

Bush Biofuel Junket to Ibero-America Aims To Ensnare Region in Insanity

by Cynthia R. Rush

When George W. Bush begins his five-nation tour of Ibero-America March 8 to promote the swindle of biofuel development as the region's economic salvation, he will be embarking on a mission absolutely in keeping with the totally insane character of his Presidency.

Since 2001, the Bush-Cheney regime has insulted, provoked, and trampled on the region, primarily using the International Monetary Fund's globalization policies devised by the Anglo-Dutch financiers that pull the Administration's strings. The global financial system is in systemic meltdown, and plans for an expanding war in Southwest Asia threaten to wipe out civilization itself. U.S. statesman Lyndon LaRouche has put forward the programmatic approach that could bring the world back from the brink. But the synarchist controllers of the loonies in the White House are instead peddling an "ethanol revolution" that will transport the U.S. and the world—not to nirvana but straight to hell.

In the case of Ibero-America, Bush has announced himself ready to listen and learn, to "engage" the region, as Under Secretary of State Nicholas Burns described it during his Feb. 6-7 trip to Brazil and Argentina. It is through biofuels, the Bush team argues, that the United States will be able to regain the influence it has lost in the region.

Bush will promote this biofuel madness in all the countries on his tour—Brazil, Uruguay, Colombia, Guatemala, and Mexico—but his controllers are singling out economic powerhouse Brazil for special attention. On Feb. 6, just as the White House was announcing the itinerary for Bush's March 8-14 trip—Brazil will be his first stop—Nicholas Burns and Secretary of State Condoleezza Rice's special energy adviser Greg Manuel were in Brazil to whip up support for the "strategic alliance" the Administration intends to sign with President Lula da Silva, based on these two countries' position as the world's leading producers of ethanol. Biofuel, Burns said, "is now the symbolic centerpiece" of U.S. relations with Brazil!

This is the way to address the pressing problems of poverty and unemployment in Brazil and Ibero-America, Burns said, and the United States and Brazil will do it together. The Inter-American Ethanol Commission, set up in December 2006 by the President's brother, former Florida Gov. Jeb Bush, goes so far as to predict that Ibero-American integration will be forged by . . . ethanol! Brother Jeb will also play a

prominent role in the "General Staff for ethanol" that the White House has set up to oversee the biofuel alliance with Brazil.

What Are They Smoking?

There are two aspects to the biofuel "solution" that highlight its incompetence—not to mention its genocidal implications.

First, that this has nothing to do with any real concept of physical economy is made clear by the fact that the same hedge funds and financial derivatives that have fueled the growth of the global speculative bubble and yen carry trade that are about to burst, are now focussing their greed on the international biofuels racket, to create an equally unstable "biofuels bubble." At a Feb. 1 conference in London on the "European Biodiesel Market," financial consultant Robert Outram aptly noted that "the interest from financial organizations to invest in the biofuels industry can be viewed with great similarity to the dot.com bubble that burst at the turn of the century."

High levels of international financial synarchy are running this game. Speculator George Soros, the big agricultural cartels—Cargill, Archer Daniels Midland (ADM), Bunge, Louis Dreyfus—and hedge and private equity funds based in London or in its offshore banking havens in the Cayman Islands, Hong Kong or Bermuda, are pouring money into the scam, salivating at the prospects of making quick money.

Speaking Feb. 20 at a conference on "Global Dynamics of Biofuels," sponsored by the Woodrow Wilson Center in Washington, State Department energy advisor Greg Manuel, who had just returned from Brazil, spilled the beans. Prefacing his remarks with the explanation that he had come from the private sector, where he worked for J.P. Morgan and as a venture capitalist in Silicon Valley, Manuel noted that "this [biofuel] industry isn't really all that different. Equity is the key . . . it's all asset driven."

Later, like other panelists, Manuel would defend the role of the hedge funds and speculators who are pouring money into Brazil's biofuel sector. "Every new market has speculators. . . . Is there a bubble? Perhaps," he said. But that's the way the free market works. He emphasized that government should play as minimal a role in this racket as possible, leaving

it instead in the hands of the financiers who know what to do.

Anxious to get in on the act, Wall Street investment banks are planning to hold an "Ethanol Finance and Investment Summit" March 19-21, including speakers from Goldman Sachs, Morgan Stanley, and Citigroup Venture Capital International, among others. An April 16-17 "Wall Street Green Trading Summit," will have a special session on "Biofuels Trading Markets," along with all manner of "green financing" topics. A "green hedge fund" has already been launched in London.

Secondly, as *EIR* has documented (see the Jan. 26, 2007 issue), biofuels themselves are a fraud. This is not real science, of the kind the LaRouche Youth Movement (LYM) has demonstrated with its groundbreaking work on rediscovering the universal physical principles proven by the great 17th-Century scientist Johannes Kepler. Rather, biofuels represents *primitive accumulation*, typified by the British colonial plantation model, that also dominated the U.S. South leading into the 1861-1865 Civil War. This has nothing to do with the American System principle of defending the general welfare. It is raw materials looting and destruction of the labor force through slave labor, while building only that infrastructure needed to facilitate the looting.

Getting It Right . . .

Most Ibero-American governments have pretty competently addressed the lunacy of the IMF's speculative free-market policies and what they have done both to their economies and political stability. This is why, in recent years, the informal grouping dubbed the "Presidents' Club" has used a series of regional summits and close cooperation to formulate alternatives to the bankrupt IMF system.

On Feb. 21, Argentine President Néstor Kirchner and his Venezuelan counterpart Hugo Chávez announced in Puerto Ordaz, Venezuela that their governments had signed a memorandum of understanding to create the Bank of the South, as the kernel of a new continental entity to finance development, including great industrial and infrastructure projects.

Kirchner, who has provided important leadership to the Presidents' Club, underscored that while the new entity begins as a bilateral association, all Ibero-American nations are invited to join as soon as they are able. Ecuador's Finance Minister Eduardo Patiño, who was in Caracas the same day, immediately announced his government's willingness to join.

In his Feb. 21 remarks from Venezuela, Kirchner explained that the Bank of the South will have a "different philosophy" from the IMF, whose policies became a "real punishment" for many nations.

The Bank of the South must promote the "financing of basic investments that are fundamental for Latin American integration," Kirchner said, "to resolve [nations'] structural problems and allow them to develop." And, he warned, "If the Bank of the South becomes just one more financial entity, it will mean another failure for the region."

. . . And Getting It Wrong

But getting it right on the criminality of the IMF's free-market and anti-nation-state policies won't help if Ibero-American governments swallow the biofuel hoax that the same financial oligarchs behind the Fund are peddling as a great "transformational" revolution. They will be wiped off the face of the planet. Yet even those governments that are sanest on economic policy, such as Argentina, have gotten swept up in the biofuel craze.

Giant Brazil, which likes to boast of its "greatness," is perhaps the worst. Brazil is crucial in the drive for Ibero-American integration, and has ambitious plans to build nuclear plants and to enrich uranium. But President Lula da Silva has at the same time allowed the deadly pragmatism that has often been Brazil's downfall, to lead him to embrace the harebrained idea that Brazil can become an energy-independent superpower by "planting the oil of the future"—ethanol.

In his Jan. 26 speech at the Davos World Economic Forum, Lula made a big pitch for biofuel development, particularly urging the United States to help poor countries finance crops used in ethanol production, which, he claimed, would not only produce clean fuel, but also generate jobs and income in those nations. Enthralled with the Bush Administration's "Strategic Biofuels Program," that will also include other nations of Central and South America, the Lula government is reportedly organizing an international conference in late February to establish technical guidelines to classify ethanol as a "globalized commodity" that can be traded on international markets, just as oil and soy are today.

According to the Brazilian Central Bank, foreign investment into the ethanol sector increased by 3,000% in 2006. George Soros, Cargill, ADM, and a host of financial predators largely based in offshore banking paradises are at the top of the list. Lula may have delusions of Brazil becoming "Brasilia-Arabia," but the vultures pouring money into Brazilian ethanol, intend to use the slave labor-based sugar cane industry to make big profits while grinding up the work force in the process.

With good reason, cane cutters in Brazil's impoverished Northeast refer to sugar as "satanic sugar." It is backbreaking work, for very little pay, miserable living conditions, and lives plagued by malnutrition and illiteracy. Job security doesn't exist. And farmers who grow crops for human consumption, and are forced off the land by expanding sugar, soy, or castor bean production for ethanol, usually end up in urban slums.

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