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**A British, Malthusian Swindle:**  
**A New World Currency As Fraud**  
**by Lyndon H. LaRouche, Jr.**

...The run-up to, and proceedings of the so-called G-20 conference, have a quality which suggests that all these discussions might have been a parody of the notorious ``Marat/Sade'' of playwright Peter Weiss. What has been proposed by a number of leading nations represented, verges on the taking of cyanide as an assured remedy for a severe headache. If what has been proposed, as by both the current U.S. government, and haters of the U.S. dollar, alike, were adopted, the result would be fairly compared to going to an actual Hell in a global game modeled on the board game of ``Monopoly.''

In other words, as on the occasion of the lemming-like, panic-stricken adoption of the clinically insane G-20 resolution announced to us from London this Thursday morning, the ignorance displayed by a panic-stricken, complicit set of heads of state and government: ignorance is not innocence....

**In-Depth articles from EIR, Vol. 36, No. 14**

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## **This Week's Cover**

- **A British, Malthusian Swindle:**  
**A New World Currency as Fraud**  
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'The run-up to, and proceedings of the so-called G-20 conference, have a quality which suggests that all these discussions might have been a parody of the notorious 'Marat/ Sade' of playwright Peter Weiss. What has been proposed by a number of leading nations represented, verges on the taking of cyanide as an assured remedy for a severe headache. If what has been proposed, as by both the current U.S. government, and haters of the U.S. dollar, alike, were adopted, the result would be fairly compared to going to an actual Hell in a global game modeled on the board game of 'Monopoly.'

## **National**

- **Obama Is Running Out of Time:**  
**Summers Has To Go Now**

Larry Summers, director of the National Economic Council, has sold the Obama Administration on returning to the very policies that are responsible for destroying the financial system. LaRouche's call for his ouster is echoed by economists such as Paul Krugman and James Galbraith, and by Democratic Sen. Sherrod Brown of Ohio.

- **Summers:**  
**Rattlesnake in a Clown Suit**

A dossier on the man who briefs the President every day on the financial crisis.

- [Summers Hated in Russia for His 1990s Record](#)
- [Time To Reopen LaRouche Exoneration](#)

Attorney General Eric Holder's decision to dismiss all charges against former Alaska Senator Ted Stevens raises the issue of when the Justice Department will exonerate Lyndon H. LaRouche, Jr., a victim of prosecutorial misconduct far more egregious than that employed against Stevens.

- [After Stevens Case:  
Will Holder Shut Abscam II?](#)

## Economics

- ['An Assembly of Lunatics':  
Reverse the Insane G20 Decisions](#)

The worst aspect of the 'unprecedented fiscal expansion' decided at the G20 Summit in London, was the decision to print \$250 billion in the International Monetary Fund's Special Drawing Rights, representing the intention of going to a 'supra-sovereign' currency.

- [Business Briefs](#)

## International

- [Worldwide Opposition Grows to ICC Lies on Sudan](#)

Senior scholars, specialists, and high-level former diplomats, including from the United States, are challenging the myth of the 'genocide' of 300,000-400,000 Darfurians, and denouncing the International Criminal Court's warrant against Sudanese President Omar alBashir as a disaster for Sudan, and a foreign policy nightmare for the United States, should it be endorsed as U.S. policy.

- [U.S.-Iran Parley at The Hague:](#)

### [A Watershed?](#)

Iran—a principal target of the drug traffic out of Afghanistan—reiterated its readiness to work with the international community against drugs, and the United States is ready to talk.

- [Israel-Palestine:](#)

### [End British Mandate System of Injustice](#)

Report from a conference in Boston on 'One State for Palestine/Israel: A Country for All Its Citizens?'

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## Editorial

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This Week's News

U.S. Economic/Financial News

## Tsunami of Job Losses Sweeps U.S. Economy

### CBO: Half of TARP Money Gone for Good

### Foreclosure Prevention Efforts Not Working

#### **Tsunami of Job Losses Sweeps U.S. Economy**

April 1 (EIRNS)—A stunning three-quarters of a million jobs were lost in the U.S. private sector in March, according to the widely cited ADP Employer Services. On top of 706,000 lost in February—up from an earlier estimate of 697,000—March saw an additional 742,000 jobs go down the drain.

On April 3, the U.S. Labor Department will issue the official non-farm payrolls report, which accounts for public sector jobs as well as private ones. Earlier estimates from (constantly inaccurate) "economists" and "accounting experts" had been that some 650,000 jobs would be lost in March; now it is widely admitted that the numbers will be far worse.

#### **CBO: Half of TARP Money Gone for Good**

April 4 (EIRNS)—The Congressional Budget Office (CBO) has issued revised figures as to the ultimate cost of the so-called Troubled Asset Relief Program (TARP). In January, the CBO estimated that the total cost to taxpayers of the \$700 billion program would be \$189 billion, that is, the government would not get back \$189 billion of the funds that it lent out. In late March, the agency revised that figure upwards to \$356 billion, which, according to the *Wall Street Journal*, reflects the Treasury's move to use the program for foreclosure mitigation, the changing details of the AIG bailout and the overall deterioration of financial conditions. The Obama Administration is asking for another \$750 billion in bailout money in its 2010 budget, of which it claims that taxpayers will get back \$500 billion. The new CBO figures, however, suggest that the loss would be closer to \$375 billion, than \$250 billion.

Of course, since the entire program is nothing but the bailout of bad paper, the losses to the taxpayers are likely to be much higher.

#### **Foreclosure Prevention Efforts Not Working**

April 4 (EIRNS)—A report, released April 3, jointly by the Office of Thrift Supervision and the Office of the Comptroller of the Currency, demonstrates that the so-called foreclosure prevention measures that have been implemented in lieu of Lyndon LaRouche's Homeowners and Bank Protection Act, are a failure. According to an OCC/OTS press release on the report, the total percentage of performing mortgages declined from 93% at the end of September 2008, to just under 90% at the end of the year. The category of loans that is now deteriorating the fastest is prime loans, the category considered the least at risk, as compared to subprime loans. At the end of the fourth quarter last year, 2.4% of prime loans were delinquent, compared to 1.1% at the end of March 2008. The study also found that redefault rates on modified mortgages were high and also rising during the first three quarters of 2008, but that the reasons for the high default rates are not clear, and "could be the result of a worsening economy, excessive borrower leverage or poor initial underwriting."

*EIR*, on the other hand, has estimates that 40% of foreclosures are now the direct result of job losses and the collapse of the economy as a whole, showing why LaRouche's HBPA is the only solution.

## **Global Economic News**

## While the G20 Fiddles, the Real Economy Burns

## World Farming Capacity 'Scaling Back' to Food Catastrophe

## South Africa and China Join Forces in Development of Pebble Bed Nuclear Technology

### **While the G20 Fiddles, the Real Economy Burns**

April 1 (EIRNS)—The situation of the real economy, which is not on the agenda of the London G20 summit, is highlighted by some new data from Germany. March production of trucks and commercial vehicles dropped by 61-68% (depending on the category), compared to March 2008. Daimler-Benz, which produces a lot of these vehicles, will extend shortwork schedules beyond June, and go for deep cuts in wages and expenses.

Thyssen-Krupp is being forced to sell its Industrial Services division, which has suffered badly because of its high dependency on production for the auto, chemical, and machine-building sectors of German industry. Thyssen already sold some of its maglev patents to China some weeks ago.

Also, for the first time since 1928, March showed no Spring recovery of the labor market in Germany, but, on the contrary, a net increase of unemployment.

### **World Farming Capacity 'Scaling Back' to Food Catastrophe**

April 2 (EIRNS)—From the drop in prospects for Spring planting in the U.S., to the decline in fertilizer use worldwide, all reports add up to a scaling back of agriculture capacity to the point of guaranteeing food catastrophe in the near future. Farmers are at best, trying to "wait and see," cut expenses, and seek any tricks to stay in operation. Inputs are costly; prices for output low and unstable. Some of the latest updates:

\* The "Prospective Plantings" Report for 2009 from the U.S. Department of Agriculture (USDA) was released March 31, stating that U.S. farmers are "cutting back" in their crop plans. Acreage planted to corn may drop 1% from last year. Other surveys estimate a 3+% decline. Wheat acreage may be down 7%. Cotton acreage is down 7%. Area planted to soybeans—which needs no nitrogenous fertilizer—may go up.

\* The Potash Corporation of Saskatchewan, the world's largest fertilizer company, reports that February shipments of potash in North America were down by 80% over last year at the same time. The company is drastically curtailing production in 2009.

\* Worldwide, the grain harvest is expected to drop 3.4% in the year July 2009-June 2010, from the prior year, according to the March projections of the International Grain Council.

\* Milk and meat production capacity is also contracting. In the U.S., a dairy cow slaughtering drive is underway, politely termed the "Herd Retirement Program," under the sad falsehood that reducing production will drive up the raw milk price to the farmer, by the "law of supply and demand." A farmer receives about \$10 for 100 pounds of raw milk today, far below his costs of maintaining a milking herd. A year ago, he got \$18 for 100 lbs. Five years ago, in 2003, 5% of U.S. milk production was exported, which shot up to 12% in early 2008, and now that has plunged, as part of the chaos in commodities of all kinds during the crash. The cow kill-off, billed as the solution, is proceeding.

In 2008, 88,000 animals and 1.6 billion pounds of milk production were eliminated. Since January, the rate of herd kill-off is even greater. California is especially hard hit. "2009 will be one of the worst for dairy farmers in years, if not decades," said Peter Vitaliano, a vice-president of National Milk Producers Federation, in the leading farm magazine, *Hoard's Dairyman*.

## **South Africa and China Join Forces in Development of Pebble Bed Nuclear Technology**

March 30 (EIRNS)—A memorandum of understanding (MOU) was signed in Beijing on March 26, between the Chinese and the South African developers of high temperature reactors (HTR) using pebble bed technology. Pebble Bed Modular Reactor (Pty) Ltd (PBMR) of South Africa has been developing the pebble bed technology in parallel with the Institute of Nuclear and New Energy Technology (INET) of Tsinghua University and Chinergy Co. Ltd of China, whose pebble bed concept is based on a 10 MW (thermal) research reactor that was started up in Beijing in December 2000, and achieved full power operation in January 2003. INET is a top nuclear research and experimental institute in China.

With this MOU, South Africa and China hope to pursue collaboration in a number of strategic and technical areas relating to HTR in both countries. Pebble bed technology is used to make a reactor inherently safe. In pebble bed designs, the physics of the fuel pebbles is such, that a runaway rise in temperature in the reactor only causes it to shut down before it has increased much. It does so without a separate safety system with its own risk of failure.

Prof. Zhang Zouyi, director of INET, says that the MOU was the result of natural synergies between the South African and Chinese HTR project teams, which were highlighted at an HTR conference in Washington, D.C. in 2008. The Washington meeting was followed by a visit to South Africa by representatives from INET and Chinergy Co., Ltd., earlier in 2009, in order to devise a framework for cooperation.

PBMR CEO Jaco Kriek welcomed the collaboration with China. He said the MOU will create interesting opportunities for the future commercialization of the technology and strengthen supply chains in both countries, with the support of both governments. Both South Africa and China have extensive energy requirements and emphasize increasing the role of nuclear energy in the energy mix.

## **United States News Digest**

[Holder Turns DoJ Sights on Financial Fraud](#)

[Cheney Wages Intell Psywar vs. Obama Administration](#)

[Congressional Bailout Trio Going Down](#)

[Single-Payer Health Insurance Introduced in Senate](#)

[Why LaRouche Is Critical of Ron Paul](#)

### **Holder Turns DoJ Sights on Financial Fraud**

April 3 (EIRNS)—Attorney General Eric Holder told reporters yesterday that cleaning out financial, corporate, and

mortgage fraud is yet another of the areas in which the Bush-era policies and priorities of the Department of Justice are being reviewed, and will be changed.

An official announcement is expected coming soon, of the creation of a task force to investigate financial fraud and "white-collar crime," he said, including, policing what happens to the billions in public monies distributed under the rubric of the "stimulus." Holder emphasized that the Department of Justice will draw on the expertise of state prosecutors as well, because the Federal government can't do this alone.

Holder made these remarks while in Cuernavaca, Mexico, for a cabinet-level conference on binational coordination to shut down arms trafficking from the U.S. into Mexico, a problem which Holder said "must be met as part of a comprehensive attack against the [drug] cartels—an attack in depth, on both sides of the border, that focuses on the leadership and assets of the cartel." The Justice Department's investigation of "financial fraud," properly executed, will inevitably overlap the investigations and prosecutions—of the drug cartels.

## **Cheney Wages Intell Psywar vs. Obama Administration**

April 2 (EIRNS)—Former Vice President Dick Cheney is conducting a propaganda war against the Obama Administration, as a debate over national security policy is taking place.

On March 15, Cheney claimed on a CNN news program, that President Obama "is making some choices that, in my mind, will, in fact, raise the risk to the American people of another attack." Among the Obama decisions which apparently offended Cheney, were plans to eventually close the Guantanamo detention facility, a ban on waterboarding, a requirement for CIA interrogators to abide by rules in the Army Field Manual, and an order for the closure of secret intelligence interrogation sites.

Several days before Cheney's emergence, veteran intelligence journalist Seymour Hersh remarked, at a college forum in Minnesota, that the Joint Special Operations Command under Bush-Cheney was "going into countries, not talking to the ambassador or the CIA station chief, and finding people on a list and executing them and leaving."

In interviews this week on NPR and MSNBC Countdown, Hersh said that Cheney has "stay behinds" in the Obama Administration, particularly in Defense and NSA, who provide him inside information. Hersh identified the "stay behinds" as senior military officers "that got promoted ahead of the curve because they were closer and more friendly to Rumsfeld, to Cheney, and their policies.... Cheney has enormous influence with a lot of the senior officers in the Pentagon, absolutely."

## **Congressional Bailout Trio Going Down**

March 30 (EIRNS)—The Congressional bailout trio of Rep. Barney Frank (D-Mass.), House Speaker Nancy Pelosi (D-Calif.), and Sen. Chris Dodd (D-Conn.), the group which rammed through then-Treasury Secretary Henry Paulson's bailout in September, and has had a deadly influence on President Obama, is in trouble. Pelosi's ratings have taken a precipitous drop in the polls in the last two weeks; Dodd is trailing his likely Republican rival in his 2010 Senate race; and Frank, while being slammed in his hometown press, has been named "Porker of the Month," by a government watchdog group that points to the hypocrisy of his getting his knickers in a twist about the AIG bonuses, while pushing financial bailouts.

In the aftermath of the announcement of the latest bailout scheme last week, 60% of U.S. voters now have an "unfavorable" opinion of Pelosi, a 7% spike from just two weeks ago, according to a Rasmussen Reports telephone survey. Of that 60%, fully 42% view her "very unfavorably," a spike of 8%. What Pelosi's handlers might find even more

disturbing is that she's now viewed "favorably" by just 57% of Democrats (16%, very favorably); but in the previous survey, 65% of Democrats liked Pelosi, with 27% "very favorable."

A front-page "exclusive" article in today's *Washington Times* is headed, "AIG Chiefs Pressed To Donate to Dodd: \$160,000 Streamed In as Senator Gained Power on Banking Committee." The *Times* quotes a 2006 memo from Joseph Cassano, the head of AIG's financial products division, many of whose chieftains had received million-plus-dollar bonuses, imploring execs to funnel money to Dodd. It was Senator Dodd who altered the bailout legislation to allow the bonuses to go through. The article also notes that Dodd is trailing his likely Republican opponent, former U.S. Rep. Rob Simmons, in his 2010 race.

## **Single-Payer Health Insurance Introduced in Senate**

March 30 (EIRNS)—The challenge to the parasitic role of private medical insurance and pharmaceutical corporations took another step forward March 26, when a current bill for a single-payer, Medicare for All bill was introduced in the U.S. Senate. The bill complements H.R. 1200 in the House. The Physicians for National Health Program estimates the single-payer program would save \$400 billion on bureaucracy, enough to cover all Americans now without health insurance.

The Senate bill (S. 703), named the American Health Security Act of 2009, introduced by Bernie Sanders (I-Vt.), includes funds for community health centers, and for support of the National Health Service Corps, health professionals education, including education of clinical nurse practitioners, certified registered nurse anesthetists, certified nurse midwives, and physician assistants.

Sanders serves on the Health, Education, Labor, and Pensions Committee. His new bill draws heavily upon the single-payer legislation introduced by the late Sen. Paul Wellstone (D-Minn.) in 1993, S. 491, and closely parallels similar legislation pending before the House, H.R. 1200, introduced by Rep. Jim McDermott (D-Wash.).

A single-payer bill introduced by Rep. John Conyers, Jr. (D-Mich.), H.R. 676, obtained 93 co-sponsors in the House during the last session. It has been reintroduced in the new Congress as the U.S. National Health Care Act with the same bill number.

## **Why LaRouche Is Critical of Ron Paul**

March 30 (EIRNS)—In a piece on his website today, libertarian Rep. Ron Paul (R-Tex.) echoed the lines of the Soros drug mafia, demanding that the United States "End the War on Drugs."

Lyndon LaRouche recalled in discussion with staff that some supporters have been confounded by his refusal to ally with Paul, despite Paul's opposition to the war in Iraq and the Cheneyac neocons. Now, they should understand why he's been so critical of Paul. His call for legalization of drugs is further confirmation that Paul can't be trusted, LaRouche said. Saying that "smuggling operations and gangland violence fell apart with repeal" of 1920s Prohibition, Paul reiterates the old bogus line about how, "Similarly today, the best way to fight violent drug cartels would be to pull the rug out from under their profits by bringing these transactions out into the sunlight.... I would urge them [advocates of defeating the narco traffickers] to go back to the Constitution and consider where there is any authority to prohibit private personal choices like this."

## **Ibero-American News Digest**

## Sealing the U.S.-Mexico Border vs. Weapons and Drugs

## British Hysterical That Mexico Has a Patriotic President

## Mexico Turns to IMF, Brits, as Revenues Plummet

## Anti-Drug Official: Soros Behind Argentine Drug Decrim Plan

## Drug Decriminalization Would be Genocide in Argentina

### **Sealing the U.S.-Mexico Border vs. Weapons and Drugs**

April 2 (EIRNS)—Five cabinet-level officials from the U.S. and Mexican governments held a closed-door meeting in Cuernavaca today to hammer out details for the creation of a cross-border working group with the mission of generating strategies to stop illegal arms trafficking across the border.

An estimated 90% to 95% of the weapons used by the drug cartels in their war against Mexico, come from the United States, and both governments are determined to work together to shut that traffic down. High-power military weapons of the most modern type pour across the border in astounding quantities—2,000 a day, according to Gen. Barry McCaffrey (ret.)—leading to a death toll of some 1,600 in the first three months of 2009 alone.

Present at the meeting were Attorney Generals Eric Holder and Eduardo Medina Mora, Homeland Security Secretary Janet Napolitano, Interior Minister Fernando Gómez Mont, and Public Safety Genero García Luna.

At the end of the meeting, Medina Mora announced also that Mexico will spend \$1.4 billion to modernize border-crossing inspections of incoming traffic, to equip Mexican ports of entry with "non-intrusive" technologies (x-rays, scales, etc.) to inspect cargo. As of two weeks ago, U.S. Customs officials began scanning rail cars on the way out of the United States, instead of just on their way in, at the eight railroad crossings between the two countries. When U.S. officials see something suspicious in the X-ray, they alert Mexican law enforcement, which intercepts the rail cars in Mexico.

It is exactly these kind of measures, applied in force, which Lyndon LaRouche has emphasized can shut the trade down, provided enough resources are thrown into the fight, quickly. Gen. McCaffrey, who identified the urgency of the U.S. moving on this fight last December, last week told *Newsweek* that for the first time in years, the President and Cabinet officers are engaged on this fight, but "resources commensurate with the problem" are needed. What has been proposed so far, falls far short of what's needed.

### **British Hysterical That Mexico Has a Patriotic President**

March 30 (EIRNS)—Provocative interviews with Mexican President Felipe Calderón by the City of London's *Financial Times* and the British Broadcasting Corp. (BBC), display the British Empire's hysteria over Mexico and the United States joining forces against London's Dope, Inc. Lyndon LaRouche commented that Mexico finally has a patriotic President, whatever else his flaws, and for the Brits, LaRouche said, "this wasn't supposed to happen."

The March 27 *Financial Times* painted the Mexican President as "outspoken" in protest of U.S. aid to Mexico, a story so distorted the Mexican Presidential office issued a communiqué "categorically denying" some of the statements attributed to the President.

On March 30, BBC attempted to get Calderón to attack the U.S., and to support drug legalization. They got nowhere on either account.

BBC asked Calderón's opinion of *The Economist's* drug legalization proposal, to which the President responded, as he has done before, that drugs, and the addiction they cause, are the "slavery of the 21st Century." Legalization, he said, "implies surrendering and accepting that several generations of Mexican children and youth would simply fall into drug use." Obtaining drugs "would be as simple as buying a candy or a cigarette."

He went on to describe how the cartels turn eight-year-old children into addicts, who "rob from their mothers, their neighbors, join a gang, and [become] killers for the criminals. This is a cycle of ... slavery that must be broken, and I don't think that simply legalizing will improve that situation."

Asked about the change in U.S.-Mexico relations, Calderón remarked: "There has been a change, a positive change. President Obama's government has a different attitude," and "a very clear will and commitment to collaborate with Mexico.... I think, he added, "that the visit of Mrs. Clinton, and then of President Obama, will be the beginning of a new era in U.S.-Mexican relations."

## **Mexico Turns to IMF, Brits, as Revenues Plummet**

April 1 (EIRNS)—In the first two months of 2009, Mexican government revenues from the VAT sales tax fell by just under 22%, a monetary reflection of the rate of collapse of basic consumption, including of food, in the country. Income tax revenue fell by 6.2%, as compared to the same period in 2008, according to the Treasury Ministry, and remittances sent back by Mexican workers abroad were also down, by over 3.5% compared to the same period in 2008, escalating over the course of 2008. Remittances are Mexico's second-largest source of foreign exchange, after oil; combined with the VAT and income tax collapse and the vaporization of international capital generally, these are the makings of yet another collapse of the peso and national bankruptcy.

Treasury officials' assurances that plummeting government revenues would be largely covered by profits from derivative contracts on their oil revenues (!) were belied by the announcement today that Mexico has asked the IMF for a "preventive" \$47 billion credit line, "just in case," on top of a similar \$30 billion "preventive" credit line from the U.S. Federal Reserve, and \$80 billion in foreign reserves.

British imperial interests find this an excellent moment to grab Mexico's resources directly, if they can. Prince Philip personally escorted President Felipe Calderón on a four-hour visit today to British Petroleum's headquarters in Aberdeen, Scotland, where the Lord Mayor of the City of London held a luncheon in his honor. Calderón and his Energy Secretary, Georgina Kessel, promised that the reforms passed in the oil sector now permit foreign investment in Mexican oil (despite the fact that this violates the Mexican Constitution), and asked for British investments.

## **Anti-Drug Official: Soros Behind Argentine Drug Decrim Plan**

April 1 (EIRNS)—José Granero, the head of the government's anti-drug agency, Sedronar, told the daily *Clarín* that if people want to know what's behind the current debate over decriminalizing drugs for personal consumption, they should look at George Soros, whom he described as "one of the big money launderers."

Forget about the "stupid progressivism" that argues that drug decrim is a more "humane" policy, which will supposedly offer addicts better treatment, rather than prosecuting them for breaking the law, Granero said. "Soros is promoting

decriminalization of personal drug consumption in many countries around the world, and I don't rule out that he's also behind this here in Argentina."

Granero is right on the mark. As the LaRouche Youth Movement (LYM) has been saying in its daily organizing in front of government office buildings in downtown Buenos Aires, it is the Nazi-trained Soros and the NGOs he finances that convinced President Cristina Fernández de Kirchner to embrace decriminalization for personal use as more effective than the U.S.-backed war on drugs. Justice Minister Anibal Fernández has been trumpeting the Soros "harm reduction" fraud at every opportunity, in the President's name.

As soon as the Supreme Court rules that the clause in the national drug law that criminalizes drug possession for personal use, is unconstitutional, the government is expected to submit its own decriminalization bill to the Congress. The brawl over this policy, in which the LYM has played a crucial role, is such that the Supreme Court, originally scheduled to rule in February, has delayed its ruling to an unspecified date. Although all of the Court's magistrates support decrim, President Ricardo Lorenzetti reportedly wants to write his own personal opinion, carefully explaining that "support for drug decriminalization is very different from decriminalizing *drug trafficking*, as some sectors that reject the ruling have insinuated," *Clarín* reported.

## **Drug Decriminalization Would be Genocide in Argentina**

April 1 (EIRNS)—The George Soros crowd argues that decriminalizing drugs is a more "humane" policy. You can't beat drugs, so go with "harm reduction" instead.

Claudio Izaguirre of the Argentine Anti-Drug Association reports there are 180,000 children in Buenos Aires who are addicted to "paco," the highly addictive crack cocaine-like drug whose consumption is reaching epidemic proportions. Almost all of these children have tuberculosis, and work as prostitutes to pay for their drugs. Funding for drug-treatment centers has collapsed in the country, while drug consumption has soared. "Drug consumption has quintupled in the entire country, added to which is congressional cutting of the budget earmarked for prevention campaigns," Izaguirre says.

The Argentine government argues that by not having to spend money on arresting and putting through the court system those who only buy drugs for personal consumption, it will have more money to spend on ensuring that addicts and consumers get proper medical help and counseling.

That's bunk, says José Granero, head of Sedronar. Asked why anti-drug strategies have failed, he responded that the drug trade "moves \$500 to \$600 billion annually. That's a sum that will soften up anyone. We have to generate a social consciousness about the problem, and the fight is *a political decision*, not one of laws. To say that decriminalization will save money on court proceedings, and that those savings will be used in the fight against drugs, is stupidity."

## **Western European News Digest**

[EU Demands Austerity for Ireland and Greece](#)

[Summers Compared to Louis XVI 'Court' Advisor](#)

[German Machine-Building in Deep Crisis](#)

[New Financial Scams in Austria](#)

## European Discord Evident at NATO Conference

## Financial Times Demands Dope Legalization

## Are IMF Reforms Intended To Bail Out Britain

### **EU Demands Austerity for Ireland and Greece**

April 4 (EIRNS)—Eurozone finance ministers meeting in Prague over the April 3-4 weekend, unanimously agreed that Ireland and Greece must get their budget deficits under control or face the possibility of sanctions or fines. The *Wall Street Journal* notes that this means that as many countries are trying to use stimulus measures to restart economic growth, Ireland and Greece will have to explore austerity measures.

All of the eurozone countries have deficits exceeding the EU's Maastricht limit of 3% of GDP, but only Greece and Ireland are being threatened with punishment. Because of the depth of the economic collapse, it is these two that threaten to bust the Maastricht trap and so have been singled out.

### **Summers Compared to Louis XVI 'Court' Advisor**

PARIS, March 30 (EIRNS)—Dominique Moïsi, a French guest professor at Harvard, reporting in *Les Echos* on the growing anger of Americans against Wall Street after the Madoff and AIG bonus scandals, compares Obama's top economic advisor Larry Summers to the "entourage" of French King Louis XVI. While the current situation of the U.S. cannot be compared to pre-Revolutionary France, one is tempted to replace the lack of bread in France with the lack of homes in the U.S., the aristocrats with the traders and bankers, and the "privileges" of the nobility then, with the tax breaks and bonuses now. Moïsi reports how angry citizens filled buses in Connecticut to stage demonstrations in front of lavish homes of AIG executives who kept their bonuses, and to congratulate those who gave them up. In France, "At the end of the 18th Century, they burned the wealthy estates; we're not yet at that point, thank God."

Obama's economic team, he says, citing Treasury Secretary Geithner and Summers "like the King's entourage in the Ancien Régime, have inherited all the bad reflexes of the court,' combining an excessive understanding of the old logic of the world of finance with the same ignorance and incomprehension for the emotions and suffering of the people."

### **German Machine-Building in Deep Crisis**

April 2 (EIRNS)— The German machine-building sector has entered its worst crisis in decades. As the VDMA, the machine-builders association of Germany, said yesterday, the sector reported February as the third successive month with a drop above 40% in new orders, year-on-year. February showed a 49% drop. The average of the three-month period December-February is a 44% drop.

And that is only the average: for example, producers of machines for wood-cutting, and the iron and steel industries, report drops by 70% and more, in February year-on-year. The forecast of the VDMA, that 2009 will see a net drop in production output by 20%, is still rather optimistic. "Nobody knows what we will be faced with, in connection with the global financial crisis," Olaf Wortmann of the VDMA said. Ten percent of the machine-building workforce of 976,000 are on short work already.

## **New Financial Scams in Austria**

April 2 (EIRNS)—Julius Meinl V, CEO of Meinl Bank, was arrested in Austria today, on charges of defrauding clients, embezzlement, and kickbacks in connection with Meinl European Land (MEL), which today operates under the name Atrium European Real Estate (controlled by Citigroup and Israeli Gazit Globe). Meinl, although he is the scion of an old Austrian firm dealing in fine foods, is a British national, and press reports cite Austrian law enforcement authorities saying they feared he was a flight risk. The Atrium real estate firm, based in the premier British "tax haven" of Jersey, specializes in building, owning, and operating shopping centers in Eastern Europe. Among the frauds that Meinl Land was involved in, was secretly buying back its own shares to bolster the falling price, in order to keep its investors.

Austrian banks are very weak in any case, due to their massive involvement in Eastern Europe; the Medici bank in Vienna was also a central player in the Madoff scandal, and is about to dissolve itself.

## **European Discord Evident at NATO Conference**

April 4 (EIRNS)—Celebrating its 60th birthday at a double event in the twin cities on the Franco-German border, Strasbourg and Kehl, NATO did not present itself in good shape. This was visible in Turkey's blocking of the nomination of Danish Prime Minister Anders Fogh Rasmussen as NATO secretary-general, until almost the end of the summit, because of his anti-Islam stance in the "cartoon affair" two years ago. The state of the Alliance was also visible in the lack of commitment among the Europeans to send more troops to the NATO task force in Afghanistan.

Britain will send several hundred more soldiers; France is sending none, but will send police and civil administrative advisors; Belgium is sending 60 soldiers plus two F-16s; Spain only 12 soldiers. Germany will increase its mission by 600, but that was already agreed to almost a year ago, and these are not troops for direct combat, but assigned to protect the Afghan elections in the Summer. A couple hundred more soldiers may be assigned by the East Europeans, but that most likely will, as in the case of Spain, go along with a reduction of troops in Balkans peacekeeping units.

## **Financial Times Demands Dope Legalization**

April 4 (EIRNS)—The London *Financial Times* today editorialized for the legalization of drugs, blaming the U.S. war on drugs policy for the crisis now confronting Mexico. The editorial charged that the success of the U.S. war on drugs effort to shut down smuggling routes through the Caribbean into southern Florida in the mid-1980s, opened northwest Mexico as the only available smuggling route, leading to the current crisis. While calling for U.S.-Mexican cooperation to "take down the ultra-violent drug mafias," the *FT* concluded, "The problem is that the economics of illicit drugs ensure new criminal gangs emerge to take their place." The *FT* solution: "Surely it is time for a debate on whether a tightly regulated and internationally agreed decriminalization of narcotics, along with greater effort to curb demand, is the way to destroy the financial basis of the industry—and take it out of the hands of organized crime."

## **Are IMF Reforms Intended To Bail Out Britain?**

April 4 (EIRNS)—The real basket-case at the G20 Summit was clearly Great Britain, where the financial collapse of the City of London is sinking the island nation. One might ask whether the call for reforming the International Monetary Fund was a ploy by British Prime Minister Gordon Brown to have it bail Britain out. This is reflected in a headline in today's *Daily Telegraph*, "Britain Should Not Fear Asking IMF for Cash," which reports that the intention to reform the IMF was to take the "stigma" out of accepting funds from the World Bank, which only fueled further speculation that Britain will seek an IMF bailout.

# Russia and the CIS News Digest

## Russian Observer: London Summit Will Flop Like the One in 1933

## 'Fire-Rider' Kudrin Forecasts Next Disaster His Policies Will Cause

## Ukrainian Economy Contracted by 30% This Year

## Medvedev Expresses Optimism After Meeting with Obama

### **Russian Observer: London Summit Will Flop Like the One in 1933**

March 31 (EIRNS)—Melor Sturua, longtime columnist for the newspaper *Izvestia* in the Soviet era, and still today, has contributed a burst of insight into the pending abysmal failure of the April 2 Group of 20 summit in London. Writing in the financial supplement *Finansovyye Izvestia* of March 31, Sturua observed: "It's worth starting with a bit of symbolism. London in 2009 is not the best place to hold an economic summit. The last time it hosted such a summit was in 1933. A crisis was raging in the world then, as well. And another Labour PM, Ramsay MacDonald, occupied 10 Downing Street, while the new, Democratic President Franklin Roosevelt had just moved into the White House. That summit ended in failure. Roosevelt, who did not come to London, blew it up by 'remote detonation,' with his 'bombshell' message."

It took a senior figure like Sturua (born 1928), to point out the 1933 precedent, which has otherwise been highlighted recently by leaders of the LaRouche movement in their March 16 call to remove the British Foreign Office's Lord Mark Malloch-Brown from the G20 summit proceedings. "In 1933," the statement noted, "Franklin Delano Roosevelt, who was fighting the disasters of a depression provoked by what he correctly perceived as British-style finance capital, boycotted the world conference in London, where the City's financiers were counting on U.S. dollars to bail out their banks. Leaders of the G20, determined to proceed with a real reform of the system, would be well advised to either 'go fishing,' as FDR did, or preferably to organize another summit where a real reform can be worked out."

Sturua also drew a contrast between this week's event, and the 1944 Bretton Woods conference. While Roosevelt, as well as Churchill, went to Bretton Woods "to the accompaniment of the victorious volleys of the Second World War," he wrote, "today's duet of Obama and Brown ... is discussing to the accompaniment of popping bubbles: banks going bankrupt on Wall Street and in the City, not to mention other world financial centers. This situation of necessity must be the main subject of the London summit." Sturua commented that neither those emphasizing "stimulus" nor those who want to stress "regulation" have put forward an effective agenda.

### **'Fire-Rider' Kudrin Forecasts Next Disaster His Policies Will Cause**

March 31 (EIRNS)—"*Der so oft den roten Hahn*

*Meilenweit von fern gerochen,*

*Mit des heiligen Kreuzes Span*

*Freventlich die Glut besprochen—*

Weh!..."

["You who so often smelled the red flames

From a mile away,

And with a fragment of the holy cross

Maliciously conjured the blaze—

Woe!..." ]

Eduard Moerike's ballad about the mysterious "fire-rider" ("*Der Feuerreiter*") of folklore, who rides furiously to raise the alarm about a fire which he himself fans, was set to music by Hugo Wolf in 1888. Today it describes the behavior of Alexei Kudrin, the Russian Minister of Finance.

Even as Kudrin met today with CIS finance ministers, in advance of the London G20 summit which he will attend with President Dmitri Medvedev, Russian media were abuzz with Kudrin's warning that a "second wave" of the financial crisis is about to hit. Speaking last week at an expanded Presidium session of the Ministry of Economics, Kudrin told his fellow Russian government officials that "in the near future, there will be a new correction and a new drop in the stock markets; we can expect a deeper world recession." In Russia, "We are now expecting a second wave of problems in the financial system. We need to state the diagnosis bluntly: This will be a wave touched off by the real sector's failure to repay credits." In some industries, he noted, arrears are reaching six months to a year. The reason, said Kudrin, is that some companies believed there would be renewed demand, but that hasn't happened.

But the main pressure on Russian borrowers, making it impossible for them to repay bank loans, comes from the policies of Kudrin himself, at the Finance Ministry, and the equally monetarist Russian Central Bank under Sergei Ignatyev. Sticking to neo-liberal dogma that "fighting inflation" is priority number one, they have kept interest rates high, even as they pumped bailout money into the stock market and some banks. The daily *Komsomolskaya Pravda*, in a March 30 article, quoted Yelena Panina, deputy chairman of the State Duma Committee on Industry, about the results. "Banks are currently giving very short-term credits at 27-28%," she said. "And they are imposing unbelievable additional conditions regarding collateral. What's the result? The factories simply cannot repay the money. No real sector could hold up under such interest rates. How is anybody supposed to achieve that kind of profitability?"

## **Ukrainian Economy Contracted by 30% This Year**

April 1 (EIRNS)—Ukrainian President Viktor Yushchenko had to announce yesterday that the nation's industrial and other economic output had collapsed by a full 30%, just in the first two months of 2009. In his state of the nation speech to the Rada, the parliament, Yushchenko said that export markets have vanished, wiping out industrial jobs and drying up foreign exchange.

Ukraine was "ill-prepared to confront the crisis, and its first blow was painful and difficult," Yushchenko told the Rada. The consequence of this was "a destructive fall of 25%-30% [in economic output—ed.], according to figures from January-February 2009. Before the crisis, growth rates in the Ukrainian economy stood at 6.5%-7%. We have lost our foreign markets and 60% of Ukrainian exports. All our foreign currency earnings depended on these markets, as did the jobs of nearly 2 million people in steel, chemicals, and related sectors."

Today, 401 of the 450 members of the Rada voted to hold the upcoming presidential elections on the traditional date, the last Sunday in October, rather than in January 2010, which would be the full five years after Yushchenko took power in 2005 after the Orange revolution ousted the then-first declared election winner, Viktor Yanukovich.

Yushchenko immediately called the Rada vote "unlawful, unconstitutional, and political," Itar-Tass reported. He would have to go to the Constitutional Court to change the decision, since the Parliament has the constitutional right to set election dates.

The parliament is holding up legislation being demanded for compliance with IMF diktats for the release of each small tranche of a \$16.4 billion IMF loan. They have enacted some new taxes, but are refusing to even consider laws to balance the state pension fund and the financial status of Naftogaz, the state energy enterprise. Prime Minister Yulia Tymoshenko told the press today that if the measures are not enacted—for which she blamed allies of Yushchenko—Ukraine could not even be sure that the IMF mission will return to Ukraine.

## **Medvedev Expresses Optimism After Meeting with Obama**

April 1 (EIRNS)—Presidents Barack Obama and Dmitri Medvedev spoke with reporters after their meeting today. Obama noted that the U.S.-Russia relationship had been allowed to "drift" in recent years and that he was committed to reestablishing a good working relationship with Russia. "My hope is, that, given the constructive conversations that we've had today, the joint statements that we will be issuing both on reductions of nuclear arsenals, as well as a range of other areas of interest, that what we're seeing today is the beginning of new progress in the U.S.-Russian relations," Obama said. "And I think that President Medvedev's leadership is—has been critical in allowing that progress to take place."

Medvedev was upbeat about the meeting with the American President. "After this meeting, I am far more optimistic about the successful development of our relations," he said. "It is important to note that there are many points on which we can work. And indeed there are far more points in which we can—where we can come closer, where we can work, rather than those points on which we have differences. Thus, by bringing our positions closer we can attain significant progress and, much more importantly, further our achievements."

## **Southwest Asia News Digest**

### **Israel-Palestine: End British Mandate System of Injustice**

### **The Netanyahu Government: Israel Moves Closer To Attacking Iran**

#### **Israel-Palestine: End British Mandate System of Injustice**

April 1 (EIRNS)—On the eve of the inauguration of the Netanyahu war government in Israel, a couple of hundred people attended a conference on March 28-29 at the University of Massachusetts, Boston, titled, "One State for Palestine/Israel: A Country for All Its Citizens?" More than 30 speakers, including professors and scholars on Middle East studies from the most eminent universities in the U.S., Britain, Israel, and Canada, made presentations that, in total, represent a shocking notification to the U.S. foreign policy establishment.... (See InDepth for full report.)

#### **The Netanyahu Government: Israel Moves Closer To Attacking Iran**

April 3 (EIRNS)—The swearing in of Benjamin Netanyahu as Israel's Prime Minister on March 30 brings Israel one giant

step closer to launching an attack on Iran. But if Israel attacks, it will not be to stop Iran's alleged nuclear weapons program, but rather to overturn the Obama Administration's foreign policy, which features hammering out an Arab-Israeli peace and opening a dialogue with Iran.... (See InDepth for full report.)

## Asia News Digest

### Taliban Won't Negotiate Unless Foreign Troops Leave Afghanistan

### Iran: More U.S. Troops in Afghanistan 'Encourages Radicalism'

### Thailand's Thaksin Fights Back at Crimes of Monarchists

### Korea's Lee Rejects SDR Ploy

### Dalai Lama at Root of China 'Cyber-Spy' Case

## Taliban Won't Negotiate Unless Foreign Troops Leave Afghanistan

March 31 (EIRNS)—Both U.S. Secretary of State Hillary Clinton and Afghan President Hamid Karzai, speaking at the conference on Afghanistan at The Hague today, pointed out that they will seek to open a channel with non-violent, non-al-Qaeda Taliban factions, in order to bring about a reconciliation within Afghanistan. Clinton said, "We must ... support efforts by the government of Afghanistan to separate the extremists of al-Qaeda and the Taliban from those who have joined their ranks not out of conviction, but out of desperation.... They should be offered an honorable form of reconciliation and reintegration into a peaceful society, if they are willing to abandon violence, break with al-Qaeda, and support the constitution."

Karzai endorsed her view, and said: "We will spare no effort to bring back to Afghanistan and to normal life all those from the ranks of the Taliban, all those who have no association with al-Qaeda and are willing to embrace peace and the constitution of the country. The policy of reconciliation, however, can succeed only if carried out under the aegis of the national institutions of Afghanistan."

The reality on the ground was exposed by a former Pakistani Ambassador to Afghanistan, Rustom Shah Mohmand, who made clear that he does not believe the Taliban can be persuaded to engage in talks as long as 70,000 U.S. and NATO soldiers are stationed in Afghanistan. Earlier, the top Taliban leader, Mullah Omar, mentioned the departure of all foreign troops as a precondition for talks.

## Iran: More U.S. Troops in Afghanistan 'Encourages Radicalism'

March 31 (EIRNS)—Iranian Deputy Foreign Minister Mohammad Mehdi Akhundzadeh, speaking at the March 31 U.S.-initiated international conference on Afghanistan in The Hague, said: "Iran has always believed that Afghanistan's foundations need to be based on localization of the affairs of the country.... The presence of foreign forces has not improved things in the country, and it seems that an increase in the number of foreign forces will prove ineffective, too." He had earlier pointed out that the presence of foreign troops cannot bring peace and stability for Afghanistan. "It encourages radicalism.... This policy [that the Western countries] decide for the Afghan nation and for the Afghan officials, does not work out any more."

Akhundzadeh's statement is in tune with Gen. Barry McCaffrey's (ret.) and Lyndon LaRouche's evaluation. On March 26, appearing on the NBC Nightly News, McCaffrey said that introduction of more troops means "we're going for the long term ... we're not coming out." LaRouche agreed, saying any other interpretation of troop increases in Afghanistan is incompetent.

Akhundzadeh, however, welcomed the proposals for cooperation offered by the countries contributing to Afghanistan. He said, "Iran is fully prepared to participate in the projects aimed at combatting drug trafficking and the plans in line with developing and reconstructing Afghanistan." (See InDepth.)

## **Thailand's Thaksin Fights Back at Crimes of Monarchists**

March 29 (EIRNS)—Thailand's deposed Prime Minister Thaksin Shinawatra and his supporters are fighting back against the series of coups carried out against them over the past three years, by the military and the monarchy.

The current government was placed in office through a parliamentary maneuver run by the military/monarchical coup-makers, serving not only the Thai monarchy but also that of the British Empire. The Prime Minister, Abhisit Vellajiva, was born and raised in London, holds degrees from Eton and Oxford—and policies that match.

Thaksin's supporters are known as the red shirts (they wear red to distinguish themselves from the royal yellow-clad fascist mob, the People's Alliance for Democracy, or PAD, which was used to cover for the coups against Thaksin and against two succeeding governments that backed him, all elected by wide majorities.) The red shirts are holding a permanent demonstration outside Government House, where Thaksin has phoned in an hour-long briefing to the tens of thousands gathered there each of the last two nights.

For the first time, Thaksin named the two primary leaders of the King's Privy Council, Gen. Prem Tinsulanonda (ret.) and Gen. Surayud Chulanont, as those responsible for the coups, saying, as *EIR* has documented, that they ran both the PAD mobs and the military, which took over when Thaksin was deposed, and used a police-state "constitution" imposed by the military to throw out the next two elected governments of Thaksin supporters.

Thaksin called on Prem to stop meddling in politics, and for a new election, as well as a new constitution. To counter the charge of *lèse majesté* (insult to the sovereign), which is being used by the current government to arrest any truth-tellers about the crisis in Thailand, Thaksin said: "It is highly improper for a privy councillor to get involved in politics. It misleads people into thinking the King is involved politically." While cleverly stated, it is well known that the King and Queen are deeply influenced by European royalty and provide cover for Prem and his minions.

Thaksin's modernization and industrialization policies, as well as his general welfare policies for the poor, had posed a fundamental challenge to the monarchy's "self-sufficiency" program, which aims to keep the country in a state of relative backwardness.

*The Nation*, the Dow Jones voice for the Empire in Thailand, is frightened that Thaksin and his supporters are prepared to take on the actual controllers of the fascist mobs which *The Nation* promoted as "democrats"—namely, the monarchy and the companies that financed the mob (many owned by the King, the richest monarch in the world).

## **Korea's Lee Rejects SDR Ploy**

April 1 (EIRNS)—South Korea's President Lee Myung-bak rejected the British scam for creating an international currency

out of the International Monetary Fund's special drawing rights (SDRs) as a replacement for the dollar. In an interview with the *Financial Times* leading into the G20 meeting in London, the City of London mouthpiece posed the question as if it were a Chinese idea, or a proposal which suddenly popped up from nowhere: "You are one of the biggest holders of dollar reserves.... There was a proposal that the world should move towards a global unit of the reserve currency other than the dollar. Do you support the proposal, or are you still comfortable with the dollar?"

Lee responded, "I don't think there is any other currency that can replace the U.S. dollar as the base currency," but added, "the future status of the U.S. dollar is going to very much depend on how the U.S. administration is going to fare, in terms of overcoming this economic crisis."

## **Dalai Lama at Root of China 'Cyber-Spy' Case**

March 30 (EIRNS)—"Researchers hired by the Dalai Lama" are at the base of claims "that China runs a cyber-spy network," according to the government's *China Daily*. An article in *The Snooping Dragon: Social Malware Surveillance of the Tibetan Movement* reported that "a 10-month cyber-espionage investigation has found that 1,295 computers in 103 countries and belonging to international institutions have been spied on, with some circumstantial evidence suggesting China may be to blame."

The claims were made in a report released by the Information Warfare Monitor, which is made up of researchers from an Ottawa-based think-tank and the University of Toronto, reported the *New York Times*.

The *China Daily* indicated that "the researchers ... were commissioned by the Dalai Lama to examine its computers for signs of bugging." That it is the Dalai Lama and his associates who are behind this case, is confirmed by the business publication *Computerworld*, which notes that "the analysts' research started after they were granted access to computers belonging to Tibet's government in exile, Tibetan nongovernmental organizations and the private office of the Dalai Lama, which was concerned about the leak of confidential information, according to the report."

## **Africa News Digest**

### **Alabama Rep: ICC Indictment Is British Imperial Operation**

### **Natsios: Reorient Toward a Political Solution for Sudan**

### **Natsios: Bashir Arrest Warrant Has Weakened Authority of the ICC**

### **Prosecutor's Sleaziness Threatens ICC Existence**

## **Alabama Rep: ICC Indictment Is British Imperial Operation**

April 1 (EIRNS)—Alabama State Representative Thomas Jackson (D) hit the International Criminal Court's indictment of Sudan's President Omar Hassan al-Bashir, calling it a British imperial operation, in a high-powered letter to Secretary of State Hillary Clinton, on March 6. Jackson urged the Obama Administration to steer clear of it.

Jackson travelled to Sudan with a Schiller Institute delegation in 1996. In the letter, he mentions his association with the LaRouche movement and cites Lyndon LaRouche's good work in exposing Tony Blair's phony intelligence boosting the

Iraq War. But the British, he says, are now doing it again.

The letter says the indictment, which is "legally dubious," is aggravating the crisis in Sudan, and the real issue is "the role of British-allied imperial forces in creating and using the ICC to further an agenda that smacks of racism and unlawful intervention into the affairs of sovereign nations."

Jackson states that the ICC was created by associates of Tony Blair and George Soros. He also spells out the connections of Soros to ICC prosecutor Luis Moreno Ocampo, and to "another key instigator of the Bashir indictment," Lord Mark Malloch-Brown."

The Bashir indictment, Jackson says, "has nothing to do with Darfur, and everything to do with overthrowing an elected head of state in Africa," which could lead to "an endless bloodbath in Africa." He concludes by offering to "assist you in any way in formulating U.S. policy on this critical subject."

### **Natsios: Reorient Toward a Political Solution for Sudan**

March 31 (EIRNS)—Andrew Natsios, George W. Bush's special envoy to Sudan, yesterday told an audience of 250 at Georgetown University—mostly students—that focus of U.S. foreign policy towards Sudan should be to assist the peace process between the North and the South, based on the Comprehensive Peace Agreement of 2005, implying that the Darfur conflict should not be made central. "In Sudan, you cannot have peace and justice. Peace must prevail," he said, and the U.S. should train the military in the South, help develop the South economically, and work on a political settlement in Sudan to help "stitch the country back together."

Natsios was not optimistic, however. He ended his presentation by saying, "If people think the worst is behind them, they don't know Sudan."

Concerning Darfur, Natsios' most pointed statement was in answer to a student who asked what the Save Darfur Coalition should do now? He replied that if there were a negotiated peace between Khartoum and the Darfur rebel groups, the U.S. Congress would go ballistic in opposing it. "You have to help Congress to understand that a political settlement is necessary," he said, adding that Congress is afraid of the student movement on Darfur. The movement must change course, he said. His remarks on the so-called International Criminal Court's arrest warrant for Bashir made clear that he didn't see the warrant as part of the solution.

Asked by *EIR*'s Lawrence Freeman about U.S. UN Ambassador Susan Rice's Sudan policy, her claim of "ongoing genocide," and her influence on President Obama, Natsios replied that Rice is one of many voices in the Obama Administration, but that her policy has failed. "I used to support the same policy—it failed," he said. Natsios added that Obama is in the realist camp—as opposed to the ideologues like Rice—and his new special envoy, Maj. Gen. (ret.) Scott Gration, could make an effort for a negotiated settlement. Natsios admitted that it was he himself who proposed a no-fly zone over Darfur at a National Security Council meeting in April 2004, "but I had to reconsider that strategy," because it is having the opposite of the intended effects.

If Sudan collapsed, Natsios concluded, it will have profound effects on the entire Horn and Central Africa.

### **Natsios: Bashir Arrest Warrant Has Weakened Authority of the ICC**

March 31 (EIRNS)—Andrew Natsios told an audience at Georgetown University yesterday that the International Criminal Court (ICC) had weakened its own authority by issuing an arrest warrant for Sudan's President Omar Hassan al-Bashir.

Natsios noted that Bashir is travelling unhindered, despite the warrant. (He has gone to Eritrea, Egypt, Libya, and Qatar, despite Prosecutor "Loco Luis" Moreno Ocampo's handwaving about snatching him when he leaves Sudan's airspace.)

Natsios enumerated other consequences of the warrant as follows:

- \* It has strengthened the ruling National Congress Party (NCP) internally. Eighteen months ago, the NCP was much weaker and had to seek allies to stay in power.
- \* It has strengthened Bashir's government vis-à-vis Arab and African governments. Natsios said three Arab governments had told him they dislike Bashir's policy in Darfur, but after the ICC attack, they and the African Union have rallied to his support.
- \* The ICC has diverted Khartoum's attention from the central issue, the upcoming elections under the Comprehensive Peace Agreement (CPA) between North and South. The diversion endangers the CPA and relations between North and South generally.

### **Prosecutor's Sleaziness Threatens ICC Existence**

April 2 (EIRNS)—The behavior of the chief prosecutor of the so-called International Criminal Court, Luis Moreno Ocampo, is so scandalous, that friends of the court say its very existence may be threatened.

Julie Flint and Alex de Waal, co-authors of *Darfur: A New History of a Long War*, have authored an attack on Moreno in the Spring 2009 issue of *World Affairs* entitled, "Case Closed: A Prosecutor Without Borders." The final paragraph includes this: "Lawyers and investigators who served in the OTP [Office of the Prosecutor], and who count among the brightest and the best of their profession, say they believe the Court's reputation, and perhaps even its life, is at risk."

But, they say, it would be very difficult to remove Loco Luis.

Based on conversations with many current and former lawyers in the OTP, and other employees, they draw a picture of a man who cares more about grandstanding for the media than he does about gathering evidence against an accused, apprehending an accused, or following the ICC's own rules of handling evidence. But there is more.

Moreno runs the OTP like a crazed dictator. Many lawyers have left in despair. "Some tried to raise concerns, privately deploring the absence of 'a culture in which objectivity and a critical review of the evidence with all its shades drives the institution.' A key member of the OTP left, saying privately that he was fearful of having to defend an indefensible position a few years down the line. A second followed, saying the Prosecutor ran the OTP like a medieval kingdom. A third told us the OTP was run 'like a police state,' with a 'culture of fear' that was 'very real,' and 'sapping.' He quit too."

Flint and de Waal blame Bashir's expulsion of aid groups supporting internally displaced persons, on Moreno's arrest warrant for Bashir: "Many Sudanese fear[ed] that an arrest warrant could make things significantly worse, perhaps bringing about the very sorts of atrocities that the ICC is meant to deter.... Although the Prosecutor is obliged to consider the interests of victims when bringing a prosecution, this section of his report ran to just four lines and failed to consider that the three million had a very obvious interest in a humanitarian operation that was keeping them alive. Minutes after the arrest warrant was issued, Khartoum began expelling relief agencies...."

This disregard for who will be hurt by his actions, echoes his role in Argentina in the 1980s, when he was prosecuting those guilty of terrible crimes under the former dictatorship. One survivor, journalist Miriam Lewin, said, "No survivor

wanted to talk to him. We felt he didn't respect us at all. We found him distant and unaware of what was going on."

And then, there is the tape-recorded evidence indicating that he raped, or attempted to rape, a South African journalist while on ICC business in South Africa in March 2005. Moreno ordered the evidence destroyed, but it survived. He will probably never be tried for this alleged crime, but the Administrative Tribunal of the International Labor Organization in Geneva did not consider the evidence insubstantial. That proceeding arose from Moreno's summary firing of an ICC employee for accusing him of the rape or attempted rape. The ICC paid the EU248,000 fine levied on Moreno for that.

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