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Forecasts:

Statisticians Who Failed Today

by Lyndon H. LaRouche, Jr.

February 25, 2011—*In the statistical forecasting of trends, all predictions of trends, excepting those written post-facto, have failed. Therefore, watch carefully the choice of the date identified in the heading of a report, before you attempt to interpret somebody's forecast. Note, that none of my general forecasts were ever dated less than six months before the forecast development was first likely to occur.*

Also note: that the definition of a competent economist is that of one who not merely rejects, but who actually understands, and thoroughly abhors the inherent incompetence of the use of statistical predicting of economic trends. The secret of competent forecasting lies in reading the failures made in forecasts, as much as the customary failures of the minds of those in positions of responsibility to influence, who are either shaping, or failing to shape today's current policies competently, but within and among nations.

Every would-be forecaster of late, who has attempted to explain a severe social-economic crisis in any nation, but who also attempted to explain the crisis as the special product of the political-economic situation in terms specific to that nation itself, is worse than a failure, not only as a forecaster, but as a human being. There is, presently, in fact, an accelerating and spreading of waves of crises with the characteristic quality of a threatened, or even actually in-progress, breakdown-crisis of a nation, a wave presently sweeping throughout the trans-Atlantic world...

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This Week's Cover

- **Forecasts:**

- **Statisticians Who Failed Today**

'There is, presently, in fact, an accelerating and spreading of waves of crises with the characteristic quality of a threatened, or even actually inprogress, breakdown-crisis of a nation,' Lyndon LaRouche writes, 'a wave presently sweeping throughout the trans-Atlantic world, and, also, threatening to explode, or perhaps even in process of exploding among nations of the Asian regions.' We are virtually 'inches away,' he cautions, from a destructive force which even the great nations of Asia could not withstand.

- **The Doom of Quadaffy-Duck**

'Quaddafy Duck, is going down,' writes LaRouche, but, do not overlook the many other cases of those in U.S. Republican Party ranks, who, like Wisconsin's Governor Walker, are now in the process of becoming about as unpopular with their states' citizens, and are about as secure in their own futures, as was Louis XVI, after the storming of the Bastille.

International

- **There Is a Limit to a Tyrant's Power!**

by Helga Zepp-LaRouche

Ordinary citizens, in nations throughout the world, share the knowledge that they have no future within the Ancien Régime, from North Africa to the U.S.A. Messages of solidarity are being sent from Wisconsin to Egypt and from Ireland to Tunisia. No one has expressed the prevailing spirit better than Germany's great poet of freedom, Friedrich Schiller, whose famous Rutli Oath was itself inspired by the U.S. Declaration of Independence.

- **Schiller Institute Role:**

Majority of Danish Parliament Backs Angelides-Type Financial Crisis Probe

There is now a majority in the Danish Parliament that supports the convening of an independent financial inquiry commission, modelled on the U.S. Angelides Commission.

- **Irish Elections:**

Traitors to the Nation Are Swept Out of Power

- **LaRouche Basement Team's Martinson Addresses Ukraine's 'Student Republic'**

Economics

- **'World Food Crisis' a Direct Product of the British Empire**

Combined with hyperspeculation in food and related commodities, there is a related feature of the food crisis to be eliminated: the now-extreme globalization of the food chain. This has come about under the control of a few commodities cartels, operating above and against national governments, and the interests of their populations.

- **The Specter of Egypt Haunts Mexico Food Crisis**

Over the last 30 years, ever since José López Portillo left the Presidency of Mexico in 1982, all protection of the country's food production capabilities has been systematically dismantled.

- **Food Price Hikes:**

Huge Protests Flood Many Indian Cities

The demonstrations and protests were organized to send a message to Prime Minister Manmohan Singh, that if the common man's interests are not protected, the trade unions will join the vast majority of India's poor, to bring the government to its knees.

- **IMF, Brits Conspire To Starve Indonesia**

National

- **Will Americans Heed LaRouche To Win This Mass Strike?**

The slate of six LaRouche Democrats running for Congress has put out a clarion call around the theme, 'The Global Mass Strike Demands Glass-Steagall.' Yet, as long as Obama remains in the White House, even as a figurehead, he has the capability of blocking the implementation of Glass-Steagall.

- **The Nazi Precedent:**

The Attack on Collective Bargaining

Picket signs are popping up in Madison, Wisc., and elsewhere, in demonstrations supporting the fight against Gov. Scott Walker's attempt to eliminate collective bargaining, attacking it as a replay of Hitler's destruction of the German union movement in 1933.

- **Who Is Pulling Walker's Strings?**

Feature

- [Dialogue with LaRouche:](#)
[The Science Behind Glass-Steagall](#)

On Feb. 10, as extraordinary events were unfolding in Egypt, Lyndon LaRouche addressed a private gathering of approximately 75 individuals, gathered in New York City. The gathering included international representatives from Russia, China, India, Egypt, and Ireland. They were joined by a large group of leading American economists from California, New York, New Jersey, Massachusetts, and Connecticut, most of whom comprise what has been referred to as the greater Stanford Group. LaRouche was joined by Sky Shields, leader of the 'Basement Team' of scientific researchers.

Editorial

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U.S. Economic/Financial News

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Walker Wants To Take Away Clean Water and Power

Feb. 23 (EIRNS)—The longer the protests jam up the works in Wisconsin, the more comes out about the real agenda of Gov. Scott Walker and his minions in the Republican-controlled legislature. Not part of Walker's budget repair bill, but equally damaging, is legislation introduced in both houses of the legislature that would repeal a Department of Natural

Resources rule that requires municipal governments to disinfect their drinking water supplies. The rule, which went into effect last Dec. 1, only affects 12% of the state's municipal water supplies, as the other 88% already employ the required measures. The two Republican sponsors say that disinfecting drinking water is too expensive. In response, Democrats have labeled the bill the "Poison Our Drinking Water Act."

Mark Borchardt, a groundwater disease specialist and a staff member of the state's Environmental Protection Agency Advisory Board, told the *Capital Times*, "You might as well legislate that the sun rises in the west." Borchardt did a study that demonstrated that 13% of acute gastrointestinal illnesses in Wisconsin municipalities, that don't disinfect their water supplies, is tied to dirty drinking water. "I think the data is overwhelming," he said. "Why this law is being proposed without even looking at the scientific work, I don't understand." Perhaps the GOP thinks that water-borne illnesses are cheaper than science?

Meanwhile, another piece of Walker's plan, which is part of the budget bill, is garnering more attention. The bill allows Walker to sell off or lease state-owned power plants without the approval of the Public Service Commission and without competitive bidding. While the existence of the provision is not news, people in the state are now connecting the provision to the support of Walker by the billionaire Koch brothers, who were Walker's second-largest campaign contributors, at \$43,000, and helped fund a multi-million-dollar attack-ad campaign against Walker's opponent, Milwaukee Mayor Tom Barrett. Though there is some debate as to exactly what the Kochs, whose company supplies coal to Wisconsin power plants, expect to gain from that provision of the bill, it's clear that the bill, overall, fits their union-busting agenda. (See InDepth for more on Walker and the Koch brothers.)

Fed's Hoenig Demands, 'Break Up the Big Banks'

Feb. 23 (EIRNS)—Kansas City Federal Reserve president Thomas Hoenig called for a "Glass-Steagall-type" of break-up of large financial institutions, in a speech in Washington, D.C. today, and said they "pose a threat to our capitalistic system. I am convinced that the existence of too-big-to-fail financial institutions poses the greatest risk to the U.S. economy. They must be broken up. We must not allow organizations operating under the safety net to pursue high-risk activities."

Hoenig called for "restoring Glass-Steagall-type regulation." He also said, "Protected institutions must be limited in their risk activities, because there is no end to their appetite for risk and no perceived end to the public purse that protects them."

On the present financial condition, Hoenig said, "In my view, it is even worse than before the crisis. As well-intentioned as the Dodd-Frank Act may be, it will not improve outcomes."

In the question period at the meeting of Women in Housing and Finance, Hoenig also said the Fed money-printing policy was creating bubbles, and pointed to an "international agricultural land bubble" as one of them.

Bernanke Accused of Triggering Global Protests with Hyperinflation

Feb. 23 (EIRNS)—A *Wall Street Journal* op-ed today by its former deputy editor George Melloan attacks Federal Reserve chairman Ben Bernanke for money-printing and igniting global inflation.

"When the Fed sneezes money, the weak economies of the world, and the poor masses vulnerable to price rises in the necessities of life, catch pneumonia," Melloan wrote. Bernanke's denials at the National Press Club recently, when accused of hyperinflating food prices and triggering the uprisings in North Africa, were false: Other countries don't have "internal inflation controls" with which they can stop dollar-printing inflation, and "the only one failing to acknowledge it is Bernanke himself."

Melloan points out that, at the G-20 meeting last week, a number of central bankers said the Federal Reserve is exporting rapid inflation. He says the severe U.S. inflation of the late 1970s, driven by the Fed, triggered the Iranian Ayatollahs' 1979 revolution. Now, "Fed's policies are stoking a rise in prices that is contributing to political unrest."

Global Economic News

Will the EU Seize the Parthenon to Pay Off the Greek Debt?

Financial Times Fears 'Burning the Bondholders'

Bailouts Are Biggest Drivers of State Debt in Germany

Will the EU Seize the Parthenon to Pay Off the Greek Debt?

Feb. 21 (EIRNS)—Greece is in an uproar over the demand by the notorious "troika," the European Central Bank, the European Commission, and the International Monetary Fund, that it must sell EU50 billion worth of state assets to pay off its foreign debt. This is an increase from the EU15 billion in the original "memorandum." While Prime Minister George Papandreou and his government have issued statements denying the sale of state assets to pay off the debt, no one believes them.

Economics Prof. Epaminondas Marias at the University of Crete, wrote in the Feb. 21 *Athens News*, that it doesn't matter what Papandreou might be saying, the document he agreed to for the bailout spells it out clearly.

The relevant EU Council decision, published in the *Official Journal of the European Union* on Jan. 29, explicitly states that "a better management of public assets, with the aim of raising at least EU7 billion during the period 2011-2013, of which at least EU1 billion in 2011 and proceeds from the sale of [real-estate and financial] assets shall be used to redeem debt." This was reconfirmed by Eurogroup President Jean-Claude Juncker, on Feb. 14 in Brussels.

Going one step further, Marias points out that, according to the loan agreement signed by the Greek government for its EU110 billion "bailout," everything is up for sale or seizure in Greece, including public sector companies, publicly owned real-estate, and even the archaeological sites. The loan agreement reads: "Neither the Borrower nor any of its property are immune on the grounds of sovereignty or otherwise from jurisdiction, attachment—whether before or after judgment—or execution in respect of any action or proceeding relating to the Agreement."

Marias comments, "From the very moment Greece took recourse to the IMF, and the so-called bailout mechanism was created on 25 March 2010, this column has argued that the main objective of the memorandum was not to rescue the country but, rather, its lenders. In the meantime, it has shown that the memorandum program would not only fail to take the country out of the debt crisis but that the troika, rather, had consciously formulated and imposed a memorandum aimed at the further indebtedness of the country and the looting of its wealth-generating sources and other public movable and immovable property, even its public utilities."

The *Official Journal of the European Union*, which published decision by the Council of the European Union for "reinforcing and deepening fiscal surveillance," states, down to the micro-level, the brutal measures the Greek government must take. This includes a detailed "reform" of the health system, complete with mandating where the cuts will take place and the increase in fees. It even details sourcing and pricing of medications. Not only does it call for cutting wages of public-sector workers and pensioners, but demands the rewriting of labor laws.

Financial Times Fears 'Burning the Bondholders'

Feb. 22 (EIRNS)—The fear that the rallying cry of "burn the bondholders" is spreading, has taken hold in the City of London. The *Financial Times*, the City's daily mouthpiece, raises this fear twice in today's edition.

First, the paper's insider Lex Column has a comment on Icelandic President Grimsson's decision to again defer to a national referendum the legislation arranging to pay off the British and Dutch governments, which had covered their nationals' losses from the collapse of two Icelandic banks. The Icelandic parliament approved new legislation earlier this month to effectively reimburse foreign investors for their speculative losses. In the first referendum, held after Grimsson refused to sign the first legislative effort at making the pay-off, 90% of the voters cast ballots against the deal. The *Financial Times* remarked, "the first rejection had no dire effects. Indeed, credit default swaps on Iceland's sovereign debt are almost 300 basis points narrower than a year ago. The world should take notice. When the Icelandic people refused to pay for their bankers' mistakes, the sky did not fall. If they do it again, others might get some ideas."

In the same issue, the *FT* has an article entitled "Ireland Weighs Risks of 'Burning the Bondholders.'" It writes: "'Burn the bondholders' has become one of the rallying cries of Ireland's election campaign, reflecting widespread public anger that the investors who put in the funds that allowed the banks to lend imprudently have not yet shared the bail-out pain."

Bailouts Are Biggest Drivers of State Debt in Germany

Feb. 22 (EIRNS)—An article in the Feb. 21 German news agency *Tagesschau*, on the growth of German public debt, noted that, in 2010, the public debt in Germany was higher than ever before, almost EU2 trillion, and that every German has a burden of EU24,450 euros on his or her shoulders. Just from 2009 to 2010, the public debt grew by EU304.4 billion or 18%, the highest rate of increase, since statistics were first kept in 1950.

The major reason for this, says *Tagesschau*, is the state's bailout of the "bad banks," entities created by the troubled banks to "work off" the toxic assets. The HRE (Hypo RealEstate) and WestLB alone got more than EU232 billion, but the public debt of Germany's 16 states grew by 13% to over EU595 billion. The report also said that the debt of towns and cities grew by nearly 5%, to over EU119 billion.

United States News Digest

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Gates Uses MacArthur To Warn Against Land Wars in Asia

Feb. 26 (EIRNS)—In a speech at West Point on Feb. 25, outgoing Defense Secretary Robert Gates forcefully reiterated Gen. Douglas MacArthur's famous, repeated warning to President John Kennedy against the Vietnam War madness. Gates

said, "in my opinion, any future defense secretary who advises the President to again send a big American land army into Asia or into the Middle East or Africa should 'have his head examined,' as General MacArthur so delicately put it."

Other elements of Gates' speech subtly drove this warning home, by artfully reminding his national and worldwide audience of MacArthur's immortal, Platonic farewell to West Point of May 12, 1962. Like the MacArthur who had said then, "today marks my final roll-call with you," Gates began, "I did want to take this last opportunity to share some thoughts with you." In his closing, Gates repeated both the refrain and the crescendo of MacArthur's inspired remarks, when he told the cadets, "You took on the mantle of duty, honor, and country—you passed down the Long Gray Line of men and women who have walked these halls and strode these grounds before you."

Lyndon LaRouche has been stressing this warning of MacArthur's repeatedly and forcefully over recent years; indeed, it was the focus of an entire paper of his entitled, "The Folly of Chronic Wars," dated July 22, 2010. Kennedy had had the morality and intelligence to heed MacArthur's warning, and it was just for that reason that the forces of the British Empire ordered him assassinated, so that that war could proceed, and proceed to destroy the United States over an entire decade of senseless and purposeless war. Vietnam was then by far the longest war in our national history—that is, before Obama's insane Afghanistan War. The U.S. truly never returned from the Vietnam War.

Insane Obama: The Worst Republican President Ever

Feb. 26 (EIRNS)—The theme of President Obama's Saturday radio address, this morning, was on the measures he is pushing so that America "can out-educate, out-innovate, and out-build the rest of the world." He went so far as to invoke a company in Wisconsin that makes energy-efficient light bulbs as an example of what he means, *without ever referring to the mass strike that has spread across the country from that state!* As Obama made clear in his remarks, his policy is still to demand "sacrifice" and "fiscal responsibility," just as right-wing Republicans such as Wisconsin Gov. Scott Walker are demanding. "If we're serious about tackling our long-run fiscal challenges, we also need to cut excessive spending wherever we find it—in defense spending, spending in Medicare and Medicaid, and spending through tax breaks and loopholes," he said.

And Republican leaders in Washington proved the point, again, yesterday. Senate Minority Leader Mitch McConnell (Ky.) and House Speaker John Boehner (Ohio) announced a plan to avoid a government shutdown, otherwise looming on March 4, by proposing a two-week continuing resolution that "only" cuts \$4 billion from current spending levels. The proposal had Democrats rushing to take credit for it. Why? The cuts Boehner crafted come straight out of Obama's budget. "The plan Republicans are floating today sounds like a modified version of what Democrats were talking about," a spokesman for Senate Majority Leader Harry Reid (D-Nev.) told *Politico*, on Obama's orders. "We're glad they think it's a good idea." There is one catch to Boehner's plan, which Democrats don't seem too upset about, which is, that the Republicans will demand an additional \$2 billion in cuts for each week that negotiations continue past the March 18 deadline. This is supposed to keep the large group of freshman Republicans from bolting and shutting down the government anyway.

Enraged Mayors Threaten To March on Washington

Feb. 25 (EIRNS)—A bipartisan group of mayors, furious at the budget cuts passed by the House last weekend, held a press conference yesterday in Washington, in which they denounced the cuts as "un-American," "outrageous," and "unacceptable." The mayors are especially incensed about the cuts to the Community Development Block Grant program, which are contained in the House budget passed last week, but also in President Obama's budget proposal.

"I can only think of one word to describe what the House has done with HR1: 'outrageous,' " declared Mayor Michael Nutter of Philadelphia. "Outrageous and unacceptable. HR1 is un-American. It attacks senior citizens. It attacks children. It attacks working people. It stops jobs and economic development in cities all across the United States of America. I have no

idea what is going on in the minds of some who have now gotten elected on rhetoric and are trying to govern with that same rhetoric. You cannot run a country while attacking its own people."

"The U.S. Conference of Mayors will not stand for this kind of activity," Nutter emphasized. "We will not stand for this kind of attack on our own citizens, as HR1 does."

Mayor Mick Cornett of Oklahoma City, the President of the Republican Mayors Association, called the GOP budget cuts "hypocritical," saying, "It is hypocritical to say you value the economy and cities and jobs and then go make drastic cuts to great programs like Community Development Block Grants, which we know have great discretionary opportunities to go exactly where they're needed in our communities. We understand tough choices. There isn't a single mayor up here that isn't making tough choices right now. We're out there weighing the value of police officers and firefighters and libraries. But it's also about priorities. And the priorities in Washington need to be about cities and jobs and the economy. And if these proposals go through, those are not the priorities."

The mayors could lead a march on the Capitol in mid-March, if they don't get what they are seeking, said Conference President Elisabeth Kautz, of Burnsville, Minn. "We are going to have a major march and meeting in [the] halls of Congress," added Bill Gluba, of Davenport, Iowa, who stated that the Mayors' Conference has decided to take the lead in organizing local and civic organizations to come to Washington to protest the cuts.

Three Die from Budget Cuts in Fire Protection

Feb. 23 (EIRNS)—The refusal on the part of President Barack Obama to reinstate Glass-Steagall, thus forcing cities to carry out budget cuts in necessary fire protection, resulted, absolutely predictably, in unnecessary deaths in the last two weeks in Philadelphia and New York City.

On Feb. 22, two children were killed in a fire in Philadelphia's Olney section. An official from the firefighters union has now questioned if Philadelphia's cost-cutting brownouts of fire companies played a role. A 7-year-old and a 9-year-old were pulled from a home once firefighters were able to knock down the flames. Engine 61, which would have been first on the scene, was closed for the day, as part of the city's cost-cutting measures.

Mike Kane, with Philadelphia Firefighters Union Local 22, says Engine 61 could have been on the scene in half the time. "Whether that Engine 61, being browned out, if that company was in service, they would have made a difference? Nobody can answer that, because we don't have a crystal ball. What we can say, is, maybe if they were there, they would have had a shot. Maybe them kids would have had a shot," Kane said. In addition to the two children who died, four other children were injured, along with four adults.

Ten days earlier, on Feb. 12, a fire in an apartment building in the Flatbush section of Brooklyn, N.Y., resulted in another death. Uniformed Firefighters Association President Steve Cassidy told WINS radio that the plight of hundreds left homeless after the Flatbush fire, along with injured firefighters and the death of 64-year-old Mary Feagin, was directly attributable to staffing cuts at the FDNY by Mayor Michael Bloomberg.

About 200 firefighters were called to the scene, and it took them seven hours to extinguish the fire. Under a now-expired agreement, 60 engine companies in the busiest city areas formerly had five-person crews; currently, all engine companies in the city are staffed with four-person crews. City officials, including Mayor Bloomberg, had argued that the cuts were necessary to prevent the closing of firehouses. In late January, Cassidy had argued that the staff reductions would result in more injuries of firefighters, more injuries and/or deaths of civilians.

Cassidy stated that, "because the first unit to arrive on the scene Saturday had one less firefighter, it took five minutes longer to get water on the fire." Cassidy pointed out that on Feb. 1, Bloomberg was able to push through cutting the number of firefighters on several trucks from five to four. That cut included the first two responding engines Saturday night. "If the cuts had not been made, this fire would have been contained to one apartment," Cassidy stated. "Sixteen [firefighters] were burned. A civilian is dead, and 100 families are homeless all because of Mayor Bloomberg's cuts."

Ibero-American News Digest

Argentina Defies Budget Cutters, Defends General Welfare

Mexico LYM Weekly Radio Show Taps into National Ferment

Colombia-China 'Dry Canal' Talks

Argentina Defies Budget Cutters, Defends General Welfare

Feb. 28 (EIRNS)—Over the past month, Argentine President Cristina Fernández de Kirchner has bucked the insane budget-cutters and austerity-mongers that dominate most governments of the trans-Atlantic region, and taken firm steps to defend her countrymen's welfare. This has provoked howls from City of London bankers and their Wall Street allies, who complain that Argentina isn't "playing by the rules."

The financial sharks are upset that on Feb. 2, the President announced a 17.3% increase in the minimum government pension, bringing it to 1,272 pesos or \$318. In 2003, when the late Néstor Kirchner first took office as President, the minimum pension amounted to 150 pesos, covering 3 million people. The latest increase will benefit 5.4 million retirees. From 2002 to date, pensions have increased by 718.5%.

President Fernández reported that the pension hike was made possible by a record 40.5% increase in tax revenue between January of 2010 and January of 2011. The Argentine economy grew by 9.1% in 2010.

Financiers are also wailing about the government's Feb. 15 announcement that it will protect domestic industry by restricting the import of an additional 200 products, bringing to 600 the number of goods subject to Non-Automatic Licenses (LNA).

Goldman Sachs economist Alberto Ramos immediately griped that "the pursuit of protectionist and other mercantilist policies are likely to hurt the overall efficiency of the economy and could lead to retaliatory trade measures." Industry Minister Debora Giorgi replied that Argentina has the right to defend its domestic market from unfair competition. In a Feb. 27 press release, she noted that critics of import restrictions "prefer to import and sell without creating domestic jobs, while with the Non-Automatic Licences (LNA), the government is defending more than 1 million jobs" created since 2003.

In a Feb. 24 speech launching the Strategic Argentine Industrial Plan, President Fernández de Kirchner charged that "there are still those who attack the government when it defends national industry and jobs, as if it were resorting to almost illegal practices." Understand this, she said. "The free market, as it is prescribed to us from [foreign] power centers, doesn't exist. We have to put an end to the myth of the free market."

Mexico LYM Weekly Radio Show Taps into National Ferment

Feb. 24 (EIRNS)—On Feb. 22, the Mexican LaRouche Youth Movement's (LYM) weekly Internet radio show on www.deliberadamenterradio.com, only their fourth program to date, had a huge jump in online listeners, indicating that it is beginning to become an institution for those seeking to learn more about LaRouche's ideas. Week 1 had 8 listeners; Week 2—170; Week 3—130, and Week 4—1,300, a ten-fold jump, almost all of whom stayed for the entire hour-long program.

Lyndon LaRouche commented: "This is a global syndrome. Wherever we tap into it, we find it. It's like Moses: you strike with the rod, and you get the water."

The Feb. 22 show included a 30-minute interview with *EIR's* Ibero-America editor Dennis Small, on the global mass strike against the British Empire, and on LaRouche's forecasts and the findings of the Angelides Commission.

Colombia-China 'Dry Canal' Talks

Feb. 28 (EIRNS)—Building a "dry canal" joining Colombia's Caribbean and Pacific coasts by rail has been discussed since the days of the great President Rafael Nuñez, who ordered studies for building the first cross-isthmus rail canal in 1882, when Panama was still part of Colombia. Under any serious global development program, construction of a Colombian inter-oceanic crossing, whether by rail or by river, such as the Atrato-Truandó project favored by President Belisario Betancur (1982-86), or both, is a historic necessity, the LaRouche movement's most recent discussion of this conception being available in the LaRouchePAC video titled "Taming the Darien Gap."

China and Colombia are discussing cooperation on the construction of such an inter-oceanic project, a 220-km rail line which would connect a new city under discussion for near Cartagena, on the Caribbean coast, with Colombia's Pacific coast. The project was revealed by President Juan Manuel Santos in a Feb. 14 interview with London's *Financial Times*, as one of several joint projects being discussed, including a longer (791 km) cross-Colombia railway and expansion of the Pacific port of Buenaventura.

China is Colombia's second-largest trading partner, and Santos acknowledged that "Asia is the new motor of the world economy." China's Ambassador to Colombia, Gao Zhengyue, told the *Financial Times* that China views Colombia, with its important strategic position, "as a port to the rest of Latin America."

The projects proposed so far, however, are flawed, as they are geared to increased raw material exports from Colombia, and using Colombia as an assembly depot for low-tech Chinese products to be exported to the rest of the Americas. That globalized trade model is disintegrating, under the general, global financial and economic breakdown crisis. Reorient the discussions of a dry canal, as a subsumed part of the fight to create a new global economic system, typified by cooperation on the construction of the worldwide rail network, and a whole new perspective comes into play.

Western European News Digest

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[Papandreou Guarantees Debt Payments as 100,000 Protest in Athens](#)

German Blackout of Wisconsin Mass Strike Broken

Cameron To Take Down 'Big Government'

Hamburg Election Shrinks Merkel Government

British Tell Ireland: Voters Have No Say

Gordon Brown Attacks Tony Blair

City Councilman in Italy Calls for Glass-Steagall

Feb. 25 (EIRNS)—Nicola Oliva, a City Councilman in the Tuscan city of Prato, has introduced a resolution in the Council entitled "Credit for Africa," which calls on the city to pressure the Italian government and the European Union to "limit speculation on financial markets and make credit available to finance development," in particular establishing "a credit system based on the principles of the 'Glass-Steagall' standard." It also calls for a "Marshall Plan for the integrated development of energy, water and transport infrastructure."

Economists: Greece Were Better Off Without Euro

Feb. 22 (EIRNS)—The European Economic Advisory Group, a private international group of economists, warns that Greece will not be able to continue its present policy course, as previously arranged with the EU. In a memorandum, the group writes that by 2014, Greece's ratio of debt to GDP will be at 160%, and the country will not be able to recover at all under such conditions. Therefore, either Greece goes for the most brutal austerity policies to pay off the debt, or it returns to the previous national currency, the drachma, and restructures its debt with a 30% write-off, bringing the debt/GDP ratio down to 100%. That, the group argues, would enable Greece to get back on its feet.

Movisol Brings Glass-Steagall to Radio Padania

Feb. 23 (EIRNS)—"LaRouche's Glass-Steagall is the only solution to the Libyan crisis," was the message given by Liliana Gorini, chairwoman of the Italian Solidarity Movement, Movisol, LaRouche's movement in Italy, in an interview with Radio Padania on Feb. 22, on the Libyan crisis. Host Roberto Ortellì reminded listeners that Movisol and LaRouche were always on the point in all their forecasts, and therefore asked, "What is going on in Northern Africa and Libya? Is it true that derivatives speculation has something to do with the ongoing crisis?"

Gorini emphasized that the European Union is responding to the crisis in the most criminal way: blocking any initiative to stop speculation, preventing a Glass-Steagall approach, bailing out speculators, and also refusing to help Italy in the refugee crisis. She quoted the Angelides Report, which fully confirms LaRouche's analysis of the last 10 years and longer.

Papandreou Guarantees Debt Payments as 100,000 Protest in Athens

Feb. 24 (EIRNS)—Yesterday's general strike in Athens, organized by the trade unions, drew 100,000, the largest of the eight demonstrations held in the past year. The demonstration and march were peaceful, but, as has been the case in the past, provocations were carried out by anarchists and the Black Bloc, lending a "Bastille"-like air, at least as played by available media reports.

As demonstrators marched, carrying placards saying of the ruling party, "PASOK Is Here To Rob the People" and "Yiorgaki [Georgie] Wear Your Athletic Gear, We Are Coming To Hunt You Down," Greek Prime Minister George Papandreou was in Finland, where he told Finnish Prime Minister Mari Kiviniemi, "I can guarantee you that we will pay [our debt] back with interest, and Finnish taxpayers have nothing to worry about."

German Blackout of Wisconsin Mass Strike Broken

Feb. 23 (EIRNS)—The mass strike in Madison, Wisc. made its way into the mainstream press in Germany through a special channel: The Freiburg-based *Badische Zeitung* today writes prominently about the "protests in Freiburg's sister-city, Madison, against the governor," and that "for several days now, up to 100,000 people have been gathering in the capital of the U.S. state Wisconsin and in other cities, to protest against Republican Gov. Scott Walker...."

Cameron To Take Down 'Big Government'

Feb. 21 (EIRNS)—British Prime Minister David Cameron took to the pages of the *Daily Telegraph* today to announce that his government will shortly release a White Paper on a radical plan to privatize all public services, except national security and the judiciary. As he put it, the British government considers it "a vital part of our mission to dismantle Big Government and build the Big Society in its place.... The grip of state control will be released and power will be placed in people's hands."

Hamburg Election Shrinks Merkel Government

Feb. 21 (EIRNS)—The early election in the German city-state of Hamburg on Feb. 20 brought a smashing defeat for the Christian Democrats, and a spectacular victory for the opposition Social Democrats, who will form the new government in the city. Apparently, the Social Democrats want to rule alone, without the Greens.

The net result for Chancellor Angela Merkel and her Christian Democrats is that her government's position in the Bundesrat, the upper house of parliament, which is required for the passage of a good part of legislation, is shrinking even further.

British Tell Ireland: Voters Have No Say

Feb. 26 (EIRNS)—Fine Gael party head Enda Kenny hopes to meet German Chancellor Angela Merkel and French President Nicolas Sarkozy in Helsinki March 4, as Ireland's new Prime Minister, and convince them to renegotiate the IMF/EU/ECB usury/bank bailout package.

Here's the British Empire's answer, dated Feb. 27, in the *Sunday Telegraph*:

"A European diplomat, from a large eurozone country, told the *Sunday Telegraph* that 'the more the Irish make a big deal about renegotiation in public, the more attitudes will harden.'

"'It is not even take it or leave it. It's done. Ireland's only role in this now is to implement the programme agreed with the EU, IMF and European Central Bank. Irish voters are not a party in this process, whatever they have been told,' said the diplomat."

Gordon Brown Attacks Tony Blair

Feb. 20 (EIRNS)—Former British Prime Minister Gordon Brown issued an attack on his predecessor, Tony Blair, at a speech given at Lambeth Palace, saying that many lawmakers try to justify their political decisions by insisting that "God has sanctioned or ordained a course of action." Blair had claimed that as prime minister, many of his political decisions, including invading Iraq, were motivated by his Christian faith.

Russia and the CIS News Digest

British Stooge Gorbachov Says Russia Will Crack

Rumsfeld Slanders Russian General, Lies about LaRouche, SDI

Russian Blogger Posts Angelides Report, Says LaRouche Was Right

Russian Journal Publishes Interview with LaRouche

Kazakstan To Get China's New High-Speed Rail

British Stooge Gorbachov Says Russia Will Crack

Feb. 23 (EIRNS)—Mikhail Gorbachov, the man vetted as incoming Soviet leader in 1984, by British PM Margaret Thatcher and the Queen of England, and now preparing to mark his 80th birthday with a gala at St. Albert's Hall in London, has gone on a rampage against the current leadership of Russia, Prime Minister Vladimir Putin, in particular. At a Feb. 21 press conference in Moscow, Gorbachov attacked the United Russia political party, formally headed by Putin, as a "bad copy" of the late Soviet Communist Party of the Soviet Union. He called the present Russian political system a sham, saying, "We have everything—a parliament, courts, a president, and a prime minister, but these all are to a great extent just an imitation." In an interview, Gorbachov warned: "If things continue the way they are, I think the probability of the Egyptian scenario will grow. But it could end far worse."

People from the post-Soviet Anglophile coterie that followed in Gorbachov's wake have also been harping on the theme that without "democratization," Russia will collapse. The INSOR think-tank of Igor Yurgens, which is formally headed by President Dmitri Medvedev, has issued reports arguing such a scenario. At the just-ended Krasnoyarsk Economic Forum, Sub-Prime Minister Alexei Kudrin suggested that Russia will never get the foreign investment it is looking for, without more "democratization."

Medvedev himself showed the Kremlin's extreme sensitivity to potential destabilization, in the presentation he made yesterday to his National Anti-Terrorism Committee, convened in Vladikavkaz, capital of North Ossetia, in Russia's North Caucasus region. The agenda was supposed to be the recent Domodedovo Airport bombing, but Medvedev spoke in broad terms. "Look at the current situation in the Middle East and the Arab world," he said. "It is extremely difficult and great problems still lie ahead. In some cases it may even come to the disintegration of large, heavily populated states, their break-up into smaller fragments.... It may come to very difficult events, including the arrival of fanatics into power. This will mean decades of fires and further spread of extremism."

He added, darkly but without specifics, "In the past, such a scenario was harbored for us, and now attempts to implement it are even more likely. In any case, this plot will not work. But everything that happens there will have a direct impact on our domestic situation in the long term, as long as decades."

Nowhere in Medvedev's presentation was any glimmer of awareness expressed, of the economic crisis driving the Southwest Asia events, nor the disastrous consequences of his own adherence to the economic policies of Gorbachov's Anglophile heirs in Russia.

Rumsfeld Slanders Russian General, Lies about LaRouche, SDI

Feb. 26 (EIRNS)—Former U.S. Defense Secretary Donald Rumsfeld, in a chapter of his recently published 800-page memoir, *Known and Unknown*, manages to smear one of Russia's most respected military officers, while lying about Lyndon LaRouche's leadership in forging the Strategic Defense Initiative of President Ronald Reagan. The chapter titled "Bears in the Woods" is drawing attention in the Russian media.

According to a report on the Russian web TV service Infox.ru today, the only Russian to receive a warm word in the chapter is Sergei Ivanov, the former Russian defense minister and current deputy prime minister, for his sense of humor and good English.

"And that's the end of any pleasant reminiscences about Russia," reported Infox.ru. "Rumsfeld describes his meeting with Vladimir Putin in August 2001 in more neutral tones, and is quite negative about [the Deputy Chief of the General Staff] General Yuri Baluyevsky. 'I realized how far Russia and the USA still have to go before they understand each other. During lunch with Ivanov and high-ranking officers, Gen. Baluyevsky regaled us with a startling fact I suspect he had gotten from the Internet. The author of the U.S. antimissile defense program, he said as if revealing a dirty secret, was the economist Lyndon LaRouche,' relates Rumsfeld. According to him, LaRouche is known in the USA as a political extremist and conspiracy theorist. 'As far as I know, he had zero influence on U.S. antimissile defense,' stresses Rumsfeld." (Quotations from the book have been back-translated from Russian.)

In 2001, General Baluyevsky, who would later serve as chief of the Armed Forces General Staff (2004-08), was in charge of Russia's missile defense negotiations with NATO. Naturally, he was well-informed about U.S. missile defense policies and their history, including LaRouche's role as known to the Soviet intelligence officers who handled discussion with the Reagan Administration in 1981-83, through LaRouche, of potential Soviet-American cooperation on strategic missile defense. Thus, Rumsfeld has not only lied about LaRouche's crucial strategic role, but he also slandered Baluyevsky.

Russian Blogger Posts Angelides Report, Says LaRouche Was Right

Feb. 22 (EIRNS)—The popular Russian blogger Alexsword today posted a link to the FCIC report, with translation of some excerpts from the introduction. (Until now, the report has been almost totally blacked out in Russian media, with only a couple of mentions on websites catering to Forex traders.)

Alexsword wrote that the findings are not news to his readers, but the news is that they are now officially recognized. He links to an LPAC release which was issued in Russian, announcing that the Angelides Report shows LaRouche was right and Glass-Steagall must be restored, and he calls this "a great victory for the LaRouche movement," since the principles that were overturned through deregulation in recent decades are the principles LaRouche has fought for.

So far, Alexsword says, U.S. officials are not prepared to come out and say openly that "LaRouche was right." Then he adds: "Unlike the head of our Russian Railways, Vladimir Yakunin"—quoting from Yakunin's Autumn 2008 interview, in which he said he knew about the crisis several years in advance, because LaRouche told him. (Recent WikiLeaks publications of U.S. Moscow Embassy wires have included a profile of Yakunin that cites the latter's interest in LaRouche; these leaks have been widely published in Russia.)

Russian Journal Publishes Interview with LaRouche

Feb. 21 (EIRNS)—The following responses given by Lyndon LaRouche to a series of questions posed by *Russian Journal* on Jan. 31, were published today, under the title "There's Nothing Innocent About Social Networking." LaRouche's comments were introduced as "the unusual opinion of Lyndon LaRouche."

Russky Zhurnal has come out weekly since 1997, making it one of the oldest Russian online publications. Its founder and editor-in-chief is Gleb Pavlovsky, head of the Effective Policy Foundation. *RJ* is widely read across the Russian political spectrum, including, according to *RJ*'s own promotionals, in the corridors of power. LaRouche's commentary was given Feb. 1 in response to questions from an *RJ* editor, in the midst of the Tunisia uprising but before the overthrow of Hosni Mubarak in Egypt. Here are quotes:

"The 'social networks' operating in and from the United States are often used for conduct of special operations in the international field. They operate, predominantly, in the Anglo-American financial orbit, often serving within the trans-Atlantic financier circles centered in London and Wall Street. In my experience, there is nothing innocent in the top-down direction of the operations run in the name of the set of such groups currently typified by Facebook.

"Facebook et al., are, in respect to such international political operations, merely tools of the network of trans-Atlantic financial groups behind the presently hyperinflationary phase of the current world financial-monetarist crisis.

"The objectives of these trans-Atlantic-centered financial interests are very well known to me as centered in the networks founded by Lord Jacob Rothschild in 1971 as what became the Inter-Alpha Group. That group is presently veering upon a threatened chain-reaction of bankruptcy throughout the trans-Atlantic system. That entire financial system is presently doomed to extinction were it to continue operations in their present form.

"The system which is centered in the present Inter-Alpha Group, is estimated by some as representing about 70% of the financial operations in international markets, and is presently caught in a financial bubble modelled upon, but one vaster and more deadly than the more limited hyperinflationary breakdown which occurred during the Spring through Autumn of 1923 Weimar Germany....

"It is the merchant banking interests of, chiefly, the trans-Atlantic group, which control the operations within which 'social networking' organizations are deployed. The motivation is that of a contemporary form of the same kind of operations run by the British Foreign Office, such as the case of Alexander Helphand and the London 'Young Turk' operations of the 1890s preparations for the Anglo-Japan alliance of the 1894-1914 against the targets of China, Korea, and Russia.

"Although there have been genuine revolutions in modern European history, such as the alliance which enabled the United States of America to achieve its independence, the pattern of major warfare since the formation of the Roman Empire, all European warfare has been monetarist interest engaged in struggles to control an imperialist form of domination of an international monetarist system.

"'Social networking' operations are generally nasty, and frequently even fairly described as involved in dirty behavior, but their role in history has never risen above the role of auxiliaries."

Kazakstan To Get China's New High-Speed Rail

Feb. 23 (EIRNS)—China and Kazakstan will jointly build a high-speed railway connecting the central Asian nation's cities

of Astana and Almaty. The project is to be completed in 2015, Askar Mamin, the president of Kazakhstan Railways, said yesterday in Beijing. Trains on the 650-mile (1,050-km) double-track planned line connecting Kazakhstan's capital, Astana, with its biggest city, Almaty, will run at a maximum speed of 220 mph (350 kph). The line will use the most advanced Chinese technology and new-generation locomotives and cars.

President Nursultan Nazarbayev arrived in Beijing Feb. 21, for a three-day state visit, where he met with Chinese President Hu Jintao, among others. The two nations also signed a contract worth several billion dollars for long-term supply of uranium from Kazakhstan to China.

Southwest Asia News Digest

Cultural Shift in Arab World, as Mass Strike Spreads

Egyptian Development Corridor Discussions Reveals Potential Problems

Long Arm of British Colonialism in Bahrain

Netanyahu and Barak Still Want To Strike Iran

Angelides Report Covered in Israeli Media

Cultural Shift in Arab World, as Mass Strike Spreads

Feb. 27 (EIRNS)—What is actually a global political mass strike has continued to expand and roll through the Arab countries, with attention focussed on Libya and the last days of Tony Blair's favorite, Muammar Qaddafi. In recent days, the upsurge has reached into Iraq with mass demonstrations in cities all over the country, in which 29 Iraqis were killed by security forces; the Iraqi parliament speaker called for new elections in three months, and Prime Minister Nouri al-Maliki threatened in an emergency meeting to fire his cabinet. It reached into Oman for the first time, with tens of thousands of the emirate's 2.7 million people demonstrating against escalating food and other prices, and three killed. Bahrain demonstrations grew, and so did those in Yemen, coming closer to toppling the 35-year military rule there. And notably, mass protests are continuing where they have already "succeeded" in forcing dictators to resign—in Egypt, and in Tunisia, where the remnant prime minister and cabinet resigned Sunday.

LPAC's "The Hope for Africa" video with Arabic subtitles is soon to be posted, and will circulate throughout the region.

Nearly 1 million demonstrators turned out on Friday, Feb. 25 in Tahrir Square in Cairo, to keep up the pressure on the Supreme Military Council to rapidly move ahead with the promised constitutional reforms and free elections. The plan is for the demonstrations to continue every Friday, until the elections take place. There is growing concern that the old guard around former President Mubarak and his son Gamal will attempt to gradually reassert control, and so the protesters are demanding further cabinet purges, including Prime Minister Shafiq, the former head of the Egyptian Air Force, who recently made the mistake of publicly admitting that he is in daily contact with Mubarak in Sharm el-Sheikh. The size and peaceful nature of the demonstrations, which also occurred in Alexandria, Suez, Port Said, and many other cities and towns around the country, was very significant.

Egyptian Development Corridor Discussions Reveals Potential Problems

Feb. 25 (EIRNS)—Egyptian NASA scientist Dr. Farouk El-Baz is back in Egypt promoting his project "Development Corridor," an impressive infrastructure project to create a new Nile Valley west of the present one, to reclaim the desert, and move large numbers of Egyptians to new agro-industrial centers all the way from the border with Sudan to the Mediterranean coast. This is a reflection of the patriotic Egyptian attitude more common among the older generation which grew up with Gamal Abdel Nasser and the post-war development era in Africa, where FDR's true American spirit was still present.

However, the reality of the financial breakdown crisis is not on the minds of Dr. El-Baz and the people discussing it in the country. El-Baz, who spoke in a seminar in Cairo on Feb. 23 on the "development corridor" theme, said he does not want the state to be involved in financing and implementing the project, that it should be financed by Egyptian citizens buying shares in the project and the rest could be complemented by national and international private investors.

El-Baz states that he presented this project to the Egyptian government 25 years ago, but nothing serious was done about it. According to his website (http://faroukelbaz.com/index.php?option=com_content&view=article&id=22&Itemid=59), the proposed project includes the establishment of the following:

1. A superhighway to be built using the highest international standards, 1,200 km in length, from west of Alexandria to the southern border of Egypt
2. Twelve east-west branches, with a total length of approximately 800 km, to connect the highway to high-density population centers along the way
3. A railroad for fast transport parallel to the superhighway
4. A water pipeline from the Toshka Canal to supply freshwater
5. An electricity line to supply energy during the early phases of development.

The dream of a new era of development is still alive in the developing sector, where the aspirations for freedom are entwined with the aspirations for a better future and living standards. However, these dreams will be crushed without the intervention to bring down the monetarist empire and replacing it with a global Glass-Steagall standard banking system.

The immediate move to prevent a total collapse of the nations of North Africa would be LaRouche's proposal to put a cap on the food prices. Immediately after that, with a Glass-Steagall-based credit system, millions of African youth could be brought into the process of building their nations' future.

Dr. El-Baz was featured in LPAC TV's video "NAWAPA, Possibilities for Africa," and various *EIR* studies.

Long Arm of British Colonialism in Bahrain

Feb. 21 (EIRNS)—For the past 42 years, the security apparatus in the Emirate of Bahrain, now the scene of mass protests, demanding the ouster of the current government, if not the entire al-Khalifa dynasty, has been in the hands of one man: Police Col. Ian Henderson. Henderson cut his teeth as a colonial police officer in Kenya during the 1950s, where he played a pivotal role in the brutal campaign to wipe out the Mau Mau uprising. He was notorious for his torture interrogations of the captured Mau Mau, and he boasted in a 1958 book of his role in capturing Mau Mau leader Dedan Kimathi.

Courtesy of the Ian Smith regime in Rhodesia (now Zimbabwe), Henderson was introduced to the al-Khalifa family ruling Bahrain, and was brought to the Emirate to run the security police and the intelligence service in the 1960s. He staffed the security apparatus with foreign mercenaries, many veterans of the British colonial police administrations in Africa. Henderson was made a Commander of the British Empire by Queen Elizabeth II, for his work in preserving the Empire. He ostensibly retired as head of security for Bahrain in 1998, but has been retained, ever since, as the chief security consultant to the ruling family.

The Bahrain situation is not unique. In virtually every one of the Persian Gulf emirates, ministries of security, finance, and information are heavily staffed with Britons, all veterans of the British colonial apparatus. Sources in Washington have warned that Henderson's iron-fisted methods, unleashed last week on protesters in the Bahrain capital of Manasa, before the Emir ordered the military and the police off the streets, may have tipped the balance, such that the popular anger will not be satisfied until the entire royal family is deposed.

Bahrain is a crucial base for the United States in the Persian Gulf, hosting the U.S. Fifth Fleet, and many other overt and covert U.S. military and intelligence missions. Today, Adm. Mike Mullen, Chairman of the Joint Chiefs of Staff, was in Bahrain to assess the situation and, reportedly, to press the Emir to follow through on promised reforms before the situation blows up again.

Netanyahu and Barak Still Want To Strike Iran

Feb. 25 (EIRNS)— The British Empire's top agent in the Middle East, Israeli Prime Minister Benjamin Netanyahu, and his triggerman, Defense Minister Ehud Barak, are still committed to a military strike against Iran, if they can get away with it, despite strong resistance in Israel's security establishment

Ha'aretz senior correspondent Aluf Benn wrote on Feb. 25, under the headline, "Israel Could Still Strike Iran, Despite Mideast Unrest," that Netanyahu and Barak are still considering a strike. While the major concern in such an attack is a counterattack by Hezbollah, Syria, and Hamas, in a war that "could last years," Barak and Netanyahu don't care, Benn writes,

"The dispute over how Israel should deal with Iran has split the defense and policy elite. Prime Minister Benjamin Netanyahu and Defense Minister Ehud Barak are more in favor of taking action. On the other side are Deputy Prime Minister Dan Meridor, Vice Prime Ministers Moshe Ya'alon and Silvan Shalom, and also, apparently, Foreign Minister Avigdor Lieberman; they are considered moderates on this subject, holding similar views to the coalition that includes [former Mossad chief Meir] Dagan, former Chief of Staff Gabi Ashkenazi, and Military Intelligence chief Amos Yadlin. The moderates prefer a combination of diplomatic pressure, sanctions and clandestine activities over going into battle.

"What all the moderates including the (former) chief of staff and Mossad head have in common, however, is that all of them hold advisory positions. The responsibility is on the statesmen and the public, and history will judge them if Israel does nothing and Iran goes nuclear. The decision as to whether to go to war will be borne by Netanyahu and Barak—not by their colleagues in the ministerial forum of seven or the heads of intelligence.

"Dagan has publicly warned against an attack on Iran and has offered a wealth of arguments in support of his view."

Nonetheless, Benn writes, "a successful strike requires the right combination of capabilities, international legitimacy and timing. Israel's capabilities are not known. Furthermore, there would not be formal legitimacy of any action, but 'the world' would not necessarily excoriate Israel if it bombs Iran. In all probability, the condemnations would be inversely related to the success of the operation."

While Benn speculates that by Spring a decision could be made, he concludes: "All this notwithstanding, in the meantime there are no signs that Netanyahu, who until now has stuck to a 'zero risk' policy, will dare embark on such an adventure."

Angelides Report Covered in Israeli Media

Feb. 23 (EIRNS)—Israel's *Ha'aretz* covers the Angelides report, positively, as "the report on the greatest financial meltdown ... with lessons aplenty for Israel," noting that "the document, released three weeks ago, is a hefty tome of text, tables, graphs and technical analyses. Yet it's moving reading." And: "FCIC chairman Phil Angelides tells some bitter home truths."

Asia News Digest

Bangladesh-India Talks on Long-Term Food Purchase

China 'Mass Strike' Is Mostly Western Reporters

ASEAN May Have Stopped Brits' Thai-Cambodia War Plan

China Attacks Real Causes of Global Food Crisis

Power Emergency in Philippines as Rural Areas Revert to Dark Ages

Thailand and Indonesia Move on Fuel Costs

Bangladesh-India Talks on Long-Term Food Purchase

Feb. 25 (EIRNS)—Bangladesh's Food Minister, Muhammad Abdur Razzaque, has initiated discussion with his Indian counterpart, K.V. Thomas, to buy grains on a regular basis, over a long term, to bolster food security, as governments seek to avoid a repeat of the unrest that broke out when prices last soared, in 2008. Razzaque said: "When we go for international tenders and prices suddenly rise, private suppliers sometimes fail to fulfill their commitments. They don't supply us, and [thus] put us in trouble. It has happened."

A long-term agreement will protect Bangladesh from possible defaults by private traders, who sometimes fail to meet their commitments if prices gain, Razzaque said in an interview yesterday. "Rice prices rose this year in our country; people are suffering, as they have limited income."

According to India's Food Ministry data, as of Feb. 1, about 47 million tons of food grains are stored in the warehouses of Food Corporation of India: nearly 28 million tons of rice and more than 19 million tons of wheat. Both cereals exceed the strategic reserve and buffer stocks norms.

Bangladesh has agreed to purchase 300,000 tons of Indian rice, as well as 200,000 tons of wheat. The country will buy 1.2 million tons in 2011, by June 30, up from a 600,000-ton target set in November, Badrul Hasan, Bangladesh's director for procurement at the Directorate General of Food, said last month. If the planned purchases happen, said Bangladesh's food minister on Feb. 24, our imports will exceed 1.2 million tons this [fiscal] year, ending June.

China 'Mass Strike' Is Mostly Western Reporters

Feb. 20 (EIRNS)—Calls for street protests in 13 Chinese cities were issued from foreign websites over the weekend, calling for a "Jasmine Revolution," and naming specific locations for protests. Even the Western press admitted that almost no one showed up, while emphasizing that police outnumbered the would-be demonstrators. Some press even admitted that the foreign reporters outnumbered the protesters.

ASEAN May Have Stopped Brits' Thai-Cambodia War Plan

Feb. 22 (EIRNS)—The 10 members of the Association of Southeast Asian Nations (ASEAN) held an emergency meeting today on the threat of war between Thailand and Cambodia. Despite the Thai regime's repeated insistence it they would only allow "bilateral" discussions, with no outside involvement (thus allowing them to continue their military adventures), Thailand was forced by ASEAN to accept ASEAN observers, who will come from Indonesia, to be deployed on both sides of the border.

The question on the minds of many ASEAN leaders, including the Cambodians, is: Why is Thailand acting in such a self-destructive manner, threatening to sabotage economic development in the region, especially with China recently offering huge assistance, including high-speed rail development? The answer is simple: The Thai monarchical regime answers to London, and it is precisely the regional cooperation on basic infrastructure development which is the *target* of the British, ordering their Thai puppet regime to provoke a crisis over a territorial issue which had been solved successfully by international cooperation in 1962.

Last week, there was an emergency meeting of the UN Security Council (UNSC) on the issue, which was sabotaged by the U.S. delegation (headed by Ambassador Susan Rice). The United States was the only UNSC member to support Thailand's demand that the issue be left to bilateral talks. Rice answers to the White House, not to the State Department, as we have seen in her provocations in Africa, and in her effort to start a war in Korea in December (see "China/Russia/U.S. Cooperation Defuses British War Plans in Korea" in *EIR*, Jan. 14, 2011).

However, Secretary of State Hillary Clinton circumvented the Rice/Obama problem by giving her support to ASEAN to assert its authority and force Thailand's hand. Sources told *EIR* that Assistant Secretary of State for Asia Kurt Campbell told the ASEAN nations that the U.S. was counting on ASEAN to find a solution—a direct affront to the Thai position. ASEAN has done precisely that, which is a victory for ASEAN over the British game.

China Attacks Real Causes of Global Food Crisis

Feb. 20 (EIRNS)—The lead article on the English website of China's official Xinhua News Agency asks, "What are the main factors behind the food price spikes? The answer lies in the ultra-loose monetary policy of the United States, the financialization of the global farm produce market, the development of biofuels and the extreme weather events affecting harvests in the world's main grain-producing areas.

"The U.S. Federal Reserve is driving up food prices by cranking up its dollar printing presses and devaluing its own currency."

Power Emergency in Philippines as Rural Areas Revert to Dark Ages

Feb. 23 (EIRNS)—Numerous areas in the Philippines served by small electrical generation facilities under the National Power Corp's Small Power Utilities Group (SPUG) have been without power for as long as a month, since they have run

out of petroleum and their suppliers refused to deliver any more. The suppliers' refusal to deliver stemmed from non-payment of their fuel purchases. About a dozen localities are already without power, and other plants that are still operating were also slated to run out of fuel in the next few weeks if Napocor (National Power Company) cannot pay.

Napocor president Froilan Tampinco claims that the state power firm would soon be able to pay SPUG's fuel suppliers, because it had asked the national government to reimburse certain expenses. The government's response is not yet known.

The Philippines has the highest electric rates in Asia, and near the worst service. Even in the important urban areas, there is an overall electrical shortfall.

All these problems can be directly traced back to the overthrow of Philippines leader Ferdinand Marcos by George Shultz, then Secretary of State—25 years ago to the day, Feb. 23, 1986. Marcos had been bringing the Philippines into the nuclear age, with the first commercial nuclear power plant in Southeast Asia—a prime justification for his ouster. The closure of the just completed, but never used, Bataan Nuclear Plant for "safety reasons" was the first act undertaken upon the overthrow of Marcos. The country has just completed payment for the plant, for which not 1 watt of power had been delivered.

Thailand and Indonesia Move on Fuel Costs

Feb. 25 (EIRNS)—Indonesia has cancelled a planned elimination of fuel subsidies for most vehicles which had been scheduled to begin in April. Satya W. Yudha, a member of Indonesian House of Representatives' Commission overseeing energy, said increasing global oil prices had forced the government and the House to re-evaluate the policy's potential social impacts. "The restriction may cause unexpected unrest, because the price of non-subsidized fuel has climbed very high in the past several months."

Indonesia's national budget will take a \$600 million hit from the cost of continuing the subsidy in the first year alone (when the subsidy cut was to be begun in the capital city of Jakarta), if oil prices don't rise further.

In Thailand, the government increased its subsidy on diesel fuel to keep prices below the psychologically and politically important mark of 30 baht (\$1) per liter. The increased subsidy comes from a special Oil Fund that looks to be depleted in three months, again if there is no further rise in price.

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