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## **The Astounding High Cost of `Free' Energy** **by Laurence Hecht**

Every time someone mentions wind or solar power as the answer to our energy needs, the image that should form in your mind is that of 1 billion or more dying and starving children. If you do not yet understand why this is the case, you are forgiven. By the end of this piece you shall have been given the essential concepts and facts both to understand this ugly truth, and to act to prevent it.

Begin with this: To maintain a global population in a condition resembling a modern 21st-Century standard of living will require an installed electrical generating capacity of at least 3 to 5 kilowatts per capita. Today, only the United States, Japan, and a few countries of western Europe even approximate this level of generating capacity....

## **In-Depth articles from EIR, Vol. 36, No. 6**

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# **This Week's Cover**

- **The Astounding High Cost of 'Free' Energy**  
**by Laurence Hecht.**

The world-wide shortage of electricity cannot be rectified by wind or solar power, so those who advocate these 'free' sources of power are condemning the majority of the Earth's human population to backwardness. Solving the problem requires examining the two most important concepts in evaluating a power source: energy density and energy flux density. The only rational conclusion is that we must build 6,000 gigawatts of generating capacity, and only nuclear power will do the job.

- **Why Windmills Can't Fly:**  
**The Non-Science of Wind Energy**
- **The Myth of Nuclear 'Waste'**

# **Science**

- **The Meaning of Physical Time**

**Lyndon H. LaRouche, Jr.** continues the discussion of physical time that he began in last week's issue, with his article 'Nations as Dynamical.' That report, he writes, concluded with a summary outline of the economist's working definition of physical time, as opposed to clock time. Now, still responding to the same relevant question posted after his Jan. 22 webcast address, 'I focus on some essential implications of the role of physical time as such. I compare physical time, as a conception of a principle of physical space-time, with the related concept of physical space.'

# Economics

- **Like 'Free Energy,' There Is No Such Thing as 'Free Money'**

Even though the government can create unlimited amounts of money at essentially no cost, the effects will be disastrous if that money is not spent to create wealth. The best-known example is Weimar Germany during 1922-23, when prodigious amounts of free money were printed, which produced no wealth, and left the nation in ruins.

- **The Fascists Versus FDR, Then and Now**

The imperial bankers, heirs of the people who joined with the fascists and opposed President Franklin D. Roosevelt in the 1930s and '40s, have launched a renewed campaign to assassinate the character and accomplishments of FDR. Their goal is to prevent the Obama Administration from taking up Roosevelt's campaign for the general welfare, and against the 'economic royalists.'

- **Do You Want To Stimulate the Economy? Then Build New Nuclear Power Plants**

# National

- **Pelosi, Frank Schemed To Bankrupt the United States**

Lyndon LaRouche has renewed his call for the ouster of Nancy Pelosi as Speaker of the House, and charged that both Pelosi and Rep. Barney Frank, chairman of the House Financial Services Committee, collaborated with Felix Rohatyn and George Soros, to kill legislation LaRouche had advanced in 2007, which would have protected the U.S. economy from the crisis now hitting it.

- **Sen. Richard Shelby Calls for New 'Pecora Hearings'**

- **The Homeowners and Bank Protection Act of 2007**

An updated version of Lyndon LaRouche's HBPA.

# International

- **U.S. Must Embrace Truth About Gaza; Break Sykes-Picot Cycle**

A U.S. intervention into the Israel-Palestinian conflict has to be based on justice and truth, a rejection of all attacks on civilians, especially Israel's 'doctrine of disproportionate force,' and, most importantly, breaking free of the same Sykes-Picot imperial game that created the conflict in the first place.

- **Britain's LTTE:**

- **Upended Tigers and Opium-Drugged Lions**

The Sri Lankan Army captured the military capital of the Liberation Tigers of Tamil Eelam, in a significant blow to British operations in the region.

- **Financier Oligarchy Reacts with Media Campaign Against the Pope and FDR by Helga Zepp-LaRouche.**

- **In a Crisis Like This, Don't Consult Morons; Listen to Those Who Forecast It**

A speech by **Helga Zepp-LaRouche** to a conference of the *Solidarity and Progress* party in Paris on Jan. 24.

- **International Intelligence**

# Editorial

- **Needed: The Harry Hopkins Principle**

# U.S. Economic/Financial News

## Three More Banks Fail To Close Out January

## Nurses: Medicare for All as Economic Stimulus

## GM Offers New Buy-Outs To Cut Workforce, Reduce Wages

## U.S., Canadian Unemployment Sets New Records

## State Unemployment Trust Coffers Are Empty

### **Three More Banks Fail To Close Out January**

Feb. 1 (EIRNS)—Just making the deadline to be included in January 2009 statistics, on Jan. 31, Ocala National Bank in Florida and Suburban Federal Savings Bank of Maryland, were shut down by Federal regulators, and Magnet Bank of Utah was seized by that state's Department of Financial Institutions. Bloomberg reports that this brings the January bank bankruptcy total to six. There were 25 banks that failed in all of 2008.

### **Nurses: Medicare for All as Economic Stimulus**

Feb. 2 (EIRNS)—A study released by the California Nurses Association/National Nurses Organizing Committee Jan. 28 says that extending Medicare to everyone in a single-payer health-insurance system would create 2.6 million new jobs, infuse \$317 billion in new business and public revenues, and another \$100 billion in wages into the U.S. economy (see [calnurses.org](http://calnurses.org) for the full study).

Rep. John Conyers (D-Mich.) on Jan. 26 reintroduced his H.R. 676, which would establish a Medicare For All system. In the 110th Congress it gained 90 co-sponsors. So far in the 111th, it has 33.

### **GM Offers New Buy-Outs To Cut Workforce, Reduce Wages**

Feb. 3 (EIRNS)—General Motors and Chrysler announced details this week of their newest rounds of job buy-out offers. The two companies are under a government deadline of Feb. 17, to show plans for long-term "viability," meaning cutting their remaining workforce.

GM is trying to buy out high-wage earners, senior workers, so they can be replaced by new hires at half or less of the cost. Workers have until March 24 to decide; the buy-outs are to be completed by April 1. While the immediate target is the 22,000 "retirement eligible" workforce (about 30%), and the hourly UAW workers, the offer has been extended to salaried staff as well. About 22,000 of GM's 62,000 remaining workers are eligible to retire. The current offers are a cash bonus of \$20,000 along with a \$25,000 voucher for a new GM auto. This is below level of the previous rounds of GM job buy-out deals.

Chrysler workers are being offered \$50,000 for retirement eligible staff; others could be offered as much as \$75,000, along with the a car voucher.

## **U.S., Canadian Unemployment Sets New Records**

Feb. 6 (EIRNS)—The United States lost over half a million jobs for the third straight month in January, for the first time since such records began to be kept in 1939. The January figure released by the Labor Department was 598,000, the largest monthly loss since 1974, raising the unemployment rate from 7.2% to 7.6%. About one-third of the losses were in manufacturing, at 207,000, the most since 1982.

Canada posted the worst monthly job loss figures ever in January, at 129,000, raising unemployment by 0.6% to 7.2%.

## **State Unemployment Trust Coffers Are Empty**

Feb. 6 (EIRNS)—Seven states have already exhausted their state unemployment funds, and another 11 are close behind, according to a report issued by the National Conference of State Legislatures, on "The Crisis in State Unemployment Trust Funds." States have already borrowed \$2.3 billion from the Federal government to meet their unemployment requirements. New York has borrowed \$330 million.

## **Global Economic News**

**[As China Exports Crash, Canada Becomes Biggest Exporter to U.S.](#)**

**[Spanish Economic Collapse](#)**

**[China Ups Nuclear Plans for 2020](#)**

**[Chatham House: Britain Should Produce Its Own Food](#)**

**[Financial Shock Strikes Eastern Europe](#)**

**[Korean Manufacturers Left Hanging by Importers Go Under](#)**

## **As China Exports Crash, Canada Becomes Biggest Exporter to U.S.**

Feb. 6 (EIRNS)—Last year, Canada surpassed China as the biggest exporter to the United States—a development "worthy of attention," the official Chinese *People's Daily* stressed in an article published Feb. 6. In 2008, China-U.S. trade grew at the slowest rate since China joined the World Trade Organization seven years ago. The trade was worth \$333.74 billion, an increase of 10.5% from 2007, the lowest growth rate in the seven years since China's entry into the WTO, the General Administration of Customs reported on Feb. 5.

Already, in the first ten months of 2008, Canada retook its status as the largest exporter to the U.S., and China fell back to second place. The market share of China's products fell to 15.7% from 16.4% in the same period in 2007, *People's Daily* reported.

Chinese exports to the U.S. grew by 8.4% to \$252 billion, while the import growth rate was up by just 0.2% to 17.4%. Bilateral trade had been at a monthly record of almost \$31.8 billion in September 2008, but had fallen to almost \$26

million by December. Hardest hit were exports from the processing trade sector assembled in China, and those of labor-intensive products. These last were especially affected by the rise of the Chinese yuan, making them more expensive to U.S. consumers.

## **Spanish Economic Collapse**

Feb. 4 (EIRNS)—The collapse of the speculative real estate market and the banking system has sent the Spanish economy into a tailspin.

Since Spain has lost its AAA sovereign credit rating, an EU7 billion Treasury auction of 10-year Spanish bonds on Feb. 3 saw yields jump to 137 basis points above German bonds, a post-European Monetary Union (EMU) high, according to City of London mouthpiece Ambrose Evans-Pritchard in the Feb. 4 *Daily Telegraph*. No foreign investors took up the bonds, leaving Spanish banks to buy up the debt.

"This is a national emergency. The government is being overwhelmed by events," said Mariano Rajoy, the opposition leader.

Labor Minister Maravillas Rojo reported that 4 million people would be out of work by end of the year—up from 3.3 million now. "We're suffering from a grave international financial crisis, lack of liquidity, and falling consumption," she said. In January alone, Spain lost 200,000 jobs. Unemployment is growing at three times the rate in the United States. Unemployed men are rushing to enlist in the military, in such large numbers that three quarters of applicants have been rejected.

Industry Minister Miguel Sebastian has launched a "Made in Spain" campaign, claiming that 120,000 jobs can be saved if every citizen spends EU150 less this year on imports. This, is a breach of the EU law against protectionism.

The center of the collapse is the banking system, led by British-allied Bank Santander, which, while maintaining the fiction that it is sound, has in fact been on life support, because the European Central bank accepts its toxic waste as collateral for credit lines. The banks officially have bad loans that have reached 3.5% and are expected to surpass the 8% peak seen in the crunch of the early 1990s—although this is certainly an understatement.

## **China Ups Nuclear Plans for 2020**

Feb. 4 (EIRNS)—The *People's Daily* today announced a massive increase in China's nuclear power plans. There are currently 11 nuclear reactors operating in China, a combined capacity of about 9 gigawatts (GW), supplying more than 1% of the country's energy needs. In 2006, the goal of installing 40 GW of nuclear power by 2020 was adopted, to supply about 4% of China's need.

The new proposal is to raise the goal for nuclear to 5% of total power by 2020, or about 70 GW of nuclear power. The country would have to produce at least 60 GW of nuclear power to meet the 5% goal, the China Electricity Council (CEC) has said.

A quick start to the program is expected. The National Energy Administration says the program would "start building eight more nuclear power plants in the next three years, with 16 reactors whose total installed capacity will surpass 10 GW." The authorities will begin construction of nuclear power plants with a total capacity of 8.4 GW this year.

Fu Manchang, secretary-general of the Chinese Nuclear Society, said that "third-generation nuclear power technologies,

such as the AP1000 developed by the United States-based Westinghouse Electric Co., will be the main feature of our future nuclear power plants."

## **Chatham House: Britain Should Produce Its Own Food**

Feb. 2 (EIRNS)—While the British Empire faction is organizing a new worldwide "food shock," some British elites realize they'd better learn to grow some food for themselves at home. The Royal Institute for International Affairs, aka Chatham House, in its report "Food Futures: Rethinking U.K. Strategy," published today, calls on the government to take action and "change consumption patterns and food-production methods."

The report states: "Over the next few decades, the global food system will come under renewed pressure from the combined effects of seven fundamental factors: population growth, the nutrition transition, energy, land, water, labor and climate change. The combined effects will create constraints on food supply and if action is not taken, there is a real potential for demand growth to outstrip increases in global food production. Effects on developing countries would be devastating. Developed countries will be affected too. Expectations of abundant and ever cheaper food could come under strain. The U.K. can no longer afford to take its food supply for granted."

Today, only 48% of food consumed in the U.K. is produced domestically. Less than 30% comes from the EU, and the rest from outside. Between June 2005 and June 2008, globally the prices of butter rose by 74%; chicken, 62%; U.S. wheat, 120%; and milk powder, 69%. Even though these prices have fallen slightly, they have hit the pockets of U.K. consumers far harder than in other European countries. In the U.K., food-price inflation peaked at 12.8% in August last year, compared with 6.7% in France, and 7.1% in the United States.

## **Financial Shock Strikes Eastern Europe**

Feb. 5—The currencies of Poland, Hungary, and the Czech Republic have dropped very significantly over the last few days, and could go into a spiral of uncontrolled devaluation. In the last six months, the Polish zloty has lost 28%, the Hungarian forint 19%, and the Czech krone 12%. Currency depreciation pushes up debts in euros, Swiss francs and other currencies.

## **Korean Manufacturers Left Hanging by Importers Go Under**

Feb. 4 (EIRNS)—The giant Korean manufacturer Samsung is owed \$116 million by the failed American retailer Circuit City, while LG Electronics is owed \$41.2 million. This is only one of the more dramatic cases of exporters being left high and dry by the failure of their overseas customers. In this case, the vendors will get some relief because Circuit City will be put through an orderly bankruptcy. In other cases, the buyer just disappears after the goods arrive, or defaults in one way or another on the purchase contract.

The major Asian exporters, such as Korea, are experiencing such cases with greater and greater frequency. According to a spokesman for Korea Export Insurance Corporation (KEIC), "Exporters have come to realize that present conditions make it imperative to insulate themselves from losses, since there is no assurance that even reliable buyers in industrialized economies will be able to pay for products." KEIC indicates that the total value of claims made rose 7.4-fold from a year earlier.

## **United States News Digest**

## [Army Suicides Spike in January](#)

## [Soros Lies: No Split Between UN Drug Office and Obama Administration](#)

## [Soros Finances Dirty Campaign Against Rangel](#)

## [California Treasury Runs Dry; Arnie Blames Lawmakers](#)

## [Lincoln Has Replaced Churchill in the White House](#)

### **Army Suicides Spike in January**

Feb. 6 (EIRNS)—On Jan. 29, the Army reported that 2008 was its worst year for suicides, with 128 confirmed, and another 15 suspected; but 2009 already looks as though it could be much worse. Yesterday, the Army issued a press release reporting seven suicides for the month of January, with 17 more suspected. If most are confirmed as suicides, more soldiers will have killed themselves than the 16 the Pentagon has reported as having died in combat. "This is terrifying," one Army official told CNN. "We do not know what is going on."

Veterans advocate Steve Robinson attributes the problem to three things: lack of manpower resulting in repeated deployments to the war zone by the same people over six years; lack of understanding of the traumatic effects of exposure to combat; and lack of leadership on the part of the highest levels of the Army to effectively address the problem. These factors cause people to feel helpless and hopeless, Robinson said, which leads to suicide. Army leaders frequently deny that "the force is broken," but in Robinson's view, the rising suicide rate, which follows growing rates of drug abuse, alcohol abuse, domestic violence, and homelessness, are indicators that the force is indeed broken.

### **Soros Lies: No Split Between UN Drug Office and Obama Administration**

Feb. 5 (EIRNS)—Drug legalizer George Soros is carrying out a lying campaign to insert his so-called "harm reduction" policy into negotiations now taking place at the United Nations Office for Drug Control in Vienna, over a declaration being prepared for signing at the world drug summit of the Commission on Narcotics Drugs in mid-March.

A Soros-inspired press campaign falsely claims that the American delegation now negotiating in Vienna comprises holdovers from the Bush Administration who are pushing a hard line, contrary to alleged Obama Administration policy.

A spokesperson for the U.S. Mission in Vienna, Susan Doman, told *EIR* that this assertion by the press is wrong. There is no difference between the negotiating position of the U.S. delegation and Washington. She reiterated that the delegation takes orders from the Obama Administration, with whom it is in constant contact, and no one else.

The U.S. position, held since 1998, i.e., under the Clinton Administration, views inclusion of "harm reduction" as an endorsement of drug legalization, and has therefore opposed it.

### **Soros Finances Dirty Campaign Against Rangel**

Feb. 5 (EIRNS)—Nazi collaborator George Soros's Open Society Institute (OSI) has been caught funding the dirty operations of House Ways and Means Committee chair Rep. Charles Rangel (D-N.Y.). While a horde of "sunshine"

organizations are putting FDR Democrats in Congress under the microscope—funded by the donations of financiers like Soros and the Rockefellers—apparently the sun never shines on Wall Street.

The Sunlight Foundation, to which Soros's OSI contributed \$250,000 in 2008, is the "authority" quoted in today's *New York Times* for the charge that Rangel omitted some assets over the last 30 years from his financial disclosure reports. Sunlight Foundation "senior fellow" Bill Allison told the *Times*, "The Ethics Committee clearly needs to take a close look at Rangel's filings." The article points to royalties from Rangel's published autobiography, which he widely promoted. Rangel said months ago that he had hired a forensic accountant to reconstruct his financial statements, because there were errors.

Rep. John Carter (R-Tex.)—a staunch defender of disgraced former Republican Majority Leader Tom DeLay—has revived House Minority Leader John Boehner's call for Rangel to resign as chair of Ways and Means, until the Ethics Committee releases its findings. Under House rules, Carter's resolution must be considered by Feb. 10. Rangel's spokesman said, "This is a cheap political stunt from a flailing political party desperate to change the subject from their failed economic policies of the past."

### **California Treasury Runs Dry; Arnie Blames Lawmakers**

Feb. 2 (EIRNS)—As of this morning, the flow of funds from the coffers of the California state government have dried up, and the state is beginning to delay payments of up to \$3.5 billion. The first hit will be approximately 2 million people expecting state tax refunds—nearly \$2 billion in refunds are on hold. Additionally, more than \$515 million in payments to state vendors are on hold, and \$280 million in supplemental payments to those with developmental disabilities. The only payments which are protected and will be made are those to keep the schools open, and payments on the state debt.

The number of people who need assistance is increasing each day. The number receiving food stamps has jumped 13.8%, while the number of those receiving cash assistance from the state—including the most vulnerable—has gone up 5.9%. There was a net job loss in the state in 2008 of more than 257,000 jobs, which caused a jump in the official unemployment rate to 9.3%. The median home price in California, which had led the nation in price inflation, is down nearly 50% since the Spring of 2007. Gov. Arnold Schwarzenegger, who famously bragged in 2007 that he had solved the state's annual budget crisis, is blaming members of the State Assembly and Senate, taking no responsibility for his own role. Perhaps he believes that his stewardship over the state is merely a sequel to one of his awful movies, "True Lies."

### **Lincoln Has Replaced Churchill in the White House**

Feb. 1 (EIRNS)—For eight years, a bronze bust of British Prime Minister Winston Churchill stood in George Bush's Oval Office. It was loaned to him by then-British Prime Minister Tony Blair, as a "symbol of the enduring special relationship with America." Shortly before the inauguration of Barack Obama, it was put into storage. The TimesOnline reports that "recent photographs show that a bust of Abraham Lincoln, one of the new President's heroes, has been moved to take the position once occupied by Churchill."

"Mr. Obama shows little evidence of the Anglophilia that led his predecessors to pepper speeches with quotations from Churchill," the Times observes. "Instead, there have been suggestions that he has reason to disdain the former Prime Minister." This refers to the fact that, in 1952, Churchill declared an emergency in Kenya, and sent in troops to crush the Mau Mau counter-gang, which the British themselves had created. President Obama's grandfather was one of the many Kenyans detained without a trial, and tortured by the British.

British historian Tristram Hunt has suggested that perhaps Britain could lend the President a work to commemorate the

200th anniversary of Thomas Paine's death, since Paine was British born, and one of the "fathers of the American Revolution," and was quoted in Obama's inaugural address.

## Ibero-American News Digest

### Inter-American Dialogue Dopers At It Again

### Mexico Stunned by Drug Mafia Hit on Army General

### Argentina's High Court Is Warned Against Drug Decrim

#### Inter-American Dialogue Dopers At It Again

Feb. 6 (EIRNS)—The Inter-American Dialogue is out to turn the Western Hemisphere over to Dope, Inc.

Its most recent call for drug legalization comes from the Dialogue's vice president for policy, Michael Shifter, and Andean program associate Dan Joyce. Writing on U.S.-Ibero-American relations in a Feb. 1 article in *Current History*, the duo proposes that "consultations on a high-level forum with hemispheric partners" might well change the decades-long U.S. anti-drug policy. Their argument is George Soros's usual "harm reduction" sophistry:

"Although U.S. drug policy has demonstrably failed both in the United States and in Latin America," they assert, "it has remained largely unchanged for decades, the prisoner of U.S. domestic politics.... Politically feasible options exist that would restore some U.S. credibility and answer charges of hypocrisy on the drug issue. These include higher-level attention and cooperation, shifting from eradication to serious alternative crop development, and a renewed emphasis on drug rehabilitation and harm reduction."

This banker-dominated U.S.-Ibero-American policy think tank, set up by George Shultz in 1982 to stop Lyndon LaRouche's revival of American System economics throughout the hemisphere, was the first Liberal Establishment body to officially put drug legalization on the agenda, in the 1980s. The Dialogue's April 1986 membership policy report announced that the time had come to break the taboo against discussing drug legalization. Their argument was lifted straight out of earlier British defenses of the opium trade: "Cash-strapped" Ibero-American nations need the dope trade to pay their foreign debts, they wrote.

The rapporteur who wrote up the conclusions of that 1986 Dialogue membership meeting was Ethan Nadelmann, who soon went on to head up Soros's drug legalization operations internationally.

#### Mexico Stunned by Drug Mafia Hit on Army General

Feb. 5 (EIRNS)—Drug mafias gunned down the highly decorated Brig. General Mauro Enrique Tello Quiñones on Feb. 2, in what was clearly a targeted assassination, as he traveled toward the resort city of Cancún, with his Army aide and a civilian. This was the highest-ranking military officer killed by the drug mafias, to date.

At the time of his murder, Tello Quiñones, who was retired, was working as a public security advisor to the mayor of Cancún, and was setting up an elite special forces unit to combat the paramilitary wing of the Gulf Cartel, known as the Zetas, which is increasingly active in the region.

In his capacity as commander of the Morelia military zone in the state of Michoacán, as well as in previous posts in Mexico City, Tello had successfully taken on organized crime families.

News of the mafia-style execution—the three victims were tied up and machine-gunned—stunned the country. Another retired general remarked that the killing was "extremely grave," because of the defiance it represented on the part of the drug mafias, and their lack of fear of the Army. Mexico's Defense Ministry described General Tello's death as an "irreparable loss."

But several Mexican legislators are using the murder to charge that President Felipe Calderón's use of the Army in the war on drugs is a "total failure" and "lost cause." On Feb. 3, deputies from the PRD and PRI parties called on the President to withdraw the Army from the anti-drug fight, and replace it with other law enforcement agencies. On the same day, the Social Pastoral Committee of the Catholic Church echoed the legislators, also calling for the Army to be taken out of the war on drugs.

Coinciding with this is the British Empire's line from various media outlets that the United States is preparing a military intervention into Mexico, on the grounds that the government and law-enforcement agencies are hopelessly corrupt, and incapable of defeating the drug cartels. After portraying the Mexican situation as an unwinnable disaster, the British publication *Moneyweek* asked, "so what's the next step by the States? Direct military action."

## **Argentina's High Court Is Warned Against Drug Decrim**

Feb. 3 (EIRNS)—The Network of Mothers and Families of Drug Victims issued a harsh warning to Argentina's Supreme Court yesterday. The group warned that should the Court rule, as it is expected to this month, that the article in the national drug law which criminalizes drug possession for personal use, is unconstitutional, it will be guilty of genocide.

In a Feb. 2 meeting with a Supreme Court official, members of the Network demanded that the Court hold public hearings to allow for thorough debate on the proposal to decriminalize drugs, which is inspired by Nazi collaborator George Soros and promoted by his local allies. In its statement, the Network underscored, "If you rule for decriminalization, the public will know the first and last names of those who will be responsible for the genocide we know is not far off."

The statement took aim at the argument used by some Supreme Court judges, who justify decriminalization by citing the Argentine Constitution's article stating that any "private" action of individuals, which doesn't harm third parties or "offend public morals," cannot be considered illegal.

"[Drug] consumption is a practice which, whether private or public, individual or collective, in all cases affects third parties and society as a whole, as is more than obvious," the statement reads. "You need to explain what *science* you rely on, when you find that drug consumption is an action which doesn't affect third parties." Far from representing a solution, the statement concludes, decriminalization will "aggravate and facilitate an increased drug supply, based on an increase in demand."

## **Western European News Digest**

**[Protests Mount as Economy Collapses](#)**

**[WTO, EU Wage War Against Protection, Russia](#)**

## [CIA Warns Obama: Terrorist Threat Is in Britain](#)

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## [Danish Radio Points Listeners to Schiller Institute](#)

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## ['D'-Day for Gordon Brown](#)

## [Tremonti Foe: U.S., Europe Should Buy Afghan Opium](#)

### **Protests Mount as Economy Collapses**

Feb. 2 (EIRNS)—A Reuters roundup reports on actions in 11 countries over the past two weeks. Among them:

In Davos and Geneva, Switzerland, hundreds of people rallied Jan. 31 to protest against the World Economic Forum, saying the incompetents gathered for its annual meeting are not qualified to fix the world's problems. In Geneva, where the WEF has its headquarters, police in riot gear fired teargas and water cannon to disperse a crowd.

In Iceland, Prime Minister Geir Haarde resigned last week after protests, some of which turned violent. He was the first leader to fall as a direct result of the worldwide economic collapse.

In France, millions of strikers marched Jan. 29 to demand pay raises and job protection. Some protesters clashed with police, but no major violence was reported. Labor leaders hailed the action, which marked the first time France's eight union federations had joined forces against the government since President Nicolas Sarkozy took office in 2007.

In Britain, up to 900 contractors at the Sellafield nuclear plant walked off the job on Feb. 2, joining hundreds of other contract workers who have gone on strike in recent days over the use of foreign laborers. Thousands of energy workers staged walkouts on Jan. 30, targetting France's oil and gas company Total for the same policy.

In Lithuania, on Jan. 16, police fired teargas to disperse demonstrators who stoned the Parliament in protest against government cuts in social spending.

### **WTO, EU Wage War Against Protection, Russia**

Feb. 6 (EIRNS)—The World Trade Organization called an emergency meeting for Feb. 9 to deal with what the *Wall Street Journal* called a "wave of barriers to world commerce since early last month." Russia is the prime target. Yesterday, ten EU commissioners went to Moscow to protest to Prime Minister Vladimir Putin and others about the "pace of new Russian trade barriers." The *Journal* says that Russia, which is not a member of the WTO, is refusing to play by the Imperial "rules," and has introduced 28 measures in the past three months to raise tariffs and subsidize domestic products.

The EU is also protesting the U.S. "Buy American" campaign, but, at the same time, the EU has also resumed its own dairy supports, and barred Chinese nuts and bolts, claiming that the Chinese were dumping, while also restricting U.S.

chicken and beef. The U.S. is planning retaliation, and so on.

## **CIA Warns Obama: Terrorist Threat Is in Britain**

Feb. 8 (EIRNS)—The London *Sunday Telegraph* reports today that the CIA has massively increased its presence and operations inside Britain, because it does not trust the British security services to keep an eye on all of the 2,000 suspected terrorists identified by MI-5 in the British Pakistani community, according to the daily's website. The CIA believes, and has apparently advised President Barack Obama, that the next spectacular terrorist attack on U.S. soil will be launched from Britain.

According to a British intelligence source, a staggering four out of ten CIA operations designed to thwart terrorist attacks are conducted in Britain. The CIA has also developed its own sources inside the British Pakistani community.

The *Telegraph* also quotes Bruce Riedel, a former CIA officer and Middle East expert, saying: "The British Pakistani community is recognized as probably al-Qaeda's best mechanism for launching an attack against North America."

## **Germany, Britain Differ as Munich Security Conference Opens**

Feb. 7 (EIRNS)—Opening the annual Munich Security Conference, German Foreign Minister Frank-Walter Steinmeier called on Iran to take up the Obama Administration's offer for dialogue, and was quoted by AP as saying, "Above all, I appeal to those responsible in Tehran: Take this chance."

By contrast, British Foreign Secretary David Miliband, a business partner of George Soros, launched a provocative attack on Iran, for having launched a satellite last week. The launch, even if for civilian purposes, Miliband told AP, sent the wrong signal: "Given that President Obama said that he was stretching out a hand if Iran would unclench its fist, I don't think that this was an unclenching of a fist."

## **Danish Radio Points Listeners to Schiller Institute**

COPENHAGEN, Feb. 6 (EIRNS)—The Danish National Radio host, on the Classical music channel of the only national Danish radio station, after a performance of Beethoven's Ninth Symphony at the new Radio House, announced Friedrich Schiller's 250th birthday anniversary (Nov. 10, 1759), adding that listeners could order a special newspaper from the Schiller Institute in Denmark. Schiller's poem "The Ode of Joy" is immortalized in Beethoven's symphony.

## **Sweden Says 'Yes' to Nuclear Power**

Feb. 6 (EIRNS)—The policy of the LaRouche-affiliated European Labor Party in Sweden (EAP) was adopted yesterday, when the Swedish government decided to cancel the 1980 law that banned new nuclear power plant construction. The so-called "nuclear parenthesis" is thereby over, relieving Sweden of a 30-year political trauma around the nuclear question. The EAP was the only party in the Swedish nuclear referendum in 1980 saying "Yes" to nuclear power.

The Swedish decision will give a boost to pro-nuclear sentiment in other European countries, including Germany and Italy, where anti-nuclear policies are either being reversed or are under scrutiny.

## **'D'-Day for Gordon Brown**

Feb. 5 (EIRNS)—British Prime Minister Gordon Brown used the "D word"—"depression"— while under questioning at the House of Commons.

In answering a question on the economy from opposition leader David Cameron, Brown said that countries "should agree as a world on a monetary and fiscal stimulus that will take the world out of depression." His office issued a statement attributing the statement to a "slip of the tongue," adding that he meant to say "recession," according to *The Times*.

All the other sophists in the opposition, including Liberal Democratic Party shadow chancellor George Osborne, attacked him for "undermining confidence" by using the "D word."

## **Tremonti Foe: U.S., Europe Should Buy Afghan Opium**

Feb. 5 (EIRNS)—Toni Barber, the *Financial Times* correspondent who issued a death threat against Italian Economy Minister Giulio Tremonti last year ("Tremonti and the Serpent's Egg," April 8, 2008), has now been deployed to sell the British policy on Afghanistan to the Obama Administration.

In an article published today, entitled "Buying Up the Opium Crop: A New Western Policy in Afghanistan," Barber writes, "A radical solution is for the U.S. and its European allies to buy up the entire Afghan opium crop every year and turn much of it over for medical purposes around the world. This would not only starve the Taliban of money and undermine global organized crime. It could even improve Western relations with Iran."

## **Russia and the CIS News Digest**

### **[Zepp-LaRouche's Interview of Hankel Electrifies Russian Readers](#)**

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## **Zepp-LaRouche's Interview of Hankel Electrifies Russian Readers**

Feb. 3 (EIRNS)—The Russian economics and financial website BFM.ru has published a Russian translation of the interview with Prof. Wilhelm Hankel, former head of the Money and Credit Department of the German Finance Ministry, conducted by Helga Zepp-LaRouche and appearing in *EIR* of Feb. 6. Slightly abridged, the Russian version of the interview is headlined "A Code-Red State of Emergency." BFM.ru identified Zepp-LaRouche as founder of the international Schiller Institute, and made clear that her husband, mentioned twice by Hankel in the interview, is "the American economist Lyndon LaRouche."

Hankel's discussion, in response to Zepp-LaRouche's incisive questions, of the insanity of a derivatives-driven financial system, grabbed the attention of Russian readers. So did his review of the principles of infrastructure investment, presented with reference to his work at the Kreditanstalt für Wiederaufbau during Germany's post-war reconstruction. Over 60

readers left comments on the BFM.ru site. One of the highlights was this:

"This should be mandatory reading for all officials, from President Medvedev, Putin, Kudrin, Nabiullina, etc., to members of the Duma to mayors and governors.... You should learn this one by heart...." (The named officials are the Russian President, prime minister, finance minister, and economics minister.)

### **Russian Writer Highlights LaRouche's View: British Behind Terrorism and War**

Feb. 4 (EIRNS)—Yesterday the Russian Anti-Drug Front posted a Russian-subtitled version of a short Dec. 25, 2008 LaRouche PAC video called "The Anglo-Saudi Alliance." In the four-minute clip, LPAC's Alli Perebikovsky reported Lyndon LaRouche's remarks on the importance of cleaning out Anglo-Saudi financing of terrorism and war in Southwest Asia. (The short is accessible at [www.larouchepac.com/news/2008/12/25/lpactv-anglo-saudi-alliance.html](http://www.larouchepac.com/news/2008/12/25/lpactv-anglo-saudi-alliance.html)).

A few hours later, the popular Russian news and analysis portal KM.ru published an article by Mikhail Vasilyev, under the dramatic headline, "Britain Organized the Terror Acts in India." The article is especially striking, in view of LaRouche's emphasis during his Jan. 22 webcast, on Russia's "softness on the British Empire"—"failure to take into account the political realities of U.S. and international politics, to recognize, in particular, that what many people in Russia tend to blame on the United States, is actually to be blamed, put at the door of the British Empire!"

A KM.ru sidebar identification of LaRouche cited his record on the coming collapse of the global financial system. "In 1971, already," it said, "LaRouche warned that breaking with the post-war Bretton-Woods agreements and ending the dollar's peg to gold would lead to uncontrolled development of fictitious capital, which as a result would bury the real (physical) economy. He criticized the philosophy of the post-industrial ('information') society, believing that its implementation would lead to the degradation of the productive forces, as well as human morality."

### **Kudrin Seeks Counsel in London**

Feb. 5 (EIRNS)—A November 2008 LaRouche PAC release titled "Reading from a London Script," circulated widely in Russia, highlighted the detrimental recommendations of Russian Deputy Prime Minister and Finance Minister Alexei Kudrin in favor of a "global Maastricht" agreement to limit overspending by major powers, as if that were the cause of the systemic financial and economic breakdown. The European Union's Maastricht Treaty obliged member-states to keep their budget deficits below 3% of GDP—a goal which proved impossible, as the global economic crisis deepened.

Today, Kudrin was in London, doing a good job of exemplifying the question about Russian policy which Lyndon LaRouche posed during his Jan. 22 webcast: "What are the pernicious influences which have been acting on Russia, to misguide a number of notable Russian officials in making the mistakes they have made?"

The occasion for Kudrin's visit was the first-ever Russian-British Economic Dialogue forum, under the auspices of U.K. Chancellor of the Exchequer Alistair Darling. Itar-Tass quoted a source in the Russian delegation saying that this is a new form of cooperation between Russia and Britain, prompted by the financial and economic crisis. "It is a demonstration of pragmatism and of the wish to discuss some very crucial matters of financial and economic development of Russia and Britain," the source said. "We expect there will be an exchange of information about the latest steps and measures the British and Russian authorities have been taking, as well as their effectiveness in combating the world financial and economic crisis. Also in focus, will be a new financial architecture."

With Kudrin are Russian Central Bank first deputy president Alexei Ulyukayev, officials from the Federal Service for Financial Markets, and Russian businessmen, including VTB chief Andrei Kostin. The source said that Britain will support

Russia's admission to the Financial Stability Forum. The report also indicated that Russian officials think there is an urgent need for the BRIC nations (Brazil-Russia-India-China) to get into "financial stability" institutions, with Russia oriented particularly to what this source called the "post-crisis period."

Kudrin met with leaders from the City of London, with Darling, and with Lord Peter Mandelson, co-chair of the Russian-British inter-governmental commission. He also met British Foreign Secretary and supreme meddler David Miliband, to improve visa arrangements for businessmen.

## **Kazakstan Forced To Nationalize (Bail Out) Banks, Devalue Currency**

Feb. 5 (EIRNS)—The Kazakstan government had to buy 78% of the shares of BTA, the largest bank in the country, by injecting it with some \$2 billion on Feb. 2. BTA has assets of \$31 billion. The government will also likely buy 76% of Alliance Bank, the fourth largest in Kazakstan, and then inject \$200 million. At the same time, the national Financial Regulation Agency dismissed Mukhtar Ablyazov, BTA chairman and a former opposition leader. Ablyazov said he has no direct interest in BTA. All in all, the government is bailing out the country's four biggest banks, including Halyk Savings Bank, which is majority-owned by President Nursultan Nazarbayev's daughter and son-in-law, Timur Kulibayev.

The government is claiming the measures are only temporary. "This measure is not nationalization, it is temporary according to existing Kazak legislation which stipulates the government will eventually exit its shareholder base," a statement said.

Today, it became clear that Kazakstan was abandoning attempts to prop up its currency. The central bank announced an 18% devaluation of the tenge against the U.S. dollar. Kazakstan, the second-largest oil producer among the former Soviet republics after Russia, has 3.2% of the world's oil reserves, according to BP Plc. The government expects that economic growth will slow to 1% this year, after a decade-long boom in which the economy expanded by an average of 10% a year. Profit for all of Kazakhstan's 37 banks plunged 93% to 15.4 billion tenge in 2008 from a year earlier, as they boosted reserves to protect against delinquent loans.

Meanwhile, the size of Kazakstan's foreign debt and its low foreign exchange reserves have led to talks of the country going to the IMF after devaluation, said a Société Générale banker. Ainagul Shakirova, a spokeswoman for Prime Minister Karim Masimov, declined to comment on any possible request for IMF help.

## **Joe Biden Meets Saakashvili, Ivanov**

Feb. 8 (EIRNS)—U.S. Vice President Joe Biden held separate meetings today with Georgian President Mikheil Saakashvili and Russian Deputy Prime Minister Sergei Ivanov, on the sidelines of the Munich Security Conference. Ivanov characterized the meeting as "very positive." When asked to explain what he meant by that, Ivanov said, "restarting the button," referring to Biden's speech yesterday, in which the American Vice President said the parties must "press the reset button" on U.S.-Russia relations. Deputy Secretary of State Jim Steinberg was also present in that meeting. Biden was asked about possible Georgian membership in NATO, but simply replied, "I'm in favor of Georgia's continued independence and autonomy. That's a decision for Georgia to make."

## **Southwest Asia News Digest**

### **'The Strange Tale of Iran and Israel'**

## Israeli General: Israel 'On a Collision Course with Syria'

## French Senator Meets with Hamas Leader Meshal

## Saudis Out To Torpedo U.S. Talks with Iran

## Obama Administration Declares PKK Front a Terrorist Organization

### 'The Strange Tale of Iran and Israel'

Feb. 7 (EIRNS)—Alistair Crooke, one of the more sober commentators on the Middle East and a former member of the 2000 Mitchell Commission to the region, has written a commentary under the above title, for the February 2009 English edition of *Le Monde Diplomatique*, which demonstrates why only a Treaty of Westphalia-type approach will work to bring peace to the Middle East.

Crooke describes how Israeli strategy swung from pinning "their hopes on the non-Arab periphery," that is, Turkey and Iran, to deciding in 1992 that they had to make peace with the Arabs. This swing led the Israeli lobby to focus on the alleged existential threat from Iran (which the Clinton Administration felt to be exaggerated), and away from anger at Israel's leaders for betraying the late Vladimir Jabotinsky's Iron Wall approach by "supping with the enemy—Arafat and the Arabs."

Crooke uses all this to demonstrate that Israel and the U.S., after 2001, not only misread the Arab Middle East, but Iran's intentions as well. The misinterpretation of Iran's 2003 overture to the Bush Administration—which acknowledged U.S. security concerns about Iran's support for Hamas and Hezbollah, as well as its nuclear program—as a signal that "pressure works," and that more pressure on Iran might lead to more such concessions, "may lead to a catastrophic error of policy."

Crooke concludes: "The U.S. swing towards a Manichaeon vision of pro-Western moderation versus Islamist extremism has taken regional polarization well beyond Ben-Gurion's more modest objective (of the 1950s) of creating a balance of forces and deterrence. In their aim to break the resistance throughout the Muslim world to a secular, liberal vision for the future, the U.S. and its European allies instead provoked mass mobilization against their own project as well as radicalization and hostility to the West."

### Israeli General: Israel 'On a Collision Course with Syria'

Feb. 4 (EIRNS)—Unless Israel makes peace with Syria, the two countries will remain on a "collision course," said Maj. Gen. (res.) Amos Gilad, who heads the Defense Ministry's Diplomatic-Security Bureau, on Feb. 3. "We're on a collision course with Syria," Gilad told the ninth annual Herzliya Conference at the Interdisciplinary Center in Herzliya, Israel. "We need to try and reach a peace agreement with Syria," he warned, or "there will be rockets in large numbers targeting Tel Aviv."

He revealed that in 2006, during the Lebanon War, Israel nearly went to war with Syria. "In the space of two years, we could face a hostile entity on our eastern border—from a nuclear Iran through Syria and down to Hezbollah and Hamas," Gilad said. He asked whether Israel truly had a military response to Syria over the issue of its support for Hamas and Hezbollah. In fact, he said, Israel would have little to gain in a war with Syria, which could cause the fall of President Bashar Assad's regime, and warned "there might be more extreme forces coming to power in Syria.... This would put us in a far more difficult situation. If I'm right, we need to exhaust all avenues of reaching a potential peace with Syria."

## **French Senator Meets with Hamas Leader Meshal**

PARIS, Feb. 4 (EIRNS)—Sen. Jean François-Poncet, vice-president of the French Senate Foreign Affairs Commission, met the week of Jan. 26 with Hamas leader Khaled Meshaal, at Hamas's headquarters in Damascus, in the context of a French Senate mission to the Middle East. François-Poncet was foreign minister under Raymond Barre (1978-81). His "independent mission" was actually sent by the Sarkozy government when the ceasefire in Gaza was adopted; government officials are not able to meet with Meshaal, as long as Hamas is still officially on the list of terrorist organizations. The mission was made public by the French Foreign Ministry.

After finding out about the Senator's meeting with Meshaal, Israel cancelled all the appointments planned for the Senate mission in Israel. According to François-Poncet, Hamas is open to a dialogue with Israel and has to be considered as a full discussion partner.

Interviewed in *Le Monde*, François-Poncet said that "Hamas is no longer the revolutionary and religious movement, as everyone described it. It has a real following among Palestinians, probably larger even than Mahmoud Abbas, the President of the Palestinian Authority. My sense is that Hamas is now definitely in the midst of negotiations with Israel. Hamas is still on the list of terrorist organizations, but we feel that that phase of its development is past."

"You don't think of shooting rockets as terrorist acts?" asks *Le Monde*.

François-Poncet: "The shooting is taking place in the context of the exchanges between Israel and the Palestinian movement in Gaza. You don't ask if the Israeli attack on Gaza is terrorist. One should not forget that the truce which Hamas had concluded with Israel and which was denounced three months ago, involved the possibility for the Gaza enclave to have normal relations with the outside. But the Israelis imposed an extremely strict blockade. This incited Hamas not to renew the truce and to start firing rockets. It was wrong, for sure, but that's part of the strong-arming that goes on in the Middle East."

Everybody will have to realize there must be a Palestinian government of national unity, reunifying Abbas and Hamas if any peace accord is going to hold, he said.

About the fact that Hamas's charter calls for the destruction of Israel, and whether that will change: "We talked about it. Mr. Meshaal brushed the issue aside. It's a charter, like the one the PLO had for a long time before renouncing it ... it seems to me at a stage where it's already *depassé*."

A spokesman for the Foreign Ministry reiterated the French position concerning Hamas: France is ready to talk to Hamas, "as long as they respect the principles which guide the peace process, and first of all, the renunciation of violence." On Jan. 20, Foreign Minister Bernard Kouchner qualified the movement as a possible "interlocutor," especially if a national unity government is created.

## **Saudis Out To Torpedo U.S. Talks with Iran**

Feb. 5 (EIRNS)—As plans are underway in Washington to open a formal dialogue with Iran for the purpose of improving relations, Saudi Arabia, an avowed enemy of Iran and a collaborator with Britain in undermining the United States and its allies' interest in the region, issued a statement saying 41 suspected al-Qaeda members wanted by Saudi authorities are currently in Iran.

The Saudi Interior Ministry on Feb. 3 released a list of 85 wanted terrorism suspects, all but two of them Saudis. One of the men on the list, Abdullah al-Qarawi, is a Saudi who has been operating from Iran for three years, the ministry claimed.

Whether these al-Qaeda operatives are in Iran, or not, the reason that the Saudis came out with this accusation is to rev up the virulent anti-Iran crowd associated with the now out-of-power neocons controlled by Dick Cheney. These individuals inside the United States had pushed for precision strikes on Iranian nuclear installations and accused Tehran of helping the anti-U.S. Taliban militants in Afghanistan. During these years, Afghan President Hamid Karzai, who remained a powerless authority in Kabul, had repeatedly said that Iran had helped against the Taliban, a section of which is in league with Wahhabis maintained from Saudi Arabia.

The Saudi allegation will also have an impact on Washington's formulation of policy towards Afghanistan. According to the Obama Administration, Afghanistan's situation must be dealt with immediately. However, the Administration will realize that Iran is an important party that should be listened to.

## **Obama Administration Declares PKK Front a Terrorist Organization**

Feb. 5 (EIRNS)—Reversing the Bush Administration's policy, the U.S. Treasury declared PEJAK a terrorist organization. PEJAK is the Iranian wing of the Turkish Kurdistan Workers Party (PKK), which was being financed by former Vice President Dick Cheney's intelligence cronies to run terrorist operations into Iran. The PKK has been on the U.S. terror list for decades. Both organizations are deeply involved in trafficking opium from Afghanistan, across Iran, Iraq, and Turkey, and eventually into Europe.

PEJAK is a front for the terrorist PKK organization, said Stuart Levey, U.S. Treasury Undersecretary for Terrorism and Financial Intelligence. "With today's action, we are exposing PEJAK's terrorist ties to the PKK and supporting Turkey's efforts to protect its citizens from attack," Levey said. PEJAK and its armed group, East Kurdistan Defense Forces, were created to appeal to Iranian Kurds, but the PKK controls the leadership, including Secretary General Hajji Ahmadi, who is a member of the PKK.

The action means that any bank accounts or other financial assets found in the United States belonging to PEJAK must be frozen. Americans also are forbidden to contribute money or do business with the organization, according to the Turkish daily *Hurriyet*.

## **Asia News Digest**

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**Media Efforts To Prevent Eradication of Afghan Opium**

Feb. 2 (EIRNS)—After years of explosive growth in opium production in Afghanistan, in tandem with the rise of insurgency within Afghanistan and bordering Pakistan, a serious discussion has begun in Washington to prioritize policies that would identify opium as the key stimulant to terrorism in the region. This, however, does not please either George Soros, or some of U.S. allies engaged in the war in Afghanistan.

After the British-fueled outburst in Europe against U.S. Supreme Allied Commander Gen. John Craddock, who had emphasized to the NATO commanders the necessity of annihilating the "Narco-Khans" of Afghanistan, the *Washington Post* carried an op-ed today by Fareed Zakaria, editor of *Newsweek International*, which called for a four-pronged approach to Afghanistan: Do counterinsurgency; make the Afghan government credible; talk to the Taliban; and solve the crisis in Pakistan. The article avoided the opium issue altogether.

In the *Financial Times* of London today, Anatol Lieven, eager to find a way for the Americans to exit from Afghanistan, said the "new plan should include legitimization of political forces representing the Taliban, as with Sinn Fein in Northern Ireland." Although Sinn Fein and the Taliban are not comparable forces, Lieven interested in resolving the issue without any attack on the sea of poppies in Afghanistan.

### **Karzai Makes Overtures to Moscow at Crucial Juncture**

Feb. 4 (EIRNS)—While the Obama Administration is in the process of formulating an Afghanistan strategy, President Hamid Karzai, speaking to the graduates of the National Military Academy in Kabul, said he will be sending high-level civil and military officials to Moscow to discuss expansion of bilateral military-technical cooperation. Meanwhile, the Afghan President published President Dmitri Medvedev's reply, indicating his readiness to help the Afghan armed forces.

In recent weeks, there had been a flood of media reports which suggest that Washington is considering not backing Karzai's nomination as President, for the Aug. 20 presidential election. Four Afghan presidential candidates visited Washington in late January. All were categorical in accusing President Karzai of running a corrupt and incompetent government.

President Karzai has crossed swords with certain Washington proposals on two major issues. To begin with, he opposes all suggestions of introducing another 20-30,000 American troops into Afghanistan this year. Karzai insists that the United States had promised training of more Afghan army personnel, and that that would be more effective than introducing foreign troops.

Karzai has also been a strong critic of the U.S. air strikes that have killed thousands of innocent Afghans, which, he said, "is strengthening the terrorists." Karzai recently sent to Washington and NATO headquarters a draft technical agreement seeking more control over the kinds of activities that U.S. and NATO forces are indulging in inside Afghanistan.

### **Stop Afghan Drugs, Says Russian Leader**

Feb. 5 (EIRNS)—"The U.S., Central Asia, China—we are all interested in an effective anti-terrorism campaign to prevent the transportation of drugs to Europe and on to the United States," Russian Deputy Foreign Minister Grigory Karasin told journalists yesterday in Moscow, *Itar-Tass* reported.

Karasin said that Russia hopes for constructive talks with the U.S. on allowing the transit of non-military cargo via Russia to Afghanistan, and that Moscow had "in the last several days" given the United States a positive response on possible transit. "We hope that we [Russia] and the United States will hold special and professional talks on the issue in the near

future," he said. "We will see how effectively we can cooperate." He also said Moscow is interested in a successful antiterrorism operation in Afghanistan.

## **Drought 'Red Alert' in North China Wheat Region**

Feb. 2 (EIRNS)—China's northern wheat-growing region is being hit by its worst drought in over 50 years, and over 60% of the wheat crop is affected. Henan province, China's major grain producer, declared a "red alert" on Jan. 29, with meteorologists reporting the worst drought since 1951. Anhui Province followed on Feb. 1, and said that over 60% of the crops north of the Huaihe River will be damaged if there is no rain by next week. In Shanxi Province, some 1 million people and 160,000 head of livestock face a water shortage, and Shaanxi, Shandong, Hebei, and Jiangsu are also hit by drought. The drought began in November 2008, and there has been no rainfall for 105 days; little rain is expected for the rest of this month.

Chinese farmers are already hard-hit by falling commodity prices and the mass layoffs of farm migrants to the cities, whose financial support gives their families in the countryside some 40% of their income.

Beijing announced Jan. 28 that the government will invest 21.3 billion yuan (\$3.11 billion) in the huge "Move South Water North" water diversion program this year. This project will divert water from the huge Yangtze River, to the main rivers in the dry north: the Huaihe, Yellow, and Haihe rivers, via three canals. The first channel was begun in 2002, but will not be carrying water until 2013, and the entire project will take 40-50 years to complete.

## **LaRouche at the Center of Nuclear Fight in the Philippines**

Feb. 3 (EIRNS)—The effort to reopen the mothballed nuclear power plant in the Philippines has exploded into an open fight, in the Congress and in the press, between the Philippine LaRouche Society and the British dupes of Greenpeace and other malthusian outfits. Congressman Mark Cojuangco, whose bill to reopen the Westinghouse nuclear facility at Bataan, completed in 1985, but never used after the George Shultz-orchestrated coup against President Marcos in 1986, has now gathered 130 co-sponsors, called hearings, and invited leading members of the Atoms for Peace, Philippines, which was organized in 2008 by Philippine LaRouche Society director Butch Valdes, to testify. Co-founder Ramon Pedrosa read an Atoms for Peace statement to the Congress, denouncing the "fear-mongering, half-truths, and outright lies" of the anti-nuclear movement, countering with the scientific reality of the necessity for nuclear power on a vast scale for human survival, starting with undoing the crime committed in mothballing the Bataan plant. Science Prof. Carlo Arcilla of the University of the Philippines, another co-founder of Atoms for Peace, presented a slide show on nuclear power.

All the leading press covered the hearing, with the principal establishment newspaper leading with the "outright lies" quote from Atoms for Peace.

## **Africa News Digest**

**[U.S. Policy Shift on Zimbabwe Would Isolate U.K.](#)**

**[WHO: Zimbabwe Cholera Epidemic Deadliest in 15 Years](#)**

**[Opposition to ICC Attack on Sudan Emerges in U.K.](#)**

**U.S. Policy Shift on Zimbabwe Would Isolate U.K.**

Feb. 4 (EIRNS)—On Jan. 30, the day that Morgan Tsvangirai of the Zimbabwe opposition party, MDC-T, announced that his party was ready to enter a government of national unity with President Robert Mugabe, U.S. State Department acting spokesman Robert A. Wood was quizzed on whether it was still the U.S. view that Mugabe must quit. (A third party, which had split off from the MDC in 2005, is also joining the unity government.)

The explicit position of the Bush regime had been that the U.S. could never recognize a unity government in Zimbabwe in which Robert Mugabe was a participant. Wood, on this occasion, did not call for the ouster of Mugabe as a condition, which was widely seen in Africa as a policy shift. Wood said, "The key is always implementation. What Robert Mugabe needs to do is to do what's best for the people of Zimbabwe; and an effective power-sharing arrangement, one that is equitable, fair, and in line with the will of the Zimbabwean people, that's what needs to happen." Wood said that when the government is in place, "the Obama Administration will be looking to see what more we can do with regard to giving a jump start, a boost to the economy."

This beginning of a shift on Zimbabwe policy leaves the U.K. in the isolated position of continuing to advocate policies designed to paralyze Zimbabwe. British Foreign Ministry official Lord Mark Malloch-Brown, who attended the African Union summit Feb. 1-3, got an earful from the African delegates, who called for the sanctions to be lifted, on the first day of the summit: "I think the one message I've got loud and clear from this summit ... is we've got to give this [unity government] a go, we've got to all do our best to support it, because the needs of Zimbabweans are so overwhelming," he said.

He admitted what he actually thought when he got back to London. Speaking to the parliament, he said he was skeptical that the unity government would succeed. He also complained that the sanctions against Zimbabwe were misrepresented, and were only meant to force the government to share power. "I think we need this lever for a while," he said. "We need to keep a squeeze on Mugabe."

## **WHO: Zimbabwe Cholera Epidemic Deadliest in 15 Years**

Feb. 2 (EIRNS)—The cholera epidemic in Zimbabwe is spreading throughout the rural areas, the World Health Organization (WHO) said on Jan. 30. WHO characterized the outbreak as the deadliest in Africa in 15 years. Cases are reported in all ten of the country's provinces. The capital city of Harare, particularly the Budiriro suburb in the southwest, accounts for the majority of cases, followed by Beitbridge in Matabeleland South, and Mudzi in Mashonaland East, according to the WHO report.

David Heymann, the assistant-director general of the WHO, in an interview in the French daily *Le Monde*, today said that unfortunately the "worst" scenario is becoming reality and is reminiscent of ravages of medieval epidemics, "when nothing was known about the pathogen's mechanisms of contamination or routes of transmission." Asked about this "regression in health care," Heymann pointed to the collapse of health infrastructure and the withdrawal of health-care providers who are no longer being paid by the government. "You have to realize that many of them simply lack the necessary means to get to work. At the same time, persons directly facing the threat of the epidemic, in a very large number of the provinces, lack means to get to the dispensary to get help.

"This situation brings us de facto back to the impotence observed during the cholera epidemics of the Middle Ages, even though people exposed today are globally better informed.... In general, the daily difficulties for the health care providers are simple: how to distribute to affected populations, oral re-hydration kits and products to disinfect drinking water."

The WHO called on donor countries to help pay the salaries of thousands of Zimbabwean medical workers, to provide oral

rehydration salts and chlorine tablets, and to raise awareness about cholera prevention and treatment. The appeal was made as UN aid officials tried to rally international support for Zimbabwe, where they said some 5.5 million people need UN assistance to cope with dwindling food supplies and hyperinflation. Elisabeth Byrs of the UN Office for the Coordination of Humanitarian Affairs said that no contributions have yet been received toward a \$567 million appeal for Zimbabwe this year.

In a Jan. 24 interview with *Newsweek*, Zimbabwe's Finance Minister Gideon Gono pointed to the international sanctions against Zimbabwe as the root of its economic problems. Gono added that the IMF's request for the U.S. to print more money was "an implicit endorsement" of his own methods, which led to hyperinflation. "I began to see the whole world now in a mode of practicing what they have been saying I should not," Gono said.

## **Opposition to ICC Attack on Sudan Emerges in U.K.**

Feb. 4 (EIRNS)—Sir Geoffrey Nice, Queens Counsel, and Rodney Dixon made an application on Jan. 11 to the International Criminal Court (which wants to violate Sudanese sovereignty, to arrest Sudan President Omar al-Bashir), on behalf of a Sudan Labor federation and a Sudanese NGO, not to issue the arrest warrants at this time.

The reasons given by Sir Geoffrey for not doing so are: 1) Such a move would have grave implications for the peace process in Sudan, and "that deference must be given to considerations of national interest and security," since the agreement that ended the civil war between North and South would break down, and therefore the country "would be under threat of disintegrating"; 2) justice will not be served in light of the prosecutor's conduct in bringing these applications [this is a reference to attempts by Prosecutor Ocampo to get support from other countries for prosecuting Bashir, whereas proving the charge is only supposed to happen at a trial, not before the trial]; 3) such warrants could entrench the negative perceptions of the ICC, and thus contribute to a deterioration of the situation in Sudan; 4) alternative means of transitional justice and resolution are being pursued without the need for any involvement of the ICC at this stage.

Sir Geoffrey and Dixon cite several highly regarded experts on Sudan, all of whom oppose the ICC threat to destabilize Sudan.

*EIR* sources from the region have indicated that since the inauguration of the President Obama, they don't expect any U.S. military attack against Sudan (policed no-fly zones, for example), even if the ICC issues an arrest warrant for Bashir, which British press sources claim may happen in February.

If the ICC issues its arrest warrant, it could be deferred for a year, while efforts to resolve the crisis are made. If the United States were to block its deferral in the UN Security Council, British circles will be in a position to say they made efforts to stop the warrant, but that the U.K. government succumbed to the wishes of the United States.

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