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## Latest From LaRouche

# We Need a Mission-Oriented Planet To Defeat Globalization

*Lyndon LaRouche made the following introductory remarks at a private luncheon with Washington-based diplomats on May 8. There followed 90 minutes of animated dialogue with the approximately two dozen diplomats and military attachés from 18 countries who participated in this latest in an ongoing series of such private sessions.*

We are now at one of the most critical points in all known history. The entire international monetary-financial system of the world, is now in the process of disintegration. Now, in these matters, you can never, as most so-called economists do, you can never predict an exact date of an event. In fact, this is a result of their use of the wrong method of economics. Since there is human will, you can not predict an event, because human will might change the date of the event. It's always possible. It happens often. For example, the United States went into, really, a depression in October 1929, and then, again, a similar depression in October 1987. But in 1987, the system did not crash, it went into hyperinflation...

## In-Depth Coverage

**Note: *EIR* is not publishing this week.**

**Volume 34, No. 19 was a double issue, issued on May 11, 2007.**

**However, the News Digests are updated.**

**Links to articles from**

**[Executive Intelligence Review,](#)**

**[Vol. 34, No. 19](#)**

**[...Requires Adobe Reader®.](#)**

# International Webcast Conference

## A New Monetary System—Now!

### Lyndon LaRouche addresses a LaRouche PAC webcast from Washington, D.C. on May 1.

'What I'm about to announce to you, and follow up by a presentation on the subject, will produce incredulity in a lot of people around the world and around the country, especially inside the United States,' he promises. 'But it's all true, and I shall indicate to you what some of you may not have taken into account, or didn't know about the nature of the world situation, and therefore, you would have doubts about what I'm about to tell you.'

- **Dialogue with LaRouche**

Questions and answers from the webcast, covering U.S. relations with Russia, home foreclosures and unemployment, youth organizing, blocked Baby Boomers, crises in Africa, and many other issues.

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# Feature

## End-Game Forecasts

By Lyndon H. LaRouche, Jr.

'The axiomatic incompetence of today's usual methods in statistical modes of economic forecasting, is inherent in that type of method itself. This will show itself with undeniable force, as an immediate threat of absolute breakdown of an actual economic system, whenever the underlying physical-economic cycle is permitted to approach closely what is best described as a Riemannian boundary condition, as now.'

# Economics

## Fed Issues 'Fair Warning' of Huge Hedge-Fund Crisis

The New York Federal Reserve compared the hedge-fund fed speculative bubble to the 1998 LTCM crisis, whose collapse almost brought down the entire financial system. **Lyndon LaRouche** commented: 'Fair warning has been delivered.'

## Appeal for Bering Link Directed to G-8 Summit

The April 25, 2007 communique' from the participants of an international conference in Moscow on an Intercontinental EurasiaAmerica Transport Link via the Bering Strait.

## Bering Strait Conference Marked 'Major Phase Shift'

An interview with Hal B.H. Cooper, Jr.

## Congressmen Admit, U.S. 'Post-Industrial' Economy Can't Build High-Speed Rail

## Climate Expert: Gore's Film Is 'Science Fiction'

An interview with Dr. Syun-Ichi Akasofu

# International

## Do the British Have a Hand in the Turkish Crisis?

Turkey's founder, Mustafa Kemal Ataturk, resisted the Franco-British geopolitical plans to divide and conquer Turkey in 1916. Are the British instigating the same type of destabilization again?

## Bank of the South: Kernel of New System

## Global War on Terror in Somalia Spreads Asymmetric War to Africa

An interview with Dr. Kenneth Menkhaus.

# National

## California Democratic Convention: LYM's 'New Politics' Puts Impeachment Back on the Table

- **Documentation:**

LYM report on their California victory; statement by Wynneal Inocentes; California resolution raises issue of impeachment; Louisiana Dems back Cheney impeachment.

## **Campus Shootings: The Larger Picture**

An interview on The LaRouche Show with Prof. Clifford Kiracofe.

## **'It's Very Distasteful To See What's Happening to Returning Veterans'**

An interview with **Steve Robinson**

# Interviews

## **Hal B.H. Cooper, Jr., PhD.**

Cooper is a Seattle-based transportation consultant, who is a longtime advocate for an intercontinental railroad connection across the Bering Strait.

## **Dr. Syun-Ichi Akasofu**

Akasofu was former director of the International Arctic Research Center. He appeared in the British Channel 4-TV documentary, 'The Great Global Warming Swindle,' which aired March 8.

## **Dr. Kenneth Menkhaus**

Menkhaus teaches at Davidson College in Davidson, N.C., and is a leading U.S. authority on Somalia. He has worked as an advisor to the UN, and assisted many U.S. governmental institutions.

## **Steve Robinson**

An independent consultant on the care provided for veterans of the wars in Iraq and Afghanistan, Robinson is a retired Army Ranger, a veteran of Operations Desert Storm and Provide Comfort. Prior to retiring in 2001, he was a senior non-commissioned officer in the Preliminary Analysis Group, Investigations, and Analysis Directorate, Office of the Special Assistant to the Secretary of Defense for Gulf War Illnesses.

# Departments

## **Banking**

## **'A Toy for Hedge Funds'**

# Editorial

## **2008 Is Too Late**

## **U.S. Economic/Financial News**

**Schwarzenegger To Kill High Speed Rail, Promote PPP Swindle**

May 8 (EIRNS)—California Gov. Arnold Schwarzenegger, yet again, has proposed to kill the plan to lighten up California's highways by building a high-speed rail (HSR) corridor from San Diego to San Francisco. Wielding his budget axe, the Governor has called for slashing funds for the California High-Speed Rail Authority (Ca-HSR) which has coordinated the decade-long planning for a 700-mile HSR corridor. Arnie also seeks to indefinitely postpone the \$9.95 billion rail bond initiative for public funding from the November 2008 ballot.

Schwarzenegger did this just as a delegation of California legislators was returning from a visit to France, where they witnessed the TGV's V150 record-breaking test speed of 357 mph in early April. The Associated Press quotes state Sen. Dean Florez saying that the governor "wants to quietly kill this—and not to go out and tell the people that high-speed rail isn't in the future."

In fact, Arnie lied, in an op-ed appearing in the May 7 *Fresno Bee*, that he wants high-speed rail, but he wants it the way former Lazard banker Felix Rohatyn wants such infrastructure built in the U.S.: "By using a public-private partnership approach," Arnie tells us. So despite Ca-HSR's readiness to proceed to begin engineering and rights-of-way acquisition and financial planning, he pulled the plug on the funding.

## **Home Price Declines Now at Depression-Era Levels**

May 8 (EIRNS)—U.S. home price declines this year are going to be steeper than earlier forecast, according to a report by the National Association of Realtors. As posted on Bloomberg.com, the NAR reported that the 2007 median price for an existing home likely will drop 1%, to \$219,800, from what it was a year before. The median price for new homes is also projected to fall slightly, which would be the first decline since 1991. Sales of previously owned homes—85% of the market—will "probably" total 6.29 million this year, they said, less than the 6.34 million they had previously reported. Their new projection is that new home sales will now fall to 864,000, below the previous month's forecast of 904,000.

According to an NAR spokesman, the U.S. median price for a previously owned home has not declined since the real estate trade group began keeping records in 1968, despite regional declines. The last time the national median declined probably was during the Great Depression of the 1930s.

## **\$1 Trillion in Real Estates Losses Are 'Tip of the Iceberg'**

May 7 (EIRNS)—Realty fund manager Kenneth Heebner has estimated to Bloomberg that losses in U.S. real estate bubble collapse "will approach \$1 trillion—that dwarfs anything that has ever happened"—in a home price drop of up to 20%, market by market, during 2007. Heebner says hedge funds, not investment banks or brokerages, will take the bulk of those losses over a period of time, and this will create a massive pensions crisis because pension funds are the big-volume sucker-money pouring into hedge funds. Henry Liu in *Asia Times* just published essentially the same estimate.

Lyndon LaRouche has said that the true extent of losses is being hidden, such that no estimate being made, however high, can be considered an exaggeration.

Such figures are backed up by the fact that New Century Financial's loans and mortgage-backed securities are starting to sell off at 30 cents on the dollar; \$170 million worth were bought by Ellington Management Group hedge fund for \$51 million. The total mortgage-backed securities market has been estimated at \$1.5 trillion.

## **Mortgage Lending Plummets**

May 7 (EIRNS)—Total U.S. mortgage originations in first quarter 2007 were \$490 billion, down 14% from the fourth

quarter of 2006, and about 20% from first quarter of 2006, the Federal Reserve reported today. Subprime mortgage originations have fallen about 30% from 2007, and the Mortgage Bankers Association projects them at about \$350 billion in 2007.

Within this large drop, the portion of all mortgages for purchase (as against refinancing) rose to about 55-45%, compared to 50-50 last year. This means that, despite all the government and Federal Reserve appeals for refinancing of unpayable mortgages at fixed rates, refinancing has still fallen, because home-price appreciation has reversed.

## **Lugar Proposes Destruction of the American Farmer**

May 10 (EIRNS)—Sen. Richard Lugar (R-Ind.) and certain House Democrats called for a new Farm Law, the "Food and Risk Management for the 21st Century Act (FARM 21), which would drop subsidies for corn, wheat, rice, cotton, and soybeans, to "get in line" with more globalized trade. The initiative was announced this morning by Lugar, joined by Reps. Ron Kind (D-Wisc.), Jeff Flake (R-Ariz.), Joseph Crowley (D-N.Y.), and Dave Reichert (R-Wash.), at a Capitol Hill press conference. The draft bill will be introduced in a few days. Lugar's press release described the bill as one to "end the current market and trade distorting farm subsidy system and replace it with a new system of risk management accounts and insurance tools managed by farmers." In effect, agriculture by hedge fund methods.

In addition, Lugar is pushing the idiotic "carbon farming." He has signed up his own Indiana farm on the Chicago Climate Exchange, to sell annual carbon emissions allowances he proffers by using no-till methods, to enhance retention of CO<sub>2</sub> in the soil. Lugar crassly promoted his FARM 21 bill, by saying that "savings" from paying out farm subsidies, would free up multi-billions of dollars for other purposes, including \$3 billion for renewable energy, and \$6 billion for nutrition programs for the needy.

## **Buffett Denounces Derivatives as 'Financial WMDs'**

May 6 (EIRNS)—In an address to 27,000 people attending the annual shareholders meeting of his Berkshire Hathaway, Inc. holding company, in Omaha May 5, billionaire Warren Buffett went out of his way to warn that the "fool's game" of derivative and hedge-fund speculation was going to end in disaster, and called derivatives the financial equivalent of "weapons of mass destruction," according to the *Wall Street Journal* today.

Lyndon LaRouche noted that Buffett is just covering his butt, and trying to come out as the hero of the collapse.

"The introduction of derivatives has totally made any regulation of margin requirements a joke," said Buffett, as quoted in the *Journal*, referring to the U.S. government's rules limiting the amount of borrowed money an investor can apply to each trade. "I believe we may not know where exactly the danger begins and at what point it becomes a super danger. We don't know when it will end precisely, but ... at some point some very unpleasant things will happen in markets." Buffett added, "There is an electronic herd of people around the world managing an amazing amount of money. I think it's a fool's game."

## **Is That Toyota Forecasting an Auto Sales Collapse?**

May 10 (EIRNS)—Toyota officials told Associated Press that the company expects its 2007 auto sales in North America to be no better than "flat"—equal to its 2006 sales. It seems Toyota's analysts foresee a deep general plunge in U.S. auto sales for the rest of this year, because while total U.S. sales by all makers have been down by nearly 4% already in the first four months of 2007, Toyota's have risen by nearly 8% in those four months. It will take a real collapse in overall sales for the remainder of 2007 to bring Toyota's sales down to zero growth for the year—and this is what Toyota apparently expects.

## **Luxury Homes Won't Sell; Next Stop, Ebay?**

May 9 (EIRNS)—Weak sales and cancellations drove homebuilder Lennar Corp. to try an Internet auction of 14 new luxury homes in Indio, California, east of Palm Springs. The experiment proved a flop. Not one of 692 bids for 14 new luxury homes met the original minimum price that Lennar was seeking, according to today's *Wall Street Journal*.

Online auctions for homes have been on the rise nationwide, the *Journal* reports, but they are commonly held by desperate homeowners or banks unloading foreclosed properties, not for prime properties. Have they tried Ebay?

## **Inland Empire: Your Neighborhood is Next!**

May 12 (EIRNS)—In the Inland Empire, an area east of the Los Angeles basin—ground zero for mortgage foreclosures—vultures are plentiful at the foreclosure auctions, looking to turn a profit from the misery of others. But, according to Reuters May 11, there's not much meat left on the bones, since most houses on the auction block already have a debt attached, which is more than the house is worth. According to Realty Trac, which tracks foreclosures for investors, one in 68 houses in the Inland Empire is in default or foreclosure, a rate surpassed only by Detroit and Las Vegas. Foreclosure rates quadrupled in the region from February 2006 to February 2007, while they increased by a mere (record-breaking) 12% nationwide, according to First American LoanPerformance, a research firm.

## **World Economic News**

### **Uttar Pradesh Votes Down Economic Globalizers**

May 11 (EIRNS)—When the results of the state assembly elections of India's largest state, Uttar Pradesh (UP) with a population close to 135 millions, came out on May 11, it became evident that New Delhi's United Progressive Alliance (UPA)-led economic liberalizers and globalizers had suffered a massive defeat. Of the 403 seats in the state assembly, the leading party of the UPA, the Congress Party, has garnered a paltry 26 seats.

The UP state assembly election will not have any immediate effect in the power structure that holds the UPA together. However, the UPA, which was engaged in implementing a variety of the "China Model" (emphasis on a higher GDP growth rate and utilization of a small percentage of the workforce to bring about that higher growth rate, without making eradication of poverty of hundreds of millions of Indians its main platform) has been told in no uncertain terms that its economic policies have been rejected. Higher prices, caused by increase in money supply without providing for an adequate increase in production, has further endangered the poor people's lives.

### **German Communications Workers Begin Nationwide Strike**

May 11 (EIRNS)—This morning, 10,000 Deutsche Telekom workers began strikes, involving protest rallies in five states of Germany: North Rhine-Westphalia, Bremen, Lower Saxony, Hesse, and Bavaria. Strike leaders charge the Blackstone locust fund with pulling the strings behind CEO René Obermann's drive to brutally cut expenses and increase revenues for shareholders. The Blackstone-Obermann line is suicidal, as the excessive expansion of the mobile phone branch generally has caused the loss of 588,000 Telekom clients during the first quarter of this year alone, leading to financial losses which Obermann wants to compensate by the outsourcing of 50,000 jobs to firms of the telecommunications conglomerate that pay less and force employees to work even longer.

Claiming his policy is the only "reasonable" one, Obermann responded to the strike with the warning that strikers will ruin the outsourcing option and "force" the management to an emergency selloff of sections of the conglomerate, which would

eliminate many jobs. The union responded with a warning that the strike could be continue into the Summer, if necessary.

## **Swiss Industry, Insurance Under Hostile Takeover Attack**

May 11 (EIRNS)—As prominently reported in today's European press (*International Herald Tribune*, *Financial Times*, etc.) the case of Converium, a large European re-insurer based in Zurich, which dropped opposition to a hostile takeover bid from Scor, a French rival, has once again sounded the alarm over locust fund attacks. This is just one of many cases that have recently stirred up the public and parliament in Switzerland, intensifying the campaign for regulation. The *Tagesanzeiger*, a leading Swiss news daily, wrote May 9 that "speculators have just started to take over," that enormous capital is flowing into Switzerland, and that once the speculators' "industrial fantasies burst, thousands of employees would become victims." Rumors this week also had it that Zurich Financial, one of the largest insurers in the country, could be the next company to go; and none other than billionaire Warren Buffett told the Swiss financial journal *Finanz Wirtschaft* that insurers and re-insurers were prominent on his radar screen.

## **German CEO: 'We Can't Fill All of Germany with Windmills'**

May 7 (EIRNS)—Wulf Bernotat, the CEO of Germany's energy firm E.ON, today denounced the nonsensical anti-nuclear policy of Germany, and the misplaced emphasis on climate rather than energy policy, which policies are responsible for the fact that the so-called "national energy summits" have all failed to answer the question of where energy is to come from in the future. Even if Germany wants to meet climate protection targets, he told *Die Welt* today, it is an illusion to believe that coal and nuclear power can be replaced by so-called renewables: "We cannot fill all of Germany with windmills." Bernotat accused politicians of capitulating to public opinion. In private, he said, the politicians tell him that Germany's exit from nuclear power was "nonsense," but they would never tell their own constituents that. Under such conditions, the issue of energy is left hostage to emotions and sober arguments are not possible in the public debate.

Bernotat also attacked the supranational EU Commission in Brussels for its deregulation strategy for energy prices and power grids, as creating obstacles for investments.

Asked why E.ON is not repatriating its profits from its stake in Gazprom in Russia, to invest in Germany, Bernotat said that its profits made in Russia will remain in Russia for investment there. On May 4, Bernotat had announced that E.ON intended to invest in building nuclear power plants in Eastern Europe and Turkey, and was looking for a partner in Russia.

As in the case of maglev, nuclear power plants can be built abroad by German companies, but not in Germany itself, as long as the genocidal, Green ideology of Al Gore continues to be tolerated.

## **South Korean, Thai Finance Ministers Warn of Dollar Shock**

May 6 (EIRNS)—Further falls of the U.S. dollar due to the U.S. trade deficit could blow out the world financial system, South Korean Finance Minister Kwon O-kyu warned today at the annual meeting of the Asian Development Bank in Kyoto, Japan. Reuters quoted Kwon warning about trade and other imbalances in the economy: "Any abrupt and disorderly unwinding of these imbalances may send a tremendous shock through the global financial markets."

Thai Finance Minister Chalongphob Sussangkarn is also worried: "Should the financial markets lose confidence in the U.S. dollar, huge capital outflows from the U.S. could lead to a rapid depreciation of the U.S. dollar, and thus dramatic appreciation of other currencies," Chalongphob said in his speech.

## **Bank of Japan: Yen Carry Trade Has Gone on Too Long**

May 10 (EIRNS)—Bank of Japan governor Fukui Toshihiko has warned that the continued low interest rates are a threat to the Japanese economy. Bloomberg reported today that Fukui told the Diet (Japan's parliament): "If the expectation takes hold that low interest rates will continue regardless of the situation of both prices and the economy, then that could invite inefficient allocation of capital, including real estate and the yen carry trade." He also said, "Low interest rates are supportive, but will hurt the economy if they are maintained [for] too long."

Lyndon LaRouche noted that when Japan finally raises its interest rates, hedge funds will be blowing out around the world.

InvestmentNews ran an article May 1 entitled "Japan to eye hedge funds," reporting that Japan has shown growing concern over hedge funds that operate within its borders, managing up to \$36 billion in assets. Japan announced that it will begin periodic reviews of the hedge funds this Fall.

## United States News Digest

### U.S. General Admits: Violence Increasing in Northern Iraq

WASHINGTON, D.C., May 11 (EIRNS)—While trying to put a positive spin on events, Maj. Gen. Benjamin Mixon, commander of U.S. forces in northern Iraq, freely admitted to reporters at the Pentagon today that in some parts of his area of responsibility, particularly Diyala Province, the level of violence has gone up since the beginning of the surge of U.S. troops into Baghdad. He attributed the increased violence to an increase in the operations tempo of U.S. troops in Diyala and the movement of both Sunni and Shi'a insurgents into the province, as well as into Salahuddin province, from Baghdad. He also said that while the number of attacks has not increased in other provinces, there have been more spectacular attacks and a greater number of attacks on civilians. Mixon also said that he doesn't have enough troops to deal with the situation in Diyala, which he had described as "very difficult," but that Lt. Gen. Ray Odierno, the overall commander of U.S. troops, has been providing additional troops as they become available. There are about 3,500 U.S. troops in Diyala, along with about 10,000 Iraqi troops.

Mixon described governance in Diyala as "nonfunctional." He said that the provincial government failed to execute its 2006 budget; it is unable to achieve a quorum in the provincial council; and it is unable to provide basic services. He attributed many of the problems with governance and the Iraqi security forces to the government in Baghdad, where everything is centralized in the ministries which move too slowly to provide the support that the provinces need.

Earlier in the week, the Pentagon announced that 35,000 soldiers had received orders to deploy to Iraq beginning this Fall, suggesting to some, despite the denials by Secretary of Defense Robert Gates, that the surge will continue well into 2008.

### GOP Congressman Tell Bush To Solve Iraq by Fall—Or Else

May 10 (EIRNS)—Eleven Republican Members of Congress met May 8 at the White House with President Bush and top members of the Administration to read Bush the riot act on the Iraq War. Also attending the meeting, which took place just after Vice President Cheney left to stir up trouble in Southwest Asia, were Deputy Chief of Staff Karl Rove, National Security Advisor Stephen Hadley, Secretary of State Condoleezza Rice, CIA Director Robert Gates, and others at the White House. The Congressmen reportedly told Bush that there will be no Republican Party left if he doesn't get the out of Iraq soon. The delegation, led by Rep. Mark Kirk (Ill.) and Charlie Dent (Pa.), also included Fred Upton (Mich.), Mike Castle (Del.), Tom Davis (Va.), Todd Platts (Pa.), Jim Ramstad (Minn.), Jo Ann Emerson (Mo.), Jim Gerlach (Pa.), Jim Walsh (N.Y.), and Ray LaHood (Ill.).



Tim Russert of NBC reported, on a leak from the Republicans, that the members told the President, "The word about the war and its progress cannot come from the White House or even you, Mr. President. There is no longer any credibility. It has to come from Gen. Petraeus." MSNBC commentators on May 9 compared the meeting (while admitting it did not have the same intense import) to the 1974 meeting of Senators Hugh Scott and Barry Goldwater at the White House with Richard Nixon, to tell him the jig was up on Watergate.

## **Will Bush Grant Osama Asylum Too?**

May 10 (EIRNS)—On May 8, a Federal judge in El Paso, Texas dismissed all charges against Bush family terrorist asset Luis Posada Carriles. Posada, who was born in Cuba, and is now a Venezuelan national, was charged with immigration fraud after entering the U.S. illegally. These charges were dropped on the grounds that the government's translator had botched the Spanish-English translation of Posada's naturalization interview in 2005.

Posada, who now resides in the U.S., is accused, along with Orlando Bosch, of having masterminded the blowing up of Cubana Airlines flight 455 in October 1976, in which 73 people were killed. The bombing was part of Operation Condor, and occurred shortly after the assassination of former Chilean Foreign and Defense Minister Orlando Letelier in Washington, when George H.W. Bush was head of the CIA. Both terrorist actions were planned at a June 11, 1976 meeting in Santo Domingo.

Having turned down requests from Venezuela and Cuba that Posada be deported to Venezuela, where he is still wanted on charges of terrorism, the Bush Administration is now expected to grant him asylum. According to Peter Kornbluh, in August 2003, the Miami bureau of the FBI decided to close its terrorism case on Posada. Subsequently, five boxes of evidence were removed from the bureau's evidence room and destroyed.

One can only wonder whether Osama bin Laden, another Bush family asset from the time of the Afghan war against the Soviet Union, will be similarly rewarded for services rendered.

## **White House Leaves Gonzales Twisting in the Wind**

May 10 (EIRNS)—In a pathetic appearance before the House Judiciary Committee today, Attorney General Alberto Gonzales seemed to know less about the firing of the U.S. Attorneys than almost anybody in the room. To the exasperation of committee chairman Rep. John Conyers (D-Mich.), Gonzales could not answer the most fundamental question: Who decided that nine U.S. Attorneys should be dismissed?

Conyers pointed out that the Federal prosecutors who were fired were among the highest-rated in the nation, while others, who were "loyal Bushies," were retained; he added that the purpose of the hearing was to find out who drew up the list of prosecutors to be fired. When the White House refuses to allow its officials to testify, Conyers said, when it "makes open-ended claims of executive privilege, and loses or destroys millions of e-mails relevant to our investigation, one has to ask whether the Administration is trying to cover up two simple truths—who created the list, and why."

The hapless Gonzales was unable to shed any light on the problem. He did admit that Karl Rove had complained to him that prosecutors weren't pursuing alleged "voter fraud" in a number of districts, and Gonzales acknowledged that Bush had raised the same issue, but he denied knowing whether Rove had anything to do with deciding who should be fired, and he was certain—without ever saying why—that Bush and Vice President Cheney had nothing to do with it.

Gonzales was also questioned about what appears to be the ninth U.S. Attorney to be dismissed: Todd Graves, in Kansas City, Mo., who was forced to resign after resisting Justice Department pressure to file "voter fraud" cases which he

considered unwarranted. Graves was replaced by an official from Justice Department headquarters known for pressing alleged voter-suppression practices.

Typical of Gonzales's deliberate ignorance and indifference toward major policy issues, was his response when Rep. Brad Sherman (D-Calif.) asked if any American citizens are being detained without being granted the right of habeas corpus. "You're asking me a question I hadn't really thought about," answered the Attorney General of the United States.

At the conclusion of the hearing, Conyers said that although Gonzales had not answered the most basic questions, the committee has a duty to move forward on the investigation, in which, he said, "the bread crumbs seem to be leading to 1600 Pennsylvania Avenue."

## **Tenet Reveals: Gore Wanted To Free Pollard**

May 9 (EIRNS)—Former CIA Director George Tenet, in his book on the pre-Iraq War machinations, *At the Center of the Storm: My Years at the CIA*, also relates some interesting items about the Clinton Administration, in which he also served. One concerns then-Vice President Al Gore's attempt to obtain the release of Jonathan Pollard, serving a life sentence for passing extremely sensitive U.S. military secrets to the Israeli government which, in turn, traded them to the Soviet Union.

When the Israelis and the Palestinians were negotiating a peace agreement at the Wye Summit in 1998, then-Prime Minister Benjamin Netanyahu insisted that part of any "deal" be the release of Pollard. Clinton had put off this question until an agreement had been reached, and then Netanyahu again broached the subject. Tenet writes that he himself was unalterably opposed, and told Clinton that he would have to resign as CIA Director if Pollard were freed. Tenet knew that bucking Netanyahu on Pollard might be a deal breaker, but he was prepared to take that chance.

During the discussion, Gore tried to weigh in, through Clinton Chief of Staff John Podesta. As Tenet writes [p. 70.]:

"John Podesta, Clinton's chief of staff, called. John was not pushing, just delivering a message. 'The vice president asked me to phone you,' he began. 'Do you know how important this agreement is?'

" 'Yes, I know it is important.'

" 'Well, the Israelis won't sign unless they get Pollard.'

" 'John,' I told him, 'this agreement is in their interest. They will sign it. Do not give them Pollard.' Just so there could be no misunderstanding, I repeated my position. 'If you give them Pollard, I'm done—but you don't have to. They will sign this agreement because it is in their interest. Just hold fast.' "

As it turned out, refusing to free Pollard was not the deal-breaker Gore claimed it would be.

## **John Edwards: The Man from \$\$Fortress\$\$**

May 9 (EIRNS)—Former Sen. John Edwards, an announced candidate for the Democratic Presidential nomination, might be dubbed "The Man from Fortress."

Fortress Investment hedge fund was the biggest source of contributions as an employer to Edwards in first quarter of 2007, according to Federal Election Commission reports. Fortress bundled \$155,000 in employee contributions to Edwards from

January through March 31. Edwards was employed as a "senior advisor" to Fortress from October 2005 until December 2006—the month before he announced his candidacy for the Democratic nomination.

Fortress, with \$35.1 billion in assets, is one of the larger of the 9,000-plus hedge funds operating in the United States. Sen. Charles Grassley (R-Iowa) has stated that the hedge funds are now furiously fighting all efforts by Congress to force them to register, and to tax them.

## **New Evidence Confirms LPAC's Expose of 'Cheney's Contras' Against Iran**

May 8 (LPAC)—On March 2, 2007, the LaRouche Political Action Committee (LPAC) published a story on its website ([www.larouchepac.com](http://www.larouchepac.com)) entitled, "Is the White House Running Another 'Secret Contra' War Against Iran With Stolen Funds?" Now, in the May 2007 edition of the *Atlantic*, an article exposes a coordinated effort of the United States, with Saudi Arabia, and the intelligence agencies of Egypt, Jordan, the United Arab Emirates, and Israel, to carry out covert operations in and against Iran, according to the website RawStory. Drawing from quotes from the article by David Samuels, RawStory says this combination is being bankrolled with \$300 million from Saudi Arabia, under the assumption that a pullout of U.S. troops would leave Iran to fill the power vacuum in the region, and that "a nuclear-armed Iran means trouble."

Echoing a March 5 article in the *New Yorker* by investigative reporter Seymour Hersh, Samuels claims that the U.S.-Israel-Arab Sunni grouping has already drawn blood in a February attack which killed 11 Iranian Revolutionary Guardsmen in Baluchistan, "the mysterious death of the Iranian [nuclear] scientist Ardashir Hosseinpour," and other, lesser operations. Hersh claimed that the funding through Saudi Arabia was specifically designed to skirt the normal Congressional oversight mechanisms, which are designed to prevent just this type of unilateral policy-making by the Executive branch.

Samuels lays the blame for this operation at the door of U.S. Secretary of State Condoleezza Rice, but, as LPAC and *EIR* reported in early March, the covert war is actually the project of Vice President Dick Cheney.

## **Ibero-American News Digest**

### **The Death of Dr. Eneas: Brazilian Patriot; Friend of LaRouche**

May 7 (EIRNS)—Dr. Eneas Carneiro, Brazilian cardiologist and Congressman, died on May 6 at the age of 68, from leukemia. Eneas, as he was known since he broke into national prominence in his first run for President of Brazil in 1989, was a fierce patriot and opponent of globalization, and an outspoken friend of the LaRouche movement. In 1998, when interviewed on national television during his third Presidential campaign, he cited the call of "the brilliant economist" LaRouche for a New Bretton Woods, and held up an *EIR* whose cover attacked George Soros.

In August 1998, he invited Helga Zepp-LaRouche to join him in speaking in Sao Paulo, and in June 2002, he organized an invitation for Lyndon LaRouche to receive honorary citizenship from the Sao Paulo City Council.

Five months later, Eneas was elected to Congress by the greatest number of votes received by any single candidate, before or since (over 1.57 million), in a campaign on which he spent, at most, \$22,000. In his first address in the Chamber of Deputies, in February 2003, Eneas called on President Lula da Silva to break with the IMF system: "this nauseating and infected model that sucks out the innards of the nation," and spoke of the work of "the renowned American economist and thinker Mr. LaRouche, in the weekly *Executive Intelligence Review*, a publication in which he studies, dissects, and explains the crisis of the international financial system as heading towards an abyss which, if not stopped, will without doubt take humanity into a new dark age."

Eneas was a voluntarist. Born on Nov. 5, 1938, and working from age nine to help support his family after his father's death, Eneas became a mathematician, a physicist, and one of Brazil's preeminent cardiologists, teaching thousands of doctors and authoring a textbook on the electrocardiogram. He became a folk hero, a leader "who would not back down."

His stunning election victory in 2002, which carried him into Congress with five other deputies from PRONA (Party to Restore the National Order), the party he founded, in the same election in which Lula da Silva entered the Presidency, sent the financiers into a rage fit. The *New York Times* labeled Eneas a "neofascist." Within eight months of the election, *EIR*'s office in Brazil broke with LaRouche, and went over openly to the international Synarchists. Over the next year, all but one of PRONA's deputies were "persuaded" to switch parties.

In February of 2004, Eneas gave an interview to *EIR* reiterating the urgency of changing the global financial system, as LaRouche proposes, and fully endorsed the idea of building a revolutionary youth movement: "I am an enthusiast for this idea, he said. "I want to believe that leaders will emerge from that collection of youth.... Further ahead, I have to participate in a process similar to that.... I am not yet able to do that. I lack the resources, but further ahead, I will do so."

### **Correa Ultimatum to Private Banks: End Usury or Face Jail!**

May 9 (EIRNS)—Ecuador's private banks have one week to lower their "intolerable interest rates" to consumers, or the government will file criminal suits against them, for usury, President Rafael Correa announced today, in a speech before 2,000 people.

Usurious interest rates—one bank was caught charging over 55% interest to consumers—while the bankers make super-high salaries—are a big factor in the inequality in the country, which has to change, the President charged.

Even before this ultimatum, the Association of Private Banks was hysterical, because the government had announced the day before that it would be sending a bill to Congress, within days, to reform the banking law so as to give the State authority to regulate the market and set interest rates.

The bankers protested that any such law would impinge upon private interests, but as Lyndon LaRouche has repeatedly pointed out, government control over the credit system is a central instrument of the American System of Economics developed by the United States since its founding, and was used with great success by President Franklin Roosevelt to begin to pull the U.S. out of the Great Depression in 1933.

In announcing the bill to regulate the banks on May 8, Luis Maldonado, President Correa's representative on the nation's Banking Board, denounced the market as "something absolutely empty, brainless, and heartless. The market should be regulated. We are perfectly clear on the issue that the market should foster mutual benefit.... The financial system must align itself with our great national goals."

### **Chilean Fascist Piñera Cultivates 'Democratic' Ties**

May 8 (EIRNS)—Just a week before he hosts Al Gore at the May 11 "Climate Change and Global Warming" conference in Santiago, Chilean fascist and Presidential wannabe Sebastian Piñera attended a Citigroup conference in New York, where he reportedly swaggered around and posed as the next President of Chile.

According to the Chilean daily *El Mercurio*, Piñera's presence at the Latin American Business Leaders Summit held May 3-4 in Armonk, New York, was attended by such prominent Democrats as former President Bill Clinton and former Treasury

Secretary Robert Rubin; it is part of Piñera's ambitious agenda of upcoming foreign trips, and invitations to foreign personalities to visit Chile, aimed at promoting himself among these international networks as the man best suited to replace current President Michelle Bachelet. At the conference, he hobnobbed with former Brazilian President Fernando Henrique Cardoso and former Mexican President Ernesto Zedillo, who share his enthusiasm for preserving the "Chilean model" of free-market looting.

On the assumption that the Democrats will win the White House in 2008, Piñera is particularly desirous of establishing ties with them. But which "Democrats" is he talking to? *El Mercurio*, still an ardent defender of the late fascist dictator Augusto Pinochet, doesn't mention Felix Rohatyn, who helped install Pinochet in the bloody 1973 military coup against then-President Salvador Allende. But it doesn't have to. Now at the Lehman Brothers investment bank, Rohatyn works with managing director Theodore Roosevelt IV, who is not only involved in Gore's Climate Project, but runs Lehman's Global Center on Climate Change as well. Rohatyn may not attend the Santiago conference in person, but will certainly be there in spirit.

### **Fidel Slams 'Evil Idea' of Food for Fuel**

May 10 (EIRNS)—Even as Al Gore was getting on the plane to head to the Bush-sponsored First Inter-American Congress on Biofuels in Buenos Aires, Cuban leader Fidel Castro came out swinging against the "evil idea" of using food for fuels ("biofuels") as "ethically and politically unacceptable," in his latest article published in the Cuban daily *Granma*, on May 10.

Unlike Brazil's President Lula da Silva, when Cubans hear the plans to turn the Caribbean islands and large swathes of Mexico, Central, and South America back into sugar plantations for ethanol, they remember their history. Castro reported that a documentary film of real-life pictures of cutting sugarcane by hand was shown at a recent conference in Havana, and it "seemed a reflection of Dante's *Inferno*."

That conference was the "6th Hemispheric Meeting of Struggle against the Free Trade Agreements and for the Peoples' Integration," where Castro reported that the "irrationality of a civilization" that transforms foodstuffs into fuels, was discussed at length.

### **A National Development Bank on the Agenda for Argentina?**

May 10 (EIRNS)—Speaking May 8 in Buenos Aires at the swearing-in of the new president of the Argentine Industrial Union (UIA), Juan Lascurain, Finance Minister Felisa Miceli suggested that it is "perhaps time to think of creating an entity to finance the process of sustained growth" that has occurred over the four years that Néstor Kirchner has been President. Specifically, she said that the government was contemplating creating a National Development Bank, although she gave no details, the daily *El Tribuno* reported May 9.

Her remarks should come as no surprise, however, given Kirchner's leadership role continentally, in both challenging the International Monetary Fund's predatory practices, and in helping to forge the Bank of the South. The latter is expected to be founded in late June, and will operate completely independently of the IMF to finance the development and infrastructure projects the region so urgently needs.

Micelli underscored that "the country needs banks to finance industrial companies that, to date, have had to dip into their own funds or reinvest profits. It's time to consolidate what has now been reborn, but was almost destroyed in the past decade."

# Western European News Digest

## Sarkozy Hands Out Spoils to His Synarchist Backers

PARIS, May 10—(EIRNS)—French President-elect Nicolas Sarkozy returned to Paris after spending three days in Malta, aboard the yacht of Vincent Bolloré, one of the closest associates of Antoine Bernheim, the president of the giant Venetian insurance firm Assicurazione Generali, and pillar of the Lazard Frères group which, in the 1930s, funded the pro-Hitler forces in France and Europe. The short holiday was apparently a very busy one—the daily *Libération* daily reports that, following the trip, Paris is full of gossip concerning a coming buy-up of the first French TV channel, TF1, by Bolloré, from Sarkozy's close friend Martin Bouygues. In exchange, Bouygues, the owner of France's number one construction company, would get the right to buy AREVA, the French public nuclear company, which Sarkozy would privatize.

On the same day, Sarkozy received an endorsement from former Lazard financier and former U.S. Ambassador to France, Felix Rohatyn, who, as reported by the Bloomberg financial website, praised Sarkozy as a "committed democrat." Sarkozy, who is ushering in a police state in France, and who fully supports the war policies of Dick Cheney, would adopt Rohatyn's violently anti-FDR economic policies of private bank control over national credit and economic policy. Said Rohatyn, sounding ever-so-much the Frenchman: "He appreciates that with all the problems we have, we are still the platform for democracy in the world, and he is, if anything, a very committed democrat."

## After Scottish Elections: Brawl Over Independence Issue

May 8 (EIRNS)—The Scottish National Party is being forced to try and form a minority government in Edinburgh, after attempts over the past several days to form a majority coalition with the Liberal Democrats failed. This makes the political situation in Scotland more unstable, since it appears that the SNP has an agreement with the Scottish Greens, but they have only two seats, having lost five in the May 3 election.

The *Scotsman's* political editor, Hamish Macdonnell, wrote May 7 that SNP leader Alex Salmond is facing a dilemma, since he "needed the Liberal Democrats to form a workable coalition government, and he needed stable government to persuade Scots to move on to independence." So far, Salmond has neither. The SNP remains committed to a referendum on independence, while the Lib Dems are refusing to even consider the matter. However, they would not oppose Salmond's election as First Minister in Scotland.

In addition, 100,000 "spoiled ballots" are evoking comparisons to the U.S. "hanging chads" mess in Florida in 2000. The head of the U.S.-based "Fair Vote" organization, Robert Richie, was quoted by the *Scotsman* as saying, "It's totally unacceptable to have so many votes spoiled. There are parallels with the problems in the presidential election in Florida." In one district, Cunninghame North, the Labour Party candidate lost by just 48 votes, and is considering a legal challenge because of the 1,000 spoiled ballots there.

The current situation is that the SNP has 47 seats; Labour 46; the Tories 17; Liberal Dems 16; Greens 2; and one independent won a seat; thus, no two-party majority government is possible.

## Elections Show Britain Descending Into Ungovernability

May 5 (EIRNS)—Following the May 3 elections, the London *Independent* called Britain the "Divided Nation: How the Elections Have Fractured the Political Landscape of Britain." Scotland was the most shocking result (see above), however, the Labour Party's woes extend beyond there. In Wales, Labour's vote declined to 32%, while in England, it was completely wiped out in 89 local authority areas, many of them in the south. In total, Labour lost 485 local seats, the Liberal Democrats

lost 242, while the Tories gained 850. Not surprisingly, Tony Blair tried to put a positive spin on the results, insisting that Labour did not suffer a meltdown, because the results were dreadful for the Liberal Dems, and the Tories were unable to make the breakthrough that they had sought. "Is Britain becoming ungovernable?" asked the *Independent*.

Several days later, on May 7, preeminent oligarch and *Times* senior columnist William Rees-Mogg asked, "Is Britain Ungovernable?" Reviewing the overall election results of May 3, he warned that Britain is becoming a patchwork of regions and regional parties. "There are great dangers; we may be seeing the breakdown of the two-party system and perhaps of the United Kingdom," he wrote.

### **Upcoming Belgian Elections Threaten Further Instability**

May 7 (EIRNS)—Belgium, which will hold Federal elections on June 10, has the most complicated system of almost any country in Europe. The country is divided into three provinces: the French-speaking Walloon region, the Dutch-speaking Flanders region, and the mixed Flemish-Walloon Brussels-Halle-Vilvoorde region. This makes Belgium an inherently unstable country. All the major parties, except the neo-fascist Vlaams Belang, have separate parties for the Flemish and Walloon provinces; in the third region both Flemish and Walloon parties. The Senate is also up for election by the electoral colleges of all three provinces.

A well-placed Brussels source, who is also a member of the Flemish Socialist Party, told *EIR* that the mood in the country is center-left. In fact, a poll conducted among readers of the conservative *La Standard* found that 56% supported France's Socialist Ségolène Royal over neo-con Nicolas Sarkozy. The big supporter of Sarkozy is the French-speaking Finance Minister Didier Reynders, although he tries to distance himself from Sarkozy's law-and-order policies.

Although the source predicts that the elections will not bring about an unstable situation, nonetheless the built-in fractionalization of the country and its political parties, and the often razor-thin margins among the parties, makes for an inherently unstable situation.

### **Serbian Instability Exacerbated by Kosovo Crisis**

May 9 (EIRNS)—The election of Tomislav Nikolic, president of the ultra-nationalist Serbian Radical Party, to the position of Speaker of the Parliament, may signal a deeper decline into ungovernability for this Balkan nation.

Nikolic was elected with the backing of MPs from his own Radical Party, the late Milosevic's Socialist Party, and, most surprisingly, by the Democratic Party of Serbia, party of "democratic" and "pro-European" Prime Minister Vojislav Kostunica.

The election took place in the midst of a political crisis which has left Serbia ungovernable for months. The general elections held last January resulted in a hung parliament, and a new government has yet to be formed. If one is not formed by May 15, new elections will have to be held, according to the constitution. Nikolic, a political heir to Radical leader and war criminal Vojislav Seselj, is infamous for his hard-line statements concerning Kosovo.

According to an Associated Press report covered in the Serbian daily *Politika* May 9, Nikolic would "go to war for Kosovo" and "cut relations with the West if Kosovo is granted independence."

Although other Serbian "pro-European" and regional leaders condemn his election, Nikolic received congratulations from the president and vice president of the Russian parliament, Boris Grizlov and Sergei Baburin, and from the president of the Council of Russian Federation, Sergei Mironov. These congratulations were delivered to Nikolic personally by Russian

Ambassador to Belgrade Alexander Alexeev. In sharp contrast to EU condemnation, Alexeev said that Nikolic's election is an internal affair of Serbia and that Russia's interest is "to strengthen cooperation on every level," including governments and parliaments.

Serbian national and regional leaders, and European leaders and media, tend to see the election of Nikolic as a huge step back from the "democratization" process, returning Serbia to times of Nikolic's former ally, the late Slobodan Milosevic. EU enlargement commissioner Ollie Rehn said yesterday that "fragility of democratic development becomes a danger for the region." The EU, in protest, cancelled visits of its emissaries scheduled for today.

## **Europe Again in the Midst of Growing U.S.-Russia Tensions**

May 8 (EIRNS)—News wires in Europe reported this morning that Richard Holbrooke, the former U.S. State Department official, said it would not matter if Russia vetoed the Ahtisaari plan for granting "independence" to the Kosovars. The U.S. would recognize Kosovo's independence in any case, if the Kosovars declared it unilaterally, Holbrooke said. Learning about his remarks, Swedish Foreign Minister Carl Bildt warned that if the U.S. did that, it would be "playing with fire."

Bildt's warning may be on the mark, as it is reported at the same time that a 5,000-man-strong ultranationalist Serbian force has been formed, under the name "Prince Lazar Guard," which wants to go into action once the Kosovars declare independence.

Asked in Washington today about Holbrooke's statement, a State Department spokesperson told *EIR* that, even though Holbrooke works with the State Department on some Balkan matters, he does not speak for the U.S. government. Holbrooke "is a private citizen, and is entitled to his views," the spokesperson said.

The possibility of a Russian veto has been raised in a number of State Department press briefings, and spokesmen have said that the U.S. will continue to talk to Russia about the issue, adding, the Department "does not deal in hypotheticals."

## **German Prosecutor Warns of New Nationwide Terror Group**

May 10 (EIRNS)—Following police raids on 40 sites across six northern states of Germany, Federal Prosecutor Monika Harms warned of the formation of a new terrorist group, capable of carrying out violent attacks throughout the country. Although the attacks would be aimed at protesting the upcoming G-8 meeting to be held in Heiligendamm in June, the German government is concerned that certain groups have crossed the line from militant protest to actual terror.

Following the police raids, which involved 900 officers, Anti-Fa and other anarchist groups provoked riots or held demonstrations in 12 cities across northern Germany. Hamburg experienced the most serious of them.

"The militant extreme-left groups and their members are suspected of having founded a terrorist group, or of being members of such an organization, with the specific goal of staging fire bombings and other violent attacks in order to disrupt or prevent the upcoming G-8 summit in Heiligendamm," a statement from the federal prosecutors' office declared, as reported by the Associated Press. According to a report in today's *Financial Times*, Harms, who is heading an investigation into the activities of these militant groups, said the raids were aimed at gathering "evidence on the people involved and the structure" of the alleged terrorist group. The authorities have 18 people under investigation, some of whom are believed to belong to the Militant Group (Militante Gruppe), which last year attacked an economic research institute in Berlin.

Militant attacks, including car burnings and launching of paint bombs, have occurred over the last 12 months. Among the



most serious was a paint bomb attack on the home, and the burning of the car last December of Thomas Mirow, State Secretary of the German Ministry of Finance and head of the G-8 organizing committee.

## Russia and the CIS News Digest

### Putin on VE Day, Calls for 'Common Responsibility' Among Nations

May 10 (EIRNS)—On the 62nd anniversary of the declaration of "Victory in Europe," a solemn day for Russia, its neighboring countries, and the Commonwealth of Independent States, Russian President Vladimir Putin said, "Today we pay tribute to the countries that fought together against Hitler. We shall not forget their contribution to the defeat of Nazism." Those who fought Fascism "gave our country and the entire world a future," he said.

Putin said that the "causes" of the war "have their roots in an ideology of confrontation and extremism." Therefore, "It is all the more important, because these threats are not becoming fewer but are only transforming and changing their appearance. These new threats, just as under the Third Reich, show the same contempt for human life and the same aspiration to establish an exclusive dictate over the world."

"It is my conviction that only common responsibility and equal partnership can counter these challenges and enable us to join forces in resisting any attempts to unleash new armed conflicts and undermine global security."

The Anglo-American media, including the *Guardian*, the *International Herald Tribune*, and the bottom-feeding Drudge Report, spin the reports on Putin's speech as a threat against the United States—"obliquely, comparing the U.S. to the Third Reich," simply leaving out the context altogether.

### Russian Academician: New Cold War Looms

May 9 (EIRNS)—"We are on the brink of a new Cold War," Academician Sergei Rogov, head of the USA-Canada Institute of the Russian Academy of Sciences, wrote in a May 7 commentary on Russian-American relations. The piece was published on Eurasianhome.org and is being cited in the Chinese and other international press.

Rogov's blunt assessment is that "the strategic partnership between Moscow and Washington has failed. The partnership exists in words only." The relationship was defined as a "strategic partnership" in discussions between Bill Clinton and the late Boris Yeltsin, but later "everything was based on personal relations between the Presidents," without any institutional framework or much substance. "No fundamental progress" has occurred between the two countries, after the Cold War, wrote Rogov, with an emphasis on the abiding threat of a strategic nuclear conflict. "We have continued to live with a nuclear deterrent...."

"Yeltsin and Clinton signed a declaration on de-targeting of strategic missiles, in 1994. But, how long does it take to target missiles? Maybe, 30 or 40 seconds? Here's the next question: Can countries be partners, if they are ready to unleash a nuclear war within 40 seconds?... If we talk about Russian-American relations today, we can draw the unpleasant conclusion, that we are on the brink of a new Cold War." Rogov then returned to the nuclear war threat, and argued against the planned U.S. emplacement of anti-missile systems in Central Europe. If anything, these systems would be part of "a deterrent chiefly against China, not Russia. If we look at the globe, we can see that our missiles will fly over the North Pole, so the American missiles from Poland cannot run them down, try as they might."

Even though the Soviet Union's communist ideology is gone from the scene, the Russian academician says, "We do have an ideological conflict coming to the fore. If things go the way they are going, in the 2008 U.S. elections, the Republicans and

the Democrats will both make 'containment of Russia' part of their campaigns, in place of 'containment of communism.'"

The recent Chinese anti-satellite weapons test, according to Rogov, "shows that we are entering a multipolar world, but that is not a panacea, because there are no sure rules of the game." In conclusion, Rogov wrote that the Cold War tendency "can be turned back, but clear and considered efforts should be made by both sides."

## **Russia Tells Serbs It Will Not Accept Independent Kosovo**

May 5 (EIRNS)—Russia's UN Ambassador Vitali Churkin said in an interview with the Serbian BBC Service on May 4 that Moscow refuses "rushed acceptance" of any UN Security Council resolution based on the plan of UN envoy Martti Ahtisaari to give Kosovo "supervised independence." Churkin indicated that Russia will possibly support a UN resolution which would establish an EU mission in Kosovo, but without "imposing independence." He stopped short of threatening that Russia would use its veto in the Security Council against the Ahtisaari resolution, but made clear that Russia won't accept any superimposing of Ahtisaari's plan, which is strongly backed by the current U.S. Administration, NATO, and the EU.

Churkin mentioned that Kosovo Albanians would have been in a much better negotiating position if it hadn't been for the 2004 "pogrom of Serbs and church burnings." He was referring to the large-scale anti-Serbian riots of March 15-18, 2004, in which 30 people died and hundreds were injured, and many churches and homes were burned down. The Albanian riots provoked mobs in the Serbian cities of Belgrade and Nis to burn the town mosques in revenge. This apparently pre-organized destabilization was synchronized with the synarchist March 11 Madrid train bombing.

Churkin, who claims that he has the support of other Security Council member countries, also said that the unilateral proclamation of Kosovo's independence by Kosovo Albanians "would be very bad," because the world could face demands from various territories which seek independence.

## **Russia-Kazakhstan Talks Focus on Fuel and Energy**

May 10 (EIRNS)—Russian President Vladimir Putin and Kazak President Nursultan Nazarbayev met today in Astana, capital of Kazakhstan, to discuss the "Plan for the Joint Actions of Russia and Kazakhstan" for 2007-08, Itar-Tass and Novosti reported. This is the two Presidents' second meeting this year. Nazarbayev announced that the Action Plan "concerns nuclear power, energy, regional and humanitarian cooperation." The two Presidents met one-on-one, and then with their delegations. Nazarbayev told Putin that "oil and gas cooperation [with Russia] is strategically important, specifically in transporting Kazak oil to global markets, using Russian trunk pipelines and joint refineries. Kazakhstan is committed to transporting most of its oil, if not, all of it, across Russian territory."

Putin called for Kazak support for "an ambitious infrastructure project involving Kazakhstan-based assets," being built by Russian Aluminum, "the world's leading" aluminum producer. "We expect you ... to support us in implementing these projects," he said.

Cooperation overall will include the areas of space, military-technical cooperation, nuclear energy, cross-border trade, and large-scale integration projects. The two nations are building a space complex at Baikonur, called Baiterek, to launch Angara launch vehicles capable of putting 26 metric tons of payload into low-Earth orbits. Russia rents its current space center, Baikonur, from Kazakhstan. Itar-Tass reported that a Kremlin source said that the two nations would also enhance financial cooperation. "The initial steps were taken to implement the first projects of the Eurasian Development Bank, which was set up on the initiative of the Presidents of the two countries in 2006. The Russian Vneshekonombank is actively cooperating with its Kazak partners," the Kremlin source said.

## **Top U.S. and Russian Officials To Hold '2+2' Meetings**

May 5 (EIRNS)—U.S. Assistant Secretary of State Daniel Fried announced at the State Department on May 4 that the United States has agreed to a series of meetings between U.S. and Russian foreign and defense ministers, to discuss bilateral issues. U.S. plans for missile defense systems in Poland and the Czech Republic will be a central focus. "We have agreed to a Russian suggestion that the Secretaries of Defense and State meet with their Russian counterparts, and do so in a so-called 2+2 format," Fried told reporters, according to AFP.

The Russians made the suggestion last month during a visit by Secretary of Defense Robert Gates to Moscow. Russian officials have been increasingly vocal in their criticisms of U.S. policy in general and the missile defense plan, in particular, in recent weeks. Russian military chief Gen. Yury Baluyevsky charged May 3 that the missile defense plan was "the beginning of a new round of an uncontrollable arms race in Europe."

Fried, who accompanied Gates to Moscow, said the Russian concerns were based on "a misunderstanding of the limitations and capability" of the proposed sites, and on fears of how they could be expanded in the future. Fried said that an exact date for the first meeting has not been set yet, but that it will probably take place in September.

## **Russia, Asia Move Forward on Nuclear Cooperation**

May 2 (LPAC)—Russia's Itar-Tass news agency reported today, that nuclear power cooperation will be on the agenda of talks that Japan's Foreign Minister Taro Aso will have in Moscow, May 3. This involves the signing of an intergovernmental agreement under which Russia would supply nuclear fuel to Japan, enrich its uranium, and cooperate in the production of equipment for nuclear power plants.

Indonesia's Antara news agency reported today, that South Korean firms want to invest \$1.5 billion in the first Indonesian nuclear power project; feasibility studies for that are already being carried out by the Korea Hydro and Nuclear Power Company. According to Indonesian Energy and Mineral Resources Minister Purnomo Yugianto, the plant will have a capacity of 1,000 megawatts. Six other, non-nuclear energy projects in Indonesia, totaling another \$1.8 billion of investments, are under discussion.

In his May 1 in Washington, D.C. international webcast presentation (see *EIR*, May 11), Lyndon LaRouche commented on the significance of these developments: "Nuclear fission power is on the rise. It's unstoppable unless we go to a dark age.... If you look at the pattern of increase of contracts and intentions for nuclear fission power around the world, it's enormous." LaRouche also noted that the real future lies in thermonuclear fusion as a technology to solve many of the raw materials problems in the world.

## **Southwest Asia News Digest**

### **Cheney Tour Is Pushing Israeli Strikes Against Iran**

May 9 (EIRNS)—Arab sources continue to insist that the number-one item on Vice President Dick Cheney's agenda, as he continues his six-day, five-nation tour of the Arab world, is to prepare backing for an Israeli pre-emptive strike against Iran. On May 9, Cheney made an unannounced stop in Baghdad, to confer with Iraqi Prime Minister al-Maliki and receive a briefing from American military commanders.

While Iraq has been publicly identified by the Bush Administration as the top priority in Cheney's trip, Arab sources

pointed out that there is very little for the Vice President to say or do about the Iraq situation, which is rapidly degenerating into a full-scale ethnic-cleansing civil war. The sources emphasized that Saudi Arabia is pouring money and material support into the Sunni tribes in Iraq's western Anbar Province, to encourage them to wipe out the foreign al-Qaeda fighters, before the latter return home to spread instability throughout the Persian Gulf and North Africa—as happened at the close of the Afghanistan War in 1989. Arab sources emphasized today that the Saudis will not halt this activity, no matter what the Vice President says to King Abdullah. In effect, the Saudis are feeding the Sunni insurgency, through the overlap between the Sunni tribes in the western part of the country, and the major Sunni resistance organizations.

Since this is an intractable problem, which the Vice President cannot solve, the Arab sources insisted in interviews today with *EIR*, that Cheney's message in Saudi Arabia, the UAE, Egypt, and Jordan will be: Diplomacy with Iran has failed over the past year to halt Iran's nuclear program, and now it is time to escalate the pressure on the Tehran regime. According to one source, Cheney will also alert the Arab leaders that Israel is preparing contingency plans for strikes against Iranian nuclear sites, and that the United States is prepared to assist the Sunni Arab regimes in countering any retaliation in the event that the Israelis actually launch such attacks.

In an interview with Al Arabiya television, aired on May 9, U.S. Secretary of State Condoleezza Rice, referring to Iran, declared that, "The American President will not abandon the military option, and I believe that we do not want him to do so." While Rice also emphasized that the Bush Administration preferred a diplomatic solution, her words echoed enough of the Cheney sentiments that they will be read as a further indication that the Bush Administration is still looking to depose the regime in Tehran through military action.

### **Cheney Makes More Threats Against Iran**

May 11 (EIRNS)—At a time when Lyndon LaRouche has pointed out that Vice President Dick Cheney's influence is declining as the world sees President Bush acting more and more crazy, Cheney issued new threats against Iran on May 11, while standing on the deck of an aircraft carrier in the Persian Gulf.

"With two carrier strike groups in the Gulf, we're sending clear messages to friends and adversaries alike," Cheney said from the *USS Stennis*, according to a White House transcript. "We'll keep the sea lanes open.... And we'll stand with others to prevent Iran from gaining nuclear weapons and dominating this region."

On May 10, in an interview with Fox News, Cheney warned of nuclear terrorism in a manner reminiscent of his hyping the non-existent Iraq nuclear threat in the months preceding the invasion of Iraq. "The real threat we face today is the possibility of an al-Qaeda cell in the midst of one of our cities armed with a nuclear weapon," Cheney ranted, "and if they ever were to achieve that, and we know they're trying, but if they were ever to pull that off and detonate a nuclear weapon in one of our major cities, it would rival all the casualties we've suffered in all the wars in over 200 years of American history."

"And one of the lessons we learned on 9/11 was that we can't hide behind our oceans and ignore what's going on in the Middle East and be safe and secure; we have to be actively and aggressively involved there," Cheney continued to rave. "We've got to go after the terrorists. We've got to go after states that sponsor terror."

### **Arab Newspapers Blast Cheney; Some Call for Impeachment**

May 7 (EIRNS)—As Vice President Cheney embarked on his trip to four Gulf states, he was greeted by an unprecedented blast from leading daily newspapers in the region, which are denouncing him, and even calling for his impeachment.

The strongest attack appeared May 7 in the Saudi daily *Al-Hayat*, under the title, "I live for the hope of it [impeachment]," by the paper's editor-in-chief and former owner Jihad Al-Khazen. He calls Cheney the "war-party kingpin," and lists the lies he used to start the war against Iraq: "The US Administration did not err in its information about Iraq; it lied intentionally," writes Al-Khazen, citing former Presidential candidate George McGovern: "Cheney and Bush committed more serious impeachable offenses than Nixon, ... and I expect that Cheney and Bush will be forced to resign before 2008." Al-Khazen adds, "I don't expect that, but I demand it, hope for it, and live for it."

*Addustour*, the semi-official Jordanian daily, published a May 7 article entitled "Cheney: A Dangerous, Wounded Predator," by columnist George Haddad. Haddad lists Cheney's crimes, and emphasizes that "Cheney visited the region before the 2003 invasion of Iraq, and again before the Israeli invasion of Lebanon last summer, and the same Cheney is visiting the region now again. This is not so strange, because whenever the vultures hover around, there are blood and victims on the ground." Haddad also blasts Cheney's notion of a "sectarian Sunni alliance" against Iran.

*Al-Rai*, a Jordanian daily with close ties to the government, published an editorial on May 7 telling Cheney not to harbor any illusions about mobilizing "moderate" Arab states against Iran. "If Dick Cheney is betting in his coming tour in the region on creating an Israeli-Arab alliance against Iran and Syria, then he is definitely harboring great illusions!!" Tarik Masarweh wrote. "The moderate and non-moderate Arab states may not agree with Iran's ambition to create circles loyal to it in the Arab countries, especially in Iraq and the Gulf, but these countries will never accept the U.S. hegemonic schemes."

On May 10, *Al-Khaleej*, published in the Emirate of Sharjah, editorially ridiculed Cheney for attempting to solve a problem he created without admitting that it is a problem. "Cheney arrived in Baghdad on a surprise visit hoping to create a breakthrough, to release some of the pressure the U.S. Administration is facing in Washington. As for how he is going to do that, his methods seem to be at the least a blind and a desperate attempt to get out of the quagmire. He, as a fanatic on the war issue, wants to fly forward from the only solution, which is a scheduled withdrawal from Iraq, into more use of force, more pressure on the Iraqis, and more pressure on everyone close to Iraq or far from Iraq,' the editorial said.

*Al-Khaleej* points to the real intentions of Cheney: "Cheney wants to rationalize the occupation of Iraq through agreements with the Iraqi factions. He is intending to force laws on Iraq that would allow U.S. oil companies, for whom he is the leading representative, to take over Iraq's energy resources. He also wants the Iraqi economy to become subordinate to American companies, or companies of other countries who are working from beneath to prolong the occupation." This latter hint is an unmistakable reference to the British government. But, *Al-Khaleej* warns, "These moves violate the essence of national sovereignty, and no Iraqi faction will accept that. The UAE daily concludes: "After having bloodied the Iraqi nation and destroyed their country, this man has only one right choice to make, and that is to listen to the demands of all the people of the world: the time for a timetable for withdrawal has come."

## **Iran Offers Washington an 'Exit Strategy' from Iraq**

May 9 (EIRNS)—Iran's Deputy Foreign Minister Abbas Araghchi said, in an interview with the *Financial Times*, picked up by IRNA, that America and Iran had the "same interests" in stabilizing Iraq, and that direct talks which might develop a "face-saving withdrawal" would be possible if Washington demonstrated good will. Araghchi said that Iran sought a common approach to the future of Iraq, together with Iraq's other neighbors and "foreign forces," i.e., the occupying powers. "Their invasion was a disaster—let there not be a disastrous withdrawal," he said. "Yes, immediate withdrawal could lead to chaos, civil war. No one is asking for immediate withdrawal of foreign forces. But there should be a plan."

The U.S. presence, he said, was the problem. "Iraq is suffering a vicious cycle. There are foreign forces who have occupied Iraq and justify their presence under the pretext of the 'war on terror,' and there are terrorists who claim they are fighting occupiers." He said the results of the conference at Sharm el-Sheikh, Egypt were positive, pointing to the four principles seen as acceptable to Iraq's neighbors: support for the Baghdad government, greater authority for the government in

"politics, economics, and especially security"; support for the Iraqi army and police; and help for reconstruction.

Iran has often said there is no solution to the Iraq crisis without active Iranian involvement, but this is the most advanced public statement made of Tehran's offer to help. Iranian sources have told *EIR* what they believe the solution for Iraq requires: The U.S. should first decrease its military and political role. It should rebuild the Iraqi military, integrating some of the past officers, who were thrown out under the disastrous "de-Ba'athification" program. The U.S. could help train, equip, and provide information to the Iraqis, but should *not* be in a command or managerial position. The U.S. should let the neighboring countries help more.

Araghchi rejected U.S. charges that Iran was arming Iraqi insurgents. He said, "They should stop blaming others for problems they have themselves created. In fact, the number of weapons that have come into Iran from Iraq is high, as you can see by reading the crime pages of Iranian newspapers. Terrorist groups as well as criminals see Iraq as an opportunity." He referred to U.S. support for the terrorist Mujahedin-e-Khalq, MKO/MEK, the Iranian group under U.S. "protection" in Iraq, and Pejak, an Iranian Kurdish faction linked to the Kurdistan Workers Party (PKK), based in northern Iraq. He added that Iran saw U.S. and British links to terrorists in Iran's southeast province of Sistan-Baluchestan and in Khuzestan in the southwest. He also said Iran would never give up its nuclear program.

### **Fallon Moves To De-Escalate Confrontation in Gulf**

May 7 (EIRNS)—The *USS Eisenhower* Carrier Strike Group has left the Persian Gulf in advance of the arrival of the *USS Nimitz*, according to wire reports. The *Nimitz* will join the *USS Stennis*, which has been on patrol since February. This was a welcome relief to many who feared that there could potentially have been three carrier groups in the narrow Persian Gulf at one time, a situation clearly designed to provoke conflict with Iran. Sources have confirmed to *EIR* that the departure of the *Eisenhower* is part of a conscious effort by new CENTCOM commander Admiral William J. Fallon to de-escalate the confrontational stance of the U.S. in the Persian Gulf, something that Lyndon LaRouche said is "sure to draw a nasty reaction" from the circles of Vice President Dick Cheney.

### **Rice Cancels Israel-Palestinian Trip**

May 8 (EIRNS)—The State Department announced on May 7 that Secretary of State Condoleezza Rice is postponing a visit to Israel and the Palestinian territories which had been planned to take place on her way to Moscow, for a meeting set for May 14-15.

A source from the office of Prime Minister Ehud Olmert told Israel Radio that Rice's move was unprecedented. This source said that the cancellation will be seen in the region as reflecting Washington's belief that there is no way to advance the peace process at the moment, due to turmoil in Israel. The source claimed the crisis caused by the Winograd report on the Israel-Lebanon War as the reason.

### **Iraqi Parliament to Bush and Blair: Time To Go!**

May 10 (EIRNS)—More than half the members of the Iraq Parliament signed a draft petition on May 8 calling on the U.S. to set a timetable for withdrawal. The petition, which is non-binding, was sponsored by the Shi'ite nationalist Al Sadr movement. AP reported today that a spokesman for the movement says he has presented the petition to the Speaker of the Iraqi Parliament, and demanded that a binding measure be put to a vote. Iraqi law mandates such a response to a legislative petition, but a May 9 blog-article by AlterNet.org (re-posted by truthout.com) says there are significant loopholes in the law which make it unclear what will happen next.

# Asia News Digest

## China Approves Plan for National Space Development

May 11 (EIRNS)—The Chinese State Council yesterday approved in principle China's 11th Five Year Plan 2006-10 for national space development, Xinhua reported. Chinese Vice Premier Zeng Peiyan spoke at a conference on the next phase of China's space development, where he said that priority should be given to a manned space flight, lunar exploration, a new launch vehicle, and high-resolution Earth observation. He said China should promote industrialization of space technologies, particularly to develop satellites for telecommunication, navigation, and remote sensing. These space technologies would support and lead China's economy, he said, and called for non-governmental as well as public investment in the space sector.

## Japanese Shipbuilding Companies Reopen for Growing Demand

May 11 (EIRNS)—Three big Japanese shipbuilding companies are re-opening production plants because of the demand of the growing economies of China, Russia, India, and Brazil. "The volume of sea transport is increasing more and more as the economy becomes more global. It is also because of the growing economies of the BRICs"—Brazil, Russia, India and China—Yasumi Makimura, a spokesman for the Shipbuilders Association of Japan, was quoted today by Bloomberg.

The Ishikawajima-Harima Heavy Industries Co. will resume building cargo ships, for the first time since 1996, at its plant in Aichi prefecture, spokesman Keiichi Sakamoto told Bloomberg. When production restarts in October, it will be the first increase in Ishikawajima-Harima industries production in 30 years, and could result in a 20% increase in production capacity.

Kawasaki Shipbuilding is to invest over \$80 million to increase capacity in its plant in Sakide by March 2009, according to Kawasaki Heavy Industries spokesman Katsuhiko Sato. Mitsubishi Heavy Industries will invest a similar amount over two years in its plant in Nagasaki.

## Bangladesh Seeks India's Nuclear Help

May 7 (EIRNS)—The military-dominated Bangladesh Interim Government has requested India's help for setting up a 600 MW nuclear power plant in order to meet its growing energy demands. A senior scientist in the Atomic Energy Center run by the Bangladesh Atomic Energy Commission (BAEC) told Press Trust of India, "We have approached India for help to set up a nuclear power plant and talks are on at the government level." The Bangladesh government had earlier approached a European nation for supplying nuclear reactors, but later chose India as it was "closer to home," Hamid Khan said.

Bangladesh is facing a power shortfall of more than 1,500 MW and the BAEC hopes to generate at least 1,500 MW with nuclear plants that it plans to build, Khan said.

Bangladesh had installed a 3 MW research reactor at the Atomic Energy Research Establishment in Savar in 1986 for research and development activities, and production of short-lived radioisotopes used in treating diseases like cancer.

## In Badakshan: Bartering Opium for Food, Other Essentials

May 7 (EIRNS)—The northeastern Afghan province of Badakshan, which borders Pakistan, was considered an extremely poor but opium-free region, until now. Still extremely poor, the people of Badakshan now have opium to exchange for

food.

Badakshan appeared on the opium map in 2004, two years after the U.S. invasion of Afghanistan and the installation of a pro-U.S. government in Kabul. Last year, Badakshan had the dubious distinction of showing a 77% growth in opium production.

A report from a Badakshan village, Shahr-e-Khash, covered in the San Francisco *Chronicle*, said the people of this impoverished corner of the province rarely have money to buy even the simplest items from their local market. Instead, they use a different currency—opium. Shopkeepers keep customers' records in ledgers, and debts are paid off after the poppy harvest. The merchants then sell the opium to buyers from outside the area and use the cash to replenish their stock.

### **Will NATO Bombings Cause Pakistani Coup?**

May 9 (EIRNS)—Pakistani media reported May 7 that some of the country's generals have called for imposing a state of emergency. The military is growing increasingly uneasy over street demonstrations against President Pervez Musharraf due to the blowback effect of the killing of innocents in Afghanistan by foreign NATO troops. They are concerned that Musharraf, who has little authority at this point to stand up to the Bush-Cheney cabal, will allow the country to drift further into chaos and to a state of ungovernability.

Despite repeated appeals by Afghan President Hamid Karzai to the U.S.- and NATO-led forces not to kill innocent Afghan civilians under the pretext of blunting the Spring offensive of the Taliban, NATO air raids in the Sangin Valley of Helmand Province killed at least 21 civilians on May 9, according to the provincial governor, bringing the total of innocents dead from bombings to 90, according to some counts.

### **Japan To Break Ranks, Resume Funding to Palestinians**

May 10 (EIRNS)—Japan is ready to break ranks with Western nations and resume funding the Palestinian Authority (PA), despite a mandate by the Quartet (the U.S., Russia, the United Nations, and European Union) to freeze payments to the Hamas-led PA government, *Yomiuri Shimbun* reported on May 10.

Japanese Foreign Ministry officials are scheduled to visit the area in June. Following the visit, it is expected that Tokyo will announce resumption of funding. However, the plan to resume funding was taken following Prime Minister Shinzo Abe's recent Middle East tour—the second trip to the region by a Japanese Prime Minister in less than 16 months. By visiting five Arab countries in a single trip, Abe put in place a wide range of Japanese economic, political, and strategic objectives for the region. Topping his agenda was securing energy supplies for Japan.

Japan stopped funding to the PA following the Hamas electoral victory in the 2006 elections. At the time, the Japanese Foreign Ministry had said Tokyo would resume funding once it became clear that Hamas was committed to the Mideast peace process.

### **India Plans Big National Investment in New Railroads**

May 9 (EIRNS)—The state-owned Indian Railways is planning to spend some \$56 billion up to 2012, to build more track and modernize the entire system, chairman J.P. Batra said at a Tokyo conference organized by the Congress of Indian Industry May 8. Of this, \$15 billion would be raised through the public-private partnership (PPP) model, and from commercial banks.



Batra said in an interview with Bloomberg from Kyoto May 6: "We realize that [India's] high growth would be difficult to sustain without adequate capacity augmentation. A number of major Japanese and European banks are keen to lend money to us." He said that the Indian and Japanese finance ministries are holding discussions to arrange \$4 billion in loans to build a new dedicated freight rail corridor. Indian Prime Minister Manmohan Singh is planning to invest \$320 billion by 2012 on transport infrastructure. "India is building two dedicated freight tracks: one Mumbai-New Delhi and the other Ludhiana-Kolkatta. To build the first 2,700 km of track will cost about \$6.5 billion. However, the "major focus in the next five years will be on rolling stock such as the locomotives and passenger cars," Batra said.

## **Bill Clinton, in Thailand, Backs Generic Drugs**

May 9 (EIRNS)—Former U.S. President Bill Clinton yesterday firmly supported the recent breaking of pharmaceutical patents on AIDS drugs by Thailand and Brazil.

Standing next to Thailand's Public Health Minister Mongkol Na Songkhla, who was visiting New York, Clinton said, "No company will live or die because of high-price premiums for AIDS drugs in middle-income countries—but patients may."

Dr. Mongkol said he believed the support from the former U.S. President was credible enough to clear doubts over the country's motives in challenging the patents of drug firms, the *Bangkok Post* reported.

The Trade Office has downgraded Thailand to the Priority Watch List, which can bring sanctions, in retaliation for its breaking the drug patents, although the action is legal under international law when lives are at stake. Dr. Mongkol said Thailand would also hold out against pressure to submit to U.S. demands on other issues in exchange for reversing the downgrade, including permission to patent not only drugs but also diagnostic, therapeutic, and surgical procedures for the treatment of humans or animals, which would inevitably force Thais to shoulder high medical treatment costs.

## **Africa News Digest**

### **Amnesty International Accuses China, Russia of Arming Sudan**

May 8 (EIRNS)—The Britain-based human-rights watchdog Amnesty International (AI) has accused China and Russia of violating a United Nations arms embargo by continuing to supply weapons to the Sudanese government, allegedly for use in Darfur. In a report published today, Amnesty, a non-governmental organization, long suspected of being a cat's paw of the British intelligence's MI6 division, said that Kuwait, Saudi Arabia, and Belarus have also been supplying weapons to Sudan. Amnesty's claim comes just over a week after a widely leaked UN report charged that the Sudanese government had painted its military planes in UN colors to disguise the transport of weapons to Darfur.

The human rights group says Russia and China are aware of the eventual uses of arms exported to Sudan. The group said its report is based on eyewitness testimony and "confidential sources." The report alleges that China sold \$24 million, and Russia \$21 million, in military supplies to Sudan in 2005.

The foreign ministries of China and Russia today denied the AI claims. China's Foreign Ministry spokesman Jiang Yu said the accusations were ungrounded, and the country maintained "a responsible approach" to arms sales, dealing with sovereign states, rather than individuals or organizations. She said China did not sell to any regions under UN embargo. China said its exports to Sudan were legal, and on a small scale. A Russian Foreign Ministry statement issued today said that "No Russian arms are shipped to Darfur," and that Moscow "unswervingly" observes the UN restrictions.

Sudan has rejected Amnesty's accusations. Its UN Ambassador, Mahmoud Abdel-Haleem, today dismissed Amnesty's

photographic evidence of the use of military aircraft in Darfur. "Our reaction to Amnesty International's allegations ... is total rejection as it is baseless and unfounded," he was quoted as saying in an ABC report today.

"These photos may be of a plane in the Central African Republic or maybe for one in south Sudan, but it is not in Darfur at all," he said. Haleem also told BBC today: "We are moving these military assets to their respective places. We are not using these aircraft for any military function in Darfur."

## **Angola Makes First Moves Towards Nuclear Power**

May 7 (EIRNS)—Angola's Minister of Science and Technology, João Baptista Ngandajina, said recently that his country "has limitations in the production of electricity, so why not start thinking of projects that in future could produce power from nuclear sources?" according to an online report by macaue.com today. "What we plan to do here is the scientific development linked to nuclear energy. Staff training, development of projects that help the economic and social development of the country," he said.

Angola is finalizing a Nuclear Energy Law to facilitate research projects and staff training, according to the report, which also states that the new law is part of a plan to build nuclear power plants in Angola, supported by the People's Republic of China.

Ngandajina reported that radioactive deposits, including uranium, have already been found in the country. He added that the focus on nuclear technology in Angola will initially be on research and development, as well as on encouraging civil projects, via Agostinho Neto University. "A laboratory has been set up to teach nuclear physics.... All of this aims to provide the country with the capacity to achieve its aims," said the Angolan minister.

Ngandajina also noted the opportunity presented by this technology to train doctors at the National Oncology Center, and for projects in controlling animal diseases and combating malaria and other illnesses.

There are only two nuclear power plants on the continent, near Cape Town, South Africa. Initial steps in 1964 by then-President Kwame Nkrumah of Ghana to build a nuclear plant were aborted when he was overthrown in a coup d'etat in 1966.

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