

International Intelligence

FDR Approach Urged For South America

Reflecting the long-standing influence of Lyndon LaRouche's ideas in Colombia, *La Republica* editor Mariano Ospina Hernández, proposed in a Jan. 30 op-ed that it's time to fight the twin extremes of "narco-terrorism and savage capitalism" with the kind of state interventionism used by Franklin D. Roosevelt to bring the United States back from severe economic crisis in the 1930s.

Ospina, son of the founder of Colombia's leading economic newspaper, writes under the title "War Against Poverty," that the model of state interventionism to which Colombia aspires was successfully employed by FDR from 1935-1942 through the Works Progress Administration, providing not only jobs but renovation of the nation's physical infrastructure. And today, he writes, not just Colombia, but all of South America would benefit from "mega projects of infrastructure indispensable for our economic and social development, such as transport, energy, and communications, which would not only give us huge numbers of jobs, but would prepare our countries to be competitive in the globalized economy of the 21st Century."

Six-Power Talks Resume On Feb. 25 in Beijing

North Korea announced on Feb. 3 that it will attend a second round of Six-Power talks on its nuclear weapons program on Feb. 25 in Beijing, with China, the United States, Russia, Japan, and South Korea, according to Pyongyang's KCNA News. Chinese Foreign Ministry spokeswoman Zhang Qiyue and U.S. Secretary of State Colin Powell confirmed the report on Feb. 3, saying the talks will commence Feb. 25 with no scheduled end date.

"One should not expect any breakthrough," Russia's chief negotiator, Deputy Foreign Minister Alexander Losyukov, cautioned Interfax Feb. 3. "The positions are too different between Washington and Pyongyang." Since the conception of the talks a

year ago, Washington has demanded North Korea simply dismantle all its weapons, while the other five parties have called for a "simultaneous" security guarantee that there will be no military action if Pyongyang disarms. But Washington has refused the *quid pro quo*, most recently on Dec. 12, when negotiations broke down after Vice President Dick Cheney said, "We don't negotiate with evil; we defeat evil."

Kim Ryong-Song, a North Korean cabinet minister attending inter-Korean Ministerial talks in Seoul on Feb. 3, said that now "the United States has apparently come to pay attention to our position." North Korea claims they have agreed to talks because Washington has backed off Cheney's ultimatum, and will consider a "simultaneous" deal. "Korea, Japan, and the United States have told the North they will be willing to talk about the North's proposal for simultaneous actions," *Chosun Ilbo* reported Feb. 3.

State Department spokesman Richard Boucher, however, repeated on Feb. 4 that the United States would do nothing except "in the context of the elimination of North Korea's nuclear weapons"—a phrase previously used to mean the North must first unilaterally disarm.

Scandals Eating S. Korea Elites Alive

A dozen major political figures, in South Korean President Roh Moo-hyun's government and all major parties in the opposition have been fired, indicted, or thrown in jail in early February, with new accusations each day, as the nation's leaders appear to be eating each other alive in the race for the April 15 National Assembly election. Foreign Minister Yoon Young Kwan, the author of the coalition with Russia and China to forge peace through the Six-Power Talks with North Korea; and South Korean National Security Chief Ra Jong-il, the author of the "economy first" policy to build up North Korea's economy; were dismissed Jan. 15 and Jan. 30, with the public allegation that they were "too dependent" on orders from Washington.

Yet since then, the Roh government and the new Foreign Minister Ban Ki-moon,

have issued policy after policy kowtowing to the demands of U.S. Vice President Cheney and the neo-cons.

President Roh's prosecutors were physically prevented on Feb. 1 from arresting democracy activist Assemblyman Hahn Hwa-gap, life-long aide to former President Kim Dae-jung, author of the original "Sunshine Policy" for peace with North Korea. Hahn, the former chairman of President Kim's Millennium Democratic Party (MDP), had been Roh's major rival for the MDP Presidential candidacy in the 2002 election. Roh won, after which his most radical supporters split the ruling MDP, and have formed the new "Uri Party"—which is now trying to put the rest of the MDP in jail. Busan (Pusan) Mayor Ahn Sang-yong was found hanged in his jail cell Feb. 3, an apparent suicide, pending trial on allegations that he took 400 million won in illegal corporate donations. This follows the apparent defenestration suicide by Hyundai Asan Co. Chairman Chung Mong-hun last August, after he was prosecuted for financial illegalities for arranging former President Kim Dae-jung's Pyongyang peace summit of June 2000.

Even President Roh himself may be brought up on charges, the prosecution announced Feb. 2, in arresting Roh's son-in-law for taking billions of won for an investment company. Roh and Uri Party Chairman Chung Dong-young may also be investigated for using illegal funds in the MDP's 2002 candidates' race—the same charge facing Roh's rival, Hahn Hwa-gap.

Powell Talks in Moscow Were Chilly

U.S. Secretary of State Colin Powell's visit to Moscow, including seven hours of meetings with President Vladimir Putin on Jan. 26, was dominated by conflicting interests in and around Georgia, and considerable Russian bristling at persistent U.S. lecturing about the need for Russia to meet U.S.-defined standards of democracy. The latter was a main topic of Powell's guest commentary, published in *Izvestia* on Jan. 30, though he denied any intention to "interfere in internal dynamics of Russian political life." That disclaimer notwithstanding, Powell wrote that

Russia has not achieved “essential balance” between Executive power and other branches of government, and that in Russia “political power is not yet fully tethered to law. Key aspects of civil society—free media and political party development, for example—have not yet sustained an independent presence.”

Putin took note of the friction, as he greeted Powell, saying, “The fundamentals of Russian-U.S. relations are firm, and despite the disagreements in international affairs and on the way of upholding our national interests, their base is solid enough to let us settle the current differences.”

Powell attempted to reassure the Russians about the continuing U.S. military presence in Georgia, and plans to relocate military bases from Germany into new NATO members Poland, Romania and Bulgaria. “These might be small places where we could go and train for a brief period of time, or use air bases as access to dangerous places, crisis places,” he said—though other sources have indicated that the facility in Poland will be quite large. About Georgia, Powell said that the fewer than 200 U.S. military training personnel there were “a very modest presence,” and their mission would be “completed in the next several months.” But Russian concerns remain, as Russian Ambassador to the UN Sergei Lavrov said that same day, regarding Georgia: “We are not saying that the United States has no part to play in this region. We do say, however, that this is a region just next to Russian borders. And this is a region, a situation that directly affects our physical stability and security.”

Russian media took notice of the absence of any mention of Russia in President George W. Bush’s State of the Union message.

Brazil Record Surplus Doesn’t Dent Its Debt

“Record Surplus Is Insufficient To Pay Interest,” was the banner headline across the economics page of *O Estado de Sao Paulo* on Jan. 31, reporting the 2003 debt figures released the day before by the Central Bank—a classic case of how the debt today has be-

come an endless looting mechanism.

In 2003, the Brazilian Federal, state and municipal governments cut expenditures radically, generating a record primary surplus of 66.2 billion reals: \$22.5 billion at today’s exchange rate of R\$2.94 to the dollar; R\$1.2 billion more than agreed in the IMF accord; R\$13.8 billion more than the R\$52.4 billion primary surplus reached by the Cardoso government in 2002; and equivalent to 4.38% of GNP.

“The government collected more taxes and economized more, and, even so, the effort was small, in the face of the weight of interest payments which the public sector had to pay in 2003,” *O Estado* admitted. Lula’s first year in office produced the greatest fiscal savings in the nation’s history. “None-theless, all this economy did not cover even half of the R\$145.2 billion in nominal interest on public debt, also a record.” Almost 40% of the budget went to pay interest in 2003.

Nor was the overall debt load reduced, by the government’s brutal cuts in expenditures needed to fund infrastructure, health and education programs, scientific and technological development, the space program, military and security forces to keep the peace, etc. Brazil’s total public sector debt, according to the government’s calculations, grew by nearly \$11 billion by Dec. 31, 2003.

Major New Asian Railway Planned

A 1,380-km railway is to be built in Northeast China, along the borders with Russia and North Korea, the China Ministry of Railways announced on Feb. 3. The railway will create a “golden” transport passage from the inner regions of Northeast China, its old industrial base, to the sea and the outside world.

This region is very rich in resources, including minerals and lumber, but the economy is weak. A key problem is the shortage of efficient transportation lines to the outside world. This big new rail line should be completed in 15 years. It will eventually connect 10 cities and 30 counties in Northeast China, and link 11 existing, unconnected railway lines.

INDIA will build the world’s largest gas-powered electric power plant. India’s Reliance Group of Industries has proposed to a 3,500 Megawatt plant in the north Indian state of Uttar Pradesh, at a total cost of Rs.100 billion. The plant will supply power at about 4.5¢ per unit—about one-third of what Enron was charging the Maharashtra Electricity Board. Uttar Pradesh, the most populous Indian state, has over 40,000 villages without access to electricity.

GERMAN Foreign Minister Joschka Fischer supported Israel’s security fence, but opposed its route. According to *Ha’aretz* on Feb. 4, Fischer met Israeli Justice Minister Yo-sef Lapid, and said it was the right of a government to take measures necessary to protect its citizens. Fischer welcomed Prime Minister Sharon’s announced plan to evacuate 17 Gaza Strip settlements.

ALEXEI ARBATOV, the Russian Duma Military Committee’s former chairman, said the United States is losing in Iraq, and called Bush’s independent commission a “PR stunt,” in Moscow on Feb. 3. Arbatov reported on the Jan. 28-29 meeting of the “Blix Commission.” The Commission on Weapons of Mass Destruction was created by the Swedish government after the United States drove Blix out of his job heading the UN inspection commission.

NEPAL should become a land-bridge for Chinese-Indian trade, which now depends entirely on sea-trade, India suggested on Feb. 3. Dipak Chatterjee, Secretary of the Indian Ministry of Commerce and Industry, made the proposal at the conference of the Commission of India-Nepal Trans-governmental Cooperation in Katmandu, Nepal. Chatterjee said that India and Nepal have decided to improve the infrastructure of the existing four customs facilities to meet the needs of the increasing cross-border trade in the future.