg. Now, it's Lautenberg-Lott. We never miss a step.... There are some things in Washington that are truly bipartisan, including transportation..."

Lautenberg, in his remarks introducing the bill on the Senate floor, situated the role and need for rail development: "One

need only to look at Europe and Asia to see the benefits that a modern passenger rail system can bring.... Germany, which invested [\$9 billion] in its rail system in 2003 alone, has a modern, high-speed rail system that reduces pollution, eases congestion, and improves mobility...." He called this initiative "the most comprehensive reauthorization of Amtrak ever attempted" by the U.S. Senate. He detailed that the bill provides \$12 billion in Federal support, over six years, for Amtrak's operations (\$3.3 billion), capital investments (\$6.3 billion), and for its debt and interest payments (\$2.4 billion). Another key provision to provide \$7.8 billion in capital grants to States for development of rail corridors over six years was added as an amendment by Lautenberg-Lott upon filing the bill.

Importantly, the press spokesman for the new chair of the House Transportation and Infrastructure Committee, Rep. James Oberstar (D-Minn), indicated the potential for support in the House when he told the press, "Given the change in management and the new management's more favorable view of Amtrak, we expect it to get through the committee and to the floor."

World Economic News

Another British Interest Rate Hike Coming Up

With inflation running at the highest rate in 15 years in Britain, there could be another interest rate hike in Britain in the coming month or so, the fourth in seven months, the *Daily Mail* reported Jan. 17. The Bank of England raised rates a quarter-point in January, an unusual move. Another rate hike will hit mortgage holders, especially first-time buyers. At the same time, as the Home.co website reported, mortgage lenders are taking fixed-rate mortgage deals off the market, to profit from the interest rate hikes. Some 12 lenders have already suspended fixed-rate mortgages, just one week after the Bank of England raised rates. These lenders have increased their standard variable rates for mortgages.

Britain's Retail Prices Index, which includes housing costs, rose 4.4% last year, the fastest since 1991. Gas prices are up 32% from last year, the highest rate of increase since 1963. Also, the Council of Mortgage Lenders said recently that current young house buyers are facing worse problems than any earlier generation.

Euro, Pound Sterling Displace Dollar in Bond Markets

For the second year in a row, euro-denominated bonds made up 45% of the global bond market, compared to 37% for the dollar-denominated bonds, the *Financial Times* reported Jan. 14. For the past three years, the pound sterling has been growing as a "niche currency" for some investors to reach 10% of the bond market. At the end of 2006 outstanding bond debt issued in the euro was an equivalent of \$4,836 billion, whereas that issued in the dollar was \$3,892 billion according to International Capital Market Association data; the new issuances last year accounted for almost half of the total market.

As recently as 2002, issuances in euros represented just 27% of the global pie, compared with 51% for the dollar.

United States News Digest

Bipartisan Resolution Presented Against War on Iran

In presenting their Iran resolution, a bipartisan group of members of the House of Representatives were adamant that their bill would be brought up for a vote, indicating that Speaker Nancy Pelosi agreed to it. Present at the Jan. 18 press conference, were Representatives Walter Jones (R-S.C.), Marty Meehan (D-Mass), Wayne Gilchrest (R-Md), Neal Abercrombie (D-Hi), Ron Paul (R-Texas), and Rep. Richard Neal (D-Mass). The resolution would require that the

President come back to Congress for authorization before taking any action against Iran.

"It is time for Congress to assume its responsibility," Jones said. "We are concerned that the Administration is trying to create a justification for going to war against Iran." Jones noted that he had been brought to this point by the many letters he had to send out each month to families whose sons or daughters had been killed in Iraq. "We must meet our constitutional responsibility," he said. "to see if war is justified or not."

Jones, who was characterized by Abercrombie as the "conscience of the Congress," said, "The movement of the new carrier group to the Persian Gulf will create the possibility of a Tonkin-type incident."

"This is a resolution to preempt war," Gilchrest said, "a war that would be based on ignorance, arrogance, and dogma." Abercrombie underlined the role that members of Congress were required to play in this situation. "We all feel strongly about being in the people's House," he said. "For us this is not an abstraction. We have to have big hearts."

Paul warned, "I think there's greater than a 50-50 chance that Iran is going to get hit." Abercrombie also underlined the need for opening a dialogue with Iran in order to resolve the Iraq turmoil.

Gonzales Grilled on Police-State Measures

In four hours before the Senate Judiciary Committee Jan. 18, Attorney General Alberto Gonzales was questioned—angrily at times—about a wide variety of the Bush-Cheney Administration's illegal and unconstitutional actions, including revelations about a possible U.S. mail-opening program, Pentagon and CIA surveillance of Americans' financial records, the NSA domestic spying program, the denial of habeas corpus to detainees at Guantanamo and other overseas prisons, the Administration's use of "signing statements" to ignore Congressionally-enacted laws, its firing of various U.S. Attorneys, and its "rendition-to-torture" program, not to mention whether the President can escalate the war in Iraq, or invade Iran, without Congressional authorization. (See separate slug)

Sen. Arlen Specter (R-Pa), the former chairman of the committee, joined with the new chairman, Sen. Patrick Leahy (D-Vt) in attacking the Administration on most of these issues—especially the NSA spy program, DOD and CIA domestic surveillance, habeas, and rendition. Specter told Gonzales that he thought that the illegal spying program was one of the reasons that Republicans lost the recent elections.

A number of Senators demanded to know why the Administration just now announced that it could conduct what it calls the "terrorist surveillance program" under the supervision of the Foreign Intelligence Surveillance Court, after having insisted that the five-year-old program could not be submitted to the FISA Court without endangering the American people. "You asserted that this violation of the law was absolutely necessary to defend the country," Sen. Russ Feingold (D-Wisc) told Gonzales, "and you questioned the patriotism of anyone who challenged you. This is a stunning and long-overdue change." Sen. Charles Schumer (D-N.Y.), commenting on the Administration's about-face, said that "after more than five years of warrantless wiretapping ... there are still far too many unanswered questions for this to remain unresolved."

"This is better than Cheney," Schumer said, in an apparent reference to Cheney's "go f--- yourself" to Leahy after Leahy had challenged the program, "but we still don't know what 'this' is."

After a number of contentious exchanges with Gonzales, Leahy, backed by Specter and others, promised that, "As chairman of this committee, I will do everything I can to restore habeas corpus," and he also promised to examine the use of signing statements, as Specter had last year.

Appeal for Redress Presented to Congress

On Jan. 16, over 1,000 signatures of active-duty military personnel calling for the withdrawal of U.S. military forces from Iraq were presented to Rep. James McGovern (D-Mass) by three members of the military, one from the Marine Corps and two from the National Guard, backed up by Military Families Speak Out and Iraq Veterans Against the War. Rep. Dennis Kucinich (D-Ohio), who was unable to be present at the handover due to travel delays, said in a statement, "It is important to remember that many of these soldiers, sailors, airmen, and marines have seen combat in Iraq. They did not refuse to serve. They did not challenge any of their commanders' orders, but they do have rights under the Constitution and within the military code to present their grievances to the U.S. Congress." Kucinich's chief of staff reported that Kucinich has vowed to submit each and every appeal to the House so that it becomes part of the record.

Two of the three, Marine Sgt. Liam Madden and Jabbar Magruber of the California National Guard, have served combat tours in Iraq. Madden reported that approximately 60% of the signers are also veterans of the Iraq War. The appeal is a protected communication from the signers directly to their members of Congress, and so the names of other signers won't be released, though Madden, and the third signer, Second Lt. Kent Gneiting of the Colorado National Guard, said that they don't expect any retribution for their public appearance in Washington in connection with the appeal. Magruber also noted that the appeal does not end today and will remain open for further signatures.

Oversight Hearing on Iraqi Refugees

On Jan. 16, the Senate Judiciary Committee held hearings on "The Plight of Iraqi Refugees," and took gut-wrenching testimony from victims, government officials and others involved with this problem. What emerged was the nature of the humanitarian nightmare that the war has caused for the entire region.

One out of eight Iraqis is now either internally displaced, (1.7 million) or has now fled the country (1.8 million). Refugees are leaving at the rate of 1,300 per day, or 100,000 a month, and the rate is increasing. 700,000 are estimated to be in Jordan, with Syria and Lebanon being other major recipients. These countries, in addition to begin economically unable to absorb these numbers, often do not even recognize the status of refugees, so desperate families won't admit their condition, out of fear of being sent back by their host. What we are witnessing is a "de facto ethnic cleansing," in the words of Sen. Arlen Specter, the ranking Republican on the committee. And the U.S., since 2003, has admitted exactly 466 Iraqis.

The "politically correct" evaluation of the problem was given by Ellen Sauerbrey, assistant Secretary of State for Population, Refugees and Migration, and by Michele Gabaudan, Office of the United Nations High Commissioner for Refugees. Sauerbrey outlined the budget limits and other constraints for this "top priority" for the Administration, and explained how 300,000 Iraqis had actually returned home between 2003 and 2006. She admitted however, that in the last year the situation completely shifted, the trickle then became a flood, and today, the State Department doesn't really have a complete overview of the extent of the problem.

Sen. Edward Kennedy (D-Mass) noted that the \$20 million '07 budget speaks loudly for the true emphasis that the Administration puts on this problem (i.e., not much). Specter, questioning Gabaudan, who kept whimpering that he was "hoping" to get a conference together, told him to "change his hope to insistence." Not that it would necessarily get him any further, he said, but his chances would be a whole lot better.

House Panel To Probe DoD Domestic Intelligence Gathering

Rep. Silvestre Reyes (D-Texas), the new chairman of the House Intelligence Committee, said that his committee will investigate reports of the Pentagon's domestic intelligence program, and that the committee—and not Dick Cheney—will determine whether or not the Pentagon can examine financial records of Americans, AP reported Jan. 14. "Any expansion

by the [Defense] Department into intelligence collection, particularly on U.S. soil, is something our committee will thoroughly review," Reyes said, adding that any such program must "comply fully with the law and the Constitution."

In related moves:

* Sen. Russ Feingold (D-Wisc) and a bipartisan group of Senators have introduced the Federal Agency Data Mining Reporting Act of 2007, to require Federal agencies to report to Congress about their use of data-mining programs involving personal information on American citizens.

* Sen. Dianne Feinstein (D-Calif) has introduced the Notification of Risk to Personal Data Act, which would require any company or Federal agency to report a security breach of their data bases comprised of sensitive personal information—financial, medical, or otherwise.

Ibero-American News Digest

Brazil Suspends Privatization of Federal Highways

The planned privatization of seven Federal highways in Brazil—2,600 kilometers, considered the "filet mignon" of the nation's highway system—has been suspended, President Lula da Silva's chief of cabinet Dilma Rousseff announced on Jan. 10. Rousseff said the government made the decision to head off a possible "concessionaires' cartel." Shortly thereafter, Deputy Attorney General Aurelio Virgilio Veiga Rios charged that "the profit margin of the concessionaires is only comparable to the international drug trade."

Days later, London's *Financial Times* was still sputtering over that "extraordinary statement"! The same paper worried on Jan. 14 that this just might be a sign that "Latin America is shifting towards state control of the economy" again.

The private interests which were about to get their hands on lucrative tollroads are furious, and intend to reverse the decision, but there is talk that the government has plans to set up a state enterprise to run the roads. Officials representing other interests in the Lula Administration, including cabinet ministers, rushed to placate "the markets." Transportation Minister Paulo Sergio Passos denied that the privatization had been either cancelled or suspended, insisting that a decision had just not been made yet, and that a decision would be made within a few days, at a meeting with the President.

After 16 years of disinvestment by successive governments which made debt payments primary, the condition of Brazil's un-maintained highways is a real drain on national productivity. The real scandal, however, is, that 60-80% of all Brazil's cargo is transported by highway, since this would-be modern nation has very little railway.

Free-Trade Freak Dumped in Peru

After Senate Majority Leader Harry Reid's New Year's visit to Peru (see InDepth, last issue), the Alan Garcia government dumped Hernando de Soto as Special Free Trade Negotiator with the United States. On Jan. 8, Peruvian Foreign Minister Jose Antonio Garcia Belaunde announced that Peru's Ambassador to Washington, Felipe Ortiz de Zevallos, would handle the negotiations on the U.S.-Peru free-trade agreement. He explained that the decision was adopted "because of the changes in political winds blowing through the American legislature."

Actually, the news was let out right after the group of six Senators headed by Reid met with Alan Garcia Jan. 2, in which the Senate leader failed to exhibit any sympathy for a free-trade agreement.

Hernando de Soto is the head of the Liberty and Democracy Institute (ILD, in Spanish) an outgrowth of the NED (National Endowment for Democracy), and funded by USAID, for which reason it was also said there was a "conflict of interest" in representing Peru.

Mercosur Summit Turns into 'Presidents Club' Meeting

South Americans are not waiting to formally unify the two common markets of the continent (Mercosur and the Andean Community of Nations), but are simply doing that de facto. Brazil, as the outgoing secretary pro-tem of Mercosur (South American Common Market), invited the heads of state of the "associate members" (which include Chile, Bolivia, Ecuador, Peru and Colombia) to join the core members (Argentina, Brazil, Paraguay, Uruguay, and Venezuela) to attend the Jan. 18-19 Mercosur summit in Rio de Janeiro. And while they were at it, they also invited their colleagues from Surinam, Guyana, and Panama. Peru's Alan Garcia and Panama's Martin Torrijos, were the only two not to attend.

It was the first full meeting since Ecuador's Rafael Correa entered the Presidents Club, and he, along with Venezuela's Hugo Chavez, is pushing for creation of a "South American Bank" to finance development. Venezuela is prepared to put up at least 10% of reserves to help fund the bank, Chavez announced last week. He urged other South American countries to do the same, so that "in 5-10 years, we won't need the World Bank or have to go begging all over the world."

Financiers and their hangers-on are putting out the line that Mercosur's supposed free-trade character is threatened by "Venezuelan, Ecuadorian, and Bolivian socialism," and that the body is nearing its death-bed. The State Department's U.S. Infoservice released two press releases on the eve of the summit: one, "Latin American Nationalization Trend Seen Hindering Progress," and another insisting that all Organization of American States members act to defend democracy in Venezuela, since Hugo Chavez is closing an opposition TV channel.

Brazilian Foreign Minister Celso Amorim dismissed such chatter in advance, telling reporters that Venezuela has been a fine addition to Mercosur, and what it does domestically is its business. If it affects U.S. or European interests, that's their problem, not Brazil's. What matters, is the process of Ibero-American integration.

Ecuador Policy: Social Payments First, Debt Last

Ecuador's Correa government will make a \$135 million bond payment due on Feb. 15, only if there is enough money left over after taking care of social expenditures, Finance Minister Ricardo Patino told foreign journalists Jan. 17. His statements were coupled with the report that Argentina will be sending a team to Ecuador this week to offer assistance in restructuring that country's debt, based on Argentina's own experience in doing the same in 2005. This will certainly unnerve Wall Street and the City of London.

Patino explained that the government's aim is to renegotiate the debt so that "it doesn't drown us." Moreover, he added, no illegitimate debt will be paid. President Correa's priority is to first allocate the financial resources necessary to help the poor, the Minister stated, which includes a doubling of monthly welfare payments from \$15 to \$30 for 1.2 million people, as well as offering micro-credits for small businesses. "If we have the resources, we will certainly pay. But first we will pay for the *human development bonds*. First we will provide micro-credits."

Lengthy excerpts from Correa's Jan. 15 inaugural speech, which outlined this policy, are included in this week's InDepth section.

Honduras, Too, Seeks To Protect Its People

The Honduran government is taking control of foreign-owned oil storage terminals as part of an import program meant to reduce fuel prices, President Manuel Zelaya announced on Jan. 13. The measure affects ExxonMobil and Chevron. The Honduran government made a deal with ConocoPhillips to import at least 8.4 million barrels of gasoline and diesel a year and secured the terminals for that use. "It is not a nationalization, it's a temporary use of the storage tanks through a lease and payment of a reasonable price," explained Zelaya, after failing to reach a deal with the companies to rent the terminals.

Schemes Abound To Grab Migrant Remittances

International financial vultures are salivating over the possibility of seizing migrant remittances to fund public-private partnership (PPP) schemes in Ibero-America. Noting that the "free-trade agenda" in countries like Peru and Colombia is "running into trouble" with the new Democratic Congress in the United States, the City of London's *Financial Times* on Jan. 8 recommended PPP schemes as an alternative for Mexico and Central America, which could be financed, at least in part, by remittances sent by "migrant clubs" in the United States.

"Millions of dollars" have been channelled into roads in Mexican states like Zacatecas through "three-for-one" schemes, the *FT* enthusiastically reported. The Mexican Federal, state and municipal authorities provide one dollar for every dollar sent by migrants. So, why not go for a "four-for-one" deal, where the U.S. could provide an additional dollar of funding, and then "encourage governments in poorer remittance-rich [sic!] countries such as El Salvador, which have been much slower off the mark than Mexico in this area."

Some Mexicans are also eyeing remittances as a potential source of financing for projects that should be publicly funded—but aren't. The head of the PRI's Working Group on Migration in the Lower House, Edmundo Ramirez Martinez, laments that only 2% of the remittances sent from the U.S. (\$24 billion in 2006) are used for "productive projects" that will create jobs, combat poverty, and foster the development that will stop Mexicans from leaving the country. He demanded greater commitment from the Executive and Legislative branches to create programs that can take advantage of the "potential" of remittances.

Western European News Digest

Europe Reacts Negatively to U.S. Iran War Moves

A group of parliamentarians from several Italian parties (DS, PRC and Greens) has called for a majority meeting to review the Italian mission in Kabul, Afghanistan. The mandate for the mission expires at the end of the month, and pressures on the government to give an anti-Bush signal have escalated from anti-war factions, after the Democratic electoral victory and Bush's announcement of the surge policy.

Germany's Ambassador to Tehran Herbert Honsowitz said last week that his country wanted a peaceful solution for Iran's nuclear dossier and would support this approach. Honsowitz added that promoting cooperation potentials with the EU would be a priority when Germany assumes the presidency of the EU.

Most press in Continental Europe report that Bush is becoming more and more isolated, that even prominent Republicans like Sen. Chuck Hagel (Neb) are deserting him, that Senate hearings turned out rather unpleasant for Gates and Rice. (See InDepth this week, for more reactions to the Bush-Cheney insanity on Iran.)

Schroeder Defends Russia EU Strategic Partnership

Former Chancellor Gerhard Schroeder gave a significant talk at the German Council on Foreign Relations in Berlin, on Jan.

17, to an audience of about 1,000 of Germany's "elite." This, on the same day that U.S. Secretary of State Condoleezza Rice arrived there, and almost on the eve of Chancellor Angela Merkel's Moscow meeting with Russian President Vladimir Putin on Jan. 21. The keynote speaker at the event was Igor Shuvalov, the Russian "sherpa" for the G-8, who welcomed Germany as the new G-8 chairman, which Russia had last year.

According to a source, Schroeder's speech "quite brilliantly" laid out his policy for a united Continental Europe that is "like de Gaulle's view," against many who criticize Russia over issues such as the death of Alexander Litvinenko. Schroeder defended his policy of a strategic relationship with Russia, while he sees a shift going on, where now, his Russia policy is seen as dangerous. He said that the strategic partnership with Russia was a benefit to all of Continental Europe, and he sees it as a way to stabilize the continent. He laid out the issue of a common European house of Continental Europe, which the source also compared to "[Willy] Brandt's cautious Ostpolitik."

The source also noted that the audience expressed considerable hostility toward Russia, as did the press coverage later, which was also directed against Schroeder for his policy. The "elites," said the source, had been horrified by Schroeder and Western Europe's rift with the U.S., which is now being turned around by the Merkel government.

Italian Police Warn of Anarchist Terror Threat

As in the past, synarchist circles seem to be activated to create a terrorist potential, in connection with labor or other kinds of popular protests. Sources from the Anti-Terrorist Office of the Italian Interior Ministry (police department) have described a possible scenario of "a new season of street violence, radical protests, and subversive actions" based on the current mobilization of "anarchist" and "antagonist" sections of the radical left. Those anti-terrorist sources do not exclude the possibility that "new Red Brigades organizations" would go into action, according to *La Stampa* Jan. 18.

The alarm bell rang on Jan. 16, when two explosive devices were received by two Undersecretaries of State at their homes, both in Sardinia; and the Italian government announced its decision to give consent to the U.S. government decision to enlarge the Air Base in Aviano, Vicenza. Such a decision "could be utilized by the radical and antagonist wing of the movement," the sources said. In Vicenza, where there is a cross-party, popular mobilization against the air base, a situation could develop in a way similar to the Val di Susa protests, where "groups of the antagonist movement rode the popular protest."

The honeymoon of the radical left with the Prodi government is now over, and there could be a "resurgence of political and social conflict around two issues which are historically dear to terrorist subversion: anti-imperialism and the labor movement, which could find fuel for a new terrorist offensive." The fear is that in very soon, a surprise could occur, such as a bombing at a military target, in Aviano or Vicenza itself.

Bankers' Mouthpiece Hails End of Gaullism in France

The France of Charles de Gaulle can be finally buried once and for all, if either Nicolas Sarkozy or Segolene Royal be elected, chortles Matthew Kaminski, the editorial page editor of the *Wall Street Journal Europe*, in a Jan. 16 op-ed. Charles de Gaulle's spirit has yet to be buried, he complains; "the General has shaped France's view of the world and itself from the closing days of the last Great War. Come May, with a new resident in the Elysee Palace, that looks bound to change." With either Sarko or Sego, he writes, France will have its first head of state born after World War II (the election is scheduled for April 22). Both are pragmatic, which leaves less space for the "French glory" espoused by de Gaulle.

Sarkozy is outright pro-Bush (his memoirs, *Temoignage* are being published in English in the spring), and Royal, says Kaminski, is at least "agnostic," and has taken a hard line on Iran. They are prepared to accept modern reality—that "France simply matters less, in a larger Europe and with a rising Asia, than before."

Kaminski remains a little edgy, however, that Jacques Chirac might just find a way to stop either "Sego or Sarko" from taking office, and thereby keep the soul of France alive. As if to give life to their fears, two websites using the name of Chirac have been created and are circulating petitions calling on Chirac to run for a third term as President. The old Gaullist circles, whom some describe as still alive, well, and kicking, have several options for a Gaullist Presidential candidate, scenarios that they will unfold as the situation develops.

Blair Under Attack on Afghan Heroin

British Premier Tony Blair is facing a growing number of hostile Members of Parliament on the Afghan heroin issue—there has been an explosion in opium production since the U.S. invasion in 2002. Unfortunately for Blair, his whole justification for the Afghan invasion was the elimination of opium—unlike President Bush (who went to war in Afghanistan to eliminate Osama bin Laden). Blair made a dramatic presentation before the British Parliament after 9/11, saying he is joining the Americans against the Taliban because "the arms the Taliban are buying today are paid for with the lives of young British people buying their drugs on British streets," British media reported Jan. 18.

Protests Against Italian Finance Minister Padoa-Schioppa

Italian Finance Minister Tommaso Padoa-Schioppa gave a fascist speech in Turin in favor of a European super-government, when a group of "antagonist" youth loudly protested, shouting insults, throwing eggs, and setting off fireworks at a university where he was speaking. Eventually, they clashed with police.

In his speech, which was excerpted Jan. 18 in the Italian press, Padoa Schioppa said, among other things, that "the cure" for the European crisis "is nothing but the conscious choice of the federation model, the one creating an effective decision-making and executive power at a higher level than the nation-states, for those issues that states are no longer able to deal with by themselves." Undersecretary of State Alfonso Gianni, supported the protest against his boss Schioppa, saying that "protests are part of democracy."

JFK Cited by Gordon Brown at Fabian Society Conference

British Chancellor Gordon Brown repeatedly cited President John F. Kennedy in his discussion at a Fabian Society conference on Jan. 13. Also speaking was Ed Balls, who is both Economic Secretary to the Treasury, and vice chairman of the Fabian Society, and a devoted supporter of globalization. Brown claimed that Britain's "national mission" must be "lifelong recurrent and permanent education" as "the best economic policy" and "the best social policy."

In what jobs people are to use their education, Brown does not mention. Equal opportunities for all, unfair privileges for no one. Reality is, that under the Labour Party, Britain has become a nation of huge personal debt and a vast housing price bubble.

Russia and the CIS News Digest

Russian Press Covers U.S. Naval Build-Up

Scores of Russian wire services and newspapers, as well as both of the two main national TV news broadcasts on Jan. 17, covered the dispatch of the *USS Stennis* aircraft carrier group toward the Persian Gulf. First Channel TV noted that the build-up is the greatest since early 2003, on the eve of the Iraq invasion. RIA Novosti's political observer Pyotr Goncharov

put out a column titled, "The New Bush Strategy and the Middle East: Going for Broke on the Brink of a Big War?" Another set of Russian articles cited a Kuwait *Arab Times* article, asking, "Will the USA Attack Iran by April?" The government newspaper *Rossiyskaya Gazeta* was one of those covering the escalation.

On Jan. 16, Russian Defense Minister Sergei Ivanov confirmed that Russia has completed delivery of Tor-M1 anti-aircraft missile systems to Iran. "We have supplied modern anti-aircraft short-range missile systems under a contract," he said, adding that, "Iran is not under any sanctions." He said that Moscow will continue to develop military and technical cooperation with Tehran. The Tor-M1, developed by Russian company Almaz Antey, is a high-precision weapon for hitting aircraft, manned or unmanned, including cruise missiles, flying at an altitude of up to 10 kilometers (6 miles). The \$700 million missile contract was a target of U.S. sanctions, in July 2006, when they were slapped on Russian arms producer Rosoboronexport and aircraft manufacturer Sukhoi. The sanctions were lifted, in the course of talks on getting Russia into the World Trade Organization.

Primakov: Saddam Was Executed To Silence Him

On the Jan. 14 edition of a major Sunday-night TV program, Vesti Nedeli (News of the Week), former Russian Prime Minister Yevgeni Primakov said that Saddam Hussein was executed in a hurry and in an "unexpected" way, so that "he could not have the last word" and reveal compromising information on the relationship between the United States and his former regime. If Saddam Hussein "had told all, the current U.S. President would have been greatly embarrassed," said Primakov, referring to the military cooperation between Washington and Baghdad during the 1980s. Primakov, who was one of the last foreign visitors to meet with Saddam before the 2003 invasion of Iraq, went into considerable detail, identifying the role of former Defense Secretary Donald Rumsfeld in courting and supporting Saddam (including a few months after the al-Dujail killings for which Saddam was convicted), the Iraqi leader's receipt of detailed U.S. satellite photos during his conflict with Iran, support from U.S. AWACS, etc.

If everything Saddam knew about what the USA had done, including providing nuclear-related technologies, a Russian nuclear expert said on the same program, the USA "would have appeared as a provocateur in front of the whole world."

The Russian primetime program also included footage of Rep. Dennis Kucinich (D-Ohio), criticizing the "hasty execution," with the reporter commenting, "The Democrats hold a majority in Congress and they favor a phased withdrawal of American troops from Iraq," as against Bush's "increasing the garrison."

Primakov concluded the program, saying, "It would be a good thing if the United States became more aware that many issues simply cannot be solved without Russia. We have links with Syria, no one else has. We have links with Iran, but the United States does not. We have contacts with Hamas, while the United States does not. We have contacts with Hezbollah, but the United States does not. In this context, Russia can do a great deal, and hopefully, it will."

Gazprom in Deals with Chevron, and British PR Man

Chevron, one of the oil multinationals that recently lost out when Russia decided to develop the Shtokmanskoye offshore natural gas fields without foreign partners, has nonetheless concluded a new joint venture deal with the Russian gas monopoly, Gazprom. The new company will develop oil fields in Russia's far North, under the name Northern Taiga Neftegaz, according to a Jan. 11 announcement. Initially a new subsidiary called Chevron Neftegaz will own 70%, while Gazprom owns 30%, but the latter's share is planned to rise to half.

In the wake of accusations about its threatening Europe's energy supplies by putting the squeeze on its customers in Belarus and other former Soviet republics to move toward world market prices, in their purchases of Russian gas, Gazprom has also hired a London PR expert, Philip Dewhurst (formerly of British Nuclear Fuels), to coordinate its overseas marketing.

Gazprom will be heavily represented in Russia's delegation to the Jan. 24-28 World Economic Forum in Davos, Switzerland. First Deputy Premier Dmitri Medvedev, Gazprom's chairman of the board, leads the group, which also includes Gazprom vice president Alexander Medvedev, and other Russian energy sector figures: Vagit Alekperov, the owner of Lukoil, and electricity boss Anatoli Chubais.

Russian Alert Over Threats to Infrastructure

For the second time in recent months, the Russian Federal Security Service (FSB) and other agencies, including the Defense Ministry, deployed extra forces in Moscow and went on alert around facilities nationwide, after unspecified threats to Russian infrastructure were received from foreign sources. The warning was announced by FSB chief Nikolai Patrushev on Jan. 16.

Putin, Tatarstan Official Warn of Extremist Violence

Russian President Vladimir Putin, in a Jan. 11 address to the Council for Facilitating the Development of Civil Society Institutions and Human Rights, attended by various Russian NGOs, addressed "the rise of extremism," as a dangerous pattern inside Russia. Noting a related increase in crime, Putin said, "We have repeatedly ascertained that displays of nationalism, xenophobia, and religious and racial intolerance not only seriously infringe upon the rights of Russian and foreign citizens living in Russia, but they also create a serious threat to stability and security in the country as a whole." Putin greeted the Council's decisions to set up a national program, called "Civil Education for the People of the Russian Federation," to counter the trend.

On Jan. 16, President Mintimer Shaimiyev of Tatarstan, an ethnic republic within Russia, also spoke out. He said that growing Russian nationalism had become intertwined with the emergence of skinheads and other violent groups, which have gotten involved in inter-ethnic violence. Shaimiyev pledged leadership from Tatarstan, in "preventing [Russian self-awareness] from taking extremist forms." "This is a very serious problem," he added.

Besides direct manipulation by criminal groups, causes of recent street clashes, as well as murders of foreigners in Russia, include the poor economic conditions in much of the country, as well as the demographic crisis. Russia has some 10 to 14 million undocumented foreign workers, taking jobs in depressed areas, as well as in Moscow. So far, the government is trying to deal with the tensions by such administrative measures as setting a 40% ceiling on the number of foreigners who can work at a retail establishment, like the ubiquitous outdoor markets. This went into effect Jan. 15, and will become stiffer on April 1. Itar-Tass, in a Jan. 16 wire, forecast food price rises, as market owners are forced to pay more to Russian personnel, to replace the ousted immigrant workers.

Government Party Figure Killed in Ukraine

Evhen Kushnaryov, a prominent member of the Ukrainian Supreme Rada (Parliament) from Prime Minister Victor Yanukovych's Party of the Regions (POR), was shot to death while hunting wild boar on Jan. 17. The local police report they are investigating three scenarios: that Kushnaryov was shot due to careless gun handling or ricocheting bullets, as his hunting party chased a wolf that suddenly appeared, or that he was murdered.

Kushnaryov was one of the architects of the POR comeback in last year's Rada elections, which resulted in Yanukovych's return to the premiership (having been pushed out of a Presidency he appeared to have won, by Victor Yushchenko and the Orange Revolution in 2004). His death touched off a new political storm in Ukraine. Progressive Socialist Party of Ukraine leader Natalia Vitrenko called it "an extremely serious loss" for the country, while POR leader and parliamentarian Taras Chornovil said, "Evhen Kushnaryov's death is something of almost mythic proportions. He lived life on the edge, he had

suffered several attempts on his life, and he was always saying that he was under threat. He was an integral figure, irreplaceable in the POR, and his like will not be seen again." Chornovil voiced suspicions about the shooting, saying, "People either loved Kushnaryov, or they hated him, and he clashed with many people. But I shall await the results of the investigation."

Yanukovych cut short a visit to Turkey, returning to Kiev after the shooting. He and Yushchenko have been in a heated conflict over Foreign Minister Boris Tarasyuk—and foreign policy issues, such as seeking NATO membership. The Supreme Rada dismissed Tarasyuk in early December, but Yushchenko has retained him. On Jan. 15, Yanukovych appealed to the Prosecutor General to force Tarasyuk to step aside, and demanded action against him for illegally representing Ukraine on trips to foreign countries. Earlier, the Foreign Ministry had attempted to delegitimize Yanukovych's own official visit to the USA.

Southwest Asia News Digest

Iraqi PM Blasts Rice for Encouraging Terrorism

"We're not on borrowed time," Iraqi Prime Minister Nouri al-Maliki told a group of Western reporters Jan. 17, responding to a recent warning by U.S. Secretary of State Condoleezza Rice to that effect at Senate Foreign Relations Committee hearings. In fact, he said, statements like this could very well embolden the terrorists, who would take such remarks as a sign "that they have defeated the American administration."

As for Bush's comments that the al-Maliki government has some "maturing" to do, and had botched recent executions, the Prime Minister said that, rather than advice, he needs more weapons from the Bush government.

"The situation would be much better had the United States immediately sent our security forces adequate weapons and equipment. Had they committed themselves more and with greater speed, we would have had a lot fewer deaths among Iraqi civilians and American soldiers," he firmly stated. He predicted that the need for U.S. troops could be quickly reduced, were sufficient weaponry provided to Iraqi forces.

The execution of Saddam Hussein was not a "revenge killing," al-Maliki said in response to Bush's charge. Bush isn't usually affected by pressure, he noted, "but it seems that the pressure has gotten [to him] to such an extent that it led to the President making this statement." Perhaps, al-Maliki added, "he has lost control of the situation."

Jordan's King 'Looking at Nuclear for Peaceful Purposes'

In an interview with Israel's daily *Ha'aretz* published on Jan. 19, King Abdullah II of Jordan warned that without progress toward peace between Israel and the Palestinians, a new, violent conflict could break out again, similar to last summer's Israel-Lebanon War. "So this is an opportunity to reach out to each other, and make sure that the crisis of this summer doesn't happen again. If we don't move the peace process forward, it's only a matter of time until there is a conflict between Israel and somebody else in the region. And I think it's coming sooner rather than later."

Asked about Iran's nuclear program, the King said, "The rules have changed on the nuclear subject throughout the whole region. Where I think Jordan was saying, we'd like to have a nuclear-free zone in the area, after this summer, everybody's going for nuclear programs. The Egyptians are looking for a nuclear program. The Gulf Cooperation Council is looking at one, and we are actually looking at nuclear power for peaceful and energy purposes. We've been discussing it with the West. I personally believe that any country that has a nuclear program should conform to international regulations and should have international regulatory bodies that check to make sure that any nuclear program moves in the right direction."

He also said Israel ought to sign the Nuclear Non-Proliferation Treaty. "What's expected from us should be a standard across the board. We want to make sure this is used for energy. What we don't want is an arms race to come out of this. As we become part of an international body and its international regulations are accepted by all of us, then we become a united front."

Iraqi President Makes Historic Visit to Syria

In a statement to the Kuwaiti newspaper *al-Anbaa* published Jan. 21, Iraqi President Jalal Talabani described his visit to Syria as successful, saying: "President al-Assad showed strong interest in meeting the requirements of the Iraqi people and insistence on achieving security, and prosperity in Iraq."

The visit is another indication that the Bush-Cheney Administration's rejection of the Iraq Study Group's recommendations has isolated the White House from Congress, the American voters, from Middle East governments, and from the Iraqi government itself.

Talabani's state visit was the first such high-level visit in three decades, wire services reported on Jan. 15. The trip, which comes on the heels of Bush's speech announcing increased troop deployments to Iraq and threatening Iran and Syria, and while Secretary of State Condoleezza Rice is touring the region, had been planned for some time. Originally Talabani and Assad were to meet with Iranian President Mahmoud Ahmadinejad in Tehran, but the U.S. used its influence in Iraq to prevent that meeting.

On the eve of his departure, a statement from President Talabani's office said: "The aim of the visit is to evaluate and strengthen mutual relations for the benefit of both the countries." His delegation includes Interior Minister Jawad Bolani, Trade Minister Abdel Falah al-Sudani, Water Resources Minister Abdel Latif Rashid, and national security advisor Muwaffaq al-Rubaie. A number of lawmakers from various political groups will also be in the delegation.

Syrian sources stressed to *EIR* the importance of the visit, which comes at a time that Bush is threatening action against Syria and Iran. One source told *EIR* that a number of Syrians who had been killed by U.S. forces in Iraq, as "insurgents," had emigrated to Iraq decades ago, because of political differences with the Syrian regime. There have been many Iraqi Ba'athists, as well, who had left Iraq for Syria over the years, because of political differences. The source stressed that these elements were *not* "insurgents" who had crossed the border recently to join the resistance, as charged by the U.S. to justify an attack against Syria.

A well-placed Egyptian political figure told *EIR* he was very concerned, that, in fact, the U.S. might hit Syria first (before Iran), as a soft target. Talabani's visit will help create a political climate in which such an attack would be seen as deliberately sabotaging efforts by Syria to help stabilize Iraq.

U.S. War Is Killing Iraq's Children

A group of nearly 100 eminent British physicians and Iraqi doctors, backed by a group of international lawyers, has written to British Prime Minister Tony Blair, describing to him the horrendous conditions which face Iraqi children in British-run hospitals in Iraq. "Sick or injured children who could otherwise be treated by simple means are left to die because they do not have access to basic medicines or other resources," they wrote, according to a Jan. 19 report in the *Belfast Telegraph*. "Children who have lost hands, feet and limbs are left without prostheses. Children with grave psychological distress are left untreated." Hospitals lack oxygen masks, sterile needles and surgical gloves. Intermittent gas and electricity supplies mean boiled water cannot be regularly supplied. Water is contaminated because of failed waste and sewage disposal systems.

The doctors write that Britain, as one of the occupying powers, has to comply with the Geneva and Hague conventions that require the U.S. and Britain to "maintain order and to look after the needs of the population." But, they say, "This they failed to do and the knock-on effect of this failure is affecting Iraqi children's hospitals with increasing ferocity."

According to a recent Save the Children report, 59 in 1,000 newborn babies are dying in Iraq; only 50% of the pre-war number of doctors remain in the country; and as many as 260,000 children may have died in Iraq since the 2003 U.S.-British invasion.

Asia News Digest

Singapore Minister: Do Not Shortchange Indian Farmers

Singapore's Foreign Affairs Minister George Yong-Boon Yeo, addressing a seminar titled, Partnership Summit, organized by India's Confederation of Indian Industry (CII), pointed out, in the presence of India's Minister of Commerce, that while Indian cities are booming, India's countryside is suffering, the *Hindu* reported Jan. 19. Calling this a global phenomenon, the Foreign Minister said that Indian farmers should not be short-changed. "If we are not concerned about the stresses of globalization, ideological counter-currents will emerge. Globalization is not a bed of roses. There is a need to be watchful, always," said Yong-Boon Yeo.

Speaking in the same vein, Francois Loos, the French Minister Delegate for Industry, he said the problem with globalization is a leadership vacuum. "Today there is no clear leadership. Vision—who has that?" he asked.

India, still a food-surplus nation, thanks to the contribution made by late Premier Indira Gandhi, with the help of Norman Borlaug and a few other giants in the agricultural sector, is moving towards a major crisis. With the spread of globalization, food grain availability has fallen and regional disparities have been increased. Since 1992, when globalization was embraced by the Congress Party-led government, hundreds of thousands of Indian farmers have committed suicide.

Musharraf Worried About U.S.-Pakistan Anti-Terror Efforts

Being on the receiving end of Washington's criticism for not "doing enough" to help the United States against the rising Taliban tide within Afghanistan, Pakistani President Pervez Musharraf, reviewing the situation along the Pakistan-Afghanistan border, charged that "baseless allegations" made by senior U.S. commanders could seriously harm U.S.-Pakistan relations. Musharraf rejected as "baseless" a recent statement made by U.S. Maj. Gene Benjamin Freakley, who claimed that the legendary Taliban commander, Jalaluddin Haqqani, was operating from inside Pakistan to foment violence inside Afghanistan.

Authorities were also concerned about statements issued in early January by the Director of National Intelligence, John Negroponte, during his annual review of security threats. Negroponte had said that al-Qaeda was regrouping from a "secure hideout in Pakistan." Islamabad took this statement as a pretext for launching a pre-emptive strike inside Pakistan by U.S. troops and NATO forces, who are battling a large and determined militant force inside Afghanistan.

Pakistani Foreign Ministry spokeswoman Tasnim Aslam told reporters that any attempt by the foreign forces to launch a pre-emptive strike within Pakistan would be "unacceptable.... Pakistan will not tolerate this," she insisted.

Gates Faces Hostile NATO on Afghan Quagmire

An Indian military contact told *EIR* on Jan. 18, that NATO is incurring heavy losses in Afghanistan and is ready to lay down a timetable to quit. In Brussels, the NATO headquarters, U.S. Secretary of Defense Robert Gates had a difficult time. NATO countries, unlike the White House in particular, have virtually run out of patience with Pakistan. Gates faced a very hostile NATO at Brussels which demanded stern action against Pakistan for harboring, sheltering, training, and arming the insurgents against NATO troops.

In Afghanistan, Gates faced a similarly hostile President Hamid Karzai. As a result of the pressure exerted on him, Gates has agreed to send more U.S. troops, but refused to antagonize Islamabad any further by joining voices with the NATO commanders.

NATO complains that the Bush Administration has treated Islamabad with velvet gloves in order to help win the "war on terror." Of course, Pakistan is an important element in this war, but Washington must realize that Islamabad is not responding to NATO's requirements.

At the same time that Gates was in Kabul, a U.S. Congressional delegation, including Sen. Hillary Clinton (D-N.Y.) was also there. Without directly calling for a troop increase in Afghanistan, Clinton said the Bush Administration must defeat the Taliban before sending more troops to Iraq. New Delhi considers this statement a backhanded endorsement of more US troops in Afghanistan.

Interestingly, the Indian contact pointed out that Washington has once again asked India to join the war against the Taliban in Afghanistan. In early 2002, Washington had asked New Delhi to join the fight, but withdrew the request because Islamabad made clear that it would create serious problems in U.S.-Pakistan relations. It seems the Bush Administration is now caught between the NATO rock and the Pakistani hard place.

ASEAN Nations Agree To Boost 'Alternative Fuels'

The ASEAN nations and their six dialogue partners agreed to boost "alternative fuels" and the development of "civilian nuclear power for interested parties," the Philippines *Inquirer* reported Jan. 15. The ten nations of ASEAN, joined by China, Korea, India, Japan, Australia, and New Zealand, meeting in Cebu, Philippines, concurred that to lessen dependence on fossil fuels, "renewable energy and nuclear power will represent an increasing share of global supply." At this point, Indonesia plans to have a nuclear plant on line by 2016, Malaysia by 2020, and Thailand is drafting its plans. The Philippines has yet to get over the psychological damage from the 1986 shutdown of the completed nuclear plant built under President Ferdinand Marcos as the first act of those who overthrew him, on behalf of George Shultz.

China To Speed Up Construction of Rail Line

China will speed up construction of its part of the Kunming-Singapore rail line, Prime Minister Wen Jiabao said at the 10th ASEAN-China summit in Cebu, the Philippines Jan. 15. China is going to build three separate rail lines from Kunming, the capital of Yunnan province, to link the city with Vietnam, Myanmar, and Laos. These rail lines will then connect to Thailand, Malaysia, and Singapore. The total length will be 5,000 km.

China has already started building the eastern link, from Kunming to the Vietnamese border. The whole rail line should be completed by 2015.

Construction will also start this coming July, of the extension of the Qinghai-Tibet rail line, from the Tibetan capital of Lhasa to Xigaze. Xigaze is 250 km to the southwest of Lhasa, and thus nearer Sikkim state, India, as well as Nepal and Bhutan. This opens up much more potential for trade across the Chinese-Indian border.

China Prioritizes Cutting Trade Surplus

"Cutting the huge trade surplus is the priority task for 2007," stated Chinese Commerce Minister Bo Xilai Jan. 14., as official figures, published in *China Daily*, confirmed that China's trade surplus jumped 74% in 2006, to a record \$177.5 billion. If this rate of growth of the trade surplus continues, Bo Xilai said, it would reach \$300 billion, which "is likely to transform an economic problem into a political one. The yawning trade surplus with the United States and EU has strained China's foreign trade environment, triggering more frequent trade friction."

This overly large trade surplus is not good for China's sustained economic growth, and the government will "decisively" move to reduce China's low-value-added, high-energy-consuming products. China's processing trade is about half its exports, but the nation as a whole profits little from this trade. To prevent a big growth in unemployment, manufacturers for the processing trade will be encouraged to produce for the domestic market, Bo said. The effort is clearly aimed at cutting eastern China's export driven region, since they point out that "the central government would continue to encourage exports from central and western China."

Economist Fan Gang said it would take two years to cut the structural trade surplus. Meanwhile, the government is trying to increase imports, including in the energy sector, resources, and key technologies and equipment.

Philippine Commentators on Bush's Madness

Ding Lichauco, a nationalist economist, wrote in the Philippines *Tribune* Jan. 15 that President George W. Bush has turned Saddam Hussein into the "Jose Rizal" of the Arab world (Rizal, the father of the revolution against Spanish power, was "stupidly" executed by the colonialists, unleashing the successful revolt against Spain.) Lichauco refers to the "political imbecile at the White House," who, "if he has a single grain of sanity left," would recognize that he "just may have created the legend and the rage that would unite all the Arabs against America." Lichauco concludes: "You see, in Bush, America and the world are dealing with a pure psycho, who also happens to be feeble-minded. American democracy which placed such a psycho in the White House should be reexamined."

Also, Randy David, a regular political commentator in the Philippines, writing in the *Inquirer* under the headline, "Bush's Surge of Madness," asks why the war in Iraq is only looked at from the American perspective. "We do not hear the voice of the Iraqi people in this war, neither do we feel their pain.... Bush tapped into a vein of American paranoia when he issued the order to invade Iraq in March 2003. The line he peddled to the American people was that the Iraqi government was a threat to all Americans and to their way of life.... How do you deal with a thoughtless man like this?"

Africa News Digest

Anti-Islam Crusader Boykin Running Somalia Operation

Lt. Gen. William "Jerry" Boykin, the lunatic Deputy Undersecretary of Defense for Intelligence (under the soon-to-depart Stephen Cambone), set up the current military operation in Somalia, as part of his overall running of clandestine operations against suspected terrorists, Niles Lathem wrote in the *New York Post* Jan. 15. Lathem says that Boykin is working closely with Hussein Farah Aidid, a former U.S. Marine and the son of Mohammed Farah Aidid, in running the operation against the Islamic Courts movement, for which the U.S. is providing funding and support.

Boykin was in charge of the "Blackhawk Down" operation in Somalia in 1993, during which he had a confrontation with one of Mohammed Aidid's top aides, who had said that Allah would protect him. "I knew that my God was bigger than

his," Boykin said later. "I knew that my God was a real God and his was an idol." Boykin later showed photographs of Mogadishu, which supposedly had a dark spot over the city, which he described as "a demonic presence that God revealed to me as the enemy."

Newsweek reported on Jan. 9 that Secretary of Defense Robert Gates is likely to ask Boykin to follow Cambone out the door. "If you're getting rid of Cambone, you almost certainly have to get rid of Boykin," said former CIA counterterrorism official Philip Giraldi. "They're hand in glove. Gates feels it all went out of control, and they're doing too many things in too many places."

U.S.-U.K. Planned Ethiopian Invasion of Somalia in 2005

U.S. and British special forces and mercenaries planned and bankrolled the Ethiopian invasion of Somalia starting at the end of 2005, according to the *Australian* of Jan. 15. Citing the *Sunday Times* and Reuters as contributing sources, the *Australian* reports that, "A British SAS team has joined American special forces hunting al-Qaida terror suspects as they try to flee war-torn Somalia after the crushing defeat of the country's Islamist forces last week.... The dramatic victory by Ethiopian troops was the culmination of months of preparation inside and outside Somalia by U.S. and British special forces, and U.S.-hired mercenaries. The professional assistance was recruited by officials based in the U.S. embassy in Nairobi at the end of 2005 as part of a deniable operation, sources said. 'The brief was to enter Somali territory with the objective of studying the terrain, mapping and analyzing landing sites and regrouping areas, and reporting on suitable 'entry and exit points,' one source said.

"According to a CIA source, both American intelligence and its military have been bankrolling the Ethiopians since the start of last year, as well as providing them with satellite surveillance, technical, military, and logistical support. 'They not only gave them money and technical support but even spare parts where needed,'" the source said.

This Week in American History

January 23—29, 1787

Shays' Rebellion: Britain Foments a Counterrevolution in Massachusetts

Two hundred and twenty years ago, on January 25, 1787, Gen. William Shepard and 500 members of the Massachusetts Militia stopped an attack on the Federal Armory at Springfield. The insurgents were led by Daniel Shays, a Massachusetts farmer and former captain in the War of Independence, whose name was subsequently attached to the revolt known as Shays' Rebellion. The move toward a Constitutional Convention which would strengthen America's central government was taking place at the same time as Shays' Rebellion, and they were closely linked.

The pawprints of former colonial ruler Great Britain were all over the rebellion, and it was a race against time for the nationalists, like George Washington, who knew that a return to British vassalage could only be avoided by constituting a new form of government. The fact that the revolt began in Massachusetts was a particularly ironic one, since that colony had politically led the American Revolution, had provided a large portion of troops for the Continental Army, and had sent large amounts of money to the Continental Congress for waging the war.

But now, just a few years after independence had been won, Massachusetts was suffering serious financial difficulties. She had shouldered a large part of the Revolutionary War debt, but her manufacturing and commerce were almost completely shut down by Britain's post-war tactic of dumping British manufactures below cost on the American market. To honor her war debt, Massachusetts levied additional taxes to be paid in cash, but the farmers of western Massachusetts, used to paying

their debts in crops, had little or no cash even during a good year. Some of them lost their farms or were imprisoned for debt.

On August 26, 1786, a convention of delegates from 37 towns in Worcester County met and drafted a petition of grievances. The two major grievances were the high cost of justice in the courts, and the heavy tax burden levied in cash to pay off the state's depreciated public securities at par. Three days later, a mob of 1,500 men, 500 of them armed, stopped the sitting of the Hampshire County Court in Northampton. During the following months, more and more court sessions were shut down by mobs, until there was no functioning state government west and south of Boston.

Yet the Massachusetts General Court had passed laws in July streamlining the court system and reducing the expense of civil action, in addition to making taxes payable in public securities at par. But, mysteriously, none of these laws were published in the western sections of Massachusetts.

On August 20, before the court shutdowns had begun, a correspondent of Secretary of War Henry Knox wrote from London to warn him that the British were about to launch some sort of counterrevolution in New England. On September 11, Judge Artemis Ward reported to Massachusetts Gov. James Bowdoin that about a dozen men, said to be British emissaries, were seen riding from town to town, and from county to county, calling the men to arms.

Secretary Knox, who had been General Washington's Chief of Artillery during the Revolutionary War, kept Washington informed about the actions of the rebels. Knox was sent by the Congress on a fact-finding mission to Massachusetts, and on October 23, he wrote to Washington about what he had found. The General replied: "That G.B. [Great Britain] will be an unconcerned spectator of the present insurrections (if they continue) is not to be expected. That she is at this moment sowing the Seeds of jealousy & discontent among the various tribes of Indians on our frontier admits of no doubt, in my mind. And that she will improve every opportunity to foment the spirit of turbulence within the bowels of the United States, with a view of distracting our government, & promoting divisions, is, with me, not less certain.

"Her first Manoeuvres will, no doubt, be covert, and may remain so till the period shall arrive when a decided line of conduct may avail her. Charges of violating the treaty, & other pretexts, will not then be wanting to colour overt acts, tending to effect the great objects of which she has long been in labour. A Man is now at the head of their American Affairs well calculated to conduct measures of this kind, & more than probably was selected for the purpose.

"We ought not therefore to sleep nor to slumber—vigilance in the watching, & vigour in acting, is, in my opinion, become indispensably necessary. If the powers are inadequate, amend or alter them, but do not let us sink into the lowest state of humiliation & contempt, & become a byword in all the earth—I think with you that the Spring will unfold important & distressing Scenes, unless much wisdom & good management is displayed in the interim."

Another of Washington's coadjutors was David Humphreys, who sent him three letters during November. Washington replied: "Let me entreat you my dear Sir, to keep me advised of the situation of Affairs in your quarter. I can depend upon your Accounts. Newspaper paragraphs unsupported by other testimony, are often contradictory & bewildering. At one time these insurgents are represented as a mere Mob—At other times as systematic in all their proceedings.

"If the first, I would fain hope that like other Mobs, it will, however formidable, be of short duration. If the latter, there surely are men of consequence and abilities behind the Curtain, who move the puppets. The designs of whom may be deep & dangerous. They may be instigated by British Councils—actuated by ambitious motives—or being influenced by dishonest principles, had rather see the Country plunged in civil discord than do what Justice would dictate to an honest mind."

Since the close of the American Revolution, George Washington had been working to foster close relations among the

states which could lead to a stronger national government. He had a hand in the March 1785 conference between Virginia and Maryland which was to deal with navigation on the Potomac River and on part of the Chesapeake Bay. When the commissioners convened in Alexandria, he invited them to Mount Vernon, and the resulting agreement was known as the Mount Vernon Compact.

The Maryland delegates, responding to a suggestion by Washington, proposed that such meetings be held every year, that they also deal with commercial matters, and that Pennsylvania and Delaware be included. Washington's allies in the Virginia Legislature then proposed that delegates from all 13 states be sent to Annapolis in the fall of 1786 "to consider how far a uniform system in their commercial regulations may be necessary to their common interest and their permanent harmony."

Delegates from five states convened at Annapolis as the insurrection in Massachusetts escalated, and George Washington suggested that they deal with more than commercial matters. Alexander Hamilton drafted the conference's resolution which called for a convention in Philadelphia the next May, "to render the constitution of the federal government adequate to the exigencies of the Union." The Continental Congress did not at first react, but the state legislatures began to respond, and all through the winter and early spring, delegates to Philadelphia were being appointed.

Meanwhile, the Massachusetts Legislature, alarmed at the spread of the insurgency, passed laws to rectify the injustices suffered by the farmers. Farm products were made legal tender for past-due taxes, judgments against private debtors were suspended for eight months, and an amnesty was granted for all those who had participated in stopping the courts.

Although some insurgents now went home, the rebellion was not allowed to fade away. On November 6, 1786, Secretary Knox received a letter from former Continental Army General Samuel Holden Parsons, who informed him that upwards of 2,000 men were drilling almost daily, and that many of their officers were former junior officers in the Revolution and currently held commissions in the state militia. Furthermore, and most revealingly, the men were being paid three shillings a day in cash, amounting to the large sum of \$500-1,000 a day.

The ultimate source of the money was unknown, but the men who disbursed it were all doctors and all dedicated Tories. Two of these paymasters visited Connecticut and Rhode Island to set up drilling of insurgents in those states. Furthermore, on September 20, fifteen hundred New Hampshire lumbermen in Exeter began an insurrection, but Revolutionary War General John Sullivan, who was now governor of the state, put down the rebellion. On November 18, two hundred well-armed, well-drilled, and well-officered insurgents marched into Worcester and stopped the proceedings of the Court of Quarter Sessions. They also seized food and supplies from the terrified inhabitants.

The leaders of the insurgency met at Pelham on December 9 and grouped their men into six regiments. They also formed themselves into a "Committee of Seventeen," one of whom was Daniel Shays. From his base at Wilbraham, he sent a message to Gen. William Shepard, whose militia troops were guarding the Federal Arsenal at Springfield. Shays asked for amnesty for the rebel leaders and a release of rebel prisoners, but his letter never arrived. He also sent a letter to rebel Capt. Luke Day, asking for him to join an attack on the arsenal.

When Shays' men appeared before the arsenal, General Shepard sent out two warnings that they would be fired upon if they attacked, and then fired blank cartridges from his artillery, but the rebels continued to advance. Shepard then had the guns loaded, and several attackers were killed or wounded. The rebels fled temporarily, but Shays made a second attempt when Captain Day's detachment arrived. But now he faced Gen. Benjamin Lincoln, who had arrived with four regiments, artillery, and a troop of cavalry. The insurgents retreated to Petersham, but General Lincoln led his troops on a forced night march through heavy snow, and, like Washington at Trenton, completely surprised the rebels. Many were captured, but some of the leaders, including Shays, escaped to New York, Vermont, New Hampshire, and Canada. Three hundred rebels were pardoned as dupes, and 14 leaders were tried for high treason and sentenced to death. But eight were pardoned by

Gov. Bowdoin because they repented of their actions, and the other six were pardoned conditionally.

Over the next month, there were minor battles fought with other groups of insurgents, and as late as May, when the Constitutional Convention was scheduled to begin in Philadelphia, there were sporadic raids conducted from Vermont and upstate New York by unrepentant or still-duped rebels.

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