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LaRouche:
Rohatyn Crimes 'Tantamount To High Treason'

Lyndon LaRouche opened his March 12 webcast address from Washington, D.C., asserting that investment banker Felix Rohatyn 'was guilty of something tantamount to high treason against the United States' for working 'with sources which are intent on destroying the United States.' LaRouche's strategic overview of the global situation showed how we arrived at the danger of fascism again in the world today— including in the United States—and what we must do, immediately, to prevent that from occurring. Included in the transcript is an extensive question and answer session, dealing with virtually all aspects of the economic and political situation in the country and the world.

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Feature

- **LaRouche:**
Rohatyn Crimes 'Tantamount To High Treason'

Lyndon LaRouche opened his March 12 webcast address from Washington, D.C., asserting that investment banker Felix Rohatyn 'was guilty of something tantamount to high treason against the United States' for working 'with sources which are intent on destroying the United States.' LaRouche's strategic overview of the global situation showed how we arrived at the danger of fascism again in the world today— including in the United States—and what we must do, immediately, to prevent that from occurring. Included in the transcript is an extensive question and answer session, dealing with virtually all aspects of the economic and political situation in the country and the world.

The Lisbon Treaty

- **No to Europe as an Empire!**
The Militarization of the EU Must Be Stopped
by Helga Zepp-LaRouche

Moves are afoot to change the European Union into a military alliance, closely integrated with NATO, which for its part, would be transformed and used as for interventions all over the world, under all possible circumstances.

- **France and NATO:**
Solidarity, Yes; Surrender, Never!
- **France Must Oppose the NATO-ization of Europe**
- **LaRouche Allies Join Anti-Lisbon Meetings**

Economics

- [LaRouche Declares:
Paulson Is 'F**king Incompetent'](#)
The Federal Reserve emitted \$400 billion to bail out the U.S. banking system; Treasury Secretary Henry Paulson released a report by the President's Working Group on Financial Markets (PWG), which maintained that the system was fundamentally sound, except for a few excesses which need to be curbed. These actions reflect axiomatic blindness so profound it boggles the mind.
- [Tremonti Places LaRouche's New Bretton Woods at Center of Debate in Italy](#)
- [Congress Converges on Bailouts To Block HBPA](#)

LaRouche's Homeowners and Bank Protection Act (HBPA) is a political hot potato.

National

- [LaRouche:
Rohatyn Fascism Is 'Tantamount to Treason'](#)
The future of the Democratic Party and the survival of the United States as a sovereign republic, both hang on whether leading circles in the party wake up to the fact that Felix Rohatyn is, as LaRouche has now, once again, publicly declared, a fascist, an enemy of the United States, and an agent of the City of London-centered British oligarchy, which is going for the end-game destruction of the American Republic—right now.
- [AAAS Meeting:
Judith Rodin Spews Dark Age Propaganda](#)
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International

- [Will Cheney's Mideast Trip Launch New Round of Wars?](#)
- [Will 'Londonistan' Succeed In Dismembering Pakistan?](#)
- [The British Oligarchy Turns the Philippines Against China](#)
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The American Patriot

- [Georgia vs. South Carolina:
The Battle Over Slavery in the American South](#)

The history of the South is far more complex than most would believe, and is determined by the battle over ideas, not geography. James Edward Oglethorpe (1696-1785), the republican founder of Georgia, created the colony to outflank the AngloDutch oligarchy. Georgia was the first colony to ban slavery, and the last to legalize it! If Oglethorpe had succeeded, the South might have led the way in overthrowing slavery. **Fred Haight** reports.

Editorial

- [The Hour of Decision](#)

U.S. Economic/Financial News

- [Real Economy, U.S. Business Contracting](#)

Real Economy, U.S. Business Contracting

Mar. 13 (EIRNS)—The pace of collapse of the real economy, dragged down by the insane effort to bail out the bankrupt financial system, continues to accelerate. Recent developments include:

* RealtyTrac reported March 13 that U.S. home foreclosure filings rose 60% in February, and bank seizures more than doubled in the month, compared to the rate in February 2007. According to RealtyTrac, 223,000 properties were in some stage of default—one in every 557 U.S. households. Nevada, California, Florida, and Texas, in that order, had the highest February foreclosure rates. RealtyTrac's executive vice president, Rick Sharga, forecast "explosive" foreclosure filings in May and June, as more adjustable-rate mortgages re-set at higher payment rates.

* The U.S. Commerce Dept. reported that retail sales unexpectedly (sic) fell in February. The decline of 0.6% was led by auto dealers and restaurants.

* The U.S. Commerce Dept. reported that U.S. business inventories rose in January, as companies drew down stockpiles, in anticipation of weaker demand. The 0.8% inventory increase was larger than what had been forecast, and the biggest since June 2006. Bloomberg.com notes that, with February's drop in retail sales, "efforts to pare inventories will lead to cutbacks in orders to wholesalers and factories," i.e., cause a ripple effect through the real economy.

* Pilgrim's Pride Corp., the nation's largest poultry producer by volume, was reported on March 13 by the *Wall Street Journal* to be cutting back its chicken business and slashing more than 1,000 jobs, "as soaring grain prices pinch margins." The company placed primary blame on the "misguided" U.S. ethanol program. Pilgrim's Pride calls it part of an "industry-wide crisis." The article reports that Smithfield Foods and Kellogg Co. are also cutting back production and seeking cheaper ingredients.

* The U.S. Labor Dept. reported that unemployment benefits rolls increased to a two-and-a-half-year high.

Global Economic News

- [India's Economic Miracle Was Mainly Smoke and Mirrors](#)
- [Third-World Treatment at First-World Prices](#)
- [Eurobonds Crisis in Italy](#)

- **Philippines Rice Emergency Reaches Critical Point**
- **Japan's Central Bank May Be Without a Head**

India's Economic Miracle Was Mainly Smoke and Mirrors

March 12 (EIRNS)—Booming India is reeling from high inflation, suggesting the outlook for the world's second-fastest-growing economy is not as rosy as it was, foreign analysts say. The Indian stock market's slide has also cast a cloud over plans by firms to raise a projected US \$15 billion Initial Public Offerings (IPOs) this year.

Already, two high-profile firms have pulled their IPOs, including Emaar MGF—a joint venture of Dubai's Emaar, the world's biggest property developer—which abandoned its bid to raise \$1.6 billion, citing "indications of a U.S. recession and global meltdown." The IPOs are key to expansion as the Manmohan Singh government plans to raise funds from outside the country to invest in plant and machinery, and in improvements in India's dilapidated infrastructure such as its potholed roads, shabby ports, and unreliable power. Hours of power cuts, even in metropolitan centers such as New Delhi, are reminders of an inadequate infrastructure and an inappropriate location for investment.

While India's economy is better insulated than many other Asian nations from the global slowdown, because it is not so heavily dependent on exports, the present administration in New Delhi had also made sure that much of the country's economic growth is being driven by risk capital, especially from the United States, which is in the midst of an accelerating collapse.

Third-World Treatment at First-World Prices

March 15 (EIRNS)—Medical insurers have found the ideal answer to the dilemma of how to keep profits high with the high cost of health care in the United States: Outsource it to developing countries like India and Thailand. According to the March 24 *Business Week* magazine, Blue Cross has already made deals with seven foreign hospitals this year, and plans to add more. Treatment at these hospitals will be covered by Blue Cross, which stands to save tens, to hundreds of thousands of dollars per procedure. A heart bypass performed in India costs a mere \$10,000, versus \$130,000 in the U.S.

While medical outsourcing, euphemistically termed "medical tourism," may be a shock to Americans, it has a longer history in the U.K., where the long waiting times for treatment and fears of hospital-acquired infections have driven many Britons to seek treatment, not only from private health-care facilities within the U.K., but overseas as well, in recent years. Of course, the rich in many countries with poor medical infrastructure have long travelled abroad for medical care. In the past, many of them came to the world-class U.S. hospitals. These days, they are more likely to travel to Thailand, Singapore, or India, where they get more bang for their buck.

A peek at an Indian medical online site speaks volumes. Medical tourism is developing into a multibillion-dollar business, hoping to attract patients from all over the globe. Large private corporate hospitals are the service providers, attracting talent from the public health-care sector in India to staff the expanding health tourism sector, leaving the public sector even more impoverished.

India and many other Asian countries offering medical outsourcing have large public health problems among their own populations: AIDS, tuberculosis, hepatitis B, malnutrition, etc. So why are these developing countries subsidizing the health-care of the wealthy West?

Eurobonds Crisis in Italy

March 12 (EIRNS)—Italian state bonds on March 11 went partly unsold, for the first time since 1999. Of the 7.5 million offered, only 7.1 were sold. Until the early 1980s, Italian regulations mandated the central bank to be the "purchaser of last resort" in such cases, avoiding a falling price of bonds. That regulation was abolished by Finance Minister Beniamino Andreatta, as part of the post-Aldo Moro liberalization policies. Those policies sent interest rates skyward and created the current Italian public debt, which jumped from about 50% of GNP in the 1970s, to over 100% just before the Maastricht Treaty took effect.

Philippines Rice Emergency Reaches Critical Point

March 12 (EIRNS)—The Philippines rice-buying auction failed on March 11, when it attracted less than two-thirds of the volume asked for, at prices that were as high as \$745 a ton, a big jump from the last rice auction in January, when the average price was \$474 per ton. Under consideration is a request for supplies from the East Asia Emergency Rice Reserve, a stockpile obtained from Southeast Asian countries as well as China, Japan, and South Korea. Ludovico Jarina, deputy administrator of the Philippines National Food Authority, indicated that "We have already communicated to the East Asian partners." Previously, the Philippines had contacted Vietnam, looking for a country-to-country rice purchase.

Japan's Central Bank May Be Without a Head

March 12 (EIRNS)—Japan's Upper House of Parliament, on March 12, rejected by a 129 to 106 vote, the government's nominee, Toshiro Muto, for Bank of Japan head. Serious political ill-will has built up between the opposition, which controls that house, and the ruling Liberal Democratic Party, over the government methods of passing legislation without consultation with the opposition. There are also concerns over Muto's political ties to the finance ministry. Muto was an early advocate of the privatization of the massive postal savings and insurance system under former Prime Minister Junichiro Koizumi—a disastrous policy for Japan. The term of current bank governor Toshihiko Fukui ends March 19.

United States News Digest

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- [Bill Would Cut Off Funds for U.S.-Iraq Security Agreement](#)
- [New Evidence: Rumsfeld Lied About Saddam's Ties to al-Qaeda](#)
- [Oregon: Need Health Insurance? Sign Up for the Lottery!](#)
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House Defies White House Veto Threat Over Wiretap Bill

March 14 (EIRNS)—In one of those rare instances in which House Democrats have been willing to stand up to the Bush

Administration on national security issues, the House today passed its own wiretap bill, rejecting the retroactive immunity for the telecommunications companies which President George Bush and Vice President Dick Cheney have been demanding almost daily. The final vote was 213-197. Congress then left town for a two-week break.

Last night, the House held its first secret session since 1983, to discuss the impasse over the FISA (Foreign Intelligence Surveillance Act) bill. Two weeks ago, Democrats had asked for a closed session, and the GOP refused; yesterday, the GOP asked for it, and Democrats agreed. However, some Democrats said afterwards, very little was presented that could not have been discussed in an open session.

Rep. John Conyers (D-Mich.), chair of the House Judiciary Committee, after having reviewed all available classified materials, said that the Administration has not made its case. Conyers and 19 other Democrats from the Judiciary Committee issued a statement on March 12, saying that, after a detailed review of classified material, immunity is not justified, that there are serious concerns about the legality of the program, and that therefore they are recommending the creation of a bipartisan commission to conduct hearings and take evidence on it.

The bill passed today would restore power to the FISA Court, and would create a special commission to examine the legality of the Cheney's "Terrorist Surveillance Program."

The White House has been demanding that the House pass the version passed previously by the Senate without any changes. However, at an American Bar Association forum on March 3, a senior staffer for the Senate Intelligence Committee said that many of the Democratic Senators who voted for the Senate bill, did so in the expectation that it would be modified in conference with the House.

Bill Would Cut Off Funds for U.S.-Iraq Security Agreement

March 13 (EIRNS)—Reps. Bill Delahunt (D-Mass.) and Rosa DeLauro (D-Conn.) announced at a press conference today that they were introducing legislation, that would cut off funds for a U.S.-Iraqi security agreement that has not been submitted to, or approved by the Congress. The bill, titled the "Protect Our Troops and Our Constitution Act," would also enforce the Constitutional requirement that any agreement committing or authorizing U.S. forces to engage in combat on behalf of the government of Iraq, be approved by Congress.

It also urges the Administration to seek the extension of the five-year-old UN Mandate for Multinational Forces in Iraq, which is set to expire in December. This action will ensure that U.S. forces have continued protection from Iraqi and international legal claims as the next President and Congress choose a new direction for U.S. policy in Iraq. This bill is the companion to a bill that Sen. Hillary Clinton (D-N.Y.) introduced in the Senate last December. The reason that these bills are being introduced, is that the Bush Administration, since signing the "Declaration of Principles for a Long Term Relationship of Cooperation and Friendship Between the Republic of Iraq and the United States of America," on Nov. 26 of last year, is saying that the ongoing negotiations on the proposed security agreement will not lead to the status of a formal treaty, and that input and approval from the Congress is not necessary. The Bush Administration says the long-term security agreement is necessary, because the UN mandate expires in December of this year.

New Evidence: Rumsfeld Lied About Saddam's Ties to al-Qaeda

March 13 (EIRNS)—Yet more evidence has emerged that one of the central justifications for the invasion of Iraq, that Saddam Hussein had ties to al-Qaeda, was a lie. This latest report, however, was produced on behalf of the U.S. military by the Institute for Defense Analysis, and was based on 600,000 pages of captured Iraqi documents, making it particularly sensitive. According to Warren Strobel of McClatchy news service, the study found that Saddam used terrorism against domestic enemies inside Iraq, and that he supported the Palestinian rejectionist groups, but found no documents indicating

a "direct operational link" between the regime and al-Qaeda.

The sensitivity of the conclusions of the study were probably behind the abrupt cancellation of a broad release of the report by the Pentagon, within 24 hours after it was available. That release would have included making the authors of the study available to reporters for interviews, and posting it on the Internet, neither of which will now be done. However, the U.S. Joint Forces Command will mail copies on request.

Oregon: Need Health Insurance? Sign Up for the Lottery!

March 13 (EIRNS)—Through its state health plan, the Oregon has only enough money to serve 24,000 out of 130,000 low-income adults who lack private health insurance. There are 600,000 people overall in the state who lack any kind of health insurance.

So the state has decided to randomly select 24,000 individuals, lottery-style, out of the 91,000 low-income adults who have asked to enrol in the plan, which served 100,000 people before budget cuts slashed the number of enrollees. Names will be drawn in batches of 3,000 each, until 24,000 people have been chosen. As one official who manages the Community Clinic of Bend, told the *New York Times*, "[U]sing a random process to decide who gets healthcare is a sign of profound desperation." The lottery idea emerged from a consensus among state officials and advocacy groups that "small steps can help."

Rendell/Rohatyn Turnpike Toll Plan Denounced

March 11 (EIRNS)—Pennsylvania's five-term, retiring Rep. John Peterson (R) blasted Gov. Ed Rendell's (D) Rohatyn-style turnpike privatization scheme. "Any legislator who voted for Act 44 and is not now pushing for repeal needs to be replaced," Peterson said to a packed audience in his district. The *Clarion News* reported, "U.S. Rep. John Peterson pounded on these two themes," ending the toll scheme, and replacing politicians with bad ideas. Calling for the repeal of Pennsylvania's Act 44, passed in July 2007, which allows for tolling to be imposed, he said, 'It's the damndest piece of legislation I've ever seen. We need to start hammering those who did it. If they don't fix it, they're going to pay the price,' Peterson said."

Hearing on War Powers Act Held in House

March 14 (EIRNS)—The first Congressional hearing on H.J. Res 53, "The Constitutional War Powers Resolution," was held March 13 by Rep. William Delahunt (D-Mass.), chair of the Subcommittee on International Organizations, Human Rights and Oversight of the House Committee on Foreign Affairs.

After a panel of constitutional experts, including co-chairs of the Constitution Project's War Powers Initiative, former Reps. David Skaggs and Mickey Edwards, Rep. Walter Jones (R-N.C.), author of the resolution, gave an impassioned presentation, including a description of his profound change in view of the Iraq War.

Jones stated: "Article 1, Section 8 of the U.S. Constitution grants the Congress sole authority to declare war. In 1793, James Madison said, 'The power to declare war, including the power of judging the causes of war, is fully and exclusively vested in the legislature....' "

Jones pointed out that the last time Congress declared war was in 1942, but Presidents of both parties have since engaged in numerous conflicts without the express consent of Congress.

The most important change initiated by Jones is to stipulate when Congressional approval is required. Under the previous 1973 resolution, the President could act in any instance without prior Congressional approval. Under H.J. Res. 53, the President may authorize the use of the Armed Forces prior to Congressional approval *only* in case of 1) an armed attack upon the U.S.; 2) an armed attack on the Armed Forces outside the U.S.; or 3) an evacuation of U.S. citizens.

Ibero-American News Digest

- [Colombian, Venezuelan Presidents Calm Regional Tensions](#)
- [Multinationals Move To Privatize Mexico's Oil](#)
- [Bolivia Advances Imperial Coca Legalization Project](#)
- [Argentina President Calls for Calm at Rio Summit](#)

Colombian, Venezuelan Presidents Calm Regional Tensions

March 14 (EIRNS)—Colombian President Alvaro Uribe and Venezuelan President Hugo Chávez held a 20-minute phone conversation yesterday, in a further cooling-off of the tensions that nearly led to a shooting war just over a week ago, after Colombian troops entered Ecuador on March 1 to kill FARC kingpin Raúl Reyes.

Uribe interrupted a meeting at the Presidential Palace to take the call from his Venezuelan counterpart, and the two committed themselves to improving bilateral relations and to working closely together on security matters, so as to avoid any future problems. The two Presidents are expected to meet in person, most likely in the context of the March 28-29 summit of the Union of South American Nations (Unasur), in Cartagena, Colombia.

The City of London's *Economist*, in its March 13 issue described the recent conflict among Colombia, Venezuela, and Ecuador as "soap opera," but added that the peaceful resolution of that conflict at the March 7 Rio Group summit is "as phony as the war that preceded it." It can't last, the *Economist* predicted, because "the fault line running through the Andes seems bound to produce more tremors before long."

Attempting to provoke a renewed conflict, the *Economist* salivates over the contents of the computers discovered at the Ecuadorian campsite of the now-deceased Raúl Reyes. But, the *Economist* avoids the real issue of the computers, which is Wall Street's sordid alliance with the FARC, reflected in the 1999 meeting in the Colombian jungle between Richard Grasso, then-president of the New York Stock Exchange, and Raúl Reyes. Instead, it argues that the information on the computers can surely be used to nail Chávez or Ecuadorian President Rafael Correa for being FARC collaborators, and demands that the Organization of American States (OAS) immediately pursue this (For more on this, see "What's Behind the FARC Cartel's South American Operation?" in this week's InDepth.)

Multinationals Move To Privatize Mexico's Oil

March 10 (EIRNS)—Mexicans are being told that they have "hidden treasure" under the sea, which will bring jobs and riches to everyone, if only they permit foreign oil interests to help them extract it. And if they don't, the lie goes, they face catastrophe when their current oil reserves run out, possibly within nine years.

With this message, contained in a slick five-minute spot which began broadcasting on Mexican radio and television airwaves four days ago, the Calderón government, and its Bloomberg allies in the U.S., launched the media artillery barrage they hope will prepare the way for privatizing Mexico's national oil industry. They don't mean next year, but by the end of April. It's an open secret that the government intends to present legislation soon after Easter, authorizing "risk contracts" for drilling in the Mexican part of the Gulf of Mexico, to be signed with foreign oil multinationals.

First came the insertion in TV shows and movies of the line: "There is treasure under the sea; wait for it!" Then came the ad itself, with its message that Mexico's new oil reserves lie so deep under the sea, that extracting it will be equivalent to putting men on the Moon. We Mexicans can do it, the ad assures, but before current oil runs out, we must bring in the experience, know-how, and technology of the multinationals.

Every assumption presented in the advertising blitz is a lie, starting with the claim that Mexican land and shallow-water reserves are about to run out, and the state oil company, Pemex, doesn't have the wherewithal to do anything about that. Sen. Manuel Bartlett (PRI), former Pemex head Francisco Rojas, and the PRD's Andrés Manuel López Obrador are mobilizing against this fraud. Bartlett told the daily *La Jornada* that the Secretary of Energy's own figures show that the oil multis would get \$300 billion for simply installing the deepwater equipment they want to recycle from North Sea fields, before they even rake off 50% of the oil extracted, under those contracts!

It is the LaRouche Youth Movement in Mexico which has given *content*, however, to the opposition's slogan of "using oil as the lever for development": the in-depth development of Mexico through the great water, transport, and nuclear-centered energy projects for which Lyndon LaRouche and his movement have fought for decades. Mexico's treasure lies not under the sea, but in its minds.

Bolivia Advances Imperial Coca Legalization Project

March 13 (EIRNS)—The Bolivian government announced two days ago that it will invest \$300,000 in a coca "industrialization" project, to prepare coca products for export to Venezuela and Cuba, which are "signed markets," according to Bolivia's Vice Minister of Coca, Gerónimo Meneses. Meneses added that the government expects the European Union to soon follow suit.

Despite the trappings of defending "our millenarian culture," the move comes straight out of the playbook of George Soros and his British legalization buddies, who lead today's modern-day imperial Opium War against the nation-state. This apparatus has declared war on the United Nations 1961 Single Convention on Narcotic Drugs, which outlaws and regulates production and export of narcotics internationally. Coca is the primary ingredient used for the production of cocaine.

The UN International Narcotics Board, in its annual report released on March 10, did not oblige, instead calling for the governments of Peru and Bolivia to outlaw chewing of coca leaves. The Morales government responded by organizing an 1,000-person public "acullicu"—coca-chew— in Bolivia and Peru, as a protest, with Meneses leading the La Paz "chew."

Evo Morales, a leader of the coca-producers until his election as President, had been promoted by the Soros apparatus as an instrument for this British imperial fraud, as *EIR* documented in 1998. Upon assuming the Presidency, Morales's darker side had been kept somewhat in check by the informal Presidents Club of South American heads of State, whose central focus had been regional integration and a new financial architecture built around the Bank of the South, until the British succeeded in blowing up the continent with their FARC operation in early 2008.

The role of George Soros in fomenting Bolivia's current problems has become a major point of discussion today, as is his ownership of one of Bolivia's largest silver mines.

Argentina President Calls for Calm at Rio Summit

March 10 (EIRNS)—At the March 7 meeting of the Rio Group of Ibero-American Presidents in the Dominican Republic, Argentine President Cristina Fernández de Kirchner showed considerable insight into the mental states of her fellow Presidents, after listening to them hurl insults, accusations, and expletives at each other.

The Argentine President spoke shortly after the heated exchange between the Presidents of Ecuador and Colombia, in which Ecuador's highly agitated Rafael Correa, in particular, spared no adjectives in attacking his Colombian counterpart. It was feared at that point that the summit might fall apart altogether, without some resolution on the Colombia-Ecuador conflict which erupted after Colombia's March 1 military incursion into Ecuador to kill FARC kingpin Raúl Reyes.

In concluding her remarks, which along with those of the Presidents of Mexico and Chile, and Brazil's foreign minister, were crucial in calming the environment, President Kirchner had this to say:

"Forgive me for bringing up the gender issue, but we women have always been accused of losing it, and displaying a certain degree of hysteria at certain specific times [of the month]. But I would like to say that some of the things I've seen here, make women look like the most rational beings on the planet! Forgive me again for raising the gender issue, but I had to, because we're always being put to the test, and we always have to prove that we can be better than men. I think that in some areas, we're proving that; in some things, we're a little better than some men." Kirchner received enthusiastic applause for her intervention.

Western European News Digest

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- [30 Years Later: Renewed Interest in Moro Assassination](#)
- [First Round of French Provincial Elections Held](#)
- [Mussolini Economics: Italy Should Import Nuclear Plants](#)
- [Europe's First Cargo Transport Launched to Space Station](#)

Will Turkey Be Roped into U.S. Missile Defense?

March 13 (EIRNS)—The Russian daily *Pravda* reported today that the Bush Administration has been conducting secret talks with the Turkish government on the deployment in that country of a mobile radar of its missile defense system. If this report is true, the daily warned, these plans would "seriously aggravate" U.S. relations with Moscow.

On March 10, Pentagon Press Secretary Geoff Morrell confirmed that the issue of missile defense "did come up" during Defense Secretary Robert Gates' recent trip to Turkey. But he would provide no further details on what was discussed.

Pravda asserted that Gates had urged Turkey to agree to become the third site for the installation of a U.S. missile defense system, in addition to Poland and the Czech Republic. According to this unconfirmed report, Gates has promised to aid

Turkey financially in modernizing its army, mentioning an investment figure of \$1 billion in the country's defense sector. The Austrian daily *Die Presse* subsequently also reported that the U.S. intends to deploy a mobile radar system in Turkey.

Washington's rationale for positioning a radar in Turkey, according to *Pravda*, is that those in Poland and the Czech Republic won't be able to adequately protect such U.S. allies as Greece, Bulgaria, Romania, and Turkey from a potential Iranian missile attack. The issue reportedly will be discussed further at the April 22 NATO summit in Bucharest.

30 Years Later: Renewed Interest in Moro Assassination

March 11 (EIRNS)—As the 30th anniversary of the kidnapping by Red Brigades terrorists, of former Italian Prime Minister Aldo Moro, on March 16, 1978, approaches, the case is drawing renewed national and international attention. During the weeks leading up to May 9, the day of his assassination, there is a possibility that a discussion of the British role, as well as the role of Henry Kissinger, in the atrocity will take place.

Two researchers on the Moro case, Giovanni Fasanella and Mario Sechi, have called for declassifying 27 files of secret papers on the crime, which have never been published, covering the period from February 1978 to August 1998. Prosecutor Rosario Priore, who conducted the first four investigations of the case, said that such papers confirm that, "the Moro case is still open, from the historical standpoint. I hope that the secrecy will be lifted as soon as possible."

First Round of French Provincial Elections Held

PARIS, March 10 (EIRNS)—The first round of the French national elections to replace half the officials in municipalities, and elect the members of governments of the 100 French departments (counties), took place March 9. While a big defeat was expected for President Nicolas Sarkozy, the UMP (Sarkozy's party) and other small right-wing slates managed to contain their losses to around 6%, relative to all the left-wing (Socialists, Communists, Greens, etc.). The left got close to 47.5%, against the right at 41%.

Voters delivered a warning to Sarkozy, but in many of the races, people voted not along party lines, but according to the perceived qualities of their local mayors or general counsellors. Thus, former President Jacques Chirac ally, ex-prime minister Alain Juppé, was elected in the first round, with 56.1%, while Françoise de Panafieu was badly defeated in Paris, traditionally a right-wing stronghold. Dominique Perben of the UMP lost in Lyon to Socialist candidate Collomb.

Although the votes for the four candidates of the LaRouche-affiliated Solidarité et Progrès running in local elections were small, their impact was important, as they addressed the population's concerns about the economic crisis by bringing together the local problems with their international causes.

Mussolini Economics: Italy Should Import Nuclear Plants

March 13 (EIRNS)—Two leading supporters of a "grand coalition" government in Italy, PD (Democratic Party) Rep. Enrico Letta and PdL (People of Freedom) Rep. Adolfo Urso, have agreed to a plan that would supply Italy with Italian-made nuclear energy, through a plant built in Albania. Urso, reportedly, is favorable to building plants in Italy, but he accepted a compromise with Letta, who claims that there is no "consensus" to build current generation nuclear plants in Italy. Thus, both accepted the "provocative proposal": What if the Italian state energy concern ENEL signs an agreement with Albania, to build there, on the Adriatic coast, a current generation nuclear plant, able to supply energy to Italy through an undersea cable? Letta agrees, and Urso reveals that, "The hypothesis was born in the talks between the Berlusconi government [2001-06] and the Berisha government. In Albania, people would accept a nuclear plant. They would see it as an occasion of development, integration and wealth."

Italy scrapped its nuclear power facilities through a political interpretation of a referendum in 1987. While there is no law forbidding construction of new plants, environmentalist arguments in support of the "next generation 'safer' plants," have stalled development. Italy is 86% dependent on energy imports.

Europe's First Cargo Transport Launched to Space Station

March 14 (EIRNS)—The appropriately named "Jules Verne" Automated Transfer Vehicle (ATV), was launched from Europe's facility in Kourou, French Guyana on March 8. The unmanned craft was developed in order to transport freight and other supplies to the 16-nation International Space Station. As of the Space Shuttle mission last month, the station now incorporates the European-built Columbus science laboratory. The fleet of five ATVs that the European Space Agency is building will be used to supplement supplies brought up to the station by the Shuttle and the Russia unmanned Progress craft. Like the Progress, the ATV is not reusable. After delivering its cargo, Jules Verne will leave the station and burn up in the atmosphere.

Jules Verne is carrying five tons of cargo to the station, including equipment, food, spare parts for Columbus, fresh clothing, water, and fuel. It also has two 19th-Century manuscripts of Jules Verne novels, for a commemorative ceremony which will take place on the station. Following the end of the American Civil War, Verne wrote a novel, "From the Earth to the Moon," and a sequel, "Round the Moon," weaving a delightful story around what was known about the Moon at the time.

Russia and the CIS News Digest

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Putin Gives Merkel Image of a Strengthened Russia

March 10 (EIRNS)—German Chancellor Angela Merkel met with outgoing Russian President Vladimir Putin in Moscow on March 8. Far from being "demobilized" on presenting Russia's interests, Putin told his guest that he was aware that many in the West were glad he would be out of office soon, but he warned that dealing with newly-elected President Dmitri Medvedev might be different for them, but "not easier, since he is also a Russian patriot." Russia would always insist that its genuine interests be respected, but that ought not necessarily lead to conflicts with the West, if the West remained cooperative.

As Merkel confirmed to journalists afterward, Putin made clear that a number of important disputes that Russia presently has with NATO and the West will remain on the agenda, unless satisfactorily solved in the view of the Russians: disputes over the independence of Kosovo, and over EU/NATO expansion into Ukraine and Georgia, for example. Putin said that these two states are free to decide, but that the decision on joining NATO were too important to have it as just a government decision without a referendum. If the Ukrainian and Georgian people voted in favor of NATO, Russia would accept it. Putin also said that Russia would accept an independence solution for Kosovo, if it were in line with international law and with Serbia's consent.

In the context of Merkel's visit, senior Russian diplomats pointed out the level of good bilateral relations and emphasized commitment to improve them, but there were also reminders of certain contentious aspects. Russia's ambassador to NATO, Dmitri Rogozin, said in an interview with Germany's *Der Spiegel* magazine (published March 10): "The Germans and the Russians see many things similarly. In contrast to the U.S., we have experienced war on our soil, and we know that we jointly bear a large responsibility."

In an interview with Novosti information agency March 6, Russian foreign ministry spokesman Mikhail Kamynin talked about the "constructive character of Russian-German relations," at the core of which was "the mindset of seeking collective answers to security challenges," and "the commonality of history, and the cultural/psychological compatibility of Russians and Germans in an integrating Europe." But he also noted areas overshadowed by disputes between Russia and the West, like relations between EU and NATO, and the Balkans, among others.

Kamynin mentioned a upcoming meeting in Berlin of the bilateral High-Level Strategic Group on Economic and Financial Cooperation. Merkel and Putin agreed that the Nord Stream natural gas pipeline project should go ahead as planned.

Germany Opposes Rapid Eastward NATO Expansion

March 11 (EIRNS)—In spite of different views on other issues, Chancellor Merkel and her Russian hosts in Moscow March 8 did agree on rejection of some of the most aggressive NATO expansion plans. At a Bundeswehr Commanders meeting in Berlin March 10, Merkel said that Ukraine and Georgia were "countries themselves entangled in regional or domestic conflicts, which, in my view, cannot be members of NATO." Merkel said a country should only be a member of NATO, "if it also has qualitative support of that NATO membership among its population and not just support by its present political leadership." She added "we are an alliance for the protection of our security, rather than an alliance in which individual members are maybe still absorbed with their domestic security."

Merkel's remarks are similar to those by senior Russian officials: Putin at his joint press conference with Merkel; and a high-profile interview given to *Der Spiegel* by Russia's NATO ambassador Dmitri Rogozin. Rogozin warned against admitting Georgia and Ukraine to the Western military bloc, which is on the table for the upcoming NATO summit April 22 in Bucharest. Rogozin said, to "push Georgia into the Western alliance, is a provocation, which can lead to bloodshed." This would be "the end of Georgia as a sovereign state," because it would lose its provinces Abkhazia and South Ossetia in this case.

As for Ukraine, Rogozin said that a majority of the population does not want to enter NATO. The country would be split, and that would destabilize Europe. Rogozin again attacked U.S. plans for stationing missile defense in Eastern Europe, warning that Russia would then position its nuclear missiles to reach relevant targets in both countries. But, addressing a Konrad Adenauer Foundation seminar in Berlin on March 5, on the topic "On the Eve of the NATO Summit: Prospects and Scope of Eastward Expansion," Rogozin said that Moscow still hopes for a positive answer from the United States to President Putin's proposal for Russia-NATO cooperation on missile defense.

Speaking to *Der Spiegel*, Rogozin announced that Russia would submit at the upcoming NATO summit, offers of a series of "very important agreements" with the Western partners, to fight the Taliban in Afghanistan and contribute to the reconstruction of the country. One of the Western countries Rogozin meant was certainly Germany. At the aforesaid Bundeswehr meeting, Merkel insisted that German deployments to Afghanistan stay limited to the non-combat zone in the north, and she added that out-of-area deployments of the German armed forces must always be based on a broad political consent in Germany. A broad majority of Germans rejects an expanded mandate in Afghanistan, however.

Russia Said To Have Plan To Solve Stalemated Conflicts

March 15 (EIRNS)—At the April 2-4 Bucharest NATO summit, according to press reports in Russia and France, Russian President Vladimir Putin, attending as an observer, will make a broad initiative aimed at solving the stalemated conflicts over autonomous regions in Moldova and Georgia. Through this initiative, Putin evidently seeks to avoid the trap of a region-wide outbreak of separatism, into which it could fall following Kosovo's declaration of independence.

Le Monde of Paris March 14 wrote that Russia is currently promoting a model for resolving these conflicts, for Transnistria, the heavily Russian-populated enclave that in the early 1990s declared independence from Moldova, formerly the Soviet Republic of Moldavia. "The rebel region would rejoin Moldova," reported *Le Monde*, and in exchange for this, Moldova "should commit itself not to join NATO." This scenario was also published in the Russian daily *Nezavisimaya Gazeta* in February.

Putin presented the proposal to Moldovan President Vladimir Voronin, on the sidelines of the Feb. 21 summit of the Commonwealth of Independent States, comprised of former Soviet republics (CIS), reported *Le Monde*. He apparently got a favorable response. Voronin told the Russian daily *Kommersant* on March 11: "Nobody is saying that European integration must go necessarily through NATO."

This plan proposes a great deal of autonomy for Transnistria within Moldova, in exchange for Moldova's declaring a status of "permanent neutrality" which should be recognized by Russia, Ukraine, the United States, the European Union, and the Organization for Security and Cooperation in Europe (OSCE). Moldova would then quit GUUAM, an organization created nine years ago by Georgia, Ukraine, Uzbekistan, Azerbaijan, and Moldova to counter Russian influence on its periphery.

To get his plan adopted in Transnistria, Putin is evidently working with the president of the Transnistrian parliament, Yevgeni Shevchuk, whose Renewal Party has signed a cooperation agreement with United Russia, the Russian political party whose slate Putin headed in last year's Duma elections, according to *Le Monde*. The purpose of this collaboration would be to outflank President Igor Smirnov, who led the break with Moldova, and is a spokesman for an old "Soviet" patriotic faction in Russia, but "has lost his aura in Moscow."

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U.S. State Department Sabotaging Arab League Summit

March 15 (EIRNS)—The U.S. State Department is brazenly moving to sabotage the March 29-30 Arab League summit, by explicitly telling the Arab states, especially Lebanon, not to attend, because the summit will be held in Damascus. "We're certainly never going to try to dictate who should attend one of these meetings," State Department spokesman Sean McCormack claimed. But he then added: "In contemplating whether or not they attend a meeting in Syria, it certainly bears keeping in mind what Syria's role has been to this point in not allowing a Lebanese electoral process to move forward."

He then accused Syria of intervening in Lebanon's internal affairs by not allowing its parliament to elect a new President. It was hoped that the situation could be resolved at the upcoming summit which, if Lebanon, or other Arab countries do not

attend, will collapse.

Militia Violence Intensifies in Iraqi Port of Basra

March 13 (EIRNS)—Growing militia violence in the port city of Basra has created uncertainty as to whether, or how many, British troops will be able to withdraw from Iraq in the Spring, according to the London *Times*. British Defense Minister Des Brown was in Basra today to assess the situation.

Since the British handed security of the city over to Iraqi troops, militia violence has intensified, and Iraqi officials have asked Baghdad to send 6,000 extra troops, in addition to a new brigade sent last month. According to the *New York Times*, the government is mooting that it might seize control of the city's port, where the militia presence is very strong.

Iraq's Deputy Prime Minister Barham Salih confirmed that plans to seize control in Basra definitely involve a major troop build-up, which would include Western troops as well. Some observers suggest that this would parallel the "surge" that was applied in Baghdad.

Pentagon Report May Help Iran War Drumbeaters

Mar. 12 (EIRNS)—In what could be used as "evidence" to start beating of the wardrums against Iran again, the Pentagon's quarterly report to the U.S. Congress, "Measuring Stability and Security in Iraq," issued on March 11, blamed Iranian President Mahmoud Ahmadinejad and Supreme Leader Khamenei for not assisting in "stemming the flow of weapons, funding and other militia and insurgent support" in Iraq.

However, the report ignores the fact that, when the Iranian President went to Baghdad recently, he did not have to sneak in, as the U.S. President and Vice President must do, but was given a welcome that befits a head of state.

The Pentagon report also took a pot-shot at Syria by claiming that "terrorists and foreign fighters continue to find safe haven, border transit opportunities, and logistical support in Syria, and estimates suggest that Syria is the entry point for 90% of all known foreign terrorists in Iraq."

In light of two major developments which almost coincided with the release of the report, there exists a genuine reason to believe that the Bush Administration is once again training its guns on Iran. The first of the two developments is the resignation March 11 of CENTCOM chief Adm. William J. Fallon, who had gone on record opposing an attack against Iran. The second ominous development is the trip to the Middle East, beginning March 16, by the leading anti-Iran demagogue, U.S. Vice President Dick Cheney. Although the trip has been defined as one in quest of peace, Cheney has a well-known record of being nothing less than a thug for the British Imperial forces who, after leading the U.S. into war in Iraq five years ago, would love to see the war extended in the immediate period ahead.

Asia News Digest

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Tibet Riots Reflect British Drive For New Eurasian War

March 14 (EIRNS)—The current crisis around the Tibet upheaval is to be seen in the context of the drive for a great Eurasian war as a British imperial plot, designed to engage all of Europe west of the Belarus border, in a British-controlled empire. The Bloomberg option in the United States and the EU Treaty are part of the same geopolitical scheme.

"The Lisbon Treaty would mean a general outbreak of warfare throughout Eurasia," commented Lyndon LaRouche on March 16. "And we must understand that the British game in Tibet currently is simply a reflection of that. We know, for example, that the former U.S. Vice President, Al Gore, is very close to the British Monarchy, and he is also a friend of the Dalai Lama." Their plan is to break up China, Russia and India in particular, but fortunately, for the moment, no sane forces in Asia are supporting this venture.

India, as well as Nepal, which borders China's Tibet region, barred several hundred Tibetan exiles from marching to Tibet to protest against Beijing hosting the Olympic games. It seems that the riots that broke out in Lhasa shortly thereafter are not being encouraged by other Asian countries. The British hand in the planned march to Tibet is represented by the Transnational Radical Party, an operation run by old British agent Marco Pannella, a rabid malthusian.

At the end of last year, on Dec. 27-28, Pannella and his buddy Matteo Mecacci flew to Dharamsala, in India, where the exiled "Tibet government" resides, and met with the Dalai Lama. Pannella presented him the Radical Party plan for anti-Chinese initiatives in 2008, which he called a World Satyagraha (Mahatma Gandhi's word for non-violent march), to coincide with the Olympic Games, where Tibet was one of the three possible fronts. The Dalai Lama, who held Pannella's hand during the whole meeting, stressed the need for a worldwide mobilization on democracy, ecology, and freedom focused on China. The Radical Party group also met the heads of both the government and the parliament in exile.

Then, on March 10, on the 49th anniversary of the anti-Chinese revolt in Tibet, a six months' march started from Dharamsala to the India-Tibet border, led by a Radical Party delegation headed by Mecacci. At the same time, Pannella was starting a 'thirst-strike' in Rome. A few days after the Indian police blocked the march, riots broke out in Lhasa, the capital of Tibet.

Marco Pannella, the mastermind of the Satyagraha, is pushing for a plan called "soft landing," which calls for reducing the world population in half over the next two to three generations. His endorsement for that plan, in Italian, can be read at www.rientrodolce.org.

Protest demonstrations in Lhasa broke out on the 49th anniversary of the collapse of the Khampa revolt on March 10, 1959, which resulted in the flight of the Dalai Lama to India from Tibet. But, the major objective of the protests, is to draw the attention of international human rights organizations to undermine the upcoming Olympics in Beijing in July. According to an Indian intelligence analyst, the news of the demonstrations in Lhasa was first broken by Radio Free Asia, the CIA-funded radio station, which was established in the 1990s, for use against China, North Korea, and Myanmar. Radio Free Asia, which provided psywar support to the monks and students of Myanmar, during their agitation against the military junta last year, is now providing similar psywar support to the Tibetans.

In India, the response to this campaign has taken the form of an announced march by a group of about 100 Tibetans from Dharamsala, the headquarters of the Dalai Lama, to Tibet. The government of India has done well to ban this march, but despite this, the Tibetans are likely to create difficulties during the passage of the Olympic flame through Delhi on April 17.

Pakistani Extremists Continue Their Rampage

March 12 (EIRNS)—Yesterday, the same day that Pakistan's President Pervez Musharraf announced convening of the National Assembly on March 17 to establish a new democratically elected government, two massive suicide bombs exploded in Lahore, Pakistan's second-largest city. It is not clear, as of now, how many people have been killed, but already, 31 have been reported dead, and another 175 injured.

The stronger bomb went off at the Federal Investigation Agency (FIA), which mainly deals with immigration and human smuggling, but the building also housed the offices of a special U.S.-trained unit created to counter terrorism, security officials said. The bomb at the FIA killed at least 13 agents, reports indicate. A second bomb went off in the residential neighborhood of Model Town, about 10 km from the site of the first blast, almost simultaneously killing two children and another person, besides the two suicide bombers, said a city administrator. The second bomb went off quite close to where PPP leader Asif Ali Zardari's home in Lahore. It was also pointed out that the Special Intelligence Unit (SIU), a section of Pakistani military intelligence, has an office close to where the second bomb went off.

"I have never seen such a deadly suicide attack," Federal Investigation Agency chief Tariq Pervaz told reporters outside the badly damaged eight-story headquarters in the heart of the city.

British Ops, Economic Crisis Destabilize Malaysia

March 9 (EIRNS)—Barisan Nasional (BN), the government coalition party of Malaysia, was handed a severe setback in national elections yesterday, dropping from 90% of the seats in the parliament to less than two-thirds—the percentage needed to make changes in the Constitution on its own. Five of the twelve states, were won by the opposition, including the Islamist party PAS, the Chinese Party DAP, and the Keadilan party formed by Anwar Ibrahim, after he was dumped by former Prime Minister Mahathir bin Mohamad in 1998.

The race was heavily shaped by racial tension, stirred up by the British and their prime asset, Anwar, whose best friends in the West are Paul Wolfowitz and Al Gore. However, the reason such racial divisiveness was effective was that the government of Prime Minister Abdullah Badawi has been unable to defend the nation against the hyperinflation in fuel and food prices sweeping across the globe, which has enraged the population.

Mahathir, who took global leadership against the IMF and the hedge funds in the 1997-98 crisis, by imposing currency controls against global speculators, was brutal in his condemnation of Badawi for failing to protect the nation. "My view is that he has destroyed UMNO (the majority party in the ruling coalition), destroyed the BN (the ruling coalition), and he is responsible for this election result," said Mahathir, and called for Badawi's resignation. "I'm sorry," he concluded, "but I apparently made the wrong choice," by choosing Badawi as his successor when he retired in 2003.

The racial tension was provoked by British assets on both sides. Badawi is known to be highly influenced by his son-in-law, Khairy Jamaluddin, a Cambridge University-trained asset of British financial circles. Khairy famously appealed to race in his leadership of the UMNO Youth, where he raised a keris dagger in railing against the Chinese minority. This, in turn, provided Ibrahim, who was once proud of his role as representative of the terrorist Muslim Brotherhood in Malaysia, to act like a defender of the minority races by accusing the government of "brandishing the keris towards minority groups."

The Indian and Chinese parties which were part of the BN coalition lost badly, including their leaders, who lost their own races.

The last time the UMNO fell short of a two-thirds majority in the Parliament was in 1969, an event that precipitated

serious race riots and many deaths.

Africa News Digest

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Zimbabwe: Report Projects Massive Grain Deficit

March 16 (EIRNS)—While campaigning for re-election, President Robert Mugabe said that Zimbabwe is faced with another food deficit this year, according to the *Zimbabwe Guardian* March 5. Mugabe said the government had already ordered 500,000 tons of maize to mitigate against possible hunger and starvation in the country. A report co-sponsored by the government indicated that Zimbabwe will need to import grain, because only 14% of the land targeted for maize had been planted by December, and much of this crop was adversely affected by fertilizer shortages, according to the *Zimbabwe Financial Gazette* March 6. *The report advised the creation of contingency plans for food imports, noting that farmers had only received 10% or less of the required fertilizer during the current 2007-08 Summer farming season.*

The "First Round Crop Assessment Report" was issued by a joint team comprising the Ministry of Agriculture; Operation Maguta, a program run by the military; the UN Food and Agricultural Organization (FAO); the Famine Early Warning Systems Network (FEWS-NET); and the Meteorological Office.

Zimbabwe faced a grain deficit of about 891,000 metric tons in 2007—almost 50% of its 2006 harvest, according to a joint Crop and Food supply assessment mission by the FAO and the World Food Program. It is expected that Zimbabwe will end up with an even higher maize deficit than in 2007, according to the latest report from the USAID-funded FEWS-NET.

Cost of Grain Production in South Africa Skyrockets

March 14 (EIRNS)—The rise in production cost of grains, including wheat and maize, is "mind-boggling," according to Neels Ferreira, chairman of Grain S.A., who was cited in a SAPA (South African Press Association) release that was published in the *South African Mail and Guardian* online, March 13. The cost of production for wheat due to be planted in the coming months, according to the report, will increase on average by 63%, according to Ferreira. This included the cost of seed, fertilizer, chemicals for weed and pest control, fuel, repairs and spares, marketing costs, and interest on production credit.

Measured on a year-on-year basis, all cost components showed increased price levels, including fertilizers, up 98%; seed, up 24%; diesel, up 55%; and interest on production credit, up 63%.

Budgets for the upcoming production season, starting in October, indicate that production costs of various crops would increase by between 30% and 50%.

The biggest increases were in the price of fertilizers, up 58%; diesel, up 33%; herbicides, up 42%; and interest on production credit, up 30%.

Warning that the price of inputs will stay high, Ferreira stated, "The price of inputs very seldom decreases, and it must be

accepted that the present price levels will continue; whereas grain prices are much more volatile and there is no guarantee that they will remain high, according to the report.

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