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LAROUCHE WEBCAST

Tragedy and Hope

Lyndon LaRouche delivered this webcast address in Washington, D.C., on May 7.

...The issue is not the election. The election is a battle in a war. It is not something unto itself. The result of this election, in itself, is a matter of indifference. It's a question of how the battle is won and lost which is important. We have, obviously, two disasters running for President, though one has a good constituency—that is, Obama has a very large constituency, which is important; it is sensitive to the lower 80% of family-income brackets, as the top of the Obama campaign is not—it's on the other side. But Hillary's campaign is significant. But the issue is, that forces in Britain, with their stooges in the United States, have said that a Hillary Clinton election—even a nomination—would mean that Bill Clinton and Hillary Clinton would be in the White House. And this, the British Empire, such as it is, and its lackeys in Washington and elsewhere, are determined shall not happen; and you're talking about methods such as *assassination*, if deemed necessary to prevent Hillary from becoming President....

In-Depth articles from EIR, Vol. 35, No. 20

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Feature

- **LaRouche Webcast:**
'Tragedy and Hope'

Lyndon LaRouche delivered this webcast address in Washington, D.C., on May 7, the day after the Democratic primaries in Indiana and North Carolina. 'The issue is not the election, he said. 'The election is a battle in a war. It is not something unto itself. The result of this election, in itself, is a matter of indifference. It's a question of how the battle is won and lost which is important.' We publish here the full transcript of LaRouche's speech, and the extensive question-and-answer period that followed.

World Food Crisis

- **FAO June Food Summit:**
Showdown over Gorey/WTO Plans To 'Let Them Starve'

The theme of the UN Food and Agriculture Organization's coming summit is 'High-Level Conference on World Food Security and the Challenge of Climate Change and Bioenergy.' But given the world food crisis of severe shortages and hyperinflation, many nations are seeking food security, through expanding agriculture and achieving food self-sufficiency. Lyndon and Helga LaRouche have launched an international mobilization to shut down the World Trade Organization (WTO), whose free-market ideology is causing the crisis.

- **Rice Research Body:**
New Green Revolution Needed

- [Why the Philippines Is Starving:](#)
[How Shultz and the WTO Destroyed the Philippines Green Revolution](#)
- [Emergency Food/Fuel Measure in Alabama](#)
- [Food Emergency News](#)

World News

- [Obama's Backers Make Their Threat](#)

Unless Sen. Hillary Clinton continues her campaign for the Democratic nomination until the Party's convention in August, there is no presently visible chance that the United States will come out of the current skyrocketing hyperinflationary crisis in any form easily recognized as being, still, our Constitutional republic.

- [How British Agent Gore Got His Reward](#)
- [Convenient Lies Gored by Styrofoam Icebergs](#)
- [Britain's Gameplan:](#)
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The destruction of the fixed-currency-rate system by President Nixon in 1971, began the process that has left the United States with a bankrupt banking system and a rusted hulk of an economy.

Science & Technology

- [A Conversation with Patrick Moore:](#)
[Why Former Greenpeace Leader Supports Nuclear Energy](#)

Moore, one of the co-founders of Greenpeace in 1971, is currently the chairman and chief scientist of Greenspirit Strategies, which he set up in the 1990s to promote scientific and pro-development solutions to environmental problems. Moore also serves as the co-chair of the Clean and Safe Energy Coalition and a consultant for the Nuclear Energy Institute.

Editorial

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U.S. Economic/Financial News

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- [City of Vallejo, California To File for Bankruptcy](#)

- **Ding-a-Ling Brothers and Barney Bailout's New Act**

Farm Bill Cuts Funding for Hungry School Children 90%

May 6 (EIRNS)—According to an column in the *Washington Post* today, coauthored by former Senators George McGovern and Robert Dole, entitled, "A Slap at Schoolchildren," the current farm bill reduces by more than 90% the mandatory funding to feed hungry children. If the current law passes, funding for the program would go from \$840 million over five years to \$60 million this coming year. After that, there would be no guarantee of funding at all.

McGovern and Dole, who initiated the program that the current farm bill would cut, demand that the full \$840 million in mandatory funding for the "McGovern-Dole Program" be restored. "At a time when increasingly high food prices are pushing millions of families around the globe deeper into poverty, we must step up, not reduce, our efforts to feed hungry schoolchildren."

City of Vallejo, California To File for Bankruptcy

May 7 (EIRNS)—A \$20 billion-plus revenue hole has opened up, causing a cash crisis in California under the misleadership of Gov. Arnold Schwarzenegger, at the same time that the city of Vallejo voted to file for bankruptcy protection at a City Council meeting May 6. The state could run out of cash by August, due to low cash reserves and lagging revenues, which would force it to seek loans from banks which, due to the state's low credit rating, would mean paying higher interest rates. State Comptroller John Chiang remarked, "In essence, it's taking a subprime loan for the state, and it comes with greater costs." The state Treasurer's Office puts the cost of such a loan at \$100 million, or enough to educate 8,300 students in a year.

Vallejo will run out of cash by June 30; its revenues have plummeted as housing prices have collapsed. In January alone, home prices fell 19%, causing a drop in Vallejo's housing-related revenues. The city estimates a \$16 million deficit for the next fiscal year, which starts July 1. The city's revenue base was decimated after the 1996 shutdown of its shipyard, the Mare Island Naval Shipyard, which was the West Coast's first shipyard, established in 1854.

The state's \$20 billion-plus deficit is equal to 20%—one-fifth—of the its general fund. California, the biggest U.S. state economy, and world's fifth-largest economy, has built its fiscal house on the quicksand of the London and Wall Street housing and stock market bubbles. Its revenue demise is a reflection of the global financial meltdown.

Ding-a-Ling Brothers and Barney Bailout's New Act

May 7 (EIRNS)—Many observers are claiming surprise over Federal Reserve chairman Ben Bernanke's May 5 call for Rep. Barney 'Bailout' Frank's "American Housing Rescue Act." But already in February, the LaRouche Youth Movement in Washington, D.C. exposed the "Ding-a-Ling Brothers and Barney Bailout Circus," which teams up the desperate Fed chairman, with the corrupt sidekick of Mis-Leadership Nancy Pelosi, in pushing to set up Federal bailouts in the hundreds of billions of dollars for collapsing debt-bubble securities. In fact, CNBC-TV reported in March that Wall Street investment banks drafted the bill with their willing agent Barney Frank (D-Mass.).

Frank's bill is intended not to rescue housing, but to rescue Countrywide, Bear Stearns, and hedge funds from the collapse of their pyramid of debt securities. In particular, it is an intended roadblock against the Homeowners and Bank Protection Act (HBPA), proposed by Lyndon LaRouche and called for by city councils and state legislatures around the county. Barney Bailout's bill was analyzed in "Congress Converges on Bailouts To Block HBPA" in *EIR*, March 21, 2008; and in early April, the Congressional Budget Office echoed *EIR*'s charge that the bill is a bailout.

Even though the White House claims Bush may veto the \$300 billion commitment of the Federal Housing Administration (FHA) to buy mortgages, Bernanke pushed it in a Columbia University speech May 5. Frank is gloating that, "It is too bad President Bush ignored the advice of Chairman Bernanke and decided on right-wing ideology over needed compassion and good economics." Bernanke, who has continually increased the Federal Reserve's large bailout loans to banks, wants Federal agencies like the FHA, with Federal tax dollars, to be brought directly into the bailout circus.

Global Economic News

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- [UN Chief Praises 'Grass-Root Solutions' to Food Crisis](#)
- [FAO Director Calls for 'Massive' Food Projects for Haiti](#)
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Mandelson Attacks 'Protectionism Rhetoric' in U.S. Primaries

May 8 (EIRNS)—In another indication of what the British Fabians fear from a Hillary Clinton Presidency, EU Trade Commissioner Peter Mandelson attacked the "protectionist stance" of U.S. candidates, in an interview with BBC's "Hardtalk" program today. He refused to name names, but asked reporters to draw their own conclusions. The *Financial Times* goes into Clinton's and Barack Obama's calls for trade tariffs against China, and then singles out Clinton's attack on NAFTA and her call for a "time-out." The paper notes that this interview "marked a sharp increase in his criticism of the Democrats."

"It is irresponsible to be pretending to people you can erect new protection, new tariff barriers around your economy in this 21st century global age and still succeed in sustaining people's living standards and jobs," Mandelson complained, and warned that this would "lead us into a vicious spiral of beggar-thy-neighbour policies," which would take us "decades back in terms of trade growth." Tut, tut.

UN Chief Praises 'Grass-Root Solutions' to Food Crisis

May 5 (EIRNS)—UN Secretary General Ban Ki-moon on May 5 praised "home-grown, grass-roots solutions—precisely the kind of solutions that Africa needs" to the international food crisis that threatens the 6-plus billion people whose interests he is supposed to represent. The conditions created by the global imposition of free trade, Ban referred to as "grass-root problems."

Writing in the *Washington Times*, Ban made no mention of causes of the crisis. But he did offer this: "We can deal with this crisis. We have the resources. We know what to do. We should consider this not only a problem, but an opportunity. It

is a huge chance to address the root problems of the world's poorest people, 70% of whom live as small farmers."

In one contorted glance in the general direction of reality, Ban wrote, "It might be tempting to let the markets work their magic. If prices go up, the thinking goes, supply will. But we live in the real world, not the world of economic theory."

FAO Director Calls for 'Massive' Food Projects for Haiti

May 6 (EIRNS)—After a 24-hour visit to Haiti on May 6, UN Food and Agriculture Organization (FAO) director Jacques Diouf stated that he intended to meet with President Leonel Fernández of the Dominican Republic to discuss launching a program of "massive production" of basic food crops on the border the two nations share. Such projects are intended to combat food scarcity and poverty in Haiti.

Diouf went to Haiti, which was wracked by violent food riots a few weeks ago, to evaluate the food security situation in the impoverished nation, and assess the effectiveness of FAO programs in areas where extensive flooding had done significant damage to agriculture. He met with President René Preval, legislators, and representatives of local NGOs.

Fernández has just announced his intention to create a National Food Security Council, and to revitalize the agriculture sector, to guarantee adequate food supplies.

Chinese Crack Down on Illegal Grain Exports

May 5 (EIRNS)—Chinese customs officials are cracking down on illegal grain exports by traders trying to take advantage of high international prices, *Xinhua* reported. Amounts are relatively small, but grain prices are a vital issue in China. Domestic grain prices have been kept under control, only going up 5.7% in January and 6% in February. So far this year, China exported 350,000 tons of rice, and imported 138,588 tons. China has not banned exports, but ended export tax rebates for grain at the end of 2007, and instead imposed a 5.25% provisional export tariff on grain and other foods. Also in January, the Ministry of Commerce announced that grain exporters would be given export quotas before signing new foreign export contracts this year.

China has reserves of some 250 million tons, about half of national annual grain consumption. Some amount of soybeans has to be imported, but China is more than self-sufficient in wheat, rice, and corn. Currently, prices are far below international averages. The State Administration of Grain is now collecting national grain purchase, sales and inventories statistics once every ten days to check on the situation.

Mexican Lawmakers Demands Food Security Policy

May 4 (EIRNS)—Mexican legislators and other officials are demanding that President Felipe Calderón inform them of the size of the country's grain reserves, and what measures he is taking to guarantee that the population can be fed, in the face of the worsening global food crisis.

On May 2, Calderón announced a program to grant a monthly subsidy of 245 pesos to 279,000 of the country's poorest families, to ensure they can purchase food. But this is woefully inadequate, said Heladio Ramírez López, president of the Senate Rural Development Committee, and a former leader of the National Peasants Confederation (CNC).

Ramírez documented the fact that Mexico today is not producing enough to feed its people. Rural areas are depopulated, cities are growing with an ever-increasing population, food consumption is greater, yet Mexico isn't even producing basic food crops. And on top of that is the biofuels "fever."

Jaime Jezaki, president of the National Agricultural Council, warns that Mexico is already in a grave food crisis, and that the cattle-growing sector is extremely vulnerable, because between 18-20 million tons of grains for fodder must be imported. "We're not self-sufficient, ... we have to import food as well," he added. One-third of what Mexico consumes in yellow corn is imported, along with 95% of soy consumption, 70% of rice consumption, 65% of wheat used for bread, and 30% of sorghum for cattle, along with seeds and fertilizer.

More City of London Hysteria over the Food Crisis

May 4 (EIRNS)—Lyndon LaRouche commented today that, "We are coming to a point of crisis globally, in which you have a reality shock hitting.... And the enemy is trying to hope they can drown out the reality shock. The reality shock is food."

Exemplary of British imperial hysteria is an op-ed in the *Sunday Telegraph* by Liam Halligan, chief economist at Prosperity Capital Management, a diatribe against the EU's Common Agriculture Policy (CAP), and the possibility that its original protectionist principles might be adopted elsewhere.

"It is immoral to suggest the CAP is a solution to the food crisis," Halligan scolds. The CAP isn't just a bad idea, but one that's "so self-serving—and dangerous—that political leaders everywhere should publicly rip it to pieces." Both French Agriculture Minister Michel Barnier, as well as President Nicolas Sarkozy, "should hang their heads in shame." Halligan warns that now the French government will be proposing that the CAP "should be adopted by the rest of the world."

Halligan, who manages hedge funds, argues that it's the "bloated subsidies" of the EU, and other developed countries, which have "held back the growth of agricultural capacity across the developing world." They have "delayed the cultivation of, and investment in, vast swathes of potentially fertile land, across Africa, Asia and Latin America."

Current high commodity prices are the perfect opportunity to "wean Western farmers off production subsidies and tariff protection," Halligan claims. "The CAP is immoral, short-sighted and must end."

United States News Digest

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Sheila Jackson Lee: Was It Something She Said?

May 8 (EIRNS)—Yesterday, on the floor of the U.S. House of Representatives, the mere suggestion by Rep. Sheila

Jackson Lee (D-Tex.) that the country is headed for a depression, triggered a fit of academic rug-chewing by Rep. Pete Sessions (R-Tex.), who insisted that government statistics haven't yet hit the Economics 101 definition of a recession. Jackson Lee stuck to her guns, standing with those losing their homes, rather than arguing the definition of arbitrary terms.

After summarizing several points of the economic crisis (20,000 jobs lost in April, corporate bailouts and mergers), Jackson Lee remarked, "We're not in a recession; we're moving towards a 1929 depression."

Even this gentle expression of the Congresswoman's opinion was too much for Sessions, who responded: "Madam Speaker, my good friends on the other side need to bone up on their language, I believe. A recession is confirmed when there are two quarters where the economy is down. We have not even reached that point yet, and yet already we find out on the floor that the Democrat Party is willing to say we're in a complete crash equal to 1929. My gosh. Let's at least tell the American people the truth."

"Are you calling me a liar?" Jackson Lee asked repeatedly. Sessions repeated his statistical formulation and said her statement was untrue. After a minute or so of these exchanges, the Speaker pro tem ordered the two Texans back to their corners.

Jackson Lee later briefly made a statement of clarification, that her colleague had not called her a liar, and added: "It is important to note that America is suffering. Between 7,000 and 8,000 people a day are filing for foreclosures and that consumer confidence is down. We are moving toward a recession and maybe a depression."

Capital Budget for Infrastructure Gets a Hearing

May 8 (EIRNS)—Nearly three years after Lyndon LaRouche called for a Federal capital budget to pay for building the trillions of dollars of critically needed infrastructure, members of Congress today held a hearing on the subject. The venue was a first-ever joint hearing of the House committees on Transportation and Infrastructure, and Budget. The lines were quickly drawn between adopting a capital budget or "alternative" (i.e., privatization without the word), in the opening statements of Transportation Committee chairman Rep. Jim Oberstar (D-Minn.) and Rep. Paul Ryan (R-Wisc.), the ranking Republican on the Budget Committee.

Oberstar, quoting figures from a 1984 committee report he had worked on, citing the need then for huge infrastructure investment, came to the conclusion that only a capital budget could work. Now the need is greater, and so, "I plead for a capital budget."

Ryan provocatively attacked increasing the gas tax, pork-barrel ("earmark") spending, and demanded reform of entitlement programs (e.g., cut Medicare and Medicaid), without which, he said, there will be no funds for infrastructure. So "alternative funding" must be considered.

Oberstar also reported that he had just returned from Europe, where he participated in the EU Council of Transport Ministers meeting in Slovenia, where the ministers presented the Trans-European Networks for Transport (TEN-T) plan, which calls for spending \$350 billion over ten years on rail, road, canals, and waterways to link the Atlantic to the Black Sea. Promotion in the U.S. Congress of the TEN-T should make Prince Philip's Worldwide Fund for Nature most unhappy, as the antediluvian mudcrawlers of the WWF have designated the TEN-T as "the most important navigation threat" to the Danube River, which they vow to stop.

It's LaRouche vs. Barney Frank Over Foreclosures

May 6 (EIRNS)—In Louisville, Kentucky, Lyndon LaRouche's proposed Homeowners and Bank Protection Act (HBPA) came up for testimony yesterday in the City council. One councilman had an alternative proposal: the incompetent bill submitted to Congress by Rep. Barney Frank (D-Mass.), The American Housing Rescue and Foreclosure Prevention Act (H.R. 3221). Five LaRouche PAC supporters were denied a chance to testify, as the debate on the two competing resolutions was delayed for two weeks. In Michigan, on the other hand, support for the HBPA is spreading. The city of Oak Park passed a version of the HBPA, without LPAC's directly organizing for it. The resolution had been passed almost a month ago, and LPAC was only notified recently. In New Haven, Connecticut, the HBPA has been introduced, and is awaiting for committee assignment.

The Real 'Immigration' Issue in the 2008 Elections

May 4 (EIRNS)—Lyndon LaRouche stated during his recent visit to Monterrey, Mexico, that the United States must return to an FDR-style "Good Neighbor" policy with Mexico, such as helping with the completion of the PLHINO great water project in the country's northwest. With millions of Mexican immigrants facing deportation from the U.S., and with no jobs awaiting them at home, it is in the vital interest of the United States to help create productive jobs for them, with viable projects such as the PLHINO water project. The PLHINO project is violently resisted by the British Empire's agents, such as the Worldwide Fund for Nature (WWF).

Mexican-Americans in the U.S., especially in California and Texas, are a central component of the electorate, and one of the essential constituencies of the Democratic Party. Projects such as the PLHINO and the related North American Water and Power Alliance (NAWAPA) proposal, speak to their immediate interests, and those of their family members on both sides of the border.

A March 2008 study by the Pew Hispanic Center on "The Hispanic Vote in the 2008 Democratic Presidential Primaries" sheds light on these demographic and voting patterns, which LaRouche PAC is now researching. In California's 2004 Democratic primary, Hispanic voters made up 16% of the total vote, a little more than their 14.3% share of the national population. But in the 2008 Democratic primary, Hispanics were 30% of the total turnout in California—a near doubling, due largely to Hillary Clinton's successful get-out-the-vote drive. Clinton beat Obama 63% to 35% among Hispanic voters in the California primary, a pattern which held across all age, gender, and income groups. Texas was similar: In the 2004 Democratic primary, Hispanics made up 24% of the votes; in 2008, that percentage rose to 32%. And in Texas, Clinton defeated Obama among Hispanics by 66% to 32%.

As for the issues driving the Hispanic vote, 53% of all Hispanic voters in the Super-Tuesday primaries in February, said the economy was the #1 issue—even more than the 45% among non-Hispanic voters who said economics was "numero uno."

Will a Bipartisan Push in Congress Save NASA's Manpower?

May 4 (EIRNS)—NASA is facing a decimation of its workforce, which is the human capital that is required for any semblance of a Moon/Mars mission. This, thanks to the policy of the Bush Administration, to retire the Space Shuttle fleet in 2010, without providing enough funding to fly its replacement until five years after that. The five-year hiatus in manned space flight has been attacked by Congress, and by NASA administrator Mike Griffin.

The human infrastructure in the manned space program, concentrated at the Kennedy Space Center in Florida, and the Johnson Space Center in Texas, is under threat. In early April, NASA's Associate Administrator for Space Flight told Congress that more than 8,000 contractor jobs in the space program could be lost. The Kennedy Space Center could be facing cuts of 80%. The Michoud Assembly plant in New Orleans, which built stages of the Saturn V Moon rocket, the fuel tank for the Shuttle, and will build stages for a new launch vehicle, could lose as many as 1,300 of its 1,900 jobs.

Last year, Congressional supporters led a failed attempt to increase NASA's FY08 budget, to shorten the five-year gap between the end of the Shuttle and the start of the Orion spacecraft. On April 29, a bipartisan group of 30 Members of Congress sent a letter to House leaders, urging at least a \$1 billion increase in NASA's FY09 budget. Sen. Kay Bailey Hutchison (R-Tex.), on the Appropriations Committee, is pushing for the increase, with colleague Sen. Barbara Mikulski (D-Md.).

As the 1960s Apollo program wound down, to be replaced by the counterculture and Malthusian pessimism, the impact on NASA's scientific leadership and highly skilled workforce was dramatic. Tens of thousands lost their jobs. Rates of divorce, suicide, and alcoholism in communities near the Kennedy Space Center shot up, as whole towns were abandoned. Mike Griffin has warned that without adequate support for the next steps in space exploration, the most priceless resource in the space program, its people, will be lost.

Ibero-American News Digest

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British Anti-Nation Advances; Bolivia in the Crosshairs

May 6 (EIRNS)—The British drive to break up the nations of the Americas into squabbling, minuscule "republiquettes," took a big step forward on May 4, when the richest province in Bolivia held a rump referendum on establishing autonomy from the federal government. Similar referendums on autonomy are scheduled in three more Bolivian provinces by the end of June.

Bolivia, at the center of the South American continent, is the crossroads through which any transcontinental railroad must pass. Particularly vulnerable because it has been kept poor, with its people and resources never developed, the British oligarchs have targetted Bolivia for decades for disintegration. Blow up Bolivia, and South America as a whole is blown up.

Thus, the issues presented locally as regards the referendum, have little do to what is at stake, no matter how passionately they are argued.

EIR is investigating from source reports from Bolivia, that international grain cartels and other financier interests are playing a major role in organizing the autonomy drive.

Argentine Government Stands Firm Against Rural Oligarchy

May 8 (EIRNS)—Immediately after the Argentine government indicated May 7 that it would not negotiate on the issue of higher taxes on soybean exports, representatives of the country's four major agricultural organizations announced that they would resume the protest that had shut down domestic agriculture markets for 21 days in March.

The real issue is the political assault on President Cristina Fernández de Kirchner by British-backed operatives. The latter are portraying the current conflict as a rising up of "the people" against an unfair government, when the ringleaders are the same old British-controlled oligarchs who have nothing but contempt for "the people." And the smaller producers who've jumped into soybean production, out of food crops, find themselves in an unholy alliance with the oligarchs they've always hated.

These organizations locked agro products out of the domestic market during the March action to protest the higher taxes, which the government says are essential to keeping domestic food prices low and guaranteeing a more just income distribution. Since the hardships created by the food shortages and higher prices they provoked in their March lockout threatened to backfire against them politically, producers say that until May 15, they will only block vehicles carrying grains or beef to ports for export. Because grain and beef exports are also taxed, the producers expect to punish the government by putting a dent in its tax revenue. Producers are also warning that they'll stop purchasing agricultural equipment, thus harming some industrial sectors which have tended to support the government.

The lie in the producers' claim that the government is abusing them and stealing their hard-earned money, is the reality that two of the organizations—the Rural Society and Rural Confederations—represent the landed oligarchy, which has made a financial killing from the soy monoculture that has expanded in the country over the past ten years.

Brits Polarize Central American Food Summit

May 10 (EIRNS)—The emergency food summit held in Managua, Nicaragua on May 7, with the participation of 17 nations, was supposed to discuss specific proposals for quickly increasing production of basic grains in Central America and the Caribbean, as well as other measures to address the dire food crisis afflicting all participating nations.

Instead, the same British gamemasters who are polarizing other parts of Ibero-America, succeeded in doing the same at the Managua conference. The result was that little specific emerged from it, other than a declaration of a food emergency and an agreement to meet again in 30 days.

The summit was run by Nicaraguan President Daniel Ortega, whose country is the poorest in the region after Haiti, and requires immediate aid. But as a close ally of Venezuelan President Hugo Chávez, Ortega, along with leaders from Chávez's ALBA group (Bolivarian Alternative for Latin America), focussed the debate on a radical attack on the U.S. "empire," as the chief culprit behind the free trade that has destroyed the region's agriculture.

Unfortunately, they named the wrong empire.

While many of those present had nothing good to say about free trade, they were less comfortable with the ALBA crowd's radical rhetoric—such as Bolivian President Evo Morales's lie that "unlimited industrialization is the drug of planet Earth." El Salvador and Costa Rica, die-hard defenders of free trade, refused to sign the final declaration at all. Costa Rican President Oscar Arias charged that "there are value judgments, with which I disagree," in the statement, and so he didn't "want Costa Rica's name to appear." He complained that Chávez and the ALBA group "don't believe in free trade."

There was no time to even discuss the proposal hammered out by the same governments at meetings just ten days earlier,

for a \$600 million emergency program to finance increased grain production this year, in order to make the region self-sufficient in food.

Brazilian President Crusades for British Biofoolery

May 7 (EIRNS)—Brazilian President Inacio Lula da Silva is staking his reputation on proving that the British Empire's murderous biofuels strategy is right for the world—especially for the developing world. With attacks mounting against biofuels, as sane people worldwide focus on the issue of food security, Lula has responded by making this issue his personal crusade.

In a May 6 speech in the northeast city of Manaus, he argued that those who blame biofuels for the rise in food prices are jealous of Brazil. Such accusations come from fear-mongers, "a nest of rogues ... those who aren't competent to compete with Brazil," whose ethanol costs far less to produce than in the U.S. or Germany. He insisted that food scarcity is a "good problem" to have, because it means that people in China, India, Africa, and Ibero-America are eating more and better quality food—and that's why there is scarcity! The demand is too great.

Lula announced the day before that he would host an international conference on biofuels in São Paulo next November, and bragged that he is telling industrialized nations that they don't have to divert their food crops into biofuels, because they can make deals to do their planting for ethanol in Africa. "Don't they buy their oil from Saudi Arabia? Why not buy ethanol from Ghana?"

A year ago, Lula signed an agreement with the government of Ghana for joint biofuels development. But, when he visited Africa recently for the UNCTAD summit, many of the African delegates made clear that food production—not biofuels—was their top priority.

Argentine Congressman Calls for Doubling Food Production

May 6 (EIRNS)—The president of the Agricultural Committee of Argentina's Chamber of Deputies, Alberto Cantero Gutiérrez, has issued a call for Argentina to celebrate its bicentennial in 2010 by returning to its rightful role as one of the world's food powerhouses: "We want to *double* [food] production and generate more wealth," he said. "Argentina should once again be the great provider of food to the world, beginning with the guarantee of food security for 40 million Argentines."

Cantero's call comes in the middle of a national economic and political debate over food policy, and the way the British-dominated grain cartels have destroyed Argentina's historic food production. Cantero has presented a bill calling for the creation of a National Agricultural Trade Control and Promotion Agency, which would empower the state to buy directly from the producer, avoiding the middle-man who often sells food for double the price he paid the producer. "The idea is not to create a state monopoly or oligopoly, but to give the state the tools to purchase food, [to ensure] no one goes hungry, to have transparency and avoid cartelization."

Similarly, Felipe Sola, the former governor of Buenos Aires province, who is also an agronomist, is proposing the creation of a National Food Security System, which, in some ways, he said, would resemble the "very respected and beloved National Wheat Board," which was dissolved in 1991 by the free-trade Carlos Menem government. Under his proposal, the state would purchase in quantity between 15 and 30 basic foods, and sell them at reasonable prices to supermarkets and other merchants around the country. The purpose would be to ensure that people have access to nutritious food, that people can purchase it at fair prices, and encourage increased food production. "This is something the state has to do, and Argentina won't be the only country in the world to do this."

In an interview published in *Pagina 12* May 4, Sola recalled that in April 1949, then-President Juan D. Perón convened a conference on national food policy, whose main organizer was Dr. Ramón Carrillo, the founder of Argentina's excellent public health service. The conference discussed such issues as the composition of a monthly market basket of food, a diet "that was among the most desirable in the world," and the insistence that every citizen "had a right—I repeat, a right—to that food basket." It consisted of meat, vegetables, rice, fruit, and dairy products.

Dr. Carrillo understood that a nutritious diet was a vital part of the national public health-care system he had created, which was admired throughout Ibero-America.

Western European News Digest

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EU Commission Moves To Seize More Power

May 7 (EIRNS)—The European Union Commission will adopt a series of proposals intended to increase its own power over the economic policies of EU member countries, the Italian daily *Corriere della Sera* reported today. The proposals would give the Commission power to extend early warnings and eventually start procedures against governments that do not comply with "structural reforms" and "competitive" policies. This is consistent with the abolition of national sovereignty envisioned by the not-yet-ratified Lisbon Treaty.

So far, the Commission can start procedures only in the case of what the EU's Maastricht Treaty of 1992 defines as an excessive budget deficit (over 3% of GDP). According to the new proposals, procedures can be applied when the cost of labor rises too much, when productivity is not stimulated, or when measures are not applied to guarantee competitiveness of companies. The document which is to be adopted, drafted by Economic Commissioner Joaquin Almunia, establishes that when policies "are not coherent with the EU general directions or threaten to compromise the good functioning of the Economic and Monetary Union, the Commission can issue a warning against the member state."

If approved by the EU Council of Ministers and by the European Parliament, the proposed reform will become law.

Panic on Irish Lisbon Treaty Referendum

PARIS, May 8 (EIRNS)—Panic is growing among Euro-fascists over the possibility that the Irish people will vote "No" in the June 12 referendum on the Lisbon Treaty, blocking its going into effect continent-wide. On May 6, the nation's largest craft union, the 45,000-member Technical, Engineering and Electrical Union (TEEU), became the second in the country (after UNITE trades workers, which announced opposition last month) to recommend a "No" vote.

On May 6, Irish Prime Minister Bertie Ahern resigned and left his post to the current Finance Minister Brian Cowen, who is in charge of rallying the country for a "Yes" vote. Of the 166 Irish Members of Parliament, only the four Sinn Fein MPs oppose the Treaty. But recent polls revealed that the "Yes" vote had fallen to 35%, losing 8 points compared to two months ago. Only 31% of those asked are certain they will vote against the treaty, while 34% remain undecided.

German Supreme Court Ruling Clashes with Lisbon Treaty

May 8 (EIRNS)—Germany's Supreme Court yesterday issued a ruling on parliamentary consultation prior to military deployment, which exposes the contradictions between Germany's Constitution and the Lisbon Treaty, which is highly relevant to three legal cases challenging the Treaty, which will be filed with the court at the end of May.

The new ruling also exposes the extreme fragility of supposed all-party "harmony" on ratifying the Lisbon Treaty:

First, because the same Free Democratic Party (FDP) that brought the original case, just voted with the present government for the ratification of the Lisbon Treaty;

Second, because the judges of the Supreme Court are appointed by the established political parties, and those judges have just ruled against the violation of Germany's sovereignty, which their parties are endorsing in the Treaty; and

Third, because the leading NeoCon Christian Democrat, Wolfgang Schaeuble, publicly deplored the court's ruling, saying that if three readings of military decisions by the national parliaments were required before deciding on military deployments, one might as well forget about the creation of a European Army, as envisaged by the Lisbon Treaty.

BAE Shareholders Call Chairman 'Orwellian'

May 8 (EIRNS)—Dick Olver, chairman of the British defense firm BAE Systems, was accused by shareholders of being "Orwellian," when he claimed that the criminal investigations against the company were doomed to failure, and that following its paid-for "ethics review" released by Lord Woolfe, the company would become a "leaders in ethics and corporate responsibility."

Yesterday, Olver told the BBC that the Serious Fraud Office investigation of BAE "should be abandoned ... because it is doomed to failure." He claimed the courts had already considered BAE's secret payments to Saudi Arabia. "As far as they could tell there was indeed no evidence to say that this was anything other than a legal commission."

Later in the day, at the annual BAE shareholders meeting, investors lined up to attack Olver and BAE's claim that it was reforming itself. "If there was no case to answer, why did you go to such lengths to stop the inquiry?" asked one shareholder. Another said it was "Orwellian" for the company to suggest that it could become a leader in ethics and corporate responsibility, in the face of all the allegations of bribery. The angry shareholder, castigating Olver and the board, said, "If there was any justice in the world, all of you up there would be facing criminal charges."

France Creates International Nuclear Company

PARIS, May 8 (EIRNS)—Resistance by the French institutions to industrial dismantling continues to be expressed in the Sarkozy government, in spite of all its shortcomings. On May 7, Environment Minister Jean Louis Borloo presented the government a decree authorizing the creation of an agency called France Nuclear International. Government spokesman Luc Chatel reminded the press that last September, during the UN climate change conference, President Nicolas Sarkozy had proposed French aid to all countries wanting to develop civilian nuclear power. The role of the new agency will be to "provide French expertise to all foreign countries wanting to develop civilian nuclear power and to help them prepare the launching of civilian nuclear power in their countries."

Over the last year, France has signed major peaceful nuclear cooperation agreements with Libya, Morocco, Algeria, the United Arab Emirates, and with Tunisia.

London's New Mayor Campaigned Against 'Congestion Tax'

May 3 (EIRNS)—London's new Mayor, Boris Johnson (Conservative Party) campaigned against the proposed increase in the "congestion tax," which is part of New York City Mayor Michael Bloomberg's fascist plans for the world's cities. Outgoing Labour Party Mayor Ken Livingstone had promoted the idea of raising the congestion tax for drivers entering downtown London, from the current £8, to an outrageous £25 pounds (\$50).

The new mayor got a visit from Bloomberg, whose own push for a "congestion tax" went down in flames the week before. Bloomberg also made a stop in Ireland.

Italy's Giovanni Bianchi: Learn from the LaRouches

May 5 (EIRNS)—Former Italian Member of Parliament Giovanni Bianchi, who is currently provincial leader of the Democratic Party in Milan, wrote a comment on the party's electoral defeat, in the party daily *Europa* on May 3. In analyzing the large vote increase for the populist-regional Lega Nord, Bianchi writes that the Lega was able to interpret "people's fear of globalization, where the financialization of the economy and of everyday life, and 'marketism' as exposed in [Giulio] Tremonti's latest book, draw a scenario that demands better policies. The nation has found its identity again, and the state, despite its roots going back to the 17th century, still is the most viable instrument to implement policies, especially if compared with other international vehicles. This is a position that Lindon [sic] LaRouche and his wife have pushed for 15 years."

In 2002 Bianchi, in a debate on the Argentine crisis in the Chamber of Deputies, called for listening to LaRouche's "prophetic" words.

Russia and the CIS News Digest

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Prime Minister Putin Addresses Inflation Crisis

May 8 (EIRNS)—Russian President Dmitri Medvedev accompanied his nominee for Prime Minister, Vladimir Putin, to the State Duma today, where Putin was overwhelmingly approved. The large Communist Party group in the Duma, however, voted against him. Medvedev spoke only briefly, leaving Putin to make a 45-minute presentation and take questions, in a discussion that was heavily colored by the way in which global food price inflation, is hitting Russia.

Putin said that the priority areas for his government are three: 1) education, health care, science, culture, and social policy for the benefit of the population; 2) shifting to an "innovation" economy; and 3) developing infrastructure: transport, housing, utilities, energy, social, financial, and information.

But, "as the first order of business," Putin said, there is "an economic, social, and political task of the highest importance"—stabilizing the food market. Putin acknowledged that the "difficult situation" in global finance, and especially the "steep climb of world food prices" since last year, are hitting Russia's markets and its citizens' welfare. He pledged greater state support to domestic food production (as a priority sector, alongside infrastructure and high-tech industries), which is still far from recovered from its devastation during the shock therapy of the 1990s. Even as Putin boasted that Russia shares second place with Canada among the world's grain exporters, he admitted that its cities are 70% import-dependent for food. Putin insisted that Russia's large financial reserves, which derive from its raw materials exports, "are the firm basis that we are confident will enable us to get through this period of instability in the world economy."

Communist Party members of the Duma, especially, peppered Putin with questions about inflation, especially the just-announced intention to raise charges for goods and services provided by the state-owned "natural monopolies"—like electricity, natural gas, and railway fares—toward world levels. It was pointed out that last year's overall 12% inflation rate and the 6.4% inflation for four months of 2008 are far exceeded by the rates of inflation for food and other basic necessities, so that the poorest citizens are hardest hit. Putin sounded testy as he replied, making a reference to the serious work stoppage on the state-owned railways in recent weeks, "Do you think it's fun, raising prices and rates, especially for the natural monopolies? So, why don't we go tell the striking rail workers that they'll have to wait. Or, let's take some of the money earmarked for various things, and spend it to support sectors like rail. Where will we get the money? Out of the budget? At the expense of education, state-sector workers, education, defense. If you like, we can do that. But it will be your decision."

At the outset of his speech, Putin stated that he will need to be able "to completely count on the legislative branch," in order to run the government. He will be announcing the government's structure and job assignments over the next week. Before leaving the Presidency, Putin signed a decree that makes the governors of Russia's regions accountable to the prime minister, rather than the President's staff at the Kremlin.

Russian Government Tries To Guess Inflation

May 6 (EIRNS)—The outgoing Russian government of Prime Minister Victor Zubkov announced that prices for natural gas, electricity, and railway transport will rise in the range of 40-100% in the next four years, Deputy Minister of Economic Development and Trade Andrei Klepach told the press. The government wants it known that the price growth will be "really noticeable," Klepach said. But, in a world gripped by hyperinflation, the projected price hikes—stemming from a policy of seeking to operate domestically at price levels closer and closer to "world market prices"—could well end

up being low estimates.

Klepach said that electricity rates "will practically double" by 2011. For the general population, the regulated rates are supposed to rise 14% in 2008, and 25% each year 2009-11. Business users will see their rates rise by a factor of 2.5, "or even higher," he said, blaming the surge of world energy costs. Natural gas prices are not supposed to rise as much until 2011, when both the population and industrial consumers will face a 40% price rise.

Russian natural monopolies reform aims at the "equal profitability principle," meaning that revenue from domestic sales should match the earnings to be had if the same products were exported (minus shipping and other costs). Economist Stanislav Menshikov, among others, has pointed out that attempting to implement this principle under current world price conditions threatens to simply cancel all of Russia's plans for an "innovation economy" with significant manufacturing growth.

Rail transport rates will rise twice as much in 2009 as originally planned, according to Klepach. In 2009, their growth will be at least 17.1%, against the earlier planned 9%. Prices may go even higher, if the cost of investment in new rail facilities is added. Klepach claimed that inflation "should stay within 10%," but the risk of exceeding this "is big."

Medvedev Inaugurated as Prices Rise

May 7 (EIRNS)—In his inauguration speech today, as President of Russia, Dmitri Medvedev focussed on ensuring the expansion of political and economic freedom.

Amid endless speculation about his potential to be "more liberal" than Putin, ex-Chancellor of Germany Gerhard Schröder was asked this same question in an interview with Novosti. "I don't see any political differences between Putin and Medvedev," Schröder replied. "So far, they have jointly determined Russia's policies. The West often misinterprets Putin's policies and convictions. There is no doubt that Russia has become a more open, democratic, stable, and successful state than it was before Putin became president.... In the last few years, Russia has been a stable factor, unlike the rest of the world."

As Medvedev took office, national attention continued to focus on the sharp price rises. *Kommersant* business daily emphasized that inflation can no longer be attributed to "one-time" food price increases, because fuel and transport prices are also going up sharply. Inflation rose 14.2% from April 2007 to April 2008, with food and fuel the biggest factors.

Yesterday's Cabinet meeting discussed curtailing support for the ambitious investment plans of the state-owned Russian Railways. Deputy Minister of Economic Development and Trade Andrei Klepach told the press that the Finance Ministry is not prepared to disburse 1.4 trillion rubles from the federal budget for the Russian Railways investment program. He said that Finance Minister Alexei Kudrin took a harsh position, saying that "taking 1 trillion rubles out of the federal budget will be unrealistic." Kudrin wants the funds to come from somewhere else, such as bond flotations.

Eurasian Diplomacy: Medvedev To Kazakhstan, China

May 8 (EIRNS)—Dmitri Medvedev will visit Kazakhstan and China later this month, already announced as his first diplomatic engagement as President of the Russian Federation, barely two weeks after his inauguration. He will go first to Kazakhstan, on invitation from President Nursultan Nazarbayev, May 22. Chinese President Hu Jintao, who is on a five-day trip to Japan, has invited Medvedev for May 23-24. Chinese Foreign Ministry spokesman Qin Gang announced today, "The Chinese government and people attach great importance to Mr. Medvedev's visit and we hope his visit will further promote close exchanges between the two countries, deepen our strategic mutual trust and expand our cooperation in a

wide range of fields."

China Daily quoted Prof. Xu Tao of the China Institute of Contemporary International Relations in Beijing, saying that Medvedev is "giving priority to China, in Russia's foreign relations with major powers." Xu Tao emphasized that Medvedev had long been involved in promoting the China-Russia strategic partnership which was established in 2001, during Putin's administration. Medvedev's Presidency will bring more confidence to the future of bilateral ties, Xu Tao said. "Putin initiated the grand strategy, that Russia should enjoy a sound relationship with China. But a noteworthy point is that Medvedev was the one who did the concrete work to implement Putin's strategy."

Before Medvedev's trip, the foreign ministers of Russia, China, and India will meet May 14 in Yekaterinburg, with the foreign minister of Brazil—a summit of the so-called BRIC group (from the names of the four countries). Qin Gang said, "Chinese Foreign Minister Yang Jiechi will also hold bilateral consultations with his Russian counterpart on a wide range of cooperation issues." The four ministers have met before, but only in the context of other conferences. They will focus on the food crisis and financial crisis, at a time when the U.S.A. and the EU are blaming China and India for the food and oil shortages, the Indian *Economic Times* reports today. "The issue of biofuels, food security, global financial trends, impact of the slowdown of the U.S. economy are all on the agenda," the paper quotes an official. He said the meeting will be an opportunity for the four nations to give their own assessments of the world's key economic issues.

Russian-American Peaceful Nuclear Energy Deal Signed

May 6 (EIRNS)—Russian Atomic Energy agency head Sergei Kiriyenko and outgoing U.S. Ambassador to Russia William Burns finally signed the U.S.-Russia civilian nuclear energy agreement on May 6, after ten months of sabotage by the U.S. side. The agreement was initialled by Presidents George Bush and Vladimir Putin last July, when they met at Kennebunkport, Maine, but it was held up by U.S. attempts to force Russia to abandon its nuclear cooperation with Iran. Such tactics didn't work for Al Gore when he was Vice President, and it didn't work this time, either. The agreement allows Russian and U.S. companies to cooperate on commercial nuclear plants, gives the U.S. access to advanced Russian nuclear technology, allows Putin's international fuel bank proposal to go ahead, and opens up U.S. spent fuel for Russian reprocessing. Congress has 90 days to approve or stop the agreement, if and when the Administration submits it, and it faces a tough fight.

Southwest Asia News Digest

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British Hand Behind New Middle East War Drive

May 9 (EIRNS)—The hand of Great Britain is behind the ongoing bloody crisis in Lebanon. Make no mistake: This is not an internal Lebanese conflict, but is the front end of a British operation to throw Southwest Asia into a conflagration that would involve Lebanon, Israel, Syria, Iran, and beyond.

A senior intelligence source told *EIR* that the crisis has to be seen in the "wider strategic situation," including the ongoing danger of a strike against Iran. He pointed to forces in Saudi Arabia and deep in that country's "Wahhabi clerical establishment" as key to the operation, who are acting to widen the sectarian divide between Saudi-backed majority Sunni Muslims throughout the region and Shi'as in Lebanon, Iraq, and, of course, Shi'a Iran.

This points to a source well under the control of British intelligence through such operatives of Saudi Prince Bandar, who, for decades, has been receiving hundreds of millions of dollars from the British, through defense contractor BAE, for the purpose of running dirty operations throughout the region. This source said that up until only a few days ago, the political discourse in the deeply divided country between the Lebanese government coalition, led by Anglo-Saudi agent Saad Hariri, and the opposition, led by Hezbollah, Amal, and Michel Aoun's Free Patriotic Movement, had been moving towards a dialogue. Then Hariri, who holds dual Saudi and Lebanese citizenship, returned from a two-month stay in Saudi Arabia, where he runs his multi-billion-dollar Saudi-backed business empire. During this period, U.S. Vice President Dick Cheney was in the Saudi capital while on a tour, pushing his war schemes against Iran.

Within days of his return to Lebanon, the government coalition launched a campaign of provocations against Hezbollah, painting it as a sectarian militia backed by Iran and Syria. So, from one day to the next, government coalition leaders like Druze leader Walid Jumblatt went from a dialogue, to vitriolic attacks on Hezbollah. The government then issued an order to Hezbollah to close down its telecommunications network, and dismissed an opposition-linked manager of the country's international airport, triggering protest actions, including by the country's major trade union federation, which linked the protest to demands for relief from spiralling food prices and inflation.

The same intelligence source reported that Hariri-backed gunmen deployed into the streets of Beirut, provoking gun battles against the Amal and Hezbollah. The international media played its role, and depicted the violence as an Iranian- and Syrian-backed Hezbollah takeover of Beirut. In reality, the Hezbollah moved in self-defense, rounded up Hariri's gunmen, and turned them over to the Army.

The Lebanese crisis began at the same time as Israeli Prime Minister Ehud Olmert fell under criminal investigation for taking bribes, sparking calls for his resignation. As a rule, it has been weak Israeli governments that have gone to war.

Despite Turkish-mediated peace efforts between Syria and Israel, war could break out any time. A commentary appearing today, the 60th anniversary of the founding of Israel, in the mass-circulation Israeli daily *Yediot Aharonot*, forecast in the near term a war with Hezbollah which would involve a massive attack on Syria and all of Lebanon. The commentary stated that, in such a war, "in Syria and Lebanon ... the extent of the devastation and casualties would be unprecedented in the history of Mideastern wars." These are not empty words, since for weeks there have been press reports saying that this would be the Israeli military policy in the next war with Hezbollah.

Arab Foreign Ministers Divided over Lebanon

May 11 (EIRNS)—The British and Dick Cheney's Saudi co-conspirators suffered another setback in Lebanon today, when an emergency meeting of Arab League foreign ministers was unable to agree on a resolution blaming the violence there on Hezbollah.

Egypt, with the support of Bahrain, Jordan, Kuwait, Lebanon, Saudi Arabia, and the U.A.E., had put forward a resolution that underlines the Arab League's "rejection of the use of armed violence to achieve political goals outside the framework of constitutional legitimacy and the need for withdrawal of all weapons from the streets." An unnamed diplomat told AFP, "Many countries are against this text because of the implicit condemnation of Hezbollah."

The Arab League meeting came in the aftermath of events in Beirut yesterday, in which Hezbollah successfully thwarted an effort by the London-Washington-created March 14 coalition and Sunni militias to trigger a civil war. Hezbollah, instead, showed that it could dominate the streets of Beirut. But rather than seizing control, Hezbollah cleared out the militias from West Beirut, and turned these areas of the city over to the Lebanese Army. Prime Minister Fouad Siniora capitulated, for the moment, and rescinded his anti-Hezbollah orders from earlier in the week.

The British have not given up on their gameplan, however. Foreign Secretary David Milliband placed a phone call to Siniora on May 10, to assure him of Britain's backing.

Saudis and Brits Thrown Back in Iraq, Too

May 11 (EIRNS)—Lyndon LaRouche, in commenting on the situations in Iraq and Lebanon, noted that events in both countries have to be seen together, and in light of the declining U.S. military resources in Iraq. The U.S. now has fewer military forces in Baghdad, because of the ongoing withdrawal of the "surge" brigades, and is also conducting operations in both Basra in the South, and around Mosul in the North. Therefore, LaRouche said, Iran is now in a position where it can more easily bring about agreements there.

This situation is exemplified by the recent developments in Sadr City in Baghdad, between the government and supporters of Moqtada al-Sadr, in which Iran brokered another truce, not unlike the one a couple of months ago in Basra.

According to the *New York Times*, a group of Iraqi parliamentarians traveled to Tehran earlier this month, supposedly to confront the Iranian government with U.S.-supplied evidence of alleged Iranian interference in Iraq. But instead, "the trip evolved into a sophisticated political maneuver that could help the Iraqis out of a situation that was taking a rising toll on the country's political stability." According to an MP from Iraqi Prime Minister Nouri al-Maliki's Dawa Party, the Iranians "said the better way to deal with the Sadrist is by negotiation: Don't fight them and don't use force."

MI6, Mossad Team Up for Disinformation on Iran Nukes

May 5 (EIRNS)—The Anglo-Israeli propaganda machine is working overtime to force a change in the U.S. government's December 2007 National Intelligence Estimate (NIE) on Iran, which found that Iran had ceased work on nuclear weapons in 2003. As *EIR* reported at the time, Vice President Dick Cheney had blocked the release of that report for over a year, and career professionals in the intelligence services, especially the CIA, waged an intense fight to get out the assessment that there is no "Iran bomb."

Now the war faction of Israel—that grouping closely aligned with Cheney and the neo-cons—is on a drive to attack Iran, and is claiming a major "breakthrough" with intelligence "of the quality" that led Israel to bomb a site—later alleged to be a nuclear-bomb-making facility—in Syria in September 2007. As LaRouche said, *that* information was a pack of lies, and the Iran information promises to be even worse.

The head of MI6, Sir John Scarlett, is headed for Israel this month, for a "strategic dialogue," announced the *Sunday Times* of London. He will be briefed on the "breakthrough" by Mossad head Meir Dagan. *EIR*, in its documentation on the case for impeachment of Cheney, has detailed how London and the Israeli Jabotinskyite fascist grouping played a major role in 2002-03 in producing the disinformation for the Iraq war.

Now, Iran is in their sights. "It is understood that Israel has made a breakthrough in intelligence-gathering in Iran," gloats the *Times*, which is owned by Rupert Murdoch. "Israeli officials believe the U.S. will revise its analysis of Iran's program. 'We expect the Americans to amend their report soon,' a high-ranking military officer said last week."

Overthrowing the NIE—which seriously countered Cheney's near-term plan to attack Iran—has been a top priority for the oligarchy's war party in the U.K., U.S., and Israel.

The MI6/Mossad meeting on Iran comes at a time when former prime minister Benjamin Netanyahu's war party is attempting to use a new investigation of Prime Minister Ehud Olmert's fundraising activities around the 1999 and 2002 elections, to bring down the Olmert coalition government.

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Vietnam Will Join Rice Cartel, if Pro-Development

May 7 (EIRNS)—Vietnam can join a rice cartel if the organization ensures the interests of both Vietnam and the international community, said Deputy Minister of Industry and Trade Nguyen Cam Tu. Vietnam should ensure national food security, economic development, and the interests of rice growers, while helping increase the world's food supply and prevent food crises, he said.

Various media, including the major financial press, have charged that formation of a rice cartel would drive up prices even further, by withholding rice from the market. The critics also charge that a cartel in rice just won't work, due to the nature of the commodity: Rice planting can't be turned off like an oil spigot, the countries won't work together, rice is subject to spoilage, etc.

U.S. Troops Are Moving into Southern Afghanistan

May 5 (EIRNS)—On May 3, U.S. Defense Secretary Robert Gates said the United States could consider taking over NATO's command in southern Afghanistan, where some NATO allies have been reluctant to provide combat forces. His announcement coincided with a report by the *New York Times* that the Pentagon is planning to send another 7,000 troops to Afghanistan. This will bring up U.S. troop levels to 41,000 and the overall strength of foreign troops in Afghanistan, would be close to 72,000. The United States has recently increased its troop presence in Afghanistan. Some 3,500 Marines have been deployed to reinforce NATO forces in the south for seven months.

As of now, the U.S. troops function under two different commands. About 18,000 work under the U.S. Central Command,

engaged in counterterrorism operations and training of Afghan troops. Another 16,000 U.S. troops work under the joint U.S.-NATO command in the eastern part of the country.

When the U.S. troops take command of southern Afghanistan, which is now under the NATO command and manned by the British, Canadian, Australian, and Dutch soldiers, U.S. troops will be deployed close to the Iranian border. The U.S. has already built an airbase in Herat, a few miles from Iran.

Cyclone's Devastation of Myanmar Will Worsen Rice Crisis

May 7 (EIRNS)—As the first estimates of the devastation of Myanmar caused by Cyclone Nargis on May 4, have begun to emerge, and while the people of Myanmar are trying to cope with their losses, the UN Food and Agriculture Organization (FAO) said that the five states of Myanmar that were the hardest hit produce 65% of the country's rice. Thus, a large amount of the Summer rice that was not yet harvested, has been lost.

The World Food Program pointed out that the immediate concern is to salvage the Summer rice that was ready to be harvested and is now under water in the flooded Irrawaddy Delta. There is no doubt that the Summer rice produced in the Pegu division, considered the rice bowl of Myanmar, will be mostly lost; its production capability of the more-important monsoon season rice is also threatened.

The Philippines-based International Rice Research Institute (IRRI)'s Beth Woods said that the situation will influence the price for rice, and that no country will go unaffected. "So, anything that knocks production and export capacity in Southeast Asia doesn't just affect Southeast Asia. It's likely to make the situation for a lot of very hungry, very poor people in Africa worse, as well," she said.

Meanwhile, at the Chicago Board of Trade, rice for July delivery rose as much as 50 cents, or 2.4%, to \$21.60 per hundred pounds, on speculation that Myanmar may be transformed from a rice-exporting to rice-importing nation.

Pakistan's Economy Is in Deep Crisis

May 8 (EIRNS)—While leaders of the two major political parties in Pakistan's coalition government are making almost a last-ditch effort to prevent the collapse of the newly formed government, Pakistan's economy, which has been in deep trouble for a long while, has begun to unravel. On May 9, Finance Minister Ishaq Dar ordered a massive cut in budget expenditures across the board, including military spending, to cope with the rising cost of fuel and food subsidies. Pakistan's currency slumped to a record low against the U.S. dollar on May 2, as rising oil prices exacerbated concern about its yawning trade deficit and high inflation. The dollar was worth 69 Pakistani rupees in official inter-bank trading on May 2, compared to 67.7 rupees the previous day.

The economic crisis was triggered by the U.S. post-9/11 invasion of Afghanistan and the rise of militancy inside Pakistan, opposing Islamabad's alliance with the foreign occupiers in Afghanistan. Although Washington has pumped in about \$10 billion since then to keep Islamabad afloat, the British-led insurgency operations against Islamabad in the tribal areas bordering Afghanistan, has forced Islamabad to ignore the physical economy, and spend huge sums on security.

Indian Food Consumption Going Down

May 6 (EIRNS)—Indian leaders from across the political spectrum are attacking President George Bush's statement blaming India and China for rising food prices, Voice of America reported today. Bush made the outrageous statement on May 2 that the Indian and Chinese middle classes are driving up food prices. VOA quoted Indian physicist Vandana Shiva,

who is an environmentalist, saying that Indians are now eating less per capita than they did 15 years ago. Shiva said Bush made his remarks "to distract the American public. And, second, is to continue the myth of globalization, to make it look like globalization is bringing benefits to countries like India, when it's not.... Per capita consumption of food [in India] has dropped from 177 kilograms per capita per year to 152 in the last decade and a half. Instead of Mr. Bush citing that 350 million middle class, he should be citing the Indian children being denied. One million a year are dying for lack of food."

Today, Indian Finance Minister P. Chidambaram was quoted by the London *Financial Times*, on the question of converting food crops to biofuels: "To put it mildly, it is foolish; to put it strongly, it is a crime against humanity." Chidambaram has attacked biofuels production before. Speaking at the Asian Development Bank (ADB) meeting in Madrid, he also said that using palm oil for biofuels is a bad idea.

The VOA also reported that the Confederation of Indian Industry, representing 7,000 business entities, is setting up a task force to look into rising food costs. The CII says that biofuels, drought, and "land set-aside" subsidies are sending prices up.

Indian Defense Minister A.K. Antony called Bush's comment "a cruel joke," because U.S. biofuel policies are responsible for higher food prices. And M.A. Nagvi, vice president of India's BJP, the leading opposition party, said that Bush is shifting from his earlier role of global "bomb inspector" to world "bread inspector."

Sun Yat-sen Recalled During Hu Jintao Visit to Japan

May 7 (EIRNS)—China and Japan agreed to hold joint annual summits, during the first full day of Chinese President Hu Jintao's visit to Japan. This is the first visit by a Chinese head of state to Japan in ten years, and the second ever, after then-President Jiang Zemin's trip in 1998. Hu Jintao said his five-day trip would bring in a "warm Spring" of relations between the two nations. President Hu told a press conference today that "Prime Minister Fukuda and I believe that Sino-Japanese relations are at a new historic starting point." He praised Japan's "peaceful" role in world affairs, and in their joint statement, the leaders said that China and Japan "both share larger responsibilities for the world's peace and development in the 21st century. The leaders confirmed that the two nations are cooperative partners, not threats, to each other." It says that China "takes a positive view of the more than 60 years since the war during which Japan has developed into a peaceful state and contributed by peaceful means to the world's peace and stability."

China Daily described Prime Minister Fukuda's informal reception for President Hu yesterday evening, at the same restaurant where Dr. Sun Yat-sen, referred to as the "father of modern China" by *China Daily*, married his second wife, Soong Ching-ling, while Sun was in exile in Japan in 1915. Soong Ching-ling's piano is still there, among other items in an exhibition about Sun, his wife, and the restaurant's former owner.

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- Zimbabwe Opposition, Like Nazis, Aided by Economic Warfare

MDC Activates Financier Plan, Agrees To Zimbabwe Runoff

May 10 (EIRNS)—British-run Zimbabwe opposition leader and Movement for Democratic change (MDC) Presidential candidate Morgan Tsvangirai today announced that he will enter a runoff election against President Robert Mugabe. Neither won enough votes to avoid a runoff in the first round on March 29; the date for the runoff has not yet been announced.

When he made his announcement, Tsvangirai demanded that several conditions, proposed by the City of London, be met before he would participate: an end to violence (which the government blames on the MDC and its backers), international observers, restructuring of the election commission, free media access to Zimbabwe for the nations backing the MDC, and Southern African Development Community (SADC) peacekeepers. He also called for the replacement of the SADC-designated mediator, South African President Thabo Mbeki. As for the charges of violence, Arthur Mutambara of the MDC called for "total war on Robert Mugabe." He had to backtrack later, saying he didn't mean using violent methods in his war.

Yesterday, Mbeki visited Zimbabwe, consulted with a team he sent there to see who was behind the violence, and met with Mugabe for three hours. Proceeding from the standpoint that this was not an international crisis that posed a threat to world peace, he said, "The solutions to the problems of Zimbabwe rest in the hands of Zimbabweans," according to the transcript of an interview he gave to al-Jazeera TV. Mbeki pointed out that he and his fellow South Africans had negotiated their solution to end apartheid, and Zimbabweans should do the same with this crisis. "The rest of us must assist." He didn't mention that the very forces that are screaming the loudest about Zimbabwe, supported the apartheid government, calling their support "constructive engagement."

City of London Reveals Gameplan for Zimbabwe Regime Change

May 8 (EIRNS)—The mouthpiece of the City of London-based Anglo-Dutch financial oligarchy, the *Economist*, admitting that a runoff election to determine the next President of Zimbabwe will be unavoidable, on May 3, laid out its perspective for overthrowing the Zimbabwe government. Confirming the April 17 report in the *Guardian*, that the "British media have long since abandoned any attempt at impartiality in its reporting of Zimbabwe," therefore, "the prospect must be of continued economic punishment and crisis," the *Economist* calls for a UN-supervised runoff, and for Southern Africa Development Commission (SADC) leaders to take the diplomatic lead away from South African President Thabo Mbeki, who was appointed by the SADC to mediate between the government and the opposition, and has been carrying this out for several years. Mbeki earlier this month charged that the leader of a faction of the Zimbabwe MDC opposition party, Morgan Tsvangirai, is an agent of a foreign power, a reference to the British.

The *Economist* sanctimoniously claimed that the government of President Robert Mugabe would use violence, intimidation, and vote-rigging in the runoff, and therefore Tsvangirai, who won nearly 48% of the vote (to Mugabe's 43%) would only agree to participate in the runoff if there were a stronger presence of international monitors, preferably from the United Nations. The government charged that Tsvangirai's faction of the MDC and its supporters, inside and outside the country, and not the government, are responsible for the violence, as the MDC claims. The stories of government-sponsored violence are given prominence in the British press, and from there are picked up by the news media in Europe and the U.S.A. Tsvangirai has not been in Zimbabwe since the March 29 election—he has been living in exile, going from country to country, primarily in the southern Africa region, looking for support from these countries, as if their leaders

were his constituency. He has not returned to Zimbabwe, he says, out of fear of violence. However, a few weeks ago, he was held up at gunpoint in Johannesburg, South Africa, which is something, according to the Zimbabwe press, that has never happened to him in Zimbabwe.

In the peaceful March 29 elections, neighboring SADC countries had provided the observers. Implying that the runoff would not be fair if run by the government, with SADC observers, the *Economist* concludes that Tsvangirai would win the runoff if the election were fair. However, all British claims of vote stealing during the lengthy recount, turned out to be nothing but propaganda.

UN Secretary-General Ban Ki-moon is dutifully playing his part in this British gameplan. He is talking to African governments about how the UN could help ensure a credible runoff, and said on May 5: "I am deeply concerned at reports of rising levels of violence and intimidation within Zimbabwe."

Mbeki To Investigate Charges of Violence in Zimbabwe

May 8 (EIRNS)—South African President Thabo Mbeki told southern Africa religious leaders on May 2 that he will send a team to Zimbabwe to investigate claims of violence, according to an sabcnews.com release, and find out who was to blame. Mbeki was "adamant" that everything would be done to ensure a peaceful second round of voting, which includes the deployment of a South African team to Zimbabwe, according to the release.

Zimbabwe Ruling Party Urges Supporters To Shun Violence

May 8 (EIRNS)—Countering British-led efforts to blame Zimbabwe's ruling Zanu-PF party for perpetrating violence in the period leading up to the run-off election, Zanu-PF on May 5 urged Zimbabweans to campaign peacefully and desist from violence, according to the Zimbabwe *Herald* May 6. Party national secretary for information and publicity Nathan Shamuyarira said: "We are urging our members to avoid violence.... We are also urging the opposition to avoid violence and respect peoples lives."

He charged that there was a deliberate move by the British and Americans to make Southern Africa a theater of civil wars, as has happened to Iraq. Shamuyarira added that Zimbabweans should refuse to be drawn into war, saying supporters of both Zanu-PF and the opposition MDC-T were Zimbabweans, who should not be divided by outside influence.

Shamuyarira condemned what he termed double standards by the MDC-T, which he accused of beating up people and parading them to the foreign press as victims of Zanu-PF violence against opposition supporters.

Violence organized by outside forces to discredit the government has been a long-standing modus operandi in Zimbabwe. As long ago as April 19, 2000, a Zanu-PF delegation at a conference told the *Guardian* that their border patrols had stopped a very large truck that was attempting to enter the country with a full load of "the most sophisticated weapons—enough for a small war."

Leading U.S. Papers Push British Zimbabwe Policy

May 9 (EIRNS)—The *New York Times* and the *Washington Post* had editorials today attacking Zimbabwe President Robert Mugabe, and South African President Thabo Mbeki for defending him. The line of attack of both editorials followed the gameplan laid out by the May 3 London *Economist*: Intensify the assault on Mbeki to knock him out of his role as Southern Africa Development Commission (SADC)-appointed mediator between the Zimbabwe government and the British-backed opposition, so that the way would be open for an Anglo-Dutch financial cartel-sponsored initiative to

knock Mugabe out in a runoff election supervised by the cartel.

The *Post* editorial was particularly vicious, attacking Mbeki as the principal obstacle to international intervention against Zimbabwe, charging that he has done nothing to stop what the *Post* called "Mugabe's campaign of terror against the people of Zimbabwe, for opposing him." "It is past time for the SADC to relieve Mr. Mbeki of his duties," said the *Post*.

Mbeki sent an eight-man team, headed by Kingsley Mamabolo, to investigate claims of violence in Zimbabwe. The *Post* quotes Mamabolo, that the team did find there had been violence. But the *Post* did not report his entire statement, which was quoted in the May 8 *Zimbabwe Guardian*, based in London, that investigations were still under way to find out who the perpetrators of the violence were. He pointed out that claims of violence have been levelled by both the opposition Movement for Democratic Change (MDC) and the ruling Zanu-PF party. He said, "We need to know what the scale of the violence is and who is doing it."

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May 8 (EIRNS)—An Opinion & Analysis article in the May 4 Zimbabwe *Herald* compared the role that City of London-instigated economic warfare against Zimbabwe is playing in inducing significant numbers of people affected by the economic warfare to vote for British-backed opposition leader Morgan Tsvangirai, to the role that economic warfare played in gaining votes for the Nazi Party in Germany in its early phases, until 1930.

The author, Tafataona P. Mahoso, a professor and Zanu-PF official, writes, "What those who denied us the vote for 90 years [i.e., the British—ed.] have done, is to use money, sanctions, corruption and hunger to purchase 47%" of the vote [that received by Tsvangirai], "with the intention, just like Hitler's intention, ultimately to overrun the whole country."

Mahoso points out that the core of the Nazi Party in 1930 was made up of the most marginal strata in Germany. They voted for Hitler because he promised relief from their suffering caused by economic warfare, and didn't know what Hitler's real goals were. Mahoso said, "This is the situation Zimbabweans find themselves in today. Many of them voted for change, but that can mean almost anything."

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