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LaRouche on the Middle East:
The End of Sykes-Picot: Moving Beyond Colonialism

One of the greatest threats to mankind today can be summarized in the saying: ``Those who fail to learn the lessons of history are doomed to repeat them." It was in this spirit that Lyndon LaRouche spoke before approximately 200 faculty, students, and guests of Central Connecticut State University on May 4, 2009. His topic was ``The End of the Sykes-Picot System." He delivered the lecture as part of the Middle East policy series, chaired by Middle East scholar Prof. Norton Mezvinsky.

LaRouche stepped outside the rigged game of the Middle East per se, to deliver a message, intended to reverberate in the Obama Administration: Unless the global struggle between the republican and oligarchical outlooks—expressed in the historical and ongoing struggle between the American (republican) and British (oligarchical) systems—is understood, no Middle East peace is possible. The British system, he said, is a global financial empire, centered in the City of London, but with tentacles on Wall Street and in every financial capital. It is the power of that system that must be defeated today, if the Middle East is ever to enjoy peace and prosperity.

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This Week's Cover

- **LaRouche on the Middle East:**
The End of Sykes-Picot: Moving Beyond Colonialism

In a May 4 speech at Central Connecticut State University, Lyndon LaRouche stressed that it is a mistake to talk about Middle East policy, without situating it in the context of a global conflict dating to at least the end of the 19th Century. The British Empire, which sparked World War I in order to destroy Europe's continental powers, then carved up Southwest Asia (with the French), in the infamous Sykes-Picot Treaty of 1918. The legacy of ethnic and religious hatreds fostered by that secret accord continues to fan the flames of conflict in the region to this day. There will be no peace between Israelis and Palestinians until the British manipulation is exposed and its agents driven from power and influence.

National

- **Larry Summers' Flight Forward**

White House economic advisor, wannabe White House Chief of Staff Larry Summers, is at odds with the sane elements of the Obama Administration.

- **CAMERA:**
Summers' Israeli Fascists

- **Obama 'Climate' Advisor Was Big-Time Lobbyist**
- **Ohio's Straight Talk Live Radio Interviews 'the Legendary Lyndon LaRouche'**

LaRouche was interviewed on April 26 by Columbus, Ohio talk show host Khari Enaharo on a broad range of subjects, from the crash of the financial system, to why Nancy Pelosi has got to go.

Economics

- **Obama's Budget Cuts Mean People Will Die**

The Obama Administration's current policies will lead to genocide—yet there is a readily available, and urgently needed, alternative.

- **Behavioral Economics in Europe:**
Who's Who

- **A Dialogue with Lyndon LaRouche:**
Barack Obama and the Nazi Doctors

With Peter Orszag's 'Quality Adjusted Life Years,' the Nazi doctors have crawled out of their crypts, this time into the White House.

- **Obama's Health Program:**
Designed by Kervorkian

- **Harry Hopkins:**
The American System Versus Feudalism and Fascism

Excerpts from a 1938 speech by FDR's principal relief administrator and close advisor, entitled, 'What Is the American Way?'

- **Appendix:**
From Henry C. Carey's *The Harmony of Interests*.

International

- **British Anti-Nation-State Warriors Attack South Asia**

Pakistan is not only slipping into the hands of British-sponsored jihadists, but the powers-that-be are tacitly accepting these forces as partners, even at the danger of breaking up the country. Similar scenarios are unfolding throughout the Subcontinent.

- **Indian Parliamentary Elections:**
Electorate Got a Raw Deal

- **The Influenza Virus Was Incubated 27 Years Ago**

A statement by the LaRouche Youth Movement in Mexico.

- **Helga Zepp-LaRouche Organizes in Denmark**

Visiting Copenhagen for the first time in 18 years, Mrs. LaRouche held a public meeting, a diplomatic seminar, a press conference, as well as private meetings with Danish politicians, Schiller Institute activists, and others.

- **Russian News Agency Covers Zepp-LaRouche in Denmark**

ITAR-TASS reports from Copenhagen on Helga Zepp-LaRouche's call for a 'new international financial architecture.'

Editorial

- **Stop Nazi Health Care!**

U.S. Economic/Financial News

Obama Economy Stimulates Homeless Tent Cities

BLS Admits Real Unemployment Almost 16%

California Budget Meltdown Escalates

GM Shuts Down 23 U.S. Parts Plants 'Temporarily'

Obama Economy Stimulates Homeless Tent Cities

May 5 (EIRNS)—Tent cities are overflowing these days, and social workers are referring to a new breed of "economic homeless" to distinguish them from the—often drug-addicted or mentally ill—"chronic homeless." The cover story in the May 5 *USA Today* documents the case of Pinhillas Hope, an outdoor shelter near St. Petersburg, Florida, established by Catholic Charities in 2007. "We're seeing a change in the population," says Charity COO Sheila Lopez, "a lot are either job-ready or working but have lost their home, because they were laid off, or their apartment, and now can't go to work, because they're not shaven, they're not clean, they're living in a car, or they're living on the street."

Pinhillas Hope now has 250 residents, 20% of whom are "economic" homeless, some with families. They are now starting to build 6x8 foot "sheds" to replace some tents, even build some studio apartments; and plan to open another shed park soon. The story describes such parks from Massachusetts to Reno, Nev., to Santa Barbara, Calif., some with patrons sleeping in vehicles, others putting up residents in motels, as long as charity money holds out. Many are fit for, and continue to search for, employment, which just isn't there.

BLS Admits Real Unemployment Almost 16%

May 8 (EIRNS)—Under questioning by Sen. Amy Klobuchar (D-Minn.) at a hearing of the Joint Economic Committee today, Keith Hall, Commissioner, Bureau of Labor Statistics, admitted that real unemployment is much higher than even the official figure of 8.9%, the highest in 25 years. Here is an excerpt from the transcript:

Klobuchar: I just wanted to conclude here, summarizing what we've heard today, just sort of from a layman's way of looking at this. So this past month, we've seen 563,000 more people that are basically unemployed. Is that right?

Hall: Five hundred—539,000.

Klobuchar: Five hundred thirty-nine thousand. And since the start of the recession, how many people are now unemployed?

Hall: The number of unemployed is now 13.7 million.

Klobuchar: Thirteen-point-seven million. I always think these numbers are important, as people have to realize across the

country that, you know, it's not just one person messing up here, that there are a lot of people that have been affected by this recession for no fault of their own. We've seen a rise in the unemployment rate from last month's. It was 8.5%, and now it's 8.9%, right?

Hall: Yes.

Klobuchar: And then that group that is so hard to—to—for people to get their arms around, the group I was talking about like the Johnsons [ph] of Blaine, Minnesota, who would like to work more hours, but are discouraged or—what do you call them—marginal workers who are trying to increase those hours and just can't find the job, when you include them, we're at 15—no, wait, 15.9% unemployment.

Hall: Fifteen-point-eight percent.

California Budget Meltdown Escalates

May 9 (EIRNS)—New figures released from State Controller John Chiang's office show that revenues for last month for California were \$2.1 billion below what had been projected in February, when the present budget sham was completed. Even after draconian budget cuts and increasing taxes, to eliminate a \$40+ billion shortfall for fiscal year 2009-10, the state was left with an \$8 billion shortfall. The latest figures of dramatically decreasing revenues show that even the \$8 billion deficit figure was optimistic.

Further, the budget sham imposed in February by Gov. Arnold Schwarzenegger was adopted unanimously by Democrats in the Assembly and the Senate, with an unacceptable proviso attached: To get three Republicans to vote for it in each House, the Democrats agreed to support a series of ballot initiatives favored by Arnie, including Proposition 1-A, which is a repeat of the "Make Arnie the Dictator Act," rejected by voters in November 2005, due in large part to a strong mobilization by and labor unions. The Governor and Democratic leaders argue that if the ballot initiatives do not pass this time, the state will have at least a \$20 billion additional hole. So far, polls show that voters will once again reject these initiatives, and the Democratic Party refused to endorse the initiatives at their recent convention in Sacramento.

In yet another setback for the Governor, the Federal government ruled that recent cuts in wages for health-care workers imposed by Arnold violate Federal standards, meaning that so-called stimulus funds for the state will be held back. These developments—in addition to the Governor's own perverse self-conception—explain why Arnie is now willing to "begin the debate" on legalizing, and taxing, marijuana. Perhaps Arnie doesn't remember that he has already made cuts in the inadequate funds allocated to treat drug abusers.

GM Shuts Down 23 U.S. Parts Plants 'Temporarily'

May 7 (EIRNS)—General Motors will temporarily close all or portions of 23 engine, transmission, and parts factories in the U.S. for several weeks, because of the closure of its 13 assembly plants for up to 11 weeks, announced on April 22. The assembly plant shutdowns affect 24,000 workers.

The additional parts plant shutdowns affect more than 18,000 hourly and salaried workers. Some parts plants will close for eight or nine weeks, while others will have only one product assembly line closed.

Of the 23 factories, the longest full-plant shutdowns will occur at the Baltimore, Md., and Toledo, Ohio, transmission factories, which will both close for eight weeks. The Willow Run Transmission plant in Ypsilanti Township, Mich. will have one of its assembly lines closed for nine weeks, from May 11 through July 13.

Nearly all stamping plants will see at least partial shutdowns from this week through the normal two-week summer shutdown that ends July 13. Engine plant closures vary from two to six weeks. Union agreements will give workers most of their pay during these shutdowns.

GM, surviving on \$15.4 billion in government loans, is facing a June 1 deadline, to restructure or go into bankruptcy. GM has a 123-day supply of vehicles across its model lineup which it is trying to sell.

Global Economic News

Celtic Tiger Is a Dead Cat; EU Is No Better

FAO Head: 1 Billion May Go Hungry This Year

Celtic Tiger Is a Dead Cat; EU Is No Better

May 6 (EIRNS)—Ireland, which had been called the "Celtic Tiger," is looking more like a dead cat. Unemployment has increased to 11.4%, officially, and is expected to rise next year. According to the London *Guardian*, this is a return to the mass unemployment of the 1980s. Some 388,600 people are claiming unemployment benefits in a country of 6 million. The gross domestic product is expected to fall by 8.3% this year, which will be the biggest contraction of an industrial economy since the Great Depression, according to the Economic and Social Research Institute. The growth rate of the "Celtic Tiger" was based on its offshore financial center, which in turn created a real estate bubble. Now, not only has its financial center collapsed, but real estate prices have collapsed by a third. Its national debt-to-GDP ratio will go from 41% to 58% this year, and is projected to reach 70% in 2010.

Labor Party spokesperson Joan Burton said, "Unemployment is cutting a swath of social destruction across the country. Every community and every sector of the economy has been affected. Every family knows somebody who has lost a job. Some families have lost two incomes, making ends meet is next to impossible."

The collapse in Ireland is being replicated throughout the European Union. The *Daily Telegraph* (May 5) reported that the European Commission had revised its economic forecast, almost *doubling* every key figure. Although the figures are still not near reality, they are bad enough. The EC predicts unemployment to reach 11.5%, some 26 million people, which includes a 20% unemployment rate for Spain alone. The European economy, it says, will contract by 4%, with Germany contracting by 5.4%. The Eurozone's treaty-mandated 3%-of-GDP limit for budget deficits, is history. They are forecasting an average 6.5% rate, with Ireland reaching 15.6% and Great Britain 13.8%. The only country that will experience growth, according to these forecasts, is Cyprus!

The forecast for the U.K. is grim. The Commission's report says, "the likelihood [is] that economic activity in 2010 will be weaker than envisaged by the UK authorities" and will compound a "very significant" deterioration in public finances. It expects unemployment in the UK to reach 9.1%, over 3 million people.

FAO Head: 1 Billion May Go Hungry This Year

May 7 (EIRNS)—Speaking at the Paris headquarters of the OECD, Jacques Diouf, the director general of the UN's Food and Agriculture Organization (FAO), warned again that the number of hungry people might reach a record of 1 billion this year. As a result of the financial crisis, the hungry (those consuming fewer than 1,800 calories per day) will increase by 104 million people in 2009. If these trends are confirmed, the 1 billion mark will be reached. However, said Diouf, "food

security is an issue of peace and security," so food production should be doubled before 2050 to align with population growth.

The price of food, despite a global drop of 30% since June 2008, is far above the average of 2006. Also, real prices in developing countries have decreased only by 12-14% since June 2008. And products of basic necessity hardly declined.

United States News Digest

Obama Budget Plan Slashes Help for Restarting Nuclear Power

Pelosi Still Doing Dirty Work for Cheneyacs

LaRouche Demands Justice for David Kellermann

Moyers: Summers' Obama Is More Like Louis XVI than FDR

Obama Budget Plan Slashes Help for Restarting Nuclear Power

May 8 (EIRNS)—The pretense that the Obama Administration is somehow more reasonable on the vital question of nuclear energy, is totally dropped in the President's proposed FY 2010 budget.

The proposed budget calls for ending a research program for using nuclear power plants to develop hydrogen fuel for transportation, and cancels further subsidies to the nuclear industry, which helped pay for licensing and planning new nuclear power reactors. All told, these cancellations would immediately eliminate \$168 million that had been earmarked to help bring on line new reactors.

In fact, the cost of *not* investing in nuclear power is incalculable—the death of the United States as a viable economic power.

A glimmer of this reality was evident at a conference on nuclear infrastructure held in Washington, D.C. yesterday, which discussed the potential for going forward with new nuclear plant construction. Working from the absurd carbon dioxide emissions goals set by the Administration, Karen Harbert, CEO of the U.S. Chamber of Commerce, declared that this could be done by building 130 new nuclear power plants. The alternative, she said, would be to build 127,500 wind turbines, or devote an area 5.5 times the size of Iowa to biomass. Without doing one of those three things, she argued, the United States would sink to the per-capita energy level of Bangladesh.

Harbert said the Administration is doing nothing to help the nuclear industry. In reality, it is now trying to take away the little support it had.

Pelosi Still Doing Dirty Work for Cheneyacs

May 7 (EIRNS)—Speaker of the House Nancy Pelosi's alliance with California Republican Rep. Darrell Issa, to derail efforts to have a Pecora Commission-type investigation of systemic fraud by Wall Street insiders, is one more example of her long-term protection of the corrupt networks associated with former Vice President Dick Cheney. Issa was the money-bags behind the recall of former California Democratic Gov. Gray Davis in 2003, which catapulted the steroid-popping

Hollywood celebrity freak Arnold Schwarzenegger into the Governor's Mansion.

Following the deregulation of electricity in California in 2000, the Bush-Cheney-allied Enron led a cabal of energy pirates' assault on citizens of the state, jacking up utility prices by as much as 1.000%, with tactics that included illegal shutdowns of power generators during periods of peak use, ultimately costing the state upwards of \$70 billion. After a prolonged period of indecision, Davis, under prodding by LaRouche Democrats, finally took on this cabal, only to run into a determined effort, led by Cheney, to defend Enron.

Pelosi's act of sabotage, in collaboration with Issa, against the bipartisan efforts of Senators Dorgan and McCain, and Michigan Democrat Dingell of the House, to set up a Select Committee to investigate financial fraud, modeled on the Pecora Commission of 1932-34, confirms, in the words of Lyndon LaRouche, that she is still nothing but a Cheneyac. He added that her presence as Speaker represents an extreme danger to the nation, and her retirement is long overdue and she should take Arnold with her.

LaRouche Demands Justice for David Kellermann

May 6 (EIRNS)—Lyndon LaRouche today demanded justice for former acting Freddie Mac Chief Financial Officer David Kellermann, who died under strange circumstances on April 22. There is no evident motive for suicide in this case, LaRouche added, but there is a motive for suppressing Kellermann's views. The guy is killed, LaRouche said, probably murdered. He deserves justice. His right to justice is overriding. Because we have experience with injustice, we have a special qualification for stating our views on this matter.

What gave rise to LaRouche's statement, was the continuing coverage of the case in the national media. The *Post*, which characterized his death as "an apparent suicide," reported that Kellermann left no note and that no motivation has been disclosed.

Contacted by *EIR* today, Lucy Caldwell, a spokeswoman for the Fairfax County, Va. Police Public Information Office, said only that the "investigation is ongoing." Nancy Bull of the Medical Examiner's Office said that the autopsy has been completed, but that they are waiting for the results of laboratory tests, which could take several weeks. She said that the "cause and manner [of Kellermann's death are] pending."

The question is, what did David Kellermann know that influential circles did not want him to reveal?

Moyers: Summers' Obama Is More Like Louis XVI than FDR

May 3 (EIRNS)—Bill Moyers and Michael Winship of PBS's Bill Moyers Journal today accused President Obama of "Mortgaging the White House," when he "blundered mightily in his choice of economic advisors," naming Geithner and Summers. Moyers, who has argued for a Pecora Commission, and attacked Summers' Wall Street bailout, states: "In his first hundred days, FDR came out swinging. He shut down the banks, threw the money lenders from the temple, cranked out so much legislation so fast he would shout to his secretary, Grace Tully, 'Grace, take a law!' President Obama's been busy, but contrary to many of the pundits, he's no FDR...."

After denouncing Geithner as a stooge for the bankers who have destroyed the economy, Moyers continues: "In choosing a man to manage the bailout of the banks who's so cozy with its players, and then installing as his White House economic adviser Larry Summers, who in the Clinton administration took a *laissez faire* attitude toward the financial industry which would later enrich him, the President bought into the old fantasy that what's best for Wall Street is best for America. With these two as his financial gatekeepers, President Obama's now in the position of Louis XVI being advised by Marie

Antoinette to have another piece of cake until that rumble in the streets has passed on by.

"In fact, other Wall Street insiders many of them big contributors to the Obama presidential campaign, and progressive in their concern for the public interest privately are expressing serious concerns that Geithner, Summers, and their associates are leading the President and America's taxpayers down a path toward further economic disaster."

Ibero-American News Digest

Soros Creatures Out To Carve Up Bolivia

70,000 Argentine Youth Hooked on 'Drug of Annihilation'

Bolivia Looks Toward Improved Relations with the U.S.

More Countries Consider the Nuclear Energy Option

Soros Creatures Out To Carve Up Bolivia

May 6 (EIRNS)—Turn over any rock in Ibero-America and you're likely to find something owned by George Soros slither out.

On May 4 it was in Guatemala, where one Ruben Velázquez penned a diatribe against Lyndon LaRouche in the Internet magazine *La Razón*, specifically for his attacks on that "great philanthropist," Soros. Soros has done wonders for Guatemala, "morally and economically," Velázquez ranted.

Then in Bolivia, where Soros has a long and filthy history, playing both the "left" and "right" side of the political spectrum, his name cropped up in connection with the New York City-based Human Rights Foundation, whose Bolivian representative, Hugo Achá Melgar, has been charged with involvement in a plot to assassinate President Evo Morales.

On May 4, government prosecutor Marcelo Sosa issued a press statement naming several individuals based in the separatist state of Santa Cruz, who reportedly coordinated with, and financed, the ringleader of the alleged assassination plot, a Croatian-Bolivian named Eduardo Rozsa. Hugo Achá Melgar met with Rozsa on three or four occasions, and is now wanted for questioning by Sosa.

While many details surrounding this case have yet to be clarified, everything about the right-wing Human Rights Foundation—not to be confused with the left-wing Human Rights Watch, although Soros is involved with both of them—is quite clear. Sitting on HRF's International Council, for example, is Kenneth Anderson, who served on the board of directors of Soros's Americas Watch, and was general counsel to Soros's Open Society Institute for several years. An expert in "war and armed conflict," with a focus on Eastern Europe, he was also the founder and former director of the Arms Division of Human Rights Watch.

Several other members focus heavily on promoting "democracy" in Eastern Europe and Russia, such as "dissidents" Vladimir Bukovsky and Gary Kasparov. Michael J. Horowitz of the Hudson Institute, also on the board, has spent years promoting "religious freedom" in Sudan. But the Foundation has its sights trained on Ibero-America as well. In August 2008, it demanded regime change in Bolivia, Ecuador, and Venezuela, charging that the Presidents of those countries

should be removed for violating the democratic principles spelled out in the Organization of American States (OAS) Inter-American Charter.

70,000 Argentine Youth Hooked on 'Drug of Annihilation'

May 5 (EIRNS)—More than 70,000 Argentine youth are addicted to the deadly *paco*, a crack cocaine-like drug, according to the Mothers Against Paco group. These addiction rates augur the New Dark Age that drug kingpin George Soros offers, should his drug decriminalization and legalization plans go through the Argentine Congress.

With good reason is *paco* called the "annihilation drug." With epidemic force, it has swept through the poorest layers of the population, causing physical and psychological damage resulting in at least 10 deaths per week in metropolitan Buenos Aires, and 40 deaths a month. Consumption in middle and upper classes is quickly expanding. Alicia Romero of Mothers Against Paco says the figures are probably higher. "There is an informal number to which we have no access," she said. "Some families lose their children and don't say anything, out of shame or fear, but *paco* is present and is to blame."

In the country that once enjoyed the highest educational and cultural levels in South America, *paco* is taking a deadly toll. In cocaine "kitchens" around Buenos Aires, dealers sometimes add rat poison, pulverized glass, or other substances to the drug, to "stretch it" and have more to sell, offering it to poor adolescents who will pay a couple of pesos for it. Better-off youth can sometimes have it delivered to their homes.

Bolivia Looks Toward Improved Relations with the U.S.

May 8 (EIRNS)—On May 6, Bolivia's Foreign Minister David Choquehuanca announced that the government is setting up a tripartite commission, to include the Planning, Interior, and Foreign Affairs Ministers, for the purpose of making progress in resuming diplomatic relations with the United States.

As a result of the Bush Administration's thuggish foreign policy, relations between the two countries were broken off in September 2008. Statements by President Barak Obama that he hopes to establish a good working relationship with the governments of Ibero-America, and Secretary of State Hillary Clinton's May 1 remark that "we want to see how we can figure out how to get an ambassador back [in Bolivia] and work with [President Evo] Morales," have given the Bolivian government grounds to believe that resumption of relations that can now be discussed.

However, Choquehuanca stated on May 7 that Bolivia will take whatever time it needs to negotiate a relationship with the U.S. that is based on mutual respect, and non-interference in Bolivia's internal affairs. He added that he hopes it will possible to count on U.S. cooperation in helping Bolivia to attain the goals outlined in its National Development Plan.

In a visit to La Paz on May 2-3, former U.S. President Jimmy Carter stated that he believed that the two countries would soon resume diplomatic relations.

More Countries Consider the Nuclear Energy Option

May 4 (EIRNS)—Argentina will begin construction on its fourth nuclear plant in less than a year, Planning Minister Julio De Vido announced today. He also confirmed that completion of the Atucha II plant is on target for mid-2011, and will able to generate 700 MW for the National Interconnected System (SIN).

Despite the push for biofuels and other forms of "green" energy in Ibero-America, many countries are seriously looking at nuclear energy as a more viable way to meet their energy needs.

In Chile, President Michelle Bachelet ruled out nuclear during her term in office, although she has established a committee of scientists to evaluate this option for future development. But former President Eduardo Frei, who will be the candidate for the ruling Concertación coalition in this year's Presidential elections, said on May 7 that Chile has to get serious about building nuclear plants and should stop building thermoelectric ones because they are far less efficient and do more damage to the environment.

"If our neighbors [Brazil and Argentina—ed.] are building them, it's lawful that we must study them and make the necessary decisions," Frei said.

On June 15, in the northern mining city of Antofagasta, the Exponor 2009 conference, organized by the Antofagasta Industrialists Association, will include a debate on of nuclear energy, and how it might be used to meet the region's energy needs. A number of Argentine nuclear experts will be attending the conference to discuss their country's experience in the nuclear field.

Northern Chile, the center of the country's mining industry, has frequently been mentioned as the ideal location for a nuclear plant.

Western European News Digest

BüSo Campaign Spot for European Elections

Ireland: EP Elections Becoming Poll on Lisbon

German Press Moots Weimar-Style Hyperinflation

Germany's Schwan Wants Roundtable on Banking Crisis

Dutch Royals Escape Murder Attempt

BüSo Campaign Spot for European Elections

May 8 (EIRNS)—The German Civil Rights Solidarity Movement (BüSo) has produced a 90-second television spot with Helga Zepp-LaRouche for the June 7 European Parliament elections. It will be shown twice on each of two German public TV stations. The same audio message will be aired 15 times on regional radio stations. A translation of the text:

"Have you received your government bailout yet, for your overdrawn bank account? No? Then you must not be a banker, who has gambled everything away!

"Irony aside, in spite of the some \$20 trillion that the banks have received since August 2007, the unprecedented collapse of the real economy goes on and on.

"This breakdown crisis that I and the BüSo have been warning about for years now, will continue non-stop, until a fundamental change in the financial system occurs. Very soon, we will be threatened with hyperinflation such as in 1923, but this time internationally.

"There is a way out: We need an orderly bankruptcy reorganization for the estimated \$1 quadrillion worth of toxic waste that are now held by banks worldwide.

"Then, the nationalized Bundesbank could issue productive credit for conversion of the automobile industry, in order to produce tractors for Africa, and infrastructure here at home.

"The free market has failed.

"We now need a new just world economic order and a moral and cultural Renaissance.

"So, vote BüSo, the party that forecast the collapse, and now has the only possible solution!"

Ireland: EP Elections Becoming Poll on Lisbon

PARIS, May 7 (EIRNS)—The June 7 vote in the European Parliament elections may draw the lines on whether the Irish will hold a new referendum on the European Union's Lisbon Treaty, which is supposed to take place in October. The treaty, which codifies far-ranging supranational authority and the virtual elimination of any traces of national sovereignty, was signed by EU heads of state in December 2007, but was defeated by Irish voters in a June 2008 referendum. The treaty cannot go into force until all member nations support it, so heavy pressure has come on Ireland to hold a *new* referendum. Twenty-three out of the EU's 27 members have ratified it.

The French daily *l'Humanité* runs an interview with Michael Youlton, the Irish national coordinator of the Campaign against the EU Constitution (CAEUC), a coalition of 14 organizations. Youlton says the "Yes" camp is increasingly in bad shape.

For example, the Irish Labour Party, a major component of the "Yes" camp, asked the government coalition, the Fianna Fail-Green Party, to introduce changes into the Lisbon text, but received no response. Also, says Youlton, Labour's youth organization recently switched to the "No" side. Recent polls indicate that Fianna Fail's popularity is in "free fall," with only 23% expressing a favorable opinion, the lowest ever.

German Press Moots Weimar-Style Hyperinflation

May 5 (EIRNS)—The Munich-based, neocon weekly *Focus*, Germany's second-largest weekly, has cover story this week on inflation, with a graphic of a hand holding banknotes that are melting away. The story recounts how in 1923, when a roll of bread cost 14 million Reichsmarks one day and 18 million the next, stores would no longer accept nominal values of the mark after 12 o'clock noon, because that was the time that the money value was adjusted daily, by the central bank. People carried around bundles to buy the smallest things, and workers' incomes shrank at the same pace.

The cover story is not just a dry historical reminder, because the magazine adds a clear and explicit warning to its readers, that they should not be fooled by certain deflationary trends now, because inflation is just around the corner.

Germany's Schwan Wants Roundtable on Banking Crisis

May 4 (EIRNS)—The German Social Democrats' candidate for President, Gesine Schwan, reiterated on Channel 2 (ZDF) TV this morning that efforts to bail out and stabilize the banking sector alone will not do the job of solving the current

economic crisis. Without a serious attempt to address the mistakes that have been made by the banks, confidence will not be restored among the population, where "rage and disgust are spreading." Schwan said she is thinking of a roundtable to arrange such an in-depth discussion.

This is not the Pecora Commission which Helga Zepp-LaRouche's Büro party has been calling for, but it is apparently influenced by the broad Büro campaign.

Dutch Royals Escape Murder Attempt

PARIS, May 4 (EIRNS)—At the annual April 30 Queen's Day festivities in The Netherlands, a 38-year old Dutchman, who had lost his job as a security officer a few months ago, aimed his black car at the open-top bus carrying Queen Beatrix and her family in a parade through Apeldoorn, 55 miles from Amsterdam.

The car smashed through railings and careened through the crowds waiting to see the royals; six people were killed and at least 8 others remained hospitalized. The driver died of his injuries on May 1.

The vehicle missed its target and slammed into a stone monument 15 meters from the bus. The driver, Karst Tate, confessed before his death that his action was aimed against the royal family. He had recently been laid off, and reportedly had had to return the key to his rented apartment that day. Traces of cannabis were found in his bloodstream.

Russia and the CIS News Digest

Russian Duma: Act Now Against Afghanistan Dope

Flare-up in Georgia on the Eve of NATO Maneuvers

Diplomatic Efforts for Armenia-Azerbaijan Settlement

Velikhov: 'The Oligarchs Will Die Out Like the Dinosaurs'

Russian Duma: Act Now Against Afghanistan Dope

May 8 (EIRNS)—The Russian State Duma called on NATO and the United Nations to take urgent measures against drug trafficking from Afghanistan, in a resolution passed May 6. It was adopted following presentation of a report by Victor Ivanov, head of the Russian Federal Narcotics Control Agency, on the "narco-tsunami" sweeping over Russia. Ivanov warned that Russia is now "the main target of heroin aggression," and that there is every reason to "call the flow of Afghan opiates the second edition of the opium wars," which were run by the British Empire against China.

Like Ivanov, Duma Speaker Boris Gryzlov spoke in terms of "war, launched against us," in remarks having special poignancy in this week of the celebration of Victory Day, the May 9, 1945 defeat of the Nazis. Ivanov blasted current anti-drug efforts as "half-measures, which never in a hundred years will produce the needed results." While calling current international approaches flawed and "even counterproductive," Ivanov emphasized Russia's commitment to cooperation in attacking this "planetary" problem. The Duma resolution terms the narcotics plague "a common problem of the world community," and includes a call for interaction between NATO and the Collective Security (CSTO), which Russia belongs to, against Afghanistan dope.

Lyndon LaRouche said today that "the U.S. government should ally itself against the drug pushers, on this program with Russia. Such collaboration is not only correct, but also in the vital strategic interest of the United States."

Ivanov told the Duma: "Absolutely all of the heroin is coming to us from Afghanistan, our soft underbelly, which, thanks to transnational drug cartels, has turned into a drug plantation with an absolute global monopoly, producing over 94% of all the world's opiates. We are dealing with a phenomenon where Russia is the main target of the heroin aggression. Each year Russia loses up to 30,000 young lives to Afghan heroin."

Ivanov warned that the Afghan drug traffickers have built up a huge store of opium, a "future generation fund" for the drug trade. "Heroin stockpiles are now up to 2,000-3,000 tons—and this is in a country that is controlled by foreign troops under NATO command," he said. He is skeptical about triumphal reports of the UN and the Afghan government that opium growing has been stopped in northern Afghanistan. The Duma resolution likewise noted that, while most opium production is in southern Afghanistan, the allegedly more controlled northern region has many cannabis farms and underground drug-processing labs.

Ivanov said that some 180 Afghan drug cartels are trafficking heroin to Russia, most of them based in areas under U.S. and NATO control. Russian security agencies seized 1.5 tons of heroin and hashish from Afghanistan so far this year, almost twice as much as in the same period last year, but this is a small fraction of what gets smuggled. "The 1,500 packages seized since the start of the year translate into some 300 million doses—that is to say, two doses per Russian citizen, including babies," he said.

Flare-up in Georgia on the Eve of NATO Maneuvers

May 5 (EIRNS)—Maneuvers by NATO forces are scheduled for May 6 in Georgia, which last Summer invaded the autonomous region of South Ossetia and attacked Russian peacekeeping forces there. The George Soros/Lord Malloch-Brown-created Michael Saakashvili regime, which has been under heavy opposition pressure internally, claimed to have suppressed an uprising by military units at the Mukhrovani base outside the capital of Tbilisi. Saakashvili dubbed the incident a Russian-backed coup attempt. In an official statement, the Russian Foreign Ministry said that each accusation from Tbilisi is more "absurd" than the last. Armenia has pulled out of the NATO maneuvers. Russia has been protesting the impending maneuvers.

A separate incident, the expulsion of two Russian diplomats from NATO headquarters for alleged spying, and the retaliatory expulsion of two NATO representatives from Moscow, has led to the cancellation of Foreign Minister Sergei Lavrov's planned attendance at the NATO-Russia Council this month.

Diplomatic Efforts for Armenia-Azerbaijan Settlement

May. 8 (EIRNS)—The United States and Turkey are moving to help Armenia and Azerbaijan resolve their conflict over Nagorno-Karabakh. Armenian President Serzh Sargsyan and Azeri President Ilham Aliyev met May 7 on the sidelines of the European Union's Eastern Partnership summit in Prague, where they discussed the principles of reaching a resolution of the conflict. They will meet again within a few weeks in St. Petersburg to continue the discussions.

The talks are being held in the context of the working group on Nagorno-Karabakh, comprising the United States, Russia, and France. It has existed for 15 years without progress, since this was not an issue with which the Bush Administration wanted to deal. U.S. Secretary of State Hillary Clinton is interested in resolving the conflict, as is reflected in the fact that she met in Washington earlier this week with the foreign ministers of the two countries.

Commenting on his meeting with Clinton, Azerbaijan's Foreign Minister Elmar Mammadyarov told journalists, as reported in *Zaman*, that "The Secretary of State unequivocally stated that the new Administration gives significant importance to the Nagorno-Karabakh conflict," and that the United States "would work on the problem more seriously to reach progress soon."

Turkish President Abdullah Gul met both Presidents on the sidelines of the EU summit in Prague. Turkey wants to normalize its relations with Armenia, after having broken off relations in 1993 in solidarity with Azerbaijan during the warfare between Azerbaijan and Armenia. *Zaman* reports that Gul has suggested a four-way summit among Russia, Turkey, Armenia, and Azerbaijan as one way of working toward resolving the conflict. Turkish Prime Minister Recep Tayyip Erdogan will bring up the question when he meets with Russian Prime Minister Vladimir Putin on May 16.

Velikhov: 'The Oligarchs Will Die Out Like the Dinosaurs'

May 5 (EIRNS)—In an interview with *Argumenty i Fakti*, famed Russian physicist Yevgeni Velikhov issued a biting critique of the policy of the "oligarchs," and indirectly of the Putin-Medvedev administrations, for their failure to invest in Russia's science capabilities. Velikhov called for the creation of an internal market for Russian products, instead of trying to live off the diminishing proceeds of oil and gas export. "Casino capitalism has actually come to an end," Velikhov said. "The next question is how Russia will get out of the crisis. We should have placed emphasis on the internal market. The orientation toward the foreign markets should remain a thing of the past.... A second element, without which it's not possible to speak of development, is the creation of the means to encourage and facilitate innovative activities."

Velikhov pointed to what he considers four key technologies, the development of which would help Russia overcome the crisis: nanotechnologies, biotechnology, and information and cognitive technologies, i.e., so-called knowledge-based technologies. He recommended establishing several world-class scientific centers. "Under proper financing, these centers could also attract researchers from other countries," he said. He criticized pre-crisis policies, in which such financing, because of the influx of oil income, would have been more easily facilitated. "Unfortunately, we didn't make use of the chances we had. Because those who had money considered the source of the country's welfare not at all in its science, but in 'cash.' With regard to science, their attitude was, 'If we need it, we'll buy it.' The oligarchy is a special caste, and apparently they will soon die out like the dinosaurs."

Velikhov complained that the Academy of Sciences is deteriorating as a force for progress. "You know, it's possible to pull somebody off the tram and nominate them as an Academician. In fact, such things often occur. The Academy of Sciences has its own giant bureaucracy," Velikhov continued. "If you don't struggle against it, don't saturate it with independent minds, then by the second law of thermodynamics, it will lead to a complete deterioration of our science capabilities.... Bureaucracy destroys everything living, whether in government, in industrial corporations, or in science."

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Ha'aretz Worries that Washington Isn't 'Panicked' over Iran

May 4 (EIRNS)—Amir Oren, a commentator for the Israeli daily *Ha'aretz*, warns that Israeli leaders have to be sure they make it perfectly clear that if Iran's nuclear program is not stopped, Israel will not hesitate to launch a military strike.

"Without a global realization that a clear threat of an Israeli Defense Forces operation against Iran exists, the effort to counter Tehran's acquisition of nuclear capabilities may dissolve. Tehran is no such threat at this time: An Israeli operation is being taken into account, but the assumption is that it ultimately will not take place. President Barack Obama says all the right things, but without a sense of panic, without successfully forming a global front against Tehran's nuclear program. The Iranians may conclude that when Obama reaches the crucial juncture, he will opt for restraint."

Oren writes that the Israeli policy of ambiguity, describing the military option as just "another option on the table," is bankrupt. "An existential threat is absolute and constitutes a *casus belli*.... The stuttering ambiguity provides no advantage: neither a deterrent against Iran, nor pressure on the rest of the world."

Amir Oren, who is not known as a war-monger, even criticized Defense Minister Ehud Barak for giving mixed signals. His article comes on the first full day of the annual conference of the Jabotinskyite-allied AIPAC—American Israel Public Affairs Committee—where "war on Iran" is the constant drumbeat.

Is U.S.-Israel Special Relationship on the Wane?

May 8 (EIRNS)—The government of Benjamin Netanyahu is getting paranoid about the erosion of Israeli's "special relationship" with the United States, especially with the approach of Netanyahu's meeting in Washington with President Barack Obama on May 18.

Ha'aretz, quoting unnamed Israeli government sources, reports that Netanyahu's government is concerned that the United States has been conducting its Middle East diplomacy without coordinating with Jerusalem, as had the Bush Administration. They cite a statement by Assistant U.S. Secretary of State Rose Gottemoeller, at the recent Geneva meeting on the Non-Proliferation Treaty, that the United States would like Israel to join the NPT. (Israel has never admitted to having nuclear weapons.) Then there was the visit to Syria by State Department envoy Jeffrey Feltman and National Security Council member Dan Shapiro. Both visits occurred without first informing Israel. The Israeli sources even complained that Dennis Ross did not stop by Israel *en route* to and from his trip to the Gulf states. They fear that Obama sees ties with Europe and the Arab states on the same level as Israel.

Meanwhile, Uzi Arad, Netanyahu's national security advisor, was apparently able to get a visa to the United States, where he is to go in order to prepare for Netanyahu's May 18 meeting with Obama. Arad had been banned entry to the U.S. because of his ties to convicted spy Larry Franklin. Arad will be meeting National Security Advisor Gen. James Jones.

Obama Committed to Syrian Israeli Peace Deal

May 7 (EIRNS)—Two U.S. envoys told Syria's government that President Barack Obama is committed to a Syria-Israel peace agreement.

"We conveyed ... President Obama's sincere commitment to pursue Arab-Israeli peace on all tracks, including on the Syrian-Israeli track," senior State Department official Jeffrey Feltman said, after meeting Syrian Foreign Minister Walid Moallem in the Syrian capital. Feltman is in Damascus along with National Security Council member Dan Shapiro.

Moallem joined a growing number of Arab leaders who have denied a report which appeared in the pan-Arab *al-Quds al-Arabi* newspaper on May 5, that Arab states were considering changes in the Arab Peace initiative to make it more acceptable to Israel. Moallem told reporters before meeting Feltman and Shapiro, that there was no need for changes.

Arab League Secretary-General Amr Moussa denied the report on changing the initiative, according to the *Jerusalem Post*. Moussa was backed up by Egyptian Foreign Ministry spokesman Hossam Zaki, who said, "I don't know where this idea came from. As far as Egypt is concerned, the idea does not exist and is not under consideration."

Special envoy of the Quartet of Middle East mediators, Tony Blair, met with Israeli Prime Minister Benjamin Netanyahu in Jerusalem on May 6. Blair to "convinced" Netanyahu to allow the transfer of \$12 million to the Palestinian Authority account in Gaza. This is Palestinian money, so this is no favor by Netanyahu. No one knows what the two really discussed.

Netanyahu Establishes Iran Task Force

May 4 (EIRNS)—Israeli Prime Minister Benjamin Netanyahu has established a task force to consider alternatives for action against the Iranian nuclear program. The group has met several times ahead of Netanyahu's trip to Washington later this month, where he wants to make Iran the principal issue for discussion.

The group includes Defense Minister Ehud Barak, Foreign Minister Avigdor Lieberman, Strategic Affairs Minister and hardline former Chief of Staff of the Israeli Defense Forces Moshe Ya'alon, Intelligence Minister Dan Meridor, National Security Advisor Uzi Arad, former Mossad agent and longtime advisor to Netanyahu Meir Dagan. Arad, until recently, was barred from the United States since 2007, because of his connections to convicted Israeli spy, Larry Franklin. Netanyahu, Lieberman, and Arad, who had been director of the Institute for Policy and Strategy of the Interdisciplinary Center Herzliya, are all part of the Anglo-Israeli faction that advocates military action against Iran, insisting that Iran is building a nuclear weapon. Both the U.S. intelligence community's National Intelligence Estimate, and the IAEA UN nuclear watchdog agency disagree with this assessment.

Egypt: Israeli Nukes Threaten the Middle East

May 5 (EIRNS)—Contrary to what Israeli Prime Minister Benjamin Netanyahu, along with many other Israelis, claim—the so-called "moderate" Arab states do not fear a nuclear Iran more than Israel. The argument only plays into the British game to have Israel attack Iran.

In a five-minute video presentation to the AIPAC conference, Netanyahu said, "Something is happening today in the Middle East, and I can say that for the first time in my lifetime I believe that Arabs and Jews see the common danger. This wasn't always the case.... Iran must not be allowed to develop nuclear weapons."

Meanwhile, in Geneva, at the annual conference on the Non-Proliferation Treaty, a spokesman for the Egyptian delegate, according to the *Jerusalem Post*, told a group of editors that pressuring Iran to give up its nuclear program will fail, noting that these editors disregard Israel's nuclear capability, which is "the first and greatest threat to security in the region." Hossam Zaki said that nuclear weapons in some countries disrupted the balance of power and "encouraged other nations to address this imbalance by seeking to acquire nuclear weapons." He called for the UN to require all states, including Israel, to comply with the NPT.

President Hosni Mubarak said, during a meeting with the Philippine President Gloria Macapagal Arroyo, that efforts concerning Iran's alleged program must be accompanied by parallel efforts to deal with the Israeli program.

Kerry: U.S. Has Abandoned 'Regime Change' Policy vs. Iran

May 6 (EIRNS)—Speaking at a hearing of the U.S. Senate Foreign Relations Committee which he chairs, Sen. John Kerry (D-Mass.) stated that the United States is not seeking "regime change" in Iran. Agence France Presse quotes Kerry as saying, "We are not in 'regime change' mode.... Our efforts must be reciprocated by the other side: Just as we abandon calls for regime change in Tehran and recognize a legitimate Iranian role in the region, Iran's leaders must moderate their behavior and that of their proxies, Hezbollah and Hamas."

George W. Bush's point man on Iran, Nicholas Burns, a witness at the hearing, said, "I think it would be helpful if the American administration was to say overtly and clearly, 'that's [regime change] not our policy.'" Burns claimed that this had already been implicit at the end of the Bush Administration—but Obama should make it explicit.

On the "military option," Burns said, "I do not believe it's time for the use of military force by the United States or by anyone else. I don't think it would work."

"I'm not familiar with any scenario where military force could actually fully stop a program that is based on scientific research and whose most important elements are really in the minds of the scientists of Iran," he said. Burns warned of "unintended consequences," adding, "We learned in Iraq that sometimes when you start a war, you don't know where it's going to end, and that's certainly the case with Iran," Burns said.

On the other hand, talk of sanctions, sanctions, sanctions, wove throughout the hearing.

Asia News Digest

Ominous Sign for Zardari: Kayani Cancels U.S. Trip

Nepal Threatened with Military Coup, Chaos

China Is Facing 'Daunting Challenges'

Ominous Sign for Zardari: Kayani Cancels U.S. Trip

May 3 (EIRNS)—Pakistan Army Chief Gen. Ashfaq Pervez Kayani will not accompany President Asif Ali Zardari to the U.S. for a trilateral summit, which also involves Afghanistan, to discuss a regional policy to tackle terrorism. The U.S. Administration was keen that Kayani should head the Pakistani military team for the trilateral talks in Washington next week. Ostensibly, the Pakistani Army Chief chose to stay home in light of the growing insecurity in Pakistan.

But the real reason could lie somewhere else. It is evident that the Obama Administration has begun to identify Zardari as a lame-duck President and is now talking to Prime Minister and Pakistan Muslim League (Nawaz) leader Nawaz Sharif, as a desired replacement. The *Washington Post's* David Ignatius reported in his column today that the U.S. "is looking increasingly" to Nawaz to replace the weak Zardari.

Also, the Pakistani Army has never accepted Zardari as President, and it sees Nawaz as a better alternative. Nawaz is Punjabi, endorses Sharia, has good contacts with the Pakistani Taliban leaders, is considerably more anti-India than Zardari, and is very close to Saudi King Abdullah.

To some in Washington, replacing Zardari with Nawaz would provide an opportunity to start negotiating with the Afghan Taliban. The Saudis have close contacts with Mullah Omar, the Taliban supremo, and Team Obama is making its move to begin negotiations with the Afghan Taliban in order to set the ground for an exit at some point in time, say two years.

"One of the most stupid things that was done, was getting rid of Musharraf," Lyndon LaRouche responded. "And the motives for doing it were evil. Now, we have an uncontrollable situation, because of that policy, the dumping of Musharraf. Whatever you want to say, he could hold the country together, and our objective should have been, 'Hold the country together!' But the Administration had a different policy, as they always did.

"You're creating a situation in which one figure, you use to replace another, is less competent than the person he's replacing," LaRouche continued. "And this is where the damn problem comes: you're losing credibility, in the ability to manage the international situation, by destroying anybody who has any credibility. That's what really the British are doing! Destroying anybody who has credibility, and that way you can manage the situation."

"At this point, we just say, 'Stop this shit!'" LaRouche concluded.

Nepal Threatened with Military Coup, Chaos

May 3 (EIRNS)—Nepal's army chief, Gen. Rukmanga Katawal, who was sacked by the ruling Maoist Party yesterday, has refused to accept the decision, according to TV reports. Times Now TV channel says that an emergency meeting is being held by the top brass of Nepal's Army at the residence of Katawal over the issue. News from the meeting suggests that generals at Nepal Army Headquarters in the capital Kathmandu have decided to keep all of their divisions on high alert.

Located between India and China, Nepal has long been the center of Indian and Chinese interest. Recent moves by the Maoists to court China, and undermine India, have not gone over well with New Delhi. It is likely that General Katawal's decision not to quit and to challenge the Maoists has clearance from India.

Meanwhile, the Nepali Ministry for Home Affairs asked the Nepal Police and Armed Police Force to stay on high alert, after the main opposition party Nepal Congress (NC)-affiliated Nepal Student Union (NSU) cadres clashed with United Communist Party of Nepal (Maoist) (UCPN-M) cadres in the capital.

The crisis arose when 61-year-old General Katawal, who received his marching orders just three months before he is due to retire, challenged the government's decision last month to retire eight brigadier generals, and encouraged the generals to go to court, challenging the order from the Maoists.

Meanwhile, the second largest party in the government, Communist Party of Nepal-Maoist, has pulled out of the government, protesting the move against General Katawal. The Maoists, who abolished the monarchy and formed a republic, now face the biggest political challenge of their short reign. Demonstrations in support of, and against the Army chief's sacking erupted in Kathmandu shortly after the government announced its decision, and top Army commanders met at an emergency meeting.

China Is Facing 'Daunting Challenges'

May 4 (EIRNS)—The Chinese economy is facing "daunting challenges" despite some "positive signs," Finance Minister Xie Xuren said today at the meeting of the Asian Development Bank in Bali, Indonesia. "The Chinese government's basic approach is to expand domestic demand, particularly consumer demand, to promote growth," Xie said. Despite some positive signs, however, he said, "the People's Republic of China still faces daunting challenges such as a sharp decline in exports, over-capacity in some industries, slow recovery in industrial growth, drop of economic returns, reduction in fiscal revenue and severe pressure on employment."

The State Information Center, a policy institute of the National Development and Reform Commission, today released a report saying that while China should continue its current government investment program, and also be making contingency plans for a deeper world crisis. Exports will fall another 20.2% in the coming quarter, after a 19.7% decline so far this year, and even worse, imports, used to fuel the processing trade for re-export, fell over 30% so far, and will fall over 25% in the coming quarter, the SIC reported.

Two regions which had been foci of China's export-dependent sector, are showing the strain. Guangdong, the hub of globalization in China, reported yesterday that output of big industrial enterprises had stagnated in the first quarter. Output growth, worth 304 billion yuan (\$44.5 billion), was up just 0.9% from a year ago, and more than 4% lower than the national average. Big enterprises' profits were down more than 33% in January and February, the provincial economic and trade commission reported.

The Yangtze Delta, which was being promoted to follow Guangdong as a producer for export, is also in trouble. The biggest cities in the region, which are some of the biggest industrial cities in China, are all showing lower growth, the Wuxi statistical bureau reported yesterday. Industrial output was down 3.7% from a year ago, and exports fell 22% to worth \$91.6 billion.

Africa News Digest

- [Kenyan Peasants Mobilize vs. Agriculture Outsourcing, Greenies](#)

Kenyan Peasants Mobilize vs. Agriculture Outsourcing, Greenies

PARIS, May 7 (EIRNS)—Kenyan peasants demonstrated in Nairobi, over the May 2-3 weekend, against a plan worked up by the government in December, to sell 40,000 hectares of valuable farmland on the banks and the coastal delta of the Tana River, to the Persian Gulf state of Qatar. Qatar reportedly wants to grow sugar cane for ethanol, in exchange for building a port facility on the neighboring Kenyan island of Lamu.

While the press and the middle class have shown little interest in farming, farmers are furious. Environmentalist NGOs that oppose the development program, don't like farming either, since they want to keep the area for "wildlife only."

One furious farmer demonstrating on May 3 said: "To eat and live in harmony with nature, we don't need anybody, neither those who prefer our animals to our children, nor the dollars of the Qataris."

About 20 million hectares of valuable African farmland (equivalent to the area of France) are in the process of being sold, leased, or lent to foreign investors. Last week, African ministers started drawing up a roadmap for "equitable deals for foreign investors." The issue of global land grabbing and agricultural outsourcing will be discussed at the summit meeting of African states in July.

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