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[Drive the Narcos Out of the Americas!](#)

[by Gretchen Small](#)

Jan. 9, 2009

As President-elect Barack Obama prepares to assume office, another explosive, cannot-wait crisis has been dropped on his doorstep: an all-out political and military assault, of a particularly satanic character, by London's Dope, Inc., against the United States' southern neighbor and historic friend, Mexico. Should proper coordinated action against Dope, Inc. not be undertaken by both nations, quickly, proud Mexico, with its shared anti-oligarchic republican culture and history with the United States, could be reduced to a no-man's land run by warring narcoterrorist paramilitaries....

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Feature

- [Drive the Narcos Out of the Americas!](#)

Britain's Opium War against the Americas began after the introduction in 1971 of the floating exchange rate international monetary system, and now George Soros and his minions have escalated their effort to reduce Mexico to a no-man's land, run by warring narcoterrorist paramilitaries. This is intended to create another explosive crisis for President-elect Obama.

- [Call for U.S.-Mexico Anti-Drug Fight](#)

From a memorandum by Gen. Barry McCaffrey (USA-ret.).

- [Colombia Nearly Disappeared by Negotiating with Narcoterrorists](#)

- [How Drugs Can Be Wiped Out, Totally](#)

EIR's 1996 report on the high-technology, non-lethal means of eradicating and seizing drug crops—plus stopping the drug money laundering.

- [LaRouche's 15-Point Plan for a War on Drugs](#)

Lyndon LaRouche sent this message to a March 13, 1985 Mexico City conference.

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The next step is to move toward new 'Pecora Commissions,' like that which investigated Wall Street in the 1930s.

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The Israeli attack on Gaza could lead to a global crisis, especially as Saudi Arabia sends out marching orders and recruits for terrorist operations. But there are interesting signs of change from Iran's Ayatollah Khamenei.
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Lyndon LaRouche and Helga Zepp-LaRouche were featured on the last program for 2008 of The LaRouche Show, the weekly Internet radio broadcast.
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American History

- [What His Doctor Revealed About Poe's Assassination](#)
In commemoration of Edgar Allan Poe's 200th birthday, we quote from the book by his physician, Dr. John J. Moran, who refuted the British character assassination of Poe that described him as a drunkard and drug addict who died as a result of his addictions. In truth, this leader of American patriots' intelligence wars against the British Empire, was assassinated.
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[The Lost Soul of America](#)
Excerpted from an article first published by Allen Salisbury in July 1981.

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Real U.S. Unemployment Is 21 Million

Accelerating Collapse of U.S. Real Economy

Jan. 6 (EIRNS)—The accelerating pace of the economic collapse is expressed in developments of the day:

* Alcoa Inc., the world's largest aluminum maker, announced a third production cut in as many months, with 13,500 lay-offs, about 13% of its workforce, and an additional 1,700 contractor positions eliminated. The company's annual smelting capacity will be reduced by about 750,000 metric tons, or about 18%.

* Lyondell Chemical Co., one of the world's largest closely held chemical producers, filed for bankruptcy protection in New York. Based in Houston, Lyondell has assets of \$27.1 billion, debt of more than \$19.4 billion, and more than 25,000 creditors, according to a petition filed today in U.S. Bankruptcy Court in Manhattan. Seventy-nine of the company's affiliates also will file for court protection, including Basell Finance USA, Inc., according to the filing. The company's largest unsecured creditor is the Bank of New York Mellon Corp.

* Shipments from U.S. factories plunged a record 5.3% in November, the Commerce Department estimates. Orders for U.S. factory-made goods fell 4.6% in the month, more than twice as much as expected. Orders and shipments of nondurable goods dropped a record 7.4% in November, while orders for durable goods fell 1.5%, revised from the 1% drop reported two weeks ago.

Meanwhile, the Fed is trying to close the unprecedented spread between the near-zero Fed rate and rates demanded by banks for consumer and corporate loans, which rates have fallen only slightly. Fifteen-year mortgage rates are 5.06, 2.59 above the ten-year Treasury bill—the spread was only 0.88 in 2003 when the Fed rate was at 1%.

Take It from Ford: Forget Selling Autos in 2009

Jan. 4 (EIRNS)—Sales of all autos and light trucks in the United States will likely drop by 6-7 million over 2008-09, according to a forecast today by Ford Motor Company.

There is no possibility of keeping the auto machine-tool sector functioning with auto production, given a plunge of that magnitude—on the order of 40%.

Ford's chief analyst expects that overall U.S. auto sales for December will have fallen 35% from a year earlier; that 2008 auto sales will have fallen by 3 million from 2007 (from 16.1 million to about 13.1 million), a magnitude of fall which has not happened before; and, that the last four months' sales rates of 750-800,000/month will continue into 2009. That implies a drop of *another 3 million or more* from 2008 to 2009, to below 10 million units.

EIR estimates that tens of millions more square feet of vital machine-tool capacity tied to auto design, systems, and components will pass into bankruptcy and/or be scrapped, unless put to a different national economic mission. More than 30 million square feet of such capacity has closed since 2006.

Lyndon LaRouche proposed nearly four years ago that a Federal corporation be created to assume, employ, and expand this capacity in building the elements of a new national economic infrastructure such as high-speed railroad corridors, third- and fourth-generation nuclear power plants, desalination, water control and navigation, etc. There's no Ford in your future; but this, LaRouche emphasized on Dec. 28, is a 50-year, \$1 trillion-a-year technology and machine-tool mission.

Machine-Tool Use and Manufacturing Jobs Evaporate

Jan. 4 (EIRNS)—During October, the U.S. economy's consumption of U.S.-made machine tools plunged to \$274 million, a decline of 32% from October of 2007, and a decline of 43% from September of 2008. Though public figures are not available, it is likely that the *production* of U.S. machine tools has fallen by a commensurate amount.

Since July 2008, the U.S. manufacturing sector has axed 737,000 jobs, and the construction sector has shed 680,000 jobs, a total of 1.4 million jobs, or nearly 10% of the remaining U.S. productive workforce, merely considering these two sectors.

Real U.S. Unemployment Is 21 Million

Jan. 9 (EIRNS)—The number of officially unemployed Americans increased by 632,000 in December, to 11.1 million, completing a 2008 rise of 3.6 million in unemployment, according to the Bureau of Labor Statistics (BLS). But the real unemployed/underemployed part of the labor force is up to 21 million—including 1.9 million "discouraged workers," who have given up looking for jobs and are therefore "marginally attached" to the labor force; and 8 million who are forced to work part-time due to inability to find a full-time job. That 21 million is 13% of the entire workforce. And the number remaining unemployed longer than six months has doubled to 3.6 million.

U.S. employers have eliminated 1.9 million jobs, net, in just the past four months, including 524,000 more in December, the BLS reported. This is the fastest rate of employment collapse since the end of World War II. Some 150,000 more manufacturing jobs disappeared, making 800,000 lost in 2008; construction job losses were another 101,000. But retail, financial, transport, mining, and just about every other area of jobs except health care and education, were headed straight down.

The average U.S. weekly wage fell in December as well, by 0.35%.

Global Economic News

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[Indonesia \\$10 Billion Infrastructure 'on Government's Shoulders'](#)

The Collapse in Asia Deepens

Jan. 6 (EIRNS)—The devastating pace of the global collapse is hitting the major Asian economies with full force. Some data from today:

* India: Federation of Indian Export Organizations head A. Sakthivel said that 10 million jobs could be lost by March, noting that "Exporters don't have orders beyond January"—a fact that reflects conditions globally, with trade credit unavailable. Textiles and jewelry are the main victims in India, although the auto collapse is taking its toll, with Tata and Hyundai cutting back.

* Japan: Toyota will close 12 factories for 11 days in February and March. U.S. sales for both Toyota and Honda U.S. fell

by a third in December. Global sales for Toyota fell 15% for 2008, Honda 7.9%, Nissan 18%. Overall Japanese domestic auto sales fell 5% in December, with a 28-year low for the year. (Overall sales in the U.S. were down 36% in December over last year.)

* South Korea: Hyundai's U.S. sales fell 48% for the month. The company announced a program to buy back purchased cars within 12 months if the buyer experiences an "involuntary loss of income," e.g., loses a job.

* Singapore: The fourth major shipping company has filed for bankruptcy protection. Armada (Singapore) Pte filed for protection from creditors in Singapore and the U.S., after a 92% plunge in commodity shipping rates last year. Customers are defaulting on contracts as demand for iron ore used to make steel collapses, Armada's statement said.

Aircraft Orders Falling Out of the Sky

Jan. 9 (EIRNS)—China may cancel as many as 25% of all aircraft orders in the world this year, and many other nations will be making cancellations as well. The combination of declining airline travel and, even more, inability of all but the largest airlines to get financing for the planes they've ordered, is causing orders to disappear, hitting both Boeing and Airbus.

On Jan. 7, the head of China's Civil Aviation Authority, Yang Guoqing, issued a statement, "It is the duty of airlines to cut capacity, defer plane orders, return leased aircraft, and ground or sell older planes." Up to 200 aircraft deliveries, out of 241 due in China this year, could be gone right there.

Boeing's new orders had already fallen by half in 2008, and although it and Airbus have booked orders for 7,500 aircraft—ten years' worth of production—it is those orders that are going to be hit by the cancellations.

As for financing, the three largest aircraft financing organizations are ILFC (owned by AIG), GCAP (owned by GE), and RBS Aviation (owned by the Royal Bank of Scotland)—all of whose parent companies are bankrupt and unable to issue further financial instruments.

The aerospace industry employs 497,000 workers in the United States—down from 950,000 in 1990—and 113,000 in Britain, for example. Aerospace represents the second-largest machine-tool reserve and capacity in the U.S. economy, half the size of the auto machine-tool sector, and aerospace machine capacity is generally newer and more advanced than auto.

Indonesia \$10 Billion Infrastructure 'on Government's Shoulders'

Jan. 5 (EIRNS)—Indonesian Finance Minister Sri Mulyani Indrawati announced today that \$10 billion has been allocated for infrastructure projects to begin immediately, developing ports, turnpikes, railways, bridges, irrigation systems, etc. Bambang Susantono, a deputy to Sri Mulyani, noted that "funding for infrastructure projects comes from long-term investment, which may be difficult to obtain during an economic downturn, as many investors prefer quick-yielding investments. Therefore, it rests on the shoulders of government to push these projects."

Sri Mulyani said that about one-fourth of the funds will be channeled to local administrations to strengthen their capacity to implement infrastructure projects.

The government has estimated that about \$65 billion will be needed in new infrastructure investment in the next three years. It estimates that next year's infrastructure projects would be able to absorb up to 1.1 million new workers. Millions of Indonesians are facing layoffs from the global collapse.

United States News Digest

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Homeowners and Bank Protection Act in Indiana Senate

Jan. 10 (EIRNS)—Indiana State Sen. Lonnie Randolph (D-East Chicago), filed Lyndon LaRouche's Homeowners and Bank Protection Act (HBPA) this week in the Indiana Senate. The resolution, SR 7, will be formally introduced and given a committee assignment in the coming weeks. A similar resolution was introduced in the Alabama Senate resolution last Spring. East Chicago, which suffers from high foreclosures and economic disintegration due to the collapse of the steel and related industries, is one of half a dozen cities that passed the HBPA in the Spring of 2008.

Some Senate GOPers Front for Soros on Holder Nomination

Jan. 10 (EIRNS)—Some Senate Republicans have jumped into bed with dope-pusher George Soros to criticize the nomination of Eric Holder as U.S. Attorney General. Hearings begin Jan. 15. Senate Minority Leader Mitch McConnell (R-Ky.) told reporters yesterday, that Holder "has got serious questions to respond to" on a number of matters, including the pardons at the end of the Clinton Administration, but, "Beyond that, I don't anticipate trouble for the new President's nominees." Sen. Arlen Specter (R-Pa.), the ranking Republican on the Senate Judiciary Committee, delivered a speech on the Senate floor this week, in which he asserted that Holder, during the Clinton Administration, at times "appeared to be serving the interest of his superiors," rather than heeding recommendations from career Justice Department lawyers.

Where was Specter when Alberto Gonzales was confirmed as Attorney General? Gonzales's only job while in the position was to protect Dick Cheney from prosecution, yet the Republicans voted unanimously for his confirmation.

The issues that the GOP intends to raise, according to today's *Washington Post*, include a legal services contract that Holder was awarded by Illinois Gov. Rod Blagojevich, which was never fulfilled; Holder's defense of commercial corporations while in private practice with the law firm of Covington & Burling; his support of gun control; and, of course, the Marc Rich and FALN pardons in the final days of the Clinton Administration. Not mentioned by the *Post* and other coverage, are Soros and the dope lobby, which fear that Holder will oppose their drive for drug legalization.

Meanwhile, Politico.com reports that Virginia's former senior Republican Senator John Warner (Va.) will testify for Holder.

Obama DoJ Appointments Promise Break with Bush-Cheney Policies

Jan. 6 (EIRNS)—President-elect Barack Obama announced four high-level Justice Department nominations on Jan. 5, following his earlier nomination of Eric Holder for Attorney General. The most significant is that of Dawn Johnsen to head the Office of Legal Counsel (OLC)—the office which was perverted under the Bush-Cheney Administration to turn out fraudulent legal opinions justifying torture and other illegal and unconstitutional practices. Johnsen, a professor at Indiana University, spent five years in OLC during the Clinton Administration, and has been outspoken in her denunciations of the "corrupt" legal advice given by the OLC during the past seven years.

Other nominations are:

* Elena Kagan, Dean of the Harvard Law School and a former Clinton White House legal advisor, for U.S. Solicitor General; like Johnsen, Kagan has been a featured speaker at conferences of the American Constitution Society, the left-liberal counterpart to the Federalist Society;

* David Ogden, a former senior official in both DoJ and DoD, and the head of Obama's DoJ transition team, as Deputy Attorney General, the Department's #2 position;

* Tom Perelli, who was counsel to former Attorney General Janet Reno, as Associate Attorney General, in charge of civil matters.

California's Governor: Shut Schools To Save Money

Jan. 8 (EIRNS)—California Gov. Arnold Schwarzenegger's newest budget-cutting pitch: Stop state funding for a week of the school year, according to today's *Los Angeles Times*. This is projected to save \$1.1 billion. State Superintendent of Public Instruction Jack O'Connell called the proposal "devastating," and said, "It would particularly hurt our low-income students and students of color," because affluent districts are more likely to be able to pay for the five days themselves while poorer districts will be forced to eliminate those teaching days. "The result would be a further widening of the achievement gap." If five days are cut, each of the state's 1,054 school districts will have to renegotiate contracts with unions representing teachers and other employees, for potential pay cuts.

U.S. Senate Backs Genocide in Gaza

Jan. 8 (EIRNS)—The U.S. Senate today passed a resolution supporting "Israel's right to self-defense." While giving lip service to protecting the lives of innocent civilians, the resolution repeated the Israeli mantra that any ceasefire must be "durable, enforceable and sustainable." The Israeli insistence on these conditionalities has prevented any ceasefire resolution from passing the United Nations Security Council to date, as the U.S. has promised to veto any resolution which does not include this wording.

In remarks to the Senate before the vote, both Democratic leader Harry Reid and Republican leader Mitch McConnell postured, saying that were the United States hit by missiles lobbed across the Canadian border, the world would expect the U.S. to defend itself as Israel has been forced to do now. In fact, by their co-sponsorship of this resolution, they have already been hit with the bomb of world opinion that will cause their already dismal approval ratings to be shot to smithereens.

The House passed a similar resolution the next day, with five no votes and 23 abstentions, mostly Democrats.

Times Wants Congressman Rangel Out

Jan. 4 (EIRNS)—The *New York Times*, which supported Hitler and eugenics at one time, is currently upping the pressure on the 111th Congress to remove House Ways and Means chairman Charles Rangel (D-N.Y.), with another "exposé" for the Ethics Committee's investigation of the senior Congressman.

A Jan. 3 *Times* smear by David Kocieniewski describes the contact between Rangel and insurance giant AIG, over Rangel's attempted fundraising from AIG for a City College of New York (CCNY) Public Service Center, suggesting a conflict-of-interest problem for Rangel.

However, the counsel for the Ways and Means Committee burst that balloon, telling the *Times*, "The law expressly permits members of Congress to engage in fundraising activity on behalf of non-profits such as CCNY, and recognizes that donations will inevitably coincide with legislative activity."

Next, the *Times* charges that Rangel initially opposed, then supported a tax change that benefitted AIG. Rep. Joseph Crowley (D-N.Y.), told the *Times*, "While Chairman Rangel opposed extending the provision this year, a majority of Democrats on the Ways and Means Committee supported doing so, and the Chairman listened to his membership." Furthermore, Rangel had signed off on the measure before AIG's letter was sent to him.

Finally, the *Times* attempts to show that Rangel was involved in AIG's bailout from bankruptcy. But, the Treasury Department seconded the account by Rangel's aides, that he played no role in negotiating the bailout. As Rep. Barney Frank (D-Mass.) put it for the *Times*, "To say that Chairman Rangel has had minimal involvement in the bailout negotiations would be overstating things."

Virtually the entire Ethics Committee from the previous Congress will be replaced on Jan. 6 by Speaker Nancy Pelosi.

Ibero-American News Digest

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Argentine Governor on Drug Decrim: 'We Are Not Holland'

Jan. 9 (EIRNS)—The Argentine government's attempt to implement George Soros's policy of decriminalizing possession of drugs for personal consumption, is encountering some stiff opposition, starting with the governor of the country's most populous and economically important province, Buenos Aires.

"We are not Holland, or the European Union," said Gov. Daniel Scioli in late December. Of course addicts should get proper medical attention, and not just be tossed in jail to rot, he said. "But we have to be very careful about the message we send society." More than 50% of the crime committed in the province is drug-related, he added. "We must discourage the use of drugs. I'm against decriminalization of any drug."

Several other governors, along with Catholic Church leaders, provincial and national legislators, and anti-drug activists are also speaking out, including those who are otherwise allies of President Cristina Fernández de Kirchner. To date, the President has kept a low profile on the issue, letting Justice Minister Aníbal Fernández be the very vocal proponent of decriminalization and Soros's fraudulent "harm reduction" theories.

Nor is there any consensus within the government itself, since the director of the President's own anti-drug agency, Sedronar, also opposes decrim. It is against this backdrop of mounting opposition to the Soros policy, that unconfirmed media and other reports are circulating of a possible cabinet reshuffling, which could see Aníbal Fernández out of a job, or relegated to a lesser position.

Paraguay Turns to Colombia for Anti-Drug Aid

Jan. 6 (EIRNS)—The radical leftist, anti-U.S. "alternative" media which the former Nazi-collaborator George Soros so generously finances, is going berserk over the fact that Paraguay's new President, Fernando Lugo, has sought assistance from Colombian President Alvaro Uribe in combatting Paraguay's vast narcotics and contraband trade, which have spawned tremendous violence and security problems in this impoverished country.

Lugo's overture to Uribe, seen in his Sept. 29 visit to Bogota, is key. Soros's allies have succeeded in isolating the Colombian President because of his refusal to give in to the drug legalization and "harm reduction" garbage that most other Ibero-American Presidents have eagerly embraced. Paraguay is one of four permanent members of the Common Market of the South (Mercosur), and the other three—Brazil, Uruguay, and Argentina—now promote Soros's "harm reduction," as a policy of state.

But in the joint declaration which Lugo and Uribe issued, following their very cordial Sept. 29 visit, the emphasis was on strengthening bilateral cooperation to fight terrorism, "its sources of financing, as well as the various manifestations of organized transnational crime, the global problem of drugs and related crimes, illicit weapons, ammunition and explosives traffic," money-laundering, etc.

Colombia will help train Paraguay's National Police, and the high-commands of the Colombian and Paraguayan armed forces will establish a vehicle for permanent communication, to help them better deal with "common threats." The two Presidents took special note of the February 2008 Memorandum of Understanding signed between each nation's special anti-money-laundering agency, to strengthen their cooperation in pursuing the resources that finance terrorism.

Such alternative anti-U.S. media as Indymedia, a recipient of generous grants from Soros's Tides Foundation and the Open Society Institute, are hysterical over Lugo's actions, charging that the former Catholic bishop, who was elected on a leftist platform, is really a CIA lackey in disguise, doing the bidding of the U.S. "Empire" and preparing to "Colombianize" Paraguay under Uribe's tutelage.

Brazil's Lessa Points Finger at 'Quadrillion' Derivatives 'Pigsty'

Jan. 9 (EIRNS)—Brazilian nationalist economist and former President of the state-owned BNDES development bank, Carlos Lessa, told *Terra* magazine on Dec. 17 that the cause of the international financial crisis is "the froth of \$640 trillion" in derivatives, according to estimates of the Bank for International Settlements, "although nobody knows how much they really are. In the U.S., there are analysts who say that it's a quadrillion. You can't even pronounce that, can you?" he joked with the interviewer.

"The festival of madness which occurred in the derivatives market, the stock market, the futures market can no longer exist.

That is going to be wiped off the face of the map," Lessa continued. "Mankind will not commit hara kiri. Human society does not commit ritual suicide. If that pigsty of all that financial speculation led to such a mess, the world will reorganize itself to be able to continue to exist. In that reorganization, nation-states are going to be very important."

Lessa added: "Usually a crisis like this one generates an intense intellectual flowering. The question always arises: 'So where did we go wrong? Boy, did we delude ourselves!'"

Western European News Digest

MI5 Chief Signals Reorganization of Empire

German Exports Collapse

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Italians To Challenge 'Rule Britannia'?

Tremonti: We Must Choose Between the Banks and Families!

Italian President Decries 'Resurgence of National Interest'

MI5 Chief Signals Reorganization of Empire

Jan. 7 (EIRNS)—Jonathan Evans, head of Britain's MI5 security and counterintelligence agency, gave the first-ever press interview by MI5's director general today. He emphasized that the global economic crisis poses a new security threat to Britain.

Evans called the world financial crisis a "watershed moment" which can shift the world situation, and that the West would become less economically dominant. "Where there have been watershed moments, there have often been national security implications from that, a new alignment," he said. "We have to maintain flexibility and respond to threats. The world will not stay the same.... We have this at the back of our minds, it is too early to say."

What should be considered is what would happen if the "West becomes less economically dominant.... There is no single path that leads people to violent extremism. Social, foreign policy, economic and personal factors all lead people to throw their lot in with extremists."

German Exports Collapse

Jan. 8 (EIRNS)—German exports dropped by 10.6% from October to November, and by 11.8% as compared to November 2007. All in all, Germany exported goods worth Eur77.1 billion in November. More significantly, exports to the other EU countries—by far the biggest share of German exports, with 70%—dropped by 14% in the same month. The German trade balance, which was a positive Eur19.4 billion in November 2007, was down to a positive Eur9.7 billion in November 2008. How big the drop is, becomes clear if one looks at the trade balance in October 2008, when it was still 16.4%. Industrial contracts were down by 27.2% in November, compared to November 2007.

Unemployment increased by 114,000 in December 2008, the real dynamic covered up by many firms' decision to extend the Christmas holidays. January is expected to show another drastic increase of unemployment, along with the other aspect of short-work, which in the case of Opel at its Bochum plant will bring short-work for about 100 days in 2009, according to a press release by Rainer Einkenkel, the chairman of the Bochum factory labor council. A critical situation is also reported from BASF, which has suffered heavily, not only from the effects of the automobile crisis, but also from an almost total collapse of foreign orders for ammonia, a component of fertilizer production, since October.

Germans Disoriented on Economic Program

Jan. 5 (EIRNS)—Germany's political parties are going into the final round of discussions about a second incentives program. The Social Democrats have the most detailed proposal, so far, centered around a "Germany Fund" of Eur10 billion which is to be financed by the federal government and the 16 state governments. The Fund is to promote investments on the municipal level into modernization of daycare centers, schools, energy efficiency, and roads.

Another Eur30 billion, mostly to be financed through new state borrowings and a number of tax increases for higher incomes: a one-time children bonus for families, special bonus for children of long-term unemployed, support for research in alternative energies (overlapping with support for *Mittelstand* "innovations" in the same area), one-time payment of Eur2,500 for every German who scraps his ten-year-old car and buys a new one. There will also be more consulting services for unemployed citizens who seek a new job.

So confused is this program, that SPD Chancellor candidate Frank-Walter Steinmeier, in an interview with the *Süddeutsche Zeitung* this morning felt it necessary to state that "this is not a hodge-podge, it is a concept." The SPD and CDU-CSU will likely not decide on anything concrete before Jan. 18, the day of the Hesse state election, or before the inauguration of Barack Obama on Jan. 20.

Italians To Challenge 'Rule Britannia'?

Jan. 7 (EIRNS)—Apparently, the City of London fears a class action lawsuit from some 600 Italian local and regional authorities against British investment banks, and is preparing a defense strategy, "with the support of the Treasury," today's *Il Riformista* reports. "It is a question of days, and the storm will burst in all its virulence. It is the match between London investment banks and many Italian local authorities on the scandal of derivative swap contracts that have seriously damaged the accounts of municipalities, provinces, and regions." London's strategy is to "turn the scandal of the derivative contracts in a new Parmalat case, i.e., present it as the last 'Italian job'."

A legal solution, and a just one, is difficult "in a world in which the [U.S. Securities and Exchange Commission], eight times, has been unable to stop the Madoff mega-swindle," writes *Riformista*. However, more than the legal aspect, the political one is going to have implications, if ever a class action is started in Italy. It will be the Italian people against Britannia. Prosecutor Francesco Greco, who leads the probe into the derivatives swindle, and was the government attorney in the Parmalat trial, described the Parmalat case as a microcosm of the entire financial system. And he has blasted the current bailout of the financial system as immoral. Greco was among the three prosecutors who opened distinct investigations of George Soros, based on the LaRouche movement's legal brief, in 1995.

Tremonti: We Must Choose Between the Banks and Families!

Jan. 10 (EIRNS)—In a follow-up to his intervention at the Paris conference on "New World, New Capitalism," Italian Economy Minister Giulio Tremonti, speaking at a town meeting in Roccaraso, said that U.S. President-elect Barack Obama's economic plan might not be enough, and if that fails, there is only one thing to do: freeze the derivatives bubble and save "families, enterprises and those banks which finance them."

"With our heart, we all hope that it will work like Obama says, but with our head we must also imagine that the U.S. President's plan might not be enough. At that point, we shall make some choices, because to save everything is in God's power alone," Tremonti said, according to *Corriere della Sera*. More than Obama's economic plan, America is benefitting "from the new political figure represented by Barack Obama." But, if Obama's plan fails, "all of us government leaders have the duty of thinking of an alternative plan. We shall choose: Do we save families or the bankers? Speculators or enterprises? I have no doubt whom to save: the families, the enterprises, and those banks which finance them. If you try to save everything, you risk losing everything, because there is a point beyond which not even government can go."

With the exception of a Dow Jones wire Jan. 8, Italian Finance Minister Giulio Tremonti's call for separating sound bank activities from rotten ones, made at the international "New World, New Capitalism" conference in Paris with Sarkozy, Blair, Merkel et al., has been covered only by Italian media. Michel Rocard's call for bankruptcy reorganization did not even get coverage in France. In other words, they are getting the LaRouche treatment.

Italian President Decries 'Resurgence of National Interest'

Jan. 10 (EIRNS)—The followers of H.G. Wells' world-government policy see their dreams being swept aside by the systemic collapse and the progress of Lyndon LaRouche's ideas for a new Westphalian world order. Italian President Giorgio Napolitano, a supporter of the European "Tower of Babel," stated yesterday that he sees "with concern, a reemerging rhetoric of national interest," which is blocking the construction of a European super-state. Speaking at a presentation of Jacques Delors' latest book, in Parma, Napolitano complained that national interest leads to decisions based on "small-minded and tiresome negotiation among governments."

Napolitano said that since 1993, Europe has undergone "15 years of dumbness and skepticism" which have prolonged "a delay" in the construction of a European government. "The ratification and implementation process of the modest Lisbon Treaty has not yet been completed," Napolitano complained. "Seven years have gone by, there has been a major enlargement of the Union, but we have not yet succeeded in implementing the minimum indispensable by way of institutional innovations."

Russia and the CIS News Digest

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Soros-Advised Ukraine Cut Gas to Europe

Jan. 6 (EIRNS)—An economic and humanitarian emergency began to take shape across southern Europe on Jan. 6, after the government-run Naftohaz of Ukraine cut the flow of Russian natural gas in three pipelines across Ukrainian territory,

which supply Russian Gazprom's customers in Turkey, the Balkans, and other European countries. Some affected parts of Eastern Europe were in the grip of a deep cold wave, with temperatures as low as minus 20 degrees C (minus 4 degrees F).

The dispute between Naftohaz and Gazprom escalated Jan. 1, when Gazprom stopped supplying Ukraine itself with gas, for lack of a contract, and it has been complicated by faction fights between the Ukrainian President and Prime Minister. But the outstanding feature of the situation is that the Ukrainian government, which left southern Europe freezing, is being advised on financial and economic policy by megaspeculator and ex-Nazi George Soros, during this same period. The Soros factor betrays the natural gas crisis as orchestrated from London.

British geopolitical strategy outlets, including the London *Economist* weekly, have repeatedly trumpeted their hopes for a Russia-Ukraine showdown to force all Eurasia onto the agenda of a new empire, run through the EU and NATO.

As of October, Russian and Ukrainian Prime Ministers Vladimir Putin and Yulia Tymoshenko had agreed on an outline for renewal of the Naftohaz-Gazprom contracts, based on a below-market price for the gas, no increase in the transit fees charged by Ukraine for Russian gas going to Europe, and payment in full of Ukraine's gas bills for 2008. Then Ukraine's main exports, steel and chemicals, collapsed. Its currency tumbled. Ukraine turned to the International Monetary Fund for a \$16.5 billion loan in October, which the *Economist Intelligence Unit* stresses was chiefly for servicing the foreign debt of Ukrainian banks. As a term of that loan, Ukrainian sources report, the government agreed to hire the Soros-owned Blackstone Group as a consultant. Tymoshenko met with Soros on Nov. 8, just three days after the IMF loan agreement was signed.

As of Dec. 31, Gazprom reported receiving no payment for the Naftohaz arrears. The Russian side then withdrew the offer of a below-market price and proposed \$450/thousand cubic meters for 2009. Naftohaz was demanding an above-normal \$2/thousand cubic meter transit fee for the gas Gazprom ships to Europe. Kiev broke off the talks on New Year's Eve. Gazprom cut the supply of gas for Ukraine itself, continuing to send the "transit gas" for Europe. Several days later, Gazprom accused Ukraine of diverting up to 65.3 million cubic meters, and reduced its total supply to the pipeline network accordingly, by about 15%. Last night, Ukraine retaliated by cutting Europe off.

Bulgaria, Bosnia, Croatia, Macedonia, Serbia, Hungary, and Greece received no Russian gas via Ukraine for a week, beginning Jan. 6. The flow to the Czech Republic dropped by 75%, to Poland by 85%, to Austria by 90%, and to France by 70%. Slovakia, losing 70% of its supplies, discussed declaring a state of emergency, RIA Novosti reported. Bulgaria scrambled to prepare restart of a nuclear plant, shut down when it joined the EU three years ago.

Gazprom CEO Alexei Miller, at a press conference in Moscow, said Gazprom has boosted the supply of gas through the Blue Stream pipeline across the Black Sea to Turkey, and through the Yamal-Europe pipeline from northern Siberia through Belarus and Poland, as well as purchasing gas on the spot market and drawing down reserve pools it owns in Europe, in an attempt to meet its obligations.

Putin jumped into the situation, meeting Jan. 6 with Miller and the head of Russia's Customs Service (which had handed Gazprom a citation for shipping "contraband"—gas without a contract—to Ukraine).

The Communist Party of Ukraine, a large group in the Supreme Rada (parliament), called for an emergency session on the gas crisis and growing tension with Russia. Economist Natalia Vitrenko, chairman of the Progressive Socialist Party of Ukraine, issued a statement Jan. 3, calling Ukraine's negotiating posture a "dirty political attack" on Russia. She noted that the government took Ukraine into the World Trade Organization (WTO) last May, with a pledge to move to world market prices; furthermore, since Nov. 1, Naftohaz has been charging its domestic customers \$320/thousand cubic meters, or nearly 60% more than the \$201 it was offering to pay Gazprom in 2009. Has Soros advised the Ukrainian authorities on how to spend the difference?

Update: As of Jan. 12, Russia and Ukraine have reached an EU-mediated agreement for resumption of the transit gas deliveries, to be monitored by international observers.

Former Ambassador: Obama Should Push Ukraine NATO Membership

Jan. 5 (EIRNS)—Former U.S. Ambassador to Ukraine William Green Miller, speaking at an event at the Woodrow Wilson Center in Washington today, urged the incoming Obama Administration to continue working to bring Ukraine into NATO. Speaking of the recent conflict between Russia and Ukraine over natural gas prices, Miller commented, "Already when we negotiated with Ukraine to get them to give up their nuclear missiles, the Russian energy supply was deemed a possible complication." In the agreements with Ukraine in 1994, the "U.S. had given guarantees that there would be no pressure on Ukraine if they gave up their nuclear weapons. And this commitment was reaffirmed in the December 19th charter signed last year by Condoleezza Rice."

Miller proposed that the Obama Administration should set up a commission similar to the Clinton Administration's Gore-Kuchma Commission, with the participation of Vice President Joe Biden. He also urged, given the U.S. commitment to eventually bring Ukraine into NATO, that it be included in as many NATO operations as possible prior to membership. Miller praised Ukraine's Orange Revolution and urged greater support for President Viktor Yushchenko and Prime Minister Yulia Tymoshenko. "Ukraine's continued move toward democracy will be an important signal to all of Europe," he said. Miller served as ambassador to Ukraine during the Clinton Administration.

Currency Devaluation, Panic Buying in Belarus

Jan. 7 (EIRNS)—The Belarusian ruble has collapsed by 26% since Jan. 1, falling from 2,200 to 3,000 to the dollar. The National Bank announced a devaluation to 2,650, being one of the conditionalities attached to the IMF loan recently received by the country, but the Belarusian ruble quickly fell farther. Its plunge was accompanied by an inflationary shock, with prices of many consumer goods jumping by 10% to 60% overnight. Panic buying began, with people scrambling to buy imported consumer durables as security against the further collapse of the currency. The Russian agency BFM.ru quoted a saleswoman in one store who said they had sold 500 refrigerators in a day.

What Panarin Really Says: London Is the Problem

Jan. 9 (EIRNS)—There's more than meets the eye to Prof. Igor Panarin of the Russian Diplomatic Academy's forecast for the break-up of the United States in 2010, which has been getting enormous hype worldwide since his November 2008 interview in *Finansovyye Izvestiya*, and a year-end article about him in the *Wall Street Journal*. In a Dec. 8 radio interview on Finam.FM, Panarin presented his analysis in more depth. He said that threats to the existence of the U.S.A. as a nation originate from London-centered financial interests, including "aristocrats who have held on to their fortunes for many centuries," who intend to survive and retain power by destroying the United States, and that the terror attacks of Sept. 11, 2001 were a first step in their efforts.

NATO in Talks with Russia on Afghanistan Supply Route

Jan. 10 (EIRNS)—Russia is well-placed to hold important cards in dealing with NATO, as an unnamed NATO official in Brussels told AP on Jan. 8. He said that talks on setting up an alternative military supply route to Afghanistan are at an advanced stage. This is an issue of growing urgency, because of intensifying attacks by pro-Taliban forces on convoys coming through Pakistan. The route, according to the source, would pass through Russia, Kazakstan, and Uzbekistan. Moscow agreed last year to let NATO use its territory to re-supply the 62,000 NATO troops in landlocked Afghanistan.

Southwest Asia News Digest

LaRouche: Cheney, London Pushing Wider War in SW Asia

Iraq: We Will Not Be Eastern Flank of Arab World vs. Iran

Turkish Leaders Blast Israeli Policy in Gaza

Jordan Withdraws Ambassador from Israel

LaRouche: Cheney, London Pushing Wider War in SW Asia

Jan. 10 (EIRNS)—Lyndon LaRouche has issued the following strategic assessment, based on recent discussions with sources in Washington and in Southwest Asia:

"Based on a series of recent reports, it is our assessment that Vice President Dick Cheney, with backing from London, is pressing for a broader confrontation in Southwest Asia, that would extend the already ongoing, disastrous Gaza incursion, into a multi-front war, engulfing Lebanon, Syria, and Iran. This effort, which has reached a critical threshold in the past 48 hours, is part of the same London-directed global showdown that we see with the recent Ukrainian actions, aimed at creating a major Europe-wide energy and security crisis, that could lead to a new Eurasian war.

"We have received credible reports that Cheney, in league with British and Saudi factions, is attempting to pressure the Israeli government and military into a suicidal extension of the conflict against Hezbollah and Syria. The broader purpose is to give Cheney the opportunity, during the closing hours of the present Administration, the justification to launch American military actions against Iran, despite powerful opposition from within the Pentagon, the CIA, and the State Department. Such actions have been prevented, up until this moment, through a concerted opposition from within those U.S. institutions, as reflected in frequent public statements by Defense Secretary Robert Gates, Joint Chiefs of Staff head Adm. Mike Mullen, and others.

"This effort to create a series of impossible strategic crises for the incoming Obama Administration, at a moment when they hope to concentrate their initial efforts on the onrushing global financial disintegration, and the fullscale collapse of what remains of the U.S. economy, is, by our direct information, a focus of Vice President Cheney's activities. We are pursuing reports that Cheney has personally intervened, as recently as Jan. 8, to promote an Israeli second-front war against Lebanon. We have credible indications that the same Anglo-Saudi circles of 'Al-Yamamah' notoriety, are directly engaged in weapons trafficking, aimed at triggering this expansion of the crisis. So far, Israel has not fallen into this expanded 'Sykes-Picot' trap; however, there is an ongoing London-directed effort, working through Cheney and other assets, to break that opposition, before Barack Obama is inaugurated on Jan. 20, as the 44th President of the United States.

"It is my personal assessment that the gravest danger of such an escalation, as well as other provocations, as in Ukraine, is between now and Jan. 16. I shall be addressing this matter as a feature of my scheduled Jan. 16, 2009 international webcast. However, I determined, based on reports I have received in the past hours, that this crisis demanded my immediate comment. I share the view of some leading figures within the U.S.A. national security establishment, that the threat of an attack on Iran, is not off the table, entirely. Until Bush and Cheney have left office, this threat, and other similar global strategic provocations, remain a very high possibility. Under these circumstances, it is critical to understand that Cheney is a hand grenade, in the fist of the British."

Iraq: We Will Not Be Eastern Flank of Arab World vs. Iran

Jan. 6 (EIRNS)—A senior Iraqi government official, speaking in Washington, set back the Cheneyac dream of an Arab war against Iran, by declaring that Iraq, will not be the eastern flank in any such confrontation. He was responding to a question from a representative of the "bomb Iran" faction, who demanded that the terrorist Iranian group MeK, still being held in Camp Ashraf in Iraq under U.S. protection, be allowed to be used against Iran. The official forcefully replied that if Iraq were to allow that, it would allow itself to be used against Iran the same way that Saddam Hussein was used in the 1980s. "We are not in that business anymore," he said. Iraq's concern, he said, is to design a completely new strategy for a peaceful relationship with Iran, based on mutual respect between two sovereign governments. "We are not interested in being the eastern flank of the Arab world against Iran," he said.

The official noted that Iraq has "a very bad history" with the MeK, and needs to deal with that problem free of the U.S. agenda. He characterized the MeK as a "dangerous cult." Iran, he said, has agreed to give most of its members a general amnesty, and allow them to go to other countries, if they wish, except for 54 individuals who are wanted for particular crimes.

Turkish Leaders Blast Israeli Policy in Gaza

Jan. 5 (EIRNS)—The Turkish government, which was mediating peace talks between Israel and Syria, and was reportedly approaching the point of achieving direct talks between the two nations, right before the Israeli army launched its assault on Gaza, is enraged at Israel's invasion of Gaza. Both Prime Minister Recep Tayyip Erdogan and President Abdullah Gül, along with the Foreign Ministry, have been denouncing Israel's behavior.

Hours after the Israeli invasion, the Turkish Foreign Ministry issued a statement: "Israel's launch of a ground incursion, despite all our calls, has aroused indignation and further increased our concerns. We find Israel's launch of a ground incursion—despite warnings by the international community and reaction within international public opinion—unacceptable, and we condemn it.... It is obvious that escalating the tension will bring no use to anybody. Looking for a resolution to the problem through military means will yield no result other than more blood and tears. We are once more calling for an end to Israel's military operation without leading to more loss of lives and without making the region more unstable; for an immediate end to hostility; and for a permanent ceasefire. We expect the UN Security Council to immediately intervene in the situation and take the necessary steps to bring the incidents under control."

Speaking at a press conference after meeting with King Abdullah of Saudi Arabia on Jan. 3, prior to the invasion, Erdogan declared: "A six-month-long truce was maintained, and Hamas observed it. But Israel didn't stick to the deal for lifting the embargo. People in Gaza are living in a sort of open-air prison. Actually, Palestine in general is a prison. Humanity should be sensitive at this point," Erdogan said, referring to an Egyptian-brokered truce which Hamas refused to extend on Dec. 19. Israel says its blockade, enforced for much of the period since Hamas won the Palestinian general elections in 2006, is designed to prevent Hamas from obtaining weapons.

Erdogan continued: "I'm calling on the entire world again. Why don't you show the sensitivity you showed in Georgia? Russia at the time started an incident in Georgia. The UN, the U.S., the EU countries, and others mobilized rapidly," he said, referring to the fact that Russia invaded U.S.-allied Georgia in August after the Georgian army tried to take control of South Ossetia, a Russian-backed breakaway region. "Everybody remains unmoved while Gaza is shot with disproportionate power."

On his return to Turkey, Erdogan went even further, charging Israel with "inhumane actions" which will "bring it to destroy itself.... Allah will sooner or later punish those who transgress the rights of innocents."

Turkey, which is now on the United Nations Security Council, can be expected to play a major role in discussions in that body on the Gaza situation. As a key interlocutor of Israel, as well as of the Arab world, it is in an ideal position to take up its mediation position again, once the British-induced madness of the current invasion has been brought to an end.

Jordan Withdraws Ambassador from Israel

Jan. 10 (EIRNS)—Jordan has recalled its ambassador to Israel and said he will not return until Israel signs a ceasefire agreement with the Palestinians. Ambassador Ali Al Ayed, who was already in Amman, will simply not return. This is the way it was done when Ariel Sharon was prime minister; it was a number of years before the ambassador returned. The Egyptians at the time did the same.

Jordanian King Abdullah II, according to the Israeli wire service Ynet, told Al-Jazeera that Israel was plotting "a conspiracy against the Palestinian people and the future of Palestine. We must be aware of this conspiracy and, God willing, we, along with Arab and other countries, will stop Israel's agenda as soon as possible. We will work with other countries in the coming days to press Israel and its army to stop the aggression on Gaza." He further stated that Jordan is "concerned and upset, and fears what could happen after Gaza, the aftermath of Gaza."

Israel's war against Hamas threatens to destabilize Jordan, where half the population are first-, second-, and third-generation Palestinians who were forced to flee Palestine following the 1948 and 1967 wars.

Asia News Digest

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Crushing Defeat Stares at Tamil Tigers

Jan. 6 (EIRNS)—Sri Lankan troops, after overrunning the capital of the Liberation Tigers of Tamil Eelam (LTTE), better known as the Tamil Tigers, are now poised to strike Mullaitivu, the last bastion of the terrorist group. Sri Lankan military officials said security forces were poised to retake Elephant Pass, at the entrance to the Jaffna peninsula. The Tigers had dislodged the Army from the pass in April 2000.

The crushing defeat of this massive terrorist group, which is considered by experts as the largest, best armed, and most financially sound among the world's terrorist groups, has been welcomed widely, and well beyond Sri Lanka. An Indian analyst, Sandhya Jain, in an article with Vijayvaani Online on Jan. 6, said: "In a world that dithers in the face of minority separateness and secessionism, tiny Sri Lanka has demonstrated lion-hearted resoluteness in crushing the three-decade-old Tamil insurgency, refusing to surrender to minority unreasonableness in order to maintain national unity."

NATO Pays Taliban To Get Its Supplies into Afghanistan

Jan. 7 (EIRNS)—Taliban militants have struck terror into the container business that handles NATO supplies passing through Pakistan on their way to Afghanistan, and have virtually crippled the operation. In December, they destroyed some 400 containers carrying food, fuel, and military vehicles. Zia ul-Haq Sarhadi, the chairman of the standing committee for the dry port of the Sarhad Chamber of Commerce (the chamber for Pakistan's North West Frontier Province, bordering Afghanistan), confirmed in a press statement that the surge of attacks on the 11 terminals in Peshawar had created so much fear that people associated with handling the containers, contractors, and drivers will not do their jobs.

The 40,000 NATO troops in Afghanistan, of which 14,000 are American, have found a convenient way to get around this problem. NATO has begun paying bribes to get the supplies across. A recent Canadian report points out that NATO is paying the Taliban to guarantee the security of these supply routes. "We estimate that approximately 25% of the money we pay for security to get the fuel in goes into the pockets of the Taliban," said one fuel importer. Another boss, whose company is subcontracted to supply Western military bases, said that as much as a quarter of the value of a truck's cargo was paid to Taliban commanders. "The Taliban come and move with the convoy. They sit in the front vehicle of the convoy to ensure security."

Western Banks Pull Out of Chinese Banks

Jan. 8 (EIRNS)—Western banks, desperate for cash, are pulling large investments out of Chinese banks, while trying to keep on good terms. Over the past week: Bank of America cashed out \$2.8 billion of its holdings of China Construction Bank Corp, reducing its share from 19% to 16.6%; UBS AG sold its entire 1.3% stake in the Bank of China, for \$808 million; and Royal Bank of Scotland, after being bailed out by the U.K. government, sent a representative to China to discuss divesting of its 4.3% share of Bank of China, about \$2 billion worth.

Hongkong's international tycoon Li Ka-shing is cashing out his shares in the Bank of China, for \$524 million.

The *Wall Street Journal* reported that several other banks are also planning to pull some cash out of the Chinese bank investments—perhaps one of the few places where there is real cash available.

Western Banks Cashing Out Chinese Real Estate

Jan. 9 (EIRNS)—The Shanghai Security News today reports that a cash-out by Western banks is taking place in the Chinese real estate sector, in Shanghai and elsewhere. Morgan Stanley is putting its Shanghai real estate on the block, including at least three major plaza complexes. Li Ka-shing's Hutchison Whampoa, which is selling its shares in the Bank of China, is also getting out of multiple retail booths in Shanghai.

Chinese Yuan Trade Experiment

Jan. 7 (EIRNS)—The People's Bank of China yesterday announced it will begin a limited "pilot program" to settle overseas

trade with the yuan, instead of the U.S. dollar, in 2009. The pilot program will be in trade settlements between China's Guangdong Province and the Yangtze River Delta region, and Hong Kong and Macao. Also, Guangxi and Yunnan, provinces in southwest China, will use the yuan for trade with ASEAN countries. One key issue is the fall of the dollar, although the bank did not say this.

Transnational Institute Wants More and Better Opium

Jan. 9 (EIRNS)—Transnational Institute (TNI), a leading outfit of George Soros's far-flung network (with official funding from the EU, the Dutch Foreign Ministry and dozens of other "respectable organizations"), which is in the forefront of drug legalization and "harm reduction" promotion worldwide, released a statement on Jan. 9, "Withdrawal Symptoms in the Golden Triangle: A Drugs Market in Disarray," which demands to stop stopping drugs, to stop stopping farmers from growing poppy, to stop denying high-quality and low-priced heroin to poor users. The report demonstrates the rage of Soros and the Anglo-Dutch drug bankers that they lost their precious "Golden Triangle" drug haven.

The TNI report says that the near-elimination of opium in Myanmar, Thailand, and Laos—part of the "Golden Triangle" which once supplied the majority of the world's opium, is responsible for "driving hundreds of thousands of families into poverty.... The rapid decline in production has caused major suffering among former poppy-growing communities in Burma and Laos"—as if the poppy producers were once prosperous!

The report continues that "repressive drug control policies and criminalisation of users has caused increased health risks amongst consumers," requiring legalization and drug distribution to cure them of their ills.

TNI denounces the Association of Southeast Asian Nations (ASEAN) for declaring the goal of a drug-free Asia by 2015, calling this "unrealistic and counter-productive," arguing that "it would be wise not to enforce the 2015 deadline. It would be far better to take a longer-term perspective."

What we need, says TNI, is better and cheaper dope: "Higher prices and lower quality heroin are leading to shifts in consumer behavior which create serious problems. While total numbers of opium and heroin users may be going down, more people have started to inject (the most cost-effective means of administration) and many have turned to a cocktail of pharmaceutical replacements with largely unknown health risks."

Their conclusion: "Countries in the region and the international community should not abandon former and current opium growing communities and drugs users in this delicate phase of transformation of the Golden Triangle."

Seoul-Incheon Canal To Start in March

Jan. 5 (EIRNS)—Construction of an 11-mile canal linking the Han River, in Seoul, South Korea, and the West Sea, the site of Gen. Douglas MacArthur's famous "Incheon Landing" during the Korean War, will start in March. The canal, to cost about \$2 billion, will provide a route for 4,000-ton freighters and ferry services to connect Seoul with Chinese ports by 2012. A government official said the canal is expected to ease severe congestion on land routes between metropolitan areas the port of Incheon.

The plan is part of a massive development plan to irrigate, streamline, and protect the Han River and three other major rivers, the thrust of what the government calls a "New Deal" to stimulate the economy and create jobs. The canal project is expected to create about 25,000 jobs and almost \$3 billion in economic spillover effects, a government ministry estimated.

600,000 Chinese Migrants Unemployed in One Province

Jan. 8 (EIRNS)—An estimated 600,000 migrant workers have left China's southern Guangdong Province, due to unemployment in 2008, a government official said today. Guangdong province contains Canton (Guangzhou) and borders on Hong Kong and Macao.

Guangdong was in the forefront of China's reform and "opening" policy. The Pearl River Delta in southern Guangdong is the country's manufacturing and exporting center.

Beyond the general measures that are being taken to alleviate the problems of the unemployed across China, the government just announced the 2008-20 national plan on the development of the Pearl River Delta. The country pledges to build a highly efficient transportation network in the Delta by expanding capacities of roads, railways, ports, and airports over the next 12 years.

The plan includes the construction of a bridge linking Hong Kong, Macao, and the Pearl River Delta mainland. The main structure of the bridge would stretch 18 miles, the longest in the world.

Africa News Digest

Zimbabwe Opposition Leader Slams U.K.

Uganda at UN Security Council: 'Hands Off Zimbabwe'

South Africa, SADC, Rebuff Attempts to Renegotiate Zimbabwe Settlement

China Attacks Operation To Prosecute Sudan President

Ebola Virus in Congo and Philippines

Zimbabwe Opposition Leader Slams U.K.

Jan. 6 (EIRNS)—Arthur Mutambara, a leader of one of the three parties which signed the Global Political Agreement (GPA), on Sept. 15, 2008, to negotiate a unity government under the auspices of former South African President Thabo Mbeki, issued a New Year's message which blamed the U.K. and allied nations for sabotaging implementation of the final deal the three parties had agreed to. He points out that present President Robert Mugabe was to be President-designate, and Morgan Tsvangirai, leader of the opposition MDC-T was Prime Minister-designate. Mutambara, an opponent of Mugabe's Zanu-PF, is the leader of the third party, MDC-M, which split from the MDC-T. MDC-M won ten seats in parliament in the March election.

Mutambara said the attacks in 2008, from the U.K., the EU, and the U.S.A., calling for Mugabe to be dumped, were "brazen and crass," as well as "uninformed and reckless." He said their policy of continued suffering of the Zimbabwean people in the name of deposing Mugabe, was "a crime against humanity."

He indicated that an invasion by the U.K. et al., wasn't likely to happen, and only encouraged Tsvangirai not to implement the agreement. He concluded that the only way to get a new election that could resolve the situation, is for the country to go through a transitional period in which economic recovery is begun.

Mutambara urged all Zimbabwe leaders to collectively take responsibility for the calamity afflicting their country. "A regime-change agenda achieved through a scorched-earth policy is not what we need in our country."

Uganda at UN Security Council: 'Hands Off Zimbabwe'

Jan. 8 (EIRNS)—Uganda has begun a two-year term on the UN Security Council, taking the seat that South Africa has had for the previous two years. In an interview with UN radio, Uganda's Ambassador to the UN, Francis Butagira made it clear that Uganda, considered to be moderate, was not going to endorse the London-orchestrated effort to destroy the Zimbabwe government.

Butagira said that "Uganda supports the African Union position on Zimbabwe," and that "the crisis there is best dealt with by the sub-region" through the Southern African Development Community (SADC). "The issue of Zimbabwe does not have an international security dimension and thus does not warrant intervention by the Security Council."

South Africa, SADC, Rebuff Attempts to Renegotiate Zimbabwe Settlement

Jan. 10 (EIRNS)—The Southern African Development Community (SADC) has rejected the request of Morgan Tsvangirai, one of the London-backed leaders of the Zimbabwe opposition, for a meeting to reopen debate on the distribution of ministries in a government of national unity (GNU), worked out by former South African President Thabo Mbeki, to end the London-orchestrated destabilization of Zimbabwe. SADC Executive Secretary Tomaz Salamão told the press in Harare, Zimbabwe, Jan. 8, that the SADC had no plans to convene such a meeting, the *Zimbabwe Herald* reported yesterday.

The *Herald* earlier reported that SADC chair and South African President Kgalema Motlanthe rejected Tsvangirai's request for him to facilitate a "confidential meeting" with President Mugabe, and told him to instead immediately join the inclusive government. Motlanthe said he could not convene such a meeting because it would undermine the facilitator, Thabo Mbeki, and exclude the third party to the negotiations, Arthur Mutambara, leader of MDC-M.

U.S. Assistant Secretary of State for Africa Jendayi Frazer was also turned down by South Africa during her visit in December. She sought a meeting with President Motlanthe and former President Mbeki, who was appointed by the SADC to facilitate the formation of a unity government, but had to settle for a meeting with a member of Mbeki's team, Sydney Mufamadi. While admitting that the Sept. 15 agreement [for a GNU] was "a good framework," she said the United States would not allow it to be implemented as long as Mugabe was President, because "Tsvangirai was too weak" to work with Mugabe, whom she wanted to step aside. Mufamadi asked her how she had the right to veto an SADC decision.

China Attacks Operation To Prosecute Sudan President

Jan. 8 (EIRNS)—Liu Guijin, China's special envoy to Darfur, yesterday warned of "disastrous consequences" if an International Criminal Court (ICC) warrant for the arrest of Sudan's President Omar al-Bashir is issued for combating an anti-government rebellion. The London-based financial cartel alleges that the government's efforts to quell the rebellion amount to war crimes and genocide.

In a press conference in Khartoum, Liu said that "efforts are still going on to find a political solution," and added: "We wish to work together with our partners ... to try and find some way to postpone the indictment so the international community could have more time to address the problem." He indicated that China has tried to raise support with the U.K., U.S.A., France, and Russia for a deferral of the case, since the UNSC has the option to delay the procedure for a year or more. In so doing, China has made clear that any nation of these four that refuses to defer this matter is only interested in destroying Sudan.

Liu pointed out that if the arrest warrant is issued, Bashir will be a "criminal suspect," and this will jeopardize peace efforts in Darfur, as well as threaten the Comprehensive Peace Agreement (CPA) of Jan. 9, 2005, which ended the civil war, because the international community would not consider a "criminal suspect" to be a responsible partner for either the Darfur political process, or implementation of the CPA.

Liu is obviously preparing for the worst: "Even if in the worst case that the warrant be issued, we hope and we believe that the government of Sudan will continue to exert constraint, and to cooperate with the international community." China has not imposed economic conditions on Sudan's development, and is the largest investor in Sudan.

Ebola Virus in Congo and Philippines

Jan. 7 (EIRNS)—A new outbreak of the deadly Ebola filovirus is developing in Western Kasai Province of the Democratic Republic of Congo, where the number of suspected cases is now at least 36, and 12 have died. Three of them have been determined by lab tests to have died from Ebola. The World Health Organization, Doctors Without Borders, and others have rushed to the area to set up isolation and monitoring units. There is no treatment for Ebola, a hemorrhagic fever, and the fatality rate has ranged from 50% to 90%.

Western Kasai Province was the site of an Ebola outbreak in the Summer of 2007—while the outbreak of an entirely new strain of Ebola followed months later, 1,500 km away, in Bundibugyo, Uganda, on Uganda's border with D.R. Congo.

Angola has reacted preemptively to the outbreak in Congo because of cross-border traffic with Western Kasai Province. Northern Angola suffered an outbreak in 2005 of Marburg virus—related to Ebola as the only other member of the filovirus family—in which 400 died. Angolan President José dos Santos has appointed an Ebola prevention team that includes the ministers of health, interior, foreign affairs, the chief of staff of the Armed Forces, the national police commander, and others. Angola closed a section of its northeastern border with D.R. Congo on Jan. 5.

The possibility of the spread of untreatable diseases such as Ebola, throughout Africa and other poor nations which have been further weakened by the scourge of globalization, is enormous. In the Philippines, for example, an outbreak of Ebola Reston among pigs on pig farms has been ongoing since May 2008. That the sickness and death of the pigs is being caused by Ebola Reston was only confirmed on Oct. 30. Ebola Reston—named after a 1989 laboratory outbreak among imported Philippine monkeys in Reston, Virginia—had previously been known only in monkeys, and has not killed human beings.

But there is cause for serious concern. According to Peter Cordingley, a regional spokesman for the World Health Organization in Manila, "Pigs have served as genetic mixing vessels for viruses that pass from animals to humans, which makes the Philippine discovery significant.... When a virus jumps species, in this case from monkeys to pigs, we become concerned, particularly as pigs are much closer to humans than monkeys in their ability to harbor viruses." An international scientific emergency team has arrived in three provinces near Manila, the site of the outbreak.

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