

[return to home page](#)

LaRouche:
Behind Massacre in Mumbai Is British Intelligence

The developments in Mumbai come during the last days of the Bush Administration, Lyndon LaRouche said Nov. 27, in which we are expecting the very worst to strike globally. And the British are also in heat right now. Therefore, you are looking for the very worst at this time. And, because of the Pakistan ISI (Inter-Services Intelligence)/British MI-6 involvement, Mumbai could not have happened at this time, unless the British were involved in it. "It would be British intelligence," he said. "They're the only ones who would do this. Someone says they're Pakistani? Yeah, so what! It's British intelligence."

"Don't look at it as coming from a propaganda line, to an action," LaRouche warned...

In-Depth articles from EIR, Vol. 35, No. 48
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This Week's Cover

- **LaRouche:**
British Intelligence Is Behind Mumbai Massacre

Lyndon LaRouche stated that because of the Pakistan ISI/British MI-6 involvement, the Mumbai terrorist events could not have happened at this time, unless the British were involved.

- **End the Double Standard!**
Shut Down Britain's Stable of Imperial Terrorists
- **French Attacked London's 'City' Money Laundry**
- **Tracking the British Role in 2006 Mumbai Bombings**
- **Put Britain on List of Terrorist Sponsors**

From a Jan. 11, 2000 EIR memorandum to then-U.S. Secretary of State Madeleine Albright.

- **'Strategic Significance of the Hit on India'**

EIR's archives show how the British Empire uses terrorism as a geopolitical weapon.

Feature

- **Why the British Will Try To Kill President-Elect Obama**

Lyndon LaRouche warns that the greatest danger of an assassination of the Presidentelect would be before his scheduled Jan. 20, 2009 inauguration, while London's tools, Bush and Cheney, are still in office.

- **Behind LaRouche's Assassination Forecast**

At his Nov. 18, 2008 webcast, LaRouche answered a question on the danger of an assassination attempt against President-elect Barack Obama.

- **British Assassinations:**

- **The Case of Alexander Hamilton**

The murder of Alexander Hamilton was the first major political assassination of a leading American revolutionary patriot by a British agent, Aaron Burr. It was a strategic move by his British sponsors to remove the powerful organizer of the American System of economics.

- **Why the British Kill American Presidents**

The British steered the assassinations of Presidents Abraham Lincoln, James Garfield, William McKinley, and John Kennedy.

Economics

- **System in Liquidation Panic;**

- **Time To Talk Physical Economy**

Despite the trillions of dollars thrown into the financial system over the past year, the economy continues to collapse. The financial solutions which can't work, must be replaced with a policy of rebuilding the physical economy.

- **LaRouche in Russian Media:**

- **The Monetary System Is the Disease**

Lyndon LaRouche, in an interview with the website of the Russian radio station *Business FM*, emphasized that the only way to save the world is to replace the existing monetary system with a credit system modelled on the intention of the U.S. Constitution.

International

- **Soros, Brits Target Brazil for Dope, Inc. Takeover**

On behalf of his London-based financial controllers, George Soros is preparing Brazil for takeover by the international banking interests that run the global drug trade and narcoterrorism.

- **George Soros:**

- **Nazi Thug**

- **Expose Soros To Kill Drug Legalization Push**

- **Thai Monarchy Runs Another Fascist Coup**

- **Mbeki To Tsvangirai:**

- **Be a Zimbabwe Patriot**

- **Behind TGV Sabotage in France:**

- **Manipulations and Provocations**

Violent anarchism and terrorism have often been the instruments of irregular warfare conducted by the financial oligarchy against nation-states. Can the same be said of the 'autonomist' attacks against the high-speed trains in France?

- **Space Exploration:**

- **The Momentum Shifts to Asia**

A report from the annual International Astronautics Congress, held in Glasgow, Scotland.

National

- **Dump Pelosi, Protect the Institution of the Congress**

A broad sweep is under way by Speaker Pelosi and Co., to remove Members of Congress who are susceptible to opting for an FDR-style solution to replacing the evaporated monetary system.

- [**Schwarzenegger Turns California into Permanent State of Emergency**](#)

Science & Technology

- [**Who's Trying To Strangle the Pebble-Bed Reactor?**](#)

The latest attack on the South African Pebble Bed Modular Reactor, presented at an otherwise optimistic 4th International Topical Meeting on High Temperature Reactor Technology, is rebutted here by **Gregory Murphy**, who attended the conference in Washington.

Departments

- [**Banking:
The Gazillion Dollar Bailout!**](#)

Editorial

- [**Who Will Shape the Obama Presidency?**](#)

U.S. Economic/Financial News

[**How Big Is Our Bailout?**](#)

[**Pelosi Blinks on Auto Industry Bailout**](#)

[**One Year into the 'Recession'**](#)

How Big Is Our Bailout?

Nov. 30 (EIRNS)—The bailout/thievery commitments that the financial oligarchs have so far managed to get the U.S. government to go along with, something now totalling on the order of \$8.5 trillion, according to Bloomberg News. To get some idea of what that looks like, Barry Ritholz calculated, in doing research for his book *Bailout Nation*, using inflation-adjusted figures, that it is greater than the cost of the Marshall Plan, the Louisiana Purchase, the Apollo Moon landing, the savings and loan crisis, the Korean War, the New Deal, the invasion of Iraq, the Vietnam War, and NASA—combined. The total of all those programs was just under \$4 trillion.

The only American historical event that comes anywhere near the bailout commitments was World War II, at \$3.6 trillion, adjusted for inflation.

Pelosi Blinks on Auto Industry Bailout

Dec. 6 (EIRNS)—After days of tension between House Speaker Nancy Pelosi (D-Calif.) and the White House, over where the money for the bailout of the U.S. auto industry should come from, Pelosi finally blinked.

She had insisted for weeks that the money the Big Three automakers were asking for should come from the Treasury Department's TARP fund, whereas the White House countered that it should come from a \$25 billion fund that Congress set up in the Energy Department, to retool the industry to build energy-efficient cars. Pelosi reportedly finally agreed on the Energy Department fund, but only if the White House promises to replenish it "within a matter of weeks."

The automakers, the Congress, and the White House are now said to be in agreement on about \$15 billion in loans and loan guarantees for the Big Three. Both Pelosi and Senate Majority Leader Harry Reid (D-Nev.) are expecting votes on the package next week.

One Year into the 'Recession'

Dec. 1 (EIRNS)—U.S. manufacturing declined "at the steepest rate in 26 years," according to figures released today by the Institute of Supply Management (ISM). Also, the Commerce Department reported that construction spending fell 1.2% in October, both drops being larger than official forecasts.

The ISM's "factory index" survey of U.S. manufacturers declined to 36.2, on a scale where anything under 50 indicates "contraction." Their index for new orders declined a hefty 5 points (to 27.2), also the lowest level since 1982, and their index of raw materials prices dropped to "the lowest level in six decades." All this is leading the "experts" to expect further price *deflation*.

Global Economic News

Ford and GM Want Bailouts from Sweden

French Stimulus: Short-Term Aid and Long-Term Infrastructure

Physical Economy Collapse in Spain and Britain

South Korea To Aid Jordan's Infrastructure Projects

BayernLB: Derivatives and Speculation Are the Real Monster

Ford and GM Want Bailouts from Sweden

Dec. 1 (EIRNS)—Automakers' demands for the Swedish state to take over the two American-owned auto factories for Volvo and Saab are mounting, because of this week's U.S. Congressional hearings with the big three U.S. auto industries, which could end in a bankruptcy for GM. Both GM and Ford have asked the Swedish state for liquidity support for Saab and Volvo. Calls for state takeover had earlier come from the trade unions, the chairman of the Social Democrats, Mona Sahlin, on Nov. 29, and the former CEO of Volvo in an op-ed today. A poll last week showed that 68% of Swedish citizens support it.

Prime Minister Fredrik Reinfeldt absolutely rejected the calls on Nov. 29, saying there is an oversupply of auto production

in the world. The main question, of what to do with the factories besides making cars (except for the Green proposal of windmills), only came up Nov. 30, in a radio panel, where leftist editor Aron Etzler cited an unidentified "proposal" to use them for train production.

French Stimulus: Short-Term Aid and Long-Term Infrastructure

Dec. 5 (EIRNS)—France's President Nicolas Sarkozy yesterday announced a Eu26 billion stimulus plan for the French economy, aimed at saving 100,000 jobs in France next year. While this is just a drop in the ocean, it is of interest that, contrary to the British plan, France's is not only for stimulating consumption, but rather, nearly half of it, some Eu10.5 billion, will be going toward improving basic infrastructure.

The main beneficiary of this part of the plan, will be the national railway company SNCF, which will step up construction of four new TGV high-speed rail lines. Work will get started on the so-called "pharaonic" Seine-North-Scheldt canal, opening river-borne transport toward the north of Europe. France is the European country with the greatest potential in terms of inland water transportation, but that potential is barely utilized.

Also, Eu1.4 billion of the 10.5 billion will go toward improving equipment of the French army, using the army budget to support weapons manufacturers, such as Nexiter and Renault, accelerating orders of light armored vehicles.

A huge problem, however, is that spending in this part of the plan will only begin in 2010. In the shorter term, the aim is to support the automobile sector through a 1,000 euro bonus to those who purchase new "ecologically friendly" cars and junk their 10-plus-year-old cars. Money will go to the banks of the auto manufacturers, to allow them to increase their loans to individual buyers. A fund of Eu300 million will be created by the state and the auto manufacturers, to support the automobile suppliers threatened with bankruptcy.

In the housing and construction industries, the state will ensure the building of 100,000 homes to be purchased by low-income and middle-class families. The state will heavily subsidize improvements in insulation in old houses, and will increase from 10% to 20% of the French population, eligibility for a 0% interest rate loan to purchase their own home.

Physical Economy Collapse in Spain and Britain

Dec. 6 (EIRNS)—In Spain, more than 40,000 workers are losing their jobs each week, and unemployment has reached 2.99 million, or 12.8% of the labor force, a 12-year record and the highest of the 15 nations in the eurozone. Economy Minister Pedro Solbes had to admit that "there is a risk that unemployment rates will be worse, next year." Underpinning the collapse, says the London *Times*, is the construction industry, which accounts for 9% of GDP. More than 150 real estate companies have gone bust this year, as debts mounted and they were unable to pay back creditors. Spanish housing prices fell 10% and auto sales crashed by half, last month.

In Britain, the brick industry is one of the latest casualties, crushed under a mountain of 1.2 billion unsold bricks, enough to build more than 133,000 three-bedroom homes. With only 50,000 forecast to be built next year, the industry is expected to be in tatters for the foreseeable future. The three largest brickmakers have already laid off 1,200 workers and closed about a quarter of their production capacity.

South Korea To Aid Jordan's Infrastructure Projects

Dec. 1 (EIRNS)—South Korea and Jordan held a summit today, in which King Abdullah sought help from South Korea in building ground-breaking infrastructure projects in Jordan. These include building nuclear power plants, desalination

facilities, and also a canal that links the Dead Sea with the Red Sea.

BayernLB: Derivatives and Speculation Are the Real Monster

Dec. 1 (EIRNS)—BayernLB, the second biggest of the German *Landesbanken* (regional public-sector banks) and seventh among all German banks, has severe liquidity problems and would go belly-up without state support, which was announced on Nov. 28 (Eu30 billion) and an almost complete takeover by the Bavarian government. The daily *Frankfurter Allgemeine Zeitung* admitted that its collapse would "shake the whole German banking system." A press conference has been scheduled today, to announce further measures, which are coordinated with the state government.

A collapse would also drag the Bavarian savings and loans, which own half of BayernLB and for which BayernLB is the central bank, into the abyss. There has been growing nervousness among S&L depositors and clients, who are from *Mittelstand* (small and medium-size firms) and the general population. The bank has announced that it is cutting its international business, cutting 5,600 jobs out of its 19,000-person workforce, and wants to concentrate on *Mittelstand* financing and cooperation with the Bavarian S&Ls.

BayernLB is an exemplar of the underlying, problem: the necessity to eliminate derivatives and other bad liabilities, before anything else can work. BayernLB now wants Eu15 billion guarantees from the Federal government, in order to insure risky debts, and in order to "stay liquid" in the money markets. However, Berlin is insisting that it will only provide a general guarantee for BayernLB, if the bank takes the nominally Eu21 billion in very risky paper off its balance sheet, so that the government is not guaranteeing toxic paper. What would happen to that toxic paper, is not said. The Bavarian Finance Minister is opposed to that proviso, stressing that BayernLB needs those guarantees, to get short-term liquidity on the troubled interbanking market.

United States News Digest

[Soros Fights To Control Obama Administration](#)

[Obama Urged To End Bush-Cheney Torture Policy](#)

[Military Role in Domestic Security To Be Expanded](#)

[N.Y. Times Attacks Gen. McCaffrey](#)

[States Seek Federal Stimulus Package](#)

[Bush Regime Twists the Medicaid Knife](#)

Soros Fights To Control Obama Administration

Nov. 5 (EIRNS)—Although London asset George Soros paid to make Barack Obama the Democratic Party candidate for President, Obama has announced a cabinet in which Soros interests have no predominance.

Soros is using various means to fight to regain control. One is through his agenda for legalization of narcotic drugs, for which he has recently founded a so-called Latin American Commission on Drugs and Democracy, headed by bought-off

former Presidents of Mexico, Brazil, and Colombia. In support of this Soros effort, the *Wall Street Journal* today publishes an op-ed by Soros's longtime pro-drug henchman Ethan Nadelmann, begging Obama to consider drug legalization. The *Journal* also includes a short rebuttal of Nadelmann's piece, by White House Drug Czar John Walters, also addressed to Obama.

Obama Urged To End Bush-Cheney Torture Policy

Dec. 3 (EIRNS)—A dozen retired generals and admirals are meeting with President-elect Barack Obama's transition team today to urge a sharp break with the Bush-Cheney Administration's interrogation, detention, and rendition policies. "They are going into the meeting armed with a list of 'things that need to be done and undone,'" retired Marine Gen. Joseph Hoar, former chief of the U.S. Central Command, told AP. "It is fairly extensive."

The group, organized by Human Rights First, represents more than three dozen retired flag officers with nearly 80 stars among them. During the Presidential campaign, they met with Obama, Joe Biden, and Hillary Clinton, and previously worked with John McCain on anti-torture legislation in the Senate. At a recent conference at Fordham University Law School in New York, Human Rights First advocated banning *all* torture by *any* agency or agent of the United States, and aired a film they have distributed to over 1,500 U.S. Army training units that backs the full ban on torture or use of psychological or physical force as specified under international laws.

Retired Army Gen. Paul Eaton, who was in charge of the training of Iraqi forces in 2003-04, says that it's crucial for the nation's leaders to send the right message on the treatment of prisoners. Eaton pointed out that Vice President Dick Cheney once dismissed waterboarding, as a "dunk in the water," and that such statements influenced rank and file soldiers to believe that brutality was not really prohibited. "This Administration has set a tone problem for the military," Eaton told the *New York Times*. "We've had eight years of undermining good order and discipline."

Military Role in Domestic Security To Be Expanded

Dec. 1 (EIRNS)—The Defense Department plans to have three combat brigades assigned to homeland defense by 2011 for a total of about 20,000 troops, about 6,000 of them National Guard and reserve units, reports the *Washington Post* today.

The *Post* report, while simply expanding on earlier reports such as that in the Oct. 10 issue of *EIR*, serves to underscore the increasing militarization of domestic security that Lyndon LaRouche warned against in 2002, when he characterized the creation of U.S. Northern Command as "crossing the Rubicon," and as "preparation to create a Caesarian military dictatorship."

LaRouche further warned in his Oct. 1, 2008 webcast that the Bush Administration was disposed to use the military inside the United States if it didn't get its bailout bill passed. LaRouche's warnings were subsequently confirmed by at least two members of Congress, who publicly reported that the Administration had threatened martial law if Congress didn't capitulate on the bailout bill.

Northern Command, for the first time, received control of a U.S. Army brigade combat team on Oct. 1, which forms the nucleus of a consequence management force trained to respond to a nuclear, chemical, or biological attack on the United States. At the time the brigade was assigned, Pentagon officials also stated their intention to create two more such response forces by 2011. The *Army Times* Sept. 29 reported that the brigade's training included how to deal with civil unrest and crowd control.

The *Post* notes that there are critics of this use of the military, because it may undermine the 130-year-old Posse Comitatus

law, which proscribes the use of the military in domestic law enforcement.

N.Y. Times Attacks Gen. McCaffrey

Dec. 1 (EIRNS)—The Sunday *New York Times* yesterday featured a vile, front-page attack on retired Army four-star Gen. Barry McCaffrey. McCaffrey was President Clinton's anti-drug czar, and has been a consistent independent voice against drug-trafficking and legalization, and an outspoken critic of the Bush-Cheney-Rumsfeld conduct of the war in Iraq. Among matters which incurred Rumsfeld's and the White House's ire were McCaffrey's warnings about unchecked drug production in Afghanistan.

The *Times* attempts to make the case that McCaffrey's criticism of Rumsfeld's policy of invading Iraq "on the cheap" was just an excuse for promoting the interests of his defense industry clients, and that his support for certain aspects of the Administration's later changed policy, was an effort to ingratiate himself and his clients.

"My public media commentary on the war labeled me as an early and serious critic of Rumsfeld's arrogance and mismanagement of operations in Iraq and Afghanistan," Gen. McCaffrey said in a personal statement. "The *New York Times* noted my strong on-air criticism as an NBC commentator. My op-ed objections to the execution of the war were published in the *Wall Street Journal*, the *Washington Post*, the *L.A. Times*, *USA Today* and other media. Hardly the stuff of someone shilling a war for the Administration or privately pushing his business interests with the Pentagon. Thirty-seven years of public service. Four combat tours. Wounded three times. I would hope that the country knows me as a non-partisan and objective national security expert with solid integrity."

States Seek Federal Stimulus Package

Dec. 1 (EIRNS)—The day before the state governors were to meet with President-elect Barack Obama in Philadelphia, the head of the governors association and the president of the state legislators national organization held a press conference in Washington, laying out the plight of the states' finances, and making the case for a Federal stimulus package that would bolster aid programs and finance infrastructure projects.

Democrat Joe Hackney, Speaker of the North Carolina General Assembly and the president of the National Conference of State Legislators, said that in fiscal 2008-09 the states have made \$53 billion in cuts to their budgets, and that he anticipates that in fiscal 2009-10, they will have to make an additional \$90 billion in cuts. He called on the Federal government to provide temporary increases to Medicaid, to extend unemployment benefits, to increase monies for food stamp programs, and to finance infrastructure.

Betraying his lack of understanding of the gravity of the crisis his constituents face, Gov. Jim Douglas (R-Vt.), the vice chair of the governors group, said that "the downturn is going to be with us for probably a couple years." He said that 43 states are facing deficits. Douglas said that his state has had to make successive budget cuts of 2%, then another 2%, then 3% in the recent period. Democratic Gov. Ed Rendell of Pennsylvania, the head of the National Governors Association, said that that organization has identified some \$136 billion worth of infrastructure projects that could be begun quickly. While about 70% of them are transport projects, he also mentioned water and sewer repair, and levees. He said that each \$1 billion in infrastructure programs generates 40,000 jobs. He also made a pitch for "renewable and alternative energy" projects.

Rendell and Douglas later met with House Speaker Nancy Pelosi, and George Miller (D-Calif.), the chairman of the House Education and Labor Committee, seeking an additional \$156 billion in Medicaid funding and infrastructure spending.

Bush Regime Twists the Medicaid Knife

Dec. 1 (EIRNS)—The Bush Administration has decreed that low income people on Medicaid can pay more or "choose to delay or forgo care rather than pay their cost-sharing obligations." The edict allows states to "deny care or coverage to Medicaid beneficiaries who do not pay their premiums or their share of the cost for a particular item or service."

States will now "charge premiums and higher co-payments for doctors' services, hospital care, and prescription drugs provided to low-income people under Medicaid," reports the *New York Times*.

The Congressional Budget Office has estimated that 13 million poor people—about a fifth of Medicaid recipients—will face new or higher co-pays. The CBO said that most of the "savings" to the government will come from "decreased use of services."

Ibero-American News Digest

[Pro-PLHINO Committee Challenges Ag Secretary](#)

[Brazilian Nationalist Says Ban Derivatives](#)

[Spotlight on Soros in Dominican Republic](#)

[Ibero-America's Physical Economy Collapsing](#)

Pro-PLHINO Committee Challenges Ag Secretary

Dec. 5 (EIRNS)—Mexican Agriculture Secretary Alberto Cárdenas visited the northwestern state of Sonora on Dec. 3, where he, in effect, spat in the face of the state's farmers and other productive sectors, by attacking the proposed Northwest Hydraulic Plan (PLHINO) on the grounds that it is "too costly."

The Pro-PLHINO Committee, which is mobilizing political forces across the country in favor of this great infrastructure project in the country's Northwest, responded with a statement today which begins:

"Like no other Federal government official, Agriculture Secretary Alberto Cárdenas expresses the incompetence of the government of Felipe Calderón to address the serious challenges that the international financial meltdown and the U.S. economic collapse pose for the nation. This was demonstrated when, on his recent visit to Sonora, the Secretary stated that the Northwest Hydraulic Plan (PLHINO) is a 'very costly project' and that it would be better to install a desalination plant."

After ridiculing the idea of a tradeoff between desalination and the PLHINO project, the Committee charged that Cárdenas's views are the same as those of his longtime ally and fellow ecology freak José Luis Luege Tamargo, the head of the government water agency Conagua, both of whom "are linked to international financial interests." The Pro-PLHINO Committee has previously documented Luege's association with Prince Philip's genocidal Worldwide Fund for Nature, or WWF.

These policies, the Committee charged, "under conditions of financial crisis and world shortage of food, will drive millions of Mexicans into hunger." Instead, Mexico needs "a vigorous policy of public investment and national credit oriented

towards great infrastructure projects like the PLHINO."

The Committee recently issued a pamphlet titled "PLHINO or Chaos," in which it presents a physical economic bill of materials for the PLHINO, which shows that about 85% of total requirements can be met with domestic production, and which urges the adoption of capital budgeting, along the lines specified by Lyndon LaRouche.

Brazilian Nationalist Says Ban Derivatives

Dec. 5 (EIRNS)—Carlos Lessa, former president of Brazil's National Economic and Social Development Bank (BNDES), issued a call for "a moratorium on the use of derivatives, in order to protect Brazil's foreign exchange reserves," according to the Dec. 4 *Monitor Mercantil Digital*. Lessa was speaking at a Dec. 2-4 conference in Rio de Janeiro on "Brazil's Alternatives Facing the Crisis."

Lessa, a well-known nationalist, said that, on a global scale, there are more than a quadrillion dollars in derivatives, and that 200 major Brazilian companies are involved in them. Lessa has also called for Brazil's to reverse its current free-trade policies, and impose exchange controls and capital controls.

Spotlight on Soros in Dominican Republic

Dec. 1 (EIRNS)—LaRouche representative in the Dominican Republic Jorge Meléndez is using a series of media interviews to expose the dirty truth about Nazi-collaborator George Soros, while offering Lyndon LaRouche's economic proposals as the only alternative. On Nov. 27, Meléndez followed up earlier interviews with another one on the "Recuento" program, broadcast on the Tentación radio station. He participated on a panel discussion, which was broadcast again the next evening at prime time.

The first question asked for Meléndez's comments on the event that had occurred the previous weekend in Santo Domingo, entitled "The Global Financial Order: A Regional Perspective," organized jointly by the UN's Economic Commission on Latin America and the Caribbean (ECLAC) and Dominican President Leonel Fernández. Soros, among others, spoke at that event. Meléndez said that Soros was a megaspeculator who bears part of the blame for the current economic disaster and, even worse, is a proponent of drug legalization, financing numerous NGOs that are working zealously for narcotics legalization.

Meléndez continued that, unfortunately, the results of the Santo Domingo meeting, like the G-20 and the latest Asia Pacific Economic Cooperation forum (APEC) meeting in Lima, Peru demonstrated the abject failure of the world's leaders to deal with the worst economic crisis of the past 100 years. He pointed out that, as LaRouche has said, the current system cannot be reformed; there must be a bankruptcy reorganization of the entire world financial system, which is in a breakdown crisis.

We must not wait until next April to hold yet another meeting, said Meléndez, since world production is already collapsing to disastrous levels.

Ibero-America's Physical Economy Collapsing

Dec. 4 (EIRNS)—The dismantling of Ibero-America's physical economy is seen in the Dec. 2 announcement in Mexico that the once-thriving AHMSA steel plant, also known as Altos Hornos, intends to reduce production by 35% for the next six months, delaying planned investments and cutting 12,000 jobs. The company cited the drop in demand as the reason for the cutback. AHMSA normally produces 4 million tons of liquid steel per year. Ford subsidiaries in Hermosillo, Sonora will close on Dec. 19 until Feb. 1, while Ford in Cuautitlan has already closed until Jan. 1.

In the Dominican Republic, the Falconbridge Dominicana mining company announced that the decline in nickel prices in the international market is forcing it to shut down all its operations and fire 900 workers. Layoffs are increasing around the country, combined with rapidly declining remittances from abroad upon which the economy depends, and the collapse of tourism.

In Argentina, drop in demand, largely from Brazil, has hit the auto industry hard, with GM, Ford, and Fiat subsidiaries announcing forced worker "holidays" and layoffs. President Cristina Fernández has announced a \$4 billion stimulus package, which includes low-interest credit lines to facilitate auto purchases, as well as tax relief and other incentives for companies that promise not to lay off their employees.

Western European News Digest

Britain and Allies Sabotage European Food Aid

Is Overthrow of Germany's Chancellor on Agenda?

EU Launches Georgia-Russia Conflict Probe

Spanish Judge: Brits Must Arrest ETA Terrorist

Swiss Vote for Heroin, Against Marijuana

British Cultural Attack on Italy

Britain and Allies Sabotage European Food Aid

PARIS, Dec. 1 (EIRNS)—Whereas France, Italy, Belgium, Ireland, and Poland support the idea of using the EU's food surplus to help Europe's poorest citizens, the idea was vigorously rejected by Britain, the Netherlands, Denmark, Germany, and the Czech Republic (the latter will head the EU as of January 2009). During the Nov. 28 EU Agriculture Council discussions among the member country agriculture ministers in Brussels, a dispute broke out on food aid to the poorest. French Agriculture Minister Michel Barnier, who headed the session, said that a majority was favorable, but "some had difficulties" with the concept.

Now the experts are being called in to work out a compromise.

Is Overthrow of Germany's Chancellor on Agenda?

Dec. 1 (EIRNS)—The destabilization of the German government, especially of Chancellor Angela Merkel, who crossed the "red line," by threatening private banks with state intervention in order to secure loans for the real economy, has begun with full force, on two fronts:

1) an orchestrated populist "tax revolt," with the participation of numerous prominent Christian Democrats of Merkel's own party (the CDU) and business leaders, led by Merkel's old adversary Friedrich Merz, calling for tax cuts to allegedly relieve industry and boost consumption.

2) an orchestrated debate about the East German past of certain Christian Democrats, which is ultimately aimed at Merkel, who is from East Germany. The debate, pushed by CDU "Westerners," has embarrassed the "Easterners," implanting the virus of a party split.

EU Launches Georgia-Russia Conflict Probe

Dec. 2 (EIRNS)—The European Union Finance Ministers' meeting approved the commissioning of an inquiry into the causes of last Summer's Russia-Georgia conflict. It will be headed by Swiss official Heidi Tagliavini, former UN Special Representative to Georgia.

Tagliavini will present the mission's report to Georgia and Russia, as well as to EU nations and the Organization for Security and Cooperation in Europe (OSCE).

Spanish Judge: Brits Must Arrest ETA Terrorist

PARIS, Dec. 5 (EIRNS)—The brutal murder two days ago by the Basque terrorist ETA of a Spanish entrepreneur involved in the construction of the Paris-Madrid TGV rail line, brought investigators to look at the British sponsoring of the ETA's terror apparatus. On Nov. 11, Eloy Velasco, a Spanish magistrate, officially asked British police "to find and arrest" one of Spain's most controversial "former" terrorists, the ETA's longtime member Inaki de Juana Chaos, after the latter failed to appear at a Spanish court.

De Juana Chaos earned his reputation as one of the ETA's most ruthless members, when he led a unit that carried out a series of shootings and bomb attacks in Madrid in the 1980s. He kept up his notoriety during his 21 years in jail, with flamboyant celebrations when ETA units killed politicians, judges, journalists, and members of the security services.

According to the London *Guardian*, "De Juana Chaos, who was freed from prison in August after serving sentences for 25 killings, was last reported to be in Belfast," in the British-controlled sector of Northern Ireland. British intelligence control over hard-core IRA terror operations is well documented.

Swiss Vote for Heroin, Against Marijuana

Dec. 1 (EIRNS)—Sixty-eight percent of Swiss voters yesterday approved making permanent a government-authorized heroin addicts' program begun in 1994, and backed by George Soros. At the same time, by 64%, Swiss voters turned down an effort to decriminalize marijuana, and allow people to grow it for their "personal use." The government opposed the marijuana decrim plan, saying that it might provoke "cannabis tourism" from neighboring countries, where it is illegal.

Heroin is administered twice daily by nurses in 23 centers across the country. The *New York Times* reports that the Swiss program is being looked at as a model for similar programs in Belgium, Germany, Spain, Canada, and Australia.

British Cultural Attack on Italy

Dec. 6 (EIRNS)—A book by British historian Christopher Duggan is causing an uproar in Italy. The book, entitled *La Forza del Destino*, attempts to demonstrate that Italy's efforts to become a nation have so far failed. Duggan writes, "From the beginning, the Italian nation has been difficult to define and even more difficult to build; and despite efforts by poets, writers, artists, publicists, revolutionaries, soldiers and politicians of various colours, faith in the Italian idea has not had the development wished for by many patriots. On the other hand, it is possible that the insistence through which the project of

'making the Italians' has been pursued until the Second World War has ended up with being counterproductive, helping to erode the belief in national collective values."

While there has been some positive coverage of Duggan's book in the media, others (including some politicians) remind the British that they never understood Italy, which has been a nation for centuries, although not a perfect state.

Russia and the CIS News Digest

Russian Orthodox Patriarch Dies; Medvedev Returns to Russia

Russia, India Pledge Search for Mumbai Perpetrators

Medvedev In India: Nuclear Power Agreement High on Agenda

Putin: 'Positive Signals' Have Come from U.S.A.

Putin, in Telethon, Grapples With Economic Turmoil

Russian Orthodox Patriarch Dies; Medvedev Returns to Russia

Dec. 5 (EIRNS)—President Dmitri Medvedev postponed his visit to Italy, scheduled for Dec. 6, returning instead directly to Moscow from India, after the death of Russian Orthodox Patriarch of Moscow and All Russia Alexi II. The Patriarch died today at his residence in Peredelkino outside Moscow, just shy of his 80th birthday. Born Alexei Mikhailovich Ridiger in Tallinn, Estonia, Alexi II was Patriarch through the period of the break-up of the Soviet Union. He presided over reunification of the Russian Orthodox Church-Moscow Patriarchate with the Russian Orthodox Church Outside Russia. Visitation is being held in the giant Church of Christ the Savior near the Kremlin, rebuilt during Alexi's reign, and his funeral has been scheduled for Dec. 8. From India, where he was on a state visit, President Medvedev addressed all Russians with a nationally televised message of mourning.

Russia, India Pledge Search for Mumbai Perpetrators

Dec. 5 (EIRNS)—Alongside a statement on overall cooperation against terrorism, the joint declaration signed by Russian President Dmitri Medvedev and Indian Prime Minister Manmohan Singh, during Medvedev's current state visit to New Delhi, cited the Nov. 26-29 attacks in Mumbai. Russia and India called for "all nations to actively cooperate with the Indian authorities and assist them in locating and bringing to justice the participants, organizers, sponsors, and protectors, and anyone in any way connected with these barbarous acts." That broad formulation, if followed through, would inevitably lead any investigation to London.

Medvedev In India: Nuclear Power Agreement High on Agenda

Dec. 5 (EIRNS)—Russian President Dmitri Medvedev made a packed two-day state visit to India Dec. 4-5, bringing together two of the great powers whose initiative will be key to any solution of the current global crisis facing civilization. His talks with Indian officials and politicians featured key areas of bilateral cooperation, especially nuclear power, while the potential for effective Russian-Indian cooperation in addressing the global financial crisis remained only implicit, at least in the public statements.

Medvedev met individually with Indian Prime Minister Manmohan Singh, Foreign Minister Anand Sharma, President Pratibha Patil, and Vice President Hamid Ansari, as well as political party leaders including opposition leader Lal Krishna Advani of the BJP, and Sonia Gandhi of the Indian National Congress. His delegation included Deputy Prime Minister Alexander Zhukov, Minister of Defense Anatoli Serdyukov, Minister of Culture Alexander Avdeyev, Federal Military-Technical Cooperation Service chief Mikhail Dmitriyev, and head of the Russian Federal Space Agency Anatoli Perminov. Also with Medvedev are Sergei Kiriyenko, head of the nuclear power corporation Rosatom, VTB Bank CEO Alexei Kostin, and Oleg Deripaska, the metals entrepreneur who owns the Basic Element holding company.

The documents signed between Russian and India include an agreement to cooperate in building four new units at the Kudankulam nuclear power station, and proceed with other nuclear plants in India using Russian designs. A Rosatom spokesman told Novosti that an agreement for Russia to supply nuclear fuel to Indian nuclear power plants was also in the works. Atomstroyexport, the Russian nuclear power equipment and services export company, has been building two reactors for the Kundakulam plant in Tamil Nadu (southern India) since 2002.

Other cooperation agreements cover space exploration, tourism, trade and finance, and fighting money-laundering. A 22-point joint statement by Medvedev and Singh cited progress in achieving \$10 billion in annual bilateral trade and investment by 2010, as well as stating the intention to promote joint Russia-India ventures in third markets. The statement highlighted energy cooperation, with a separate point on the nuclear projects. It also promised a ten-year extension of the bilateral military technical cooperation agreement.

Concerning the global financial crisis, the Russian-Indian statement said that the two countries "emphasize the importance of comprehensive reform of the international financial and economic architecture, to adapt it to the new realities of the world economy, and will cooperate in various formats to help establish a more just world economic order, based on principles of multipolarity, the rule of law, mutual respect and shared responsibility." Listed as formats through which Russia and India will work together were the Russia-India-China triangular cooperation, and an expanded role for the BRIC, which is those three nations plus Brazil. At a press conference, Medvedev (who was in Brazil last week) also cited the BRIC grouping, but added a comment about the importance of the Shanghai Cooperation Organization, in which India is an observer. In economic affairs, he said, "Today we cannot even imagine that some most important global problems are considered, for example, without Russia or India.

Medvedev officially closed the Year of Russia in India event. He visited the national memorial to Mahatma Gandhi, leader of India's struggle for independence from the British Empire. The Russian President inscribed the guest book, "Visiting this place makes one remember the great mission, which Mahatma Gandhi fulfilled in the life of the Indian people, and the contribution he made to the development of the civilization we all share."

Putin: 'Positive Signals' Have Come from U.S.A.

Dec. 5 (EIRNS)—During his three-hour telethon with the Russian population yesterday, Prime Minister Vladimir Putin said he was seeing "positive signals" from the United States during its leadership transition. Answering a question about what will happen with Russian-U.S. relations after the inauguration of Barack Obama as President, Putin said: "Usually, when there is a change of power in any country, especially such a superpower as the United States, such changes do take place. We very much hope that the changes will be positive. We see these positive signals. What are they? Look at the meeting of NATO foreign ministers: Both Ukraine and Georgia have been denied a Membership Action Plan. We already hear at the level of experts, the people who are close to the President-elect and the people around him, his aides, that there should be no hurry, that relations with Russia should not be jeopardized. We already hear that the practicability of deploying the third position of missile defense in Poland and a radar in the Czech Republic should be considered once again. We hear that relations with Russia should be built with respect for our interests. If these are not just words, and if they are translated into practical policies, then of course we will react in kind and our American partners will immediately

feel it."

Putin, in Telethon, Grapples With Economic Turmoil

Dec. 5 (EIRNS)—Yesterday, Prime Minister Vladimir Putin held a three-hour televised discussion with the Russian population, during which the severity of the impact of the world financial and economic crisis on Russia was evident. Over 2 million people called or sent SMS and e-mail messages during the session.

Answering a question about relations with Ukraine, Putin noted that Russia's steel industry has contracted by 50% in the very recent period, while Ukraine's has collapsed by 70%, with major facilities being closed. That process, and similar threats to other industries, have had Putin's constant attention recently. He visited an aircraft factor and a diesel motor plant in the Yaroslavl region on Dec. 2, holding sessions there, as well as separately with various cross-sections of his Cabinet, focussed on getting assistance to the manufacturing sector.

Putin compared the current crisis to "bigger troubles," which Russia "has survived in over a thousand years of its history." He was asked repeatedly about the prospect of mass layoffs, and related issues such as quotas on the number of guest workers Russian employers are allowed to hire. There are over 10 million guest workers in Russia, most of them from other former Soviet republics; countries such as Tajikistan, and others in Central Asia, are being hard hit by the abrupt shrinkage of remittances from their citizens working in Russia. Putin said his government was working "to preserve jobs wherever possible," and to find new ones, including through public works and infrastructure-building projects. He was favorable toward efforts to channel credit and assistance directly to end users, and said the government was considering buying stakes in manufacturing companies that "are the core of the Russian economy."

Putin expressed understanding for the squeeze on Russians who are being charged 25% rates for various loans, but he said the Central Bank is forced to raise rates to prevent further capital flight. He announced a government plan to issue state guarantees through the Residential Mortgage Lending Agency, so that people who are thrown out of work will be less likely to lose their homes (if they have mortgages). He took numerous questions on the need for support for Russian agricultural producers.

While addressing such questions with clear indications of actions his government will take, Putin did not express such initiatives with regard to the global crisis, as such. He cited differing "expert opinions" on when a "global recovery" may occur, but restricted his policy descriptions to what he called "coping with the present crisis."

Southwest Asia News Digest

[Londonistan Is Talk of the Town in Arab World](#)

[Tensions High After Israeli Settlers' 'Pogrom' vs. Palestinians](#)

[Olmert Denounces Hebron 'Pogrom'](#)

[IAEA Sets Record Straight on Israeli Bombing of Syria](#)

Londonistan Is Talk of the Town in Arab World

Dec. 4 (EIRNS)—The British harboring, deploying, and controlling of so-called Islamic terrorists is once again a hot topic in many Arab countries. It is not because of the Mumbai terror attacks, but another case of flagrant British dirty tricks. One of the al-Qaeda spiritual leaders who has played a crucial role in recruiting in Britain and the rest of Europe since 1993, Omar Mahmoud Abu Omar, aka Abu Qatada, was rearrested in London for violating his bail conditions. The British Interior Ministry stated that Abu Qatada was preparing to flee to Lebanon to join Omar Bakri, leader of the London-based terrorist group Hiz-bu-Tahrir, who left Britain for Lebanon in 2006. (Bakri is another British asset.) In Lebanon, Bakri and Abu Qatada would be performing new missions in the service of Her Majesty's BAE-Prince Bandar destabilization operations.

The question that is being raised is not why he was rearrested, but why he was set free in Britain in the first place, when all evidence pointed to his key role in recruiting terrorists, including Zakaria Mousawi (the only terrorist indicted in the United States for the 9/11 attacks), and Richard "Shoebomber" Reid.

The Jordanian daily *Al-Rai* provides the answer to the question. Abu Qatada is Jordanian by origin and has two life sentences awaiting him in Jordan for terrorist acts there. In spite of major efforts by the Jordanian government in the past years, the British government has refused to extradite him.

Saleh al-Qallab writes in *Al-Rai* today: From the first day of his arrival in Britain escaping Jordanian justice, Abu Qatada joined terrorist activities. Despite that, the British turned a blind eye to what he was doing. They needed his services, as U.S. intelligence needed the services of Sheikh Omar Abdulrahman. When he was still performing dirty security operations in the service of British interests, Abu Qatada was a man of opinion, who was to be protected, and all Jordanian demands for extraditing him were met with absolute refusal. Then, when he was no longer able to perform these dirty services, the British suddenly discovered that he was posing a grave danger to their security.

The Arabic section of the LaRouche movement has prepared a special report on the British role in the Mumbai terror attacks, putting together *EIR* press releases. It is posted in Arabic at <http://nysol.se/arabic/media/mumbai.html>, and has been sent to all relevant Arabic media and government institutions in Arab countries.

Tensions High After Israeli Settlers' 'Pogrom' vs. Palestinians

Dec. 5 (EIRNS)—The Dec. 4 rioting in the West Bank by fascist settlers, after they were forcibly removed by Israeli police, has died down for the moment. Over 200 settler youths were removed from a house they had occupied in the old city of Hebron. The settlers reacted by peppering police with acid and potatoes filled with nails.

On Nov. 28, fascist settlers had launched what *Haaretz* journalist Avi Issacharoff, who was an eyewitness, wrote was a "pogrom," when they attacked the home of a Palestinian family of 20, including 17 women and children. "This is no play on words or double meaning. It is a pogrom in the worst sense of the word." He described a horrific scene, where hundreds of settlers, egged on by rabbis and older settlers, attacked the house and burned out the entire family. Issacharoff and other Israeli journalists intervened in a desperate attempt to assist the family.

A senior Israeli Defense Forces officer, expressing outrage at the parents of the youths, told *Haaretz*, "I have serious criticism for parents in Judea and Samaria [the West Bank] who send their children to places where lives are in danger. I hope the leaders of the settlements act now to restrain the violence. Surely they understand the tremendous damage the rioters are causing the settlement enterprise with their actions in recent days." Comparing their actions to neo-Nazis who destroy graves in Jewish cemeteries, he said, "Difficult things were done here. When a grave is destroyed at a Jewish cemetery in Russia, the entire state of Israel is in shock. In Hebron, Muslim graves have been defaced for several days now."

In an editorial, *Haaretz*, while praising the government's action against the settler "thugs," demanded that it do more. Attacking both the settlers and their backers in the Knesset, it said, "The political front of Members of the Knesset, rabbis, and right-wing activists who stood beside the lawbreakers, made it clear how far lawmakers and spiritual leaders were willing to go in riding roughshod over the laws binding every Israeli citizen both in Israel and the territories." *Haaretz* called upon every Israeli citizen to say loudly: "I am sick and tired of these self-declared messiahs."

Abu Rudeineh, spokesman for Palestinian President Mahmoud Abbas, called upon the international community to step in and halt the "unprecedented and dangerous aggression." It is feared that Palestinians will take the situation into their own hands and defend themselves with firearms.

Olmert Denounces Hebron 'Pogrom'

Dec. 7 (EIRNS)—"We are the children of a people whose historic ethos is built on the memory of pogroms. The sight of Jews firing at innocent Palestinians [in Hebron] has no other name than pogrom. Even when Jews do this, it is a pogrom. As a Jew, I am ashamed that Jews could do such a thing." These are the powerful words of Israeli Prime Minister Ehud Olmert, speaking on Nov. 30 at the weekly Cabinet meeting, after a week of violence by radical settlers in Hebron against innocent Palestinians. Never has an Israeli Prime Minister talked like this about the settlers, and this is the reason, according to many well-informed people in the Middle East, including Roman Catholic Patriarch Michel Sabah, talking to *EIR* last month, that Olmert was driven out of office, on dubious accusations of corruption. Olmert has become seriously committed to negotiating a Palestinian state, said the Patriarch.

Hebron has been a hotbed and recruiting/training center for settler terrorists for over a decade, and has been repeatedly exposed by *EIR* (e.g., the 1986 Special Report, "Moscow's Secret Weapon: Ariel Sharon and the Israeli Mafia"). Only 500 Jewish settlers live there, in a city with 160,000 Palestinians. The Israel government must spend nearly a million dollars a year to provide them with security. The Jewish radicals are attacking the Palestinians out of anger at the Israeli government, which has deployed police and the military to remove the settlers from "contested" houses that the courts say belong to Palestinians. Last week, the settlers rioted, set fire to Palestinian homes, and then opened fire on civilians, wounding two Palestinians.

IAEA Sets Record Straight on Israeli Bombing of Syria

Dec. 3 (EIRNS)—In a letter to the *Wall Street Journal*, the head of the Press Section of the International Atomic Energy Agency (IAEA) made it clear that Syria has *not* been found to violate any nuclear rules. The letter hits Israel for its pre-emptive strike against Syria in September 2007, and accuses Israel of violations of international nuclear agreements.

In the letter, which responded to a Nov. 28 *Wall Street Journal* editorial, IAEA official Melissa Fleming says, "Unlike in the cases of Iraq, Israel, Iran and North Korea, where the agency found these countries to be in violation of its rules and restricted their IAEA technical cooperation projects, the agency has not made any such judgment of Syria. In accordance with principles of fairness and equity, a state has full rights of membership until decided otherwise, based on established facts...."

"The way the international nonproliferation system is meant to work is as follows: If states, many of which have surveillance capabilities, have any suspicions of clandestine nuclear activity, they should report them to the International Atomic Energy Agency. Armed with this information, the IAEA investigates its veracity. In the case of Syria, instead of providing the IAEA with images of a building alleged to be a reactor, Israel unilaterally bombed the installation. Meanwhile, information was withheld from the IAEA for more than six months [by Israel], by which time Syria had cleaned away the rubble and built a new facility. This made the agency's verification work difficult and complex."

Fleming also says that "IAEA chief Mohamed ElBaradei is calling on Syria to provide maximum transparency. He is also calling on other states, including Israel, that have inexplicably withheld critical information on the site, particularly the images from the immediate aftermath, to provide that information to the IAEA.

"The 35 member countries of the IAEA Board of Governors have agreed to approve a nuclear power feasibility project requested by Syria. Similar IAEA-mandated studies on the use of nuclear energy for peaceful purposes are being conducted in 20 other countries. The Syria project is at an early stage, and the board may revisit it during its different phases."

Asia News Digest

[China's Investment Chief: Dump Derivatives, Go with New Bretton Woods!](#)

[Pakistan's Deals with Soros and IMF Will Cost 3 Million Jobs](#)

[Taiwan's Ma: Timing Not Appropriate for Dalai Lama Visit](#)

[Japan's Aso Looks To Overturn Koizumi's Fiscal Reforms](#)

[Korea To Assist Revival of Philippines Nuclear Plant](#)

China's Investment Chief: Dump Derivatives, Go with New Bretton Woods!

Dec. 5 (EIRNS)—Gao Xiqing, president of the China Investment Corporation (which manages \$200 billion of China's foreign reserves) gave an extraordinary interview to *The Atlantic's* James Fallows, which reflected many of Lyndon LaRouche's views: on the dangerous and unreal quality of derivatives; on the urgent need for a new Bretton Woods conference; and on the urgency for the U.S. to return to its strength and wisdom as seen during World War II. The interview took place two weeks before the U.S. election. It can be found at <http://www.theatlantic.com/doc/200812/fallows-chinese-banker/2>.

Quotations follow:

* *On derivatives:* If you look at every one of these [derivative] products, they make sense. But in aggregate, they are bullshit. They are crap. They serve to cheat people. [Gao describes derivatives as selling a mirror reflection of a mirror reflection of a real product.] I think we should do an overhaul and say, "Let's get rid of 90 percent of the derivatives." Of course, that's going to be very unpopular, because many people will lose jobs.

* *On a new Bretton Woods:* But I think at the end of the day, the American government needs to talk with people and say: "Why don't we get together and think about this? If China has \$2 trillion, Japan has almost \$2 trillion, and Russia has some, and all the others, then let's throw away the ideological differences and think about what's good for everyone." We can get all the relevant people together and think up what people are calling a second Bretton Woods system, like the first Bretton Woods convention did.

* *On American power:* The current conditions can't go on. It is time for the new government, under Obama or even McCain, to really tell people: "Look, this is wartime, this is about the survival of our nation. It's not about our supremacy in the world. Let's not even talk about that any more. Let's get down to the very basics of our livelihood." I have great

admiration of American people. Creative, hard-working, trusting, and freedom-loving. But you have to have someone to tell you the truth. And then, start realizing it. And if you do it, just like what you did in the Second World War, then you'll be great again! If that happens, then of course—American power would still be there for at least as long as I am living. But many people are betting on the other side.

Pakistan's Deals with Soros and IMF Will Cost 3 Million Jobs

Dec. 1 (EIRNS)—The \$7.6 billion loan granted by the IMF to Pakistan on Nov. 24 will cost Pakistan at least 3 million jobs, and add 7 million to the ranks of the desperately poor, gloated the chief economist from the Royal Bank of Scotland, Sakib Shirani, one of the architects of the deal. This genocidal prognosis was presented at a meeting on "IMF: Pain or Panacea?" sponsored by the Centre for Research and Security Studies in Islamabad on Nov. 28. Shirani, who participated in the talks in Dubai between Pakistani and IMF officials, told the audience that this policy was necessary due to the import-led policy of the former government, and that they had "no option."

A delegation from the George Soros Economic Development Fund (SEDF) was hired by the Pakistani government last week, to provide "technical assistance in economic, finance, tax reform, export and agricultural sectors." Soros met with Pakistani President Asif Ali Zardari when the President visited New York in September.

As in all IMF loans, the deadly conditionalities must be met for each period or the money is cut off. Pakistan will receive \$3.1 billion under a 23-month facility, with the remainder phased in, subject to quarterly reviews. The money will never reach Pakistan, of course—it is all to pay off a sovereign bond maturing in February—but falls well short of the \$13 billion that the IMF has said that Pakistan will require this financial year. Many more deaths under IMF austerity and Soros-run drugs and terror will be required before the next tranche is made available.

Taiwan's Ma: Timing Not Appropriate for Dalai Lama Visit

Dec. 4 (EIRNS)—On Nov. 28, the Dalai Lama, speaking from his refuge in exile, Dharamsala, India, said that he would like to visit Taiwan next year. He asserted that, given the improved relations in the Taiwan Strait, maybe this is a good time.

Taiwan's President Ma Ying-jeou, who campaigned for office earlier this year on a platform of improving political and economic relations with mainland China, begged to differ. "We generally welcome religious leaders from all over the world to visit Taiwan, but I think at the current moment the timing isn't appropriate."

The Dalai Lama had visited Taiwan in 1997 and 2001, and met former President Lee Teng-hui. Lee, an asset of the anti-China neoconservative faction in the U.S. and Japan, put little store on good relations with Beijing.

Denying that the delay of the visit will infuriate the Dalai Lama's representatives, as well as his admirers in Taiwan, including the entire pro-independence camp, for whom the Dalai Lama also serves as a symbol, Ma has little reason to soothe the feelings of the pro-independence radical grouping. This small minority rioted when the president of the Chinese mainland's Association for Relations Across the Taiwan Strait (ARATS), Chen Yunlin, visited the island to conclude an important series of trade and transport deals in early November.

Japan's Aso Looks To Overturn Koizumi's Fiscal Reforms

Dec. 3 (EIRNS)—Japanese Prime Minister Taro Aso is calling for eliminating or freezing budget caps put into place in 2006 by then-Prime Minister Junichiro Koizumi, as part of his overall free-market "reform" policies, which dismantled

much of the traditional "American System" approach of government-directed credit in Japan. Aso has proposed scrapping Koizumi's annual 3% cut in public works spending from the previous fiscal year, and his \$2 billion annual cut in the natural growth in social security spending—a policy which was deadly for the aging population.

Another of Aso's proposals is to set aside \$107.13 billion over three years as special reserves free of spending restraints. The funds would be used for such measures as job creation and helping the unemployed. The money would be included in annual budgets, but it would not be subject to spending ceilings.

Aso has also initiated efforts to postpone the privatization of the Postal Bank, which was the centerpiece of Koizumi's "reform."

Aso's moves have generated banner headlines in the Japanese press. The *Asahi Shimbun* writes, "Aso veering away from fiscal reform platform," and says that the Aso Administration has "essentially shelved the fiscal reform platform installed by ... Koizumi" in light of the economic emergency and "clamors within his ... Party." Japan's most prestigious conservative paper, *The Daily Yomiuri*, highlights the political repercussions of the change with "Storm brewing in LDP over fiscal policy."

Korea To Assist Revival of Philippines Nuclear Plant

Dec. 2 (EIRNS)— Korea's state-owned Electric Power Company (KEPCO) will reportedly sign a memorandum of understanding with the Philippines' National Power Corp (Napocor) to conduct a feasibility study into reviving the never-used Bataan nuclear power plant.

President Ferdinand Marcos ordered the construction of the two-unit Bataan Nuclear Power Plant after the 1973 oil crisis. Construction of Bataan-1—a 621 MWe Westinghouse pressurized-water reactor—began in 1976 and it was completed in 1984 at a cost of \$460 million. It mothballed, after the overthrow of Marcos, on orders from U.S. Secretary of State George Shultz and his Deputy Paul Wolfowitz, on phony safety concerns. The plant, while fully paid for by the Philippines people, has never produced a watt of electricity.

In early 2008, a team from the International Atomic Energy Agency (IAEA) visited the Philippines to assess the feasibility of rehabilitating the plant. The team advised the government that it could be refurbished and operated, economically and safely, for 30 years.

Africa News Digest

[Murtha: U.S. Should Use Diplomacy, Not Military, in Africa](#)

[Ban Ki-moon Backs Soros on Sending Euro Troops to D.R. Congo](#)

[Zimbabwe Declares Cholera National Emergency](#)

[Soros, Malloch-Brown, Lead Battle To Control Obama Africa Policy](#)

Murtha: U.S. Should Use Diplomacy, Not Military, in Africa

Nov. 30 (EIRNS)—In comments at Landstuhl Regional Medical Center in Germany, where he visited wounded U.S. troops and had Thanksgiving dinner with top U.S. military leaders in Europe, House Defense Appropriations Subcommittee chair John Murtha (D-Pa.) said the U.S. should use diplomacy, not the military, in Africa.

"We can't win these wars militarily. Nobody wants us over there. I think Liberia wants us. Nobody else.... You can't just throw money at it, and you can't win it militarily. It has to be done diplomatically. So I've been trying to shift money, and convince the people that make the decision on where the money goes that more money should go to the State Department for those kind of things," according to the political and news blog wizbangblog.

The Bush regime sought \$389 million for Africom, the United States Africa Command, for fiscal 2009. Earlier this year, during the budgetary process, the subcommittee Murtha chairs recommended providing Africom barely over a fifth of that, \$80.6 million, for fiscal 2009. In the end, Africom's budget was approved at \$266 million. Africom was launched as a fully operational command on Oct. 1, a month before Barack Obama's election.

Vince Crawley, a spokesman for Africom, noted recently that Defense Secretary Robert Gates has already spoken about the need for the State Department to get a bigger share of the funding.

Ban Ki-moon Backs Soros on Sending Euro Troops to D.R. Congo

Nov. 30 (EIRNS)—UN Secretary General Ban Ki-moon has picked up on George Soros' "humanitarian" call to send an "interim" European military force to the Democratic Republic of Congo (D.R.C.). On Thanksgiving day, Soros and others issued an open letter calling for the EU to send military troops until the United Nations can assemble the 3,000 additional "peacekeepers" that the Security Council has approved.

Belgium, the former colonial power of Congo, and France, last month proposed sending troops to North-Kivu province, to support the humanitarian efforts of the UN Mission in the D.R.C. This province in eastern Congo, which Soros and his controller Lord Mark Malloch-Brown of the British Foreign Office have suddenly decided to call a humanitarian crisis (more than 5 million people have died in eastern Congo since the second Ugandan and Rwandan invasion in 1998, which has led to an effective partition of Congo). Belgian officials statements have expressed skepticism that an EU force can be mobilized. After the French proposal, a spokesman for Soros's International Crisis Group, Neil Campbell, said Nov. 6 that the EU should commit troops, but was adamant that they should not come from France. Campbell maintained that a French presence would antagonize Rwanda, which backs the anti-Congo rebels led by Laurent Nkunda, a former military intelligence figure in the Rwandan army, at which time he was a close associate of Rwanda's present President Paul Kagame. Campbell said that since France backed the previous Rwandan government, which is charged with genocide during the civil war in Rwanda, France should not be involved. At the time the French proposal for intervention into Congo was made, President Sarkozy pledged full support for Congo President Joseph Kabila, while Malloch-Brown is blaming the D.R. Congo government and the rebels for the humanitarian crisis.

Other EU countries, including Germany, oppose the military support, and want to back humanitarian organizations and political mediation, instead.

AFP reports that the question of sending EU troops will be discussed this week at the ministerial level at NATO headquarters in Brussels, as well the Organization for Security and Cooperation in Europe meeting in Helsinki.

Zimbabwe Declares Cholera National Emergency

Dec. 8 (EIRNS)—The government of Zimbabwe had declared a national emergency and called for international aid over

the outbreak of cholera which has killed 565 people and is spreading to South Africa. The crisis was preprogrammed by the British-Soros orchestrated siege of the country to overthrow the government of President Robert Mugabe.

The state-run daily *Herald* wrote, "The government yesterday declared the cholera outbreak ... and the malfunctioning of the central hospitals as national emergencies and appealed to the donor community for assistance to alleviate the situation."

Zimbabwe Health Minister David Perirenyatwa, according to today's South Africa's *Mail and Guardian* said, "The emergency appeal will help us to reduce the morbidity and mortality associated with the current socio-economic environment. Our central hospitals are literally not functioning. Our staff is demotivated and we need your support to ensure that they start coming to work, and our health system is revived."

The outbreak of cholera is results from the collapse of the water and sewage systems. The water supply in the capital Harare was suspended for 48 hours because of lack of aluminum sulfate used to purify water. It is now feared that cholera could break out in South Africa because the Limpopo River which separates South Africa from Zimbabwe has been tested positive for the *vibrio cholera* bacteria.

Soros, Malloch-Brown, Lead Battle To Control Obama Africa Policy

Dec. 5 (EIRNS)—The British Foreign Office's Lord Mark Malloch-Brown and George Soros are attempting to use several manipulated crises in Africa, to force Obama to adopt a military interventionist approach towards Africa, as opposed to Obama's indicated preference for diplomatic solutions. There is a conflict within the Obama team over which approach to take. Although Soros was a big contributor to Obama's election, this policy decision is by no means locked up. The two most likely conflicts which are candidates for military intervention are D.R. Congo and Sudan.

The conflict in eastern D.R. Congo, which has been dragging on since the Uganda-Rwanda 1998 invasion, with deadly consequences, since a settlement forced on Congo by then-Undersecretary of State for Africa, and current nominee for UN Ambassador Susan Rice, in 1999 resulted in a permanent de facto partition of Congo, is now be portrayed as a humanitarian disaster which can only be settled by a military intervention, because the army is portrayed as being as guilty as the invading forces, and their proxies, such as Laurent Nkunda. British-backed Nkunda has also announced his intent to overthrow the elected government of President Joseph Kabila. No mention is made about the fact that the Congo army in the region has many Rwandans, and Rwandan agents, who were inserted during efforts over the last ten years to absorb them in the army, in hopes of pacifying the situation.

The battle within the Obama camp for and against military intervention is the fiercest is on the question of Sudan. Even the well-known, ardent critic of the Sudan government, John Prendergast, who was considered close to the Obama campaign, is against military intervention; referring to Sudan, Congo, and Somalia, he said: "We don't have the capacity to pacify these places militarily." He added: "We need political solutions."

Zimbabwe is not a military conflict, but Malloch-Brown said on BBC that "Mugabe is beyond the pale," and Prime Minister Raila Odinga in Kenya are pushing for an armed African Union peacekeeping force to be sent to Zimbabwe. The cholera epidemic there is being used to justify the drive for regime change.

The group trying to steer Obama to adopt a regime-change approach toward Zimbabwe, are adopting the same approach as the Bush Administration. Secretary of State Condoleezza Rice said: "It is well past time for [President] Robert Mugabe to leave," and criticized the efforts of former South African President Thabo Mbeki to mediate an end of the political stalemate in the country as a "sham."

[top of page](#)

[home page](#)