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Rhodes Dialogue of Civilizations:
Common Good Is Aim of Economic Activity
by Helga Zepp-LaRouche

Oct. 16—The strength of the seventh annual conference of the World Public Forum in Rhodes, Greece, which met Oct. 8-12, lies in the fact that it emphasizes the concept of a "Dialogue of Civilizations," for solving problems. Again, this year, it gathered over 500 academics, religious leaders, economists, politicians, artists, and journalists, from 60 countries, to discuss various subjects.

While last year's conference, also in October, was strongly impacted by the dramatic development of the financial crisis, just after the bankruptcy of Lehman Brothers, the mood among many conference participants this year, was one of deep skepticism toward the official line, claiming that, "the worst is over," and, of a certain foreboding that the main brunt of the crisis has yet to hit. The environment of the conference was in stark contrast to the reality of the strategic and historical situation....

In-Depth articles from EIR, Vol. 36, No. 41

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This Week's Cover Story

- **Rhodes Dialogue:**
Common Good Is Aim of Economic Activity
Helga Zepp-LaRouche reports that at the seventh annual conference of the World Public Forum in Rhodes, Greece, the 500 people from 60 countries that were in attendance, were convinced that the global crisis is a result of the fact that so many decision-makers have reneged on their responsibility for the common good. The conference called for a new ethics in economic policy.
- **A Four-Power Agreement Can Create a New World Credit System**
Lyndon LaRouche's speech to the Rhodes Conference. He outlined an immediate, orderly solution to the global crisis, including putting the U.S. mortgage system under bankruptcy protection, and regulating the banking sector to protect it from speculation, thus laying the basis for re-creating the U.S. productive physical economy. This is a critical step to rebuilding the world economy, now collapsing under financier control.
- **New Alliances for a New World System**
Helga Zepp-LaRouche's speech to the conference. The beginnings of a mass strike against depression austerity conditions in the United States, she said, signify that a large segment of the population has lost any confidence in their government. This opens the possibility of a real change in the U.S., which could lead to conditions for an emergency conference, as proposed by Lyndon LaRouche, to replace the bankrupt monetary system with a new credit system.

Economics

- **Dump Bernanke Before He Destroys the Dollar!**

Federal Reserve Chairman Ben Bernanke is lying to U.S. creditors that the administration's policy is to keep the dollar strong, while the Fed keeps printing money to bail out the speculative financial sector. But the bailout attempt is killing the dollar as well as the physical economy.

- **LaRouche PAC-TV:**

- **Revive the Glass-Steagall Principle: First Step To Solve the Financial Crisis**

LaRouche political movement leader **Phil Rubinstein** gave this interview on Oct. 7 to LPAC-TV, on the reason for the establishment of the Glass-Steagall Act during the first 100 days of the Franklin Roosevelt Administration. The repeal of Glass-Steagall played a key role in the present financial meltdown.

International

- **China-India-Russia Accord:**

- **Now, More Than Ever**

A regional security arrangement among these three great powers is essential, but will never happen unless they dump the remnants of British colonial 'divide and rule' thinking that policymakers in each country have accepted, and instead, develop each others' trust, through concrete acts of mutual goodwill.

- **Royal Britannia Hitmen Caught in Assault on Mexican Nation-State**

The government seizure of Luz y Fuerza del Centro (LyFC), the state-run electricity company serving central Mexico, was intended to smash its labor union and open the door to even worse austerity: a New Dark Age.

- **LyFC Not Bankrupt; World Economy Is!**

- **Tony Blair Dances with the Ghost of British Fascist Oswald Mosley**

The late Sir Oswald, leader of the British Union of Fascists, is the intellectual author of the EU's Lisbon Treaty, whose goal is to eliminate sovereign nations and place them under a supranational dictatorship. Blair is promoting himself to become the new Führer.

- **UN:**

- **Economic Crisis Slams World's Hungry**

Interview

- **Palestinians Require a 'One-State' Solution**

Dr. Ghada Karmi is the author of "Married to Another Man: Israel's Dilemma in Palestine"; she is an Honorary Fellow at the University of Exeter's Institute of Arab and Islamic Studies (IAIS) of the School of Humanities and Social Studies (Exeter, U.K.).

Editorial

- **October Breaking Point**

This Week's News

U.S. Economic/Financial News

'Steep Losses Pose Crisis for Pensions'

Bank Credit Collapse: LaRouche's Triple Curve in Action

The Continued Cost of a Non-Productive Bailout Economy

California Budget in the Red Just 10 Weeks After Passage

'Steep Losses Pose Crisis for Pensions'

Oct. 11 (EIRNS)—With that headline on the lead article of the Oct. 11 Sunday edition, the *Washington Post* gave an inkling of what is in store for current and future retirees, if the LaRouche Plan is not implemented now.

According to the Center for Retirement Research at Boston College, state and local government officials had predicted "before the crisis" that their pension funds would have \$3.6 trillion in them now. Today, they are at \$2.4 trillion.

The Virginia public employees' pension fund, for example, has lost 21% of its portfolio's value. Maryland and the District of Columbia have each lost 20%.

Having been burned time and again, the pension fund managers nonetheless think they are compelled to put their monies into riskier, higher-return investments, in hopes that they can somehow regain what they've already lost.

California's pension fund, for example, lost \$634 million from securities lending. And that was as of March 31; the figure may go over a billion by the end of the year. California is also putting \$2 billion into buying real estate and troubled mortgage securities. And in August, California gambled \$463 billion in shopping centers, of all things, in 17 states and the District of Columbia.

Officials at Ohio's teachers' pension fund said that it would take 41 years for its investment to catch up with the costs of meeting its obligations to its retirees. That was before things got really bad. In its last fiscal year, Ohio's pension fund lost 31%. In its most recent annual report, the fund estimated how long it would take to get the fund back on track: "Infinity."

The *Post* notes, "Some pension experts say the funding gap has become so great that no investment strategy can close it and that taxpayers will have to cover the massive bill."

Bank Credit Collapse: LaRouche's Triple Curve in Action

Oct. 12 (EIRNS)—New Federal Reserve figures show that the bank credit shrinkage in the U.S. economy—banks cutting down lending despite trillions in government bailouts—continued to intensify through September, with the policy of the Fed directly contributing to the credit crunch. At the same time, the monetary aggregate that the Fed is printing kept zooming up, while productive employment and production continue to contract at an accelerating rate. Taken as a totality, this is precisely what Lyndon LaRouche has repeatedly warned of in his "Triple Curve" representation of the global economic meltdown underway.

This train-wreck-in-progress cannot be handled with any jiggery-pokery; only full bankruptcy reorganization, as specified in the LaRouche Plan, actually addresses the underlying problem.

Federal Reserve figures published weekly through Oct. 9 (reflecting data through Oct. 2) show bank lending falling at an annual rate of -19% through the third quarter. And within that total, commercial and industrial credit from the banks was falling at a -28% annual rate. Commercial and industrial credit has shrunk 6.7% in the third quarter alone, from \$1.5 trillion to \$1.4 trillion, accelerating a year-long drop.

In the first and second quarters of 2009 combined, U.S. businesses consumed more capital than they raised for the first time since the 1930s. London bank economist Leigh Skene of Lombard Street Research, quoted on this contraction by MarketWatch, called it "the hallmark of depression, and difficult to reverse."

In contrast, the U.S. monetary base has doubled since last October, from just over \$1 trillion to over \$2.1 trillion. This refers to currency printed by "Helicopter Ben" Bernanke's Federal Reserve, plus "excess bank reserves" deposited at the Fed by banks instead of lending from them. In many cases, the banks have borrowed these reserves from the Fed, at a virtually zero interest rate, and the Fed is paying the banks interest on those deposits for the first time in its history.

The Continued Cost of a Non-Productive Bailout Economy

Oct. 13 (EIRNS)—The Washington D.C. newsletter *The Hill* today reported on the bills to extend unemployment benefits, now making their way through both Houses of Congress. The coverage begins, not with the legislation, but with a discussion of the cost to the economy of *not* creating productive work.

In a useful counter to President Obama's drivel about health care creating the deficit, it begins: "The nation's *unemployment rate* has pushed the budget deficit to a record \$1.4 trillion in 2009," and later notes that, "Unemployment compensation rose from \$47 billion in fiscal 2008 to \$120 billion in 2009, a 156% jump." They quote a Congressional budget aide saying, "High unemployment means more unemployment checks and less tax revenue, costing the government roughly \$100 billion annually." *The Hill* adds that, "Those costs will persist for the next couple of years, if economists are correct in predicting the jobless rate will average more than 9% through 2011." During the last year, only the growth rate of the bailout has exceeded the growth rate in unemployment compensation.

The House has already passed a measure extending benefits for 13 weeks, and *The Hill* expects the Senate bill to extend benefits to hit the floor this week.

California Budget in the Red Just 10 Weeks After Passage

Oct. 11 (EIRNS)—California's revenue collections are off 5.3% in the first quarter of its new fiscal year, and the geniuses in Gov. Arnold Schwarzenegger's accounting office are wondering if the \$1.1 billion drop is part of a growing budget shortfall or an isolated event. The governor's budget spokesman, H.D. Palmer, says they'll know in a month.

As they see it, the major problem has been the drop in estimated quarterly personal income tax statements.

Since February, Schwarzenegger and state lawmakers have cut \$32 billion from spending, raised taxes by \$12.5 billion, and covered \$6 billion more with what Bloomberg News calls "accounting gimmicks" and borrowing. Even with those actions, state budget officials predict an additional \$38 billion in deficits in the next three fiscal years combined, including \$7.4 billion in the year starting July 1. That, from the officials who couldn't see three months down the road.

Schwarzenegger must present a budget for the coming fiscal year in January.

California, the largest borrower in the municipal market, may offer \$4 billion of debt at the end of this month to refinance the bonds used by Schwarzenegger to cover previous budget deficits. The budget enacted in July would allow the sale of as much as \$11 billion more in general obligation bonds, through the June 30 end of the fiscal year, if financial markets allow, state Treasurer Bill Lockyer said.

Global Economic News

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Netherlands' DSB Bank Goes into Receivership

Oct. 12 (EIRNS)—A medium-sized Dutch bank, DSB Bank, went into government-ordered receivership today, putting a freeze on all of its deposits. *NRC Handelsblad*, the leading Dutch financial daily, claims the bank's failure wasn't because of the "credit crunch." Nonetheless, there had been a run on DSB's deposits, in which one-sixth of its EU4.3 billion euros in deposits were withdrawn. DSB Bank was a sort of Internet bank that made subprime mortgages that started going bad. Sound familiar?

Dutch Finance Minister Wouter gave a press conference today, in which he said the Dutch Central Bank decided to put the bank into receivership after an attempt to sell it to a consortium of larger banks failed, because they saw it as too high a risk. Two of these six potential purchaser banks, ABN Amro and Fortis, had themselves already been in bankruptcy, and were "saved" by a government bailout. The others have yet to admit they are bankrupt.

The run on DSB was helped by a campaign by Pieter Lakeman, of the foundation HypotheekLeed (Mortgage Suffering), who, on Oct. 1, said it was best for depositors to take their money out, because it was going bankrupt.

Italy: Industrial Energy Consumption as Indicator of 'No Recovery'

Oct. 13 (EIRNS)—Italy's gas consumption dropped 12% in the first eight months of 2009, in comparison to 2008, showing that there is no industrial recovery taking place. Gas accounts for 57% of electricity produced in Italy; thus, it is a good indicator. The situation has reversed from two years ago, when there was a supply crisis. This year, Italy may sell gas to Ukraine.

European Milk Farmers Gather for Protest Rally in Luxembourg

Oct. 17 (EIRNS)—On Oct. 19, about 3,500 milk farmers predominantly from eight countries, with 800 tractors, will stage a protest against the EU's milk price policy, in Luxembourg, where the agricultural ministers of the 27 EU member governments will meet. The farmers are from France, Italy, Germany, Belgium, Netherlands, Luxembourg, Austria, and Switzerland. The protesters do not want the EU300 million in "emergency aid" offered by the EU, they want a new agricultural policy that enables farmers to make a decent living. As things stand, the turnout of protesters may be higher

than expected.

Feeder events were held through the past week. Germany: in Fulda (Oct. 15, with 100 farmers), and Koblenz (Oct. 13, with 150 farmers). France: in Metz (Oct. 16, with 1,000 farmers), and in many other cities, with altogether 40,000 farmers taking part yesterday.

As in France, so also in Germany, the incomes of farmers, especially milk farmers, have dropped drastically during the past 12 months. Although this year's harvest is a good one, the income situation is disastrous, because "market prices" have been speculated down: wheat yields only EU110 per ton (250 in 2008), barley only EU120 (300 in 2008), rape seed only EU240 (360 in 2008). For every liter of milk produced now, a German farmer adds 10 cents of his own money, because he can sell it to the dairies for only 20 cents, whereas it costs him 30 cents to produce it. The deficit in milk has to be compensated by whatever revenues there are (if any) from other farm products. The monthly per-capita income of a German farm family is down to EU1,000 now, compared to EU2,300 a year ago. It is not ruled out that one-third of milk farms and 20% of general farms will not exist a year from now, under these conditions.

Days of Labor Protest in Stuttgart Region

Oct. 17 (EIRNS)—The German metalworkers union, IG Metall, staged a week of action in the region around Stuttgart, the state capital of Baden-Württemberg, sounding the alarm over the increasingly dramatic situation in the machine-building belt there, which, at one of its centers, the city of Esslingen, employs 40% of the entire workforce in machine-building firms. This overlaps with the automobile supply sector.

Eight hundred workers of the Index-Traub machine-building firm took to the building of the Baden-Württemberg state bank (LBBW) yesterday, calling attention to the threat that of the 2,000 employees, 1,000 are faced with layoffs, because the firm cannot pay the fixed expenses any longer for its workers who are working short hours. Without state action, that is, a regional "umbrella" program of bridging loans coming from LBBW, these and many other jobs in the region will be gone.

The protest is backed also by the managers of the firms, who complain that the private banks receive capital from the European Central Bank at 1% interest, but hand out loans—if at all—to the *Mittelstand* (small and medium-size businesses) only at two-digit rates. Two days ago, workers from the Heller machine-building firm in Nürtingen were in Stuttgart to protest, and workers from Stuttgart firms were there Friday.

United States News Digest

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Obamacare Compared to Nazis by Southern Baptist Leader

Oct. 17 (EIRNS)—On Sept 26, Richard Land, the head of the Ethics and Religious Liberty Commission of the Southern Baptist Convention, compared the Obama health-care program to the policies of the Nazis. "I want to put it to you bluntly," Land told a banquet of the Christian Coalition in Florida, on the night before Yom Kippur (the Jewish Day of Atonement), "What they are attempting to do in health care, particularly in treating the elderly, is not something *like* what the Nazis did. It is *precisely* what the Nazis did! Let's remember, the first 10,000 victims of the Holocaust were not Jews, they were mentally handicapped German children who were gassed and burned in ovens because they were considered to have ... lives unworthy of life." Land then went on to bestow an imaginary "Josef Mengele Award" on Dr. Ezekiel Emanuel for his advocating of rationing.

Land continued that the underlying question was, "about whether we are going to continue to believe our founding documents, which say that we believe that all people are equal, and we're created in the image of our Creator, and that we have certain inalienable rights, and among these is the right to life," and that what is ultimately at stake in the health-care debate "is the definition of a human being." Land compared Emanuel's ideas directly to those of the British, saying, "The British system is biased against old people.... After 59 and one half you lose your right to certain things like bypass operations and dialysis." He included as proof, a comparison between the U.S. and U.K. death rates for certain cancers.

This was all too much for Abe Foxman and the Anti-Defamation League (ADL), who demanded an apology. "While we understand there are deep convictions and passions regarding the healthcare reform," Foxman proffered in an Oct. 9 letter, "whatever one's views are, the Nazi comparison is inappropriate, insensitive and unjustified." On Oct. 14, Land did make a qualified apology. In a carefully worded statement, he stated, "It was never my intention to equate the Obama administration's healthcare reform proposals with anything related to the Holocaust. My concern was about the potential denial of healthcare to the elderly, the infirm, the disabled and the unborn." What Land *did* apologize for, was "the reference to [Nazi doctor] Josef Mengele," which he claimed was "hyperbole," and that he "never intended to actually equate anyone in the Obama administration" with the Nazi doctor.

In its coverage of Land's apology (probably the only reason this was reported at all), the Associated Baptist Press prominently displays a picture of ... the "Obamastache," with the LaRouche PAC logo and website clearly visible. The caption reads, "Lyndon LaRouche is one of several critics who have compared President Obama's proposals for healthcare reform to Nazi policies."

Bush/Cheney Torture Probe Should Start at the Top

Oct. 16 (EIRNS)—Scott Horton, a longtime human rights advocate who teaches humanitarian law at Columbia Law School, contrasted Spain's criminal investigation of the Bush/Cheney regime's torture policies, with the tepid investigation that has been initiated by U.S. Attorney General Eric Holder. (Holder is known to be under intense pressure from the White House to drop any investigation or prosecution of Bush Administration war criminals.)

The Spanish investigation, which arose from the torture of five Spanish citizens who were held at the Guantanamo prison, targets former Bush Administration officials John Yoo, Jay Bybee, Jim Hanes, David Addington, Alberto Gonzalez, and Doug Feith, because the court decided, in its first opinion on the case, that the focus should be "the intellectual authors of this scheme," rather than the interrogators.

This opinion, Horton said, is the "correct perspective that very well reflects modern jurisprudence and its approach to torture as a conspiracy crime." In contrast, Holder has appointed a lawyer, John Durham, to conduct a preliminary investigation of ten cases identified by the CIA inspector general, but with the focus on the interrogators "at the bottom of the transactional chain." Holder has even indicated that the investigation should rely on the opinions issued by the Bush regime, with no examination of the *bona fides* of the opinion writers nor examination of their potential legal culpability. "In other words," Horton said, "diametrically opposed to the opinion of the Spanish state security court, which correctly

states the law."

Horton was speaking at an event sponsored by Common Cause, whose purpose was to not only call for holding accountable those responsible for the Bush/Cheney Administration's torture policies, but also to commend the military lawyers who resisted the policy, and paid the price with their careers.

Meanwhile, observers have noted that in court cases arising from torture claims, the Obama Administration is increasingly taking virtually the same position as did the Bush Administration: that there is no Constitutional right to humane treatment outside the United States, and that victims of torture and abuse have no legal right to any redress.

Byrd Challenges Obama Over Afghanistan Troops

Oct. 15 (EIRNS)—Little attention has been given to the speech that the ailing Sen. Robert Byrd (D-W.V.) gave on the Senate floor yesterday, but some see it as, potentially, "the first shot in a politically divisive struggle within the Democratic Party," over the war in Afghanistan.

Byrd said that, in the eight years since the 9/11 attacks, he has become deeply concerned that the reason for the Afghanistan military mission has become lost, "consumed in some broader scheme of nation-building"—a scheme which he said Generals Stanley McChrystal and David Petraeus have bought into.

Referring to reports that McChrystal has requested 35-40,000 troops, in addition to the 65,000 already there, Byrd said: "What does General McChrystal actually aim to achieve? So I am compelled to ask: Does it take 100,000 U.S. troops to find Osama bin Laden? If al-Qaida has moved to Pakistan, what will these troops in Afghanistan add to the effort to defeat al-Qaida? What is meant by the term 'defeat' in the parlance of conventional military aims when facing a shadowy, global terrorist network? And what of this number 100,000? Does the number 100,000 troops include support personnel? Does it include government civilians? Does it include defense and security contractors? How many contractors are already there in Afghanistan? How much more will this cost? How much in terms of dollars? How much in terms of American blood?"

"Given the lack of popularity and integrity of the current Afghan Government, what guarantee is there that additional Afghan troops and equipment will not produce an even larger and better armed hostile force? There is no guarantee," Byrd continued. "The lengthy presence of foreign troops in a sovereign country almost always creates resentment and resistance among the native population." "President Obama and the Congress must—I do not say 'should,' I say 'must'—reassess and refocus on our original and most important objective, that of destroying al-Qaida, and should drop the idea of nation-building in Afghanistan."

Pennsylvania Budget Deal: How Long Will It Last?

Oct. 13 (EIRNS)—101 days late, the state of Pennsylvania has finally passed a budget. The question now is, how long will it last?

Overall, the \$27.8 billion budget is 1.8%, or \$524 million, leaner than last year, but specific areas have taken much bigger hits. Of the 657 line items in the budget, 142 were "zeroed out" and 364 (over half) were cut in some way. The state is using Federal stimulus dollars to sustain the state's public welfare program, leading Gov. Ed Rendell to note, "I still have great qualms about what's going to occur" in fiscal year 2011-12, when Federal stimulus money runs out. In suicidal fashion, the Department of Labor and Industry took the biggest hit, with nearly a quarter of its over \$100 million operating budget cut, including the elimination of programs for vocational rehabilitation, entrepreneurial assistance, and self-employment assistance. Other large hits were taken by the Conservation and Natural Resources, the Historical and

Museum Commission, and the Department of Environmental Protection.

State Treasury workers were on the job through the Columbus Day holiday weekend, to get \$3 billion of backlogged checks moving again. Rendell was noncommittal about having the state pay the cost of borrowing for agencies that have taken out loans to keep things functioning during the 100-day standoff.

Ibero-American News Digest

'Bolivarian' Economic Strategy Crumbling

Stiglitz to Ibero-America: Embrace the 'New' IMF

Brazil's Health System Being 'Asphyxiated'

'Bolivarian' Economic Strategy Crumbling

Oct. 14 (EIRNS)—Venezuela's "Bolivarian" strategy to build Ibero-American integration using the country's oil profits, is falling apart. Due to his country's own economic turmoil and the global financial meltdown, President Hugo Chávez is no longer able to spread oil revenues around Ibero-America and the Caribbean.

The country where this is most evident is Cuba, where Fidel Castro's socialist system is undergoing a draconian deconstruction under the austerity regime imposed by President Raúl Castro. The first in a series of measures to be taken gradually over the next few months is the shutting down of all workers' cafeterias located in four government ministries, which provide meals at no cost.

Instead, workers will receive a salary increase of 15 pesos a day, a 150% increase in their current salary of 10 pesos a day. However, that wage increase will be wiped out completely, as workers will now be forced to pay for meals.

In addition, in what the official daily *Granma* calls a "fight against state paternalism," the government intends to eliminate the monthly rations it has historically provided to all workers to supplement their pitiful wages. For decades, workers tracked the rations received in their official record book, but these have now been labeled a "deeply rooted vice" among Cubans. Raúl Castro has warned that the subsidized rations, the record book, and the workers' cafeterias, are "irrational and untenable."

The same thing is happening with the financial aid that Venezuela has provided to Argentina over the past two years, in the form of several purchases of the latter's debt paper. Venezuela effectively became cash-strapped Argentina's chief banker, allowing that country to distance itself from the International Monetary Fund (IMF) and survive while cut off from international lenders.

But today, Venezuela is issuing bonds for the sole purpose of rolling over its own debt, and covering ever-increasing internal deficits. Most consumer goods are imported. As for Argentina, it is now seeking improved relations with the IMF, and is negotiating with the Paris Club of debtors to repay it the \$7 billion in defaulted debt it owes.

Stiglitz to Ibero-America: Embrace the 'New' IMF

Oct. 14 (EIRNS)—There is a kinder and gentler International Monetary Fund, said economist Joseph Stiglitz, speaking from a conference in Copenhagen on Oct. 12.

Stiglitz, who poses as an opponent of monetarism, stated that under director-general Dominique Strauss-Kahn, the Fund has developed a new "vision," not at all like the "old" one, which bludgeoned Argentina, both during and after its 2001-02 debt and financial crisis. In fact, he stated, it is largely Argentina's refusal to accept the IMF's austerity conditionalities that forced the Fund to change. He added that the lending institution has improved so much, that now would be a good time for Ibero-American governments to establish closer ties with it.

Stiglitz rejects Lyndon LaRouche's demand that the global financial system be put through bankruptcy reorganization, arguing instead that "reforming" it is the way to go. Since the former chief economist for the World Bank has served as an informal economic advisor to both current Argentine President Cristina Fernández de Kirchner and her predecessor, and husband, Néstor Kirchner, perhaps Stiglitz is the reason why Fernández de Kirchner has decided to seek a friendlier relationship with the Fund, possibly including allowing the IMF to "monitor" the country's economy.

Brazil's Health System Being 'Asphyxiated'

Oct. 14 (EIRNS)—Brazil's state-run Single Health System, or SUS, is being "slowly asphyxiated," warned Health Minister José Gomes Temporão on Sept. 25. In the midst of the H1N1 flu pandemic, he told the BBC from London that unless the vastly underfunded SUS were properly financed, "we run the risk of creating a new social apartheid here in Brazil, this time in the area of health."

Brazil's Constitution states that health care is a universal right, which the state must guarantee. Yet Gomes has been forced to lobby for a bill to create a 0.1% tax on financial transactions, the annual revenue from which would be earmarked for the SUS.

Gomes to London with a large delegation of government officials and businessmen, reportedly to observe Britain's National Health Service (NHS), on which the SUS was modeled when it was created 20 years ago. But given the murderous budget-cutting and euthanasia which the NHS practices under the "guidance" of the National Institute for Health and Clinical Excellence (NICE), Gomes isn't likely to find any solutions there.

He came away from the trip with a signed agreement with the huge British pharmaceutical company GlaxoSmithKlein, to create a public-private partnership between that multinational firm and Brazil's Oswaldo Cruz Foundation, to produce a vaccine for dengue.

Western European News Digest

[Czech President Has Lisbon Treaty Supporters Over a Barrel](#)

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Soros Launches Climate Control Initiative in Copenhagen

Tory Calls on Brown To Save BAE

Cherie Blair Confirms Tony Has Blood on His Hands

Czech President Has Lisbon Treaty Supporters Over a Barrel

Oct. 15 (EIRNS)—The London *Guardian* today joins the media tantrum over Czech President Vaclav Klaus's refusal to sign the European Union's Lisbon Treaty. It writes that the "climate change denier" sits "isolated in Prague Castle surrounded by yes men," accuses him of being a "womanizer," and quotes a Czech political scientist charging him with acting like an "oriental despot." Nonetheless, the *Guardian* has to admit that Klaus has been a successful politician, and Treaty supporters still are not sure what else he might spring on them to block it.

Klaus has been on tour promoting his new anti-climate-change book, *Blue Planet in Green Shackles*, which has taken him to Albania and Russia, where he has made statements concerning the seriousness of his position on the Lisbon Treaty, and his commitment not to sign it unless his concerns are addressed. In Russia, according to Radio Praha, he discussed energy issues, including nuclear energy, with Russian President Dmitri Medvedev.

Any rush to create a Constitutional crisis on the part of the Lisbon supporters would backfire. First, under Article 63 of the Czech Constitution, it is the President who negotiates treaties. He waived that right during the negotiations on Lisbon, but that does not mean he can't reverse himself. Although he cannot veto a treaty, he does have to sign it, for it to go in effect.

Tremonti Staff Drafts Plan for Banca del Sud

Oct. 13 (EIRNS)—Italian Economics Minister Giulio Tremonti's staff has completed a draft for the new Banca del Sud (Bank of the South), whose text has been anticipated by the daily *Il Mattino*. It will be a government-sponsored agency which, among other things, will issue bonds to finance infrastructure in the Mezzogiorno.

Tremonti and Lega Nord (Northern League) head Umberto Bossi have started a series of town meetings with industrialists in northern Italy. Speaking yesterday in Milan, Tremonti again attacked the banks, saying that in Italy the banking sector is dominated by "two monopolists," which own 30% of the market (Intesa and Unicredit). This is the result of privatizations. "You wanted privatizations? There you have it." Earlier, when the banking sector was almost entirely controlled by the state, things were better, Tremonti said. Those banks were more closely tied to communities.

EU Commission: Kill Elderly To Save Banks

Oct. 16 (EIRNS)—The London *Financial Times* leaked the content of a new European Union Commission-issued a report calling on EU member states to cut "age-related expenditures." The report says that in 12 EU member countries, welfare costs are unbalancing the budget. This is an outright lie, since the budgets have been unbalanced by bank bailouts. Since budget cutting or raising taxes is not easy, "alternatively, the social protection system would have to be reformed to decelerate the projected increase in age-related expenditures," said the report.

The United Kingdom, Spain, and ten other European countries are "at long-term risk," the EU report says. Ten countries, including France, Germany, Italy, and Poland, were identified as medium-risk. Five countries are in the low-risk category: Bulgaria, Denmark, Estonia, Finland, and Sweden.

Belgium Reverses Exit from Nuclear Energy

PARIS, Oct. 13 (EIRNS)—In 2003, the green-liberal coalition in power in Belgium passed a law to phase out nuclear energy. At that time, seven nuclear reactors furnished over 57% of the country's electricity. Since the Belgian Prime Minister had to present the 2010 budget to the Parliament today, in an unexpected move, the government decided last night to delay the date for "opting out of nuclear power." While the initial date was 2015, the new date is 2025, and three reactors will operate for 50 years instead of 40.

This is presented as a mere financial decision, since the government had to find funds to cope with looming state bankruptcy. Despite massive pressure from the IMF and the EU, Belgium decided not to cut spending on health and social budgets.

Soros Launches Climate Control Initiative in Copenhagen

Oct. 11 (EIRNS)—At a meeting in Copenhagen on climate change yesterday, sponsored by Project Syndicate (an international association of 430 newspapers from 150 countries), wartime Nazi collaborator and British agent George Soros announced that he will invest \$1 billion in clean-energy technology and create an organization to advise policymakers on environmental policy.

Soros will establish the Climate Policy Initiative, a San Francisco-based organization to which he will donate \$10 million a year for ten years. It will be part advisory service, part policy developer, and part watchdog, said Thomas Heller, who is heading the initiative. Heller is a professor at Stanford University Law School, whose expertise is in energy law and regulation and environmental law.

The group will work in the U.S., Europe, China, India, and Brazil, he said.

Tory Calls on Brown To Save BAE

Oct. 12 (EIRNS)—The British crown's prized dirty-money operation, BAE Systems, has drawn on its friends in Parliament to save it from prosecution. Conservative Party MP Nigel Evans called on Prime Minister Gordon Brown to intervene to close the corruption case against BAE. Evans, whose district hosts several BAE installations, used former Prime Minister Tony Blair's actions as justification: "Tony Blair set a precedent as prime minister by taking personal and active interest in the last investigation, in the national interest," he said. He admitted that, "Over the past 17 years, I have worked very closely with BAE."

Such intervention may not be necessary. The *Guardian* reports that the Serious Fraud Office is planning a "slimmed-down prosecution dossier" which will cut out the more "complicated" cases that involve Romania and South Africa, and reach into some very high-level political circles in London who were involved in the now-closed Saudi al-Yamamah case.

The strategy seems clear. BAE refused the first offer for a plea bargain on the bigger case, prior to an indictment, saying it will wait for the case to play itself out. Now if the case is "slimmed-down," it can plea bargain on a smaller case and pay a smaller fine.

Cherie Blair Confirms Tony Has Blood on His Hands

Oct. 11 (EIRNS)—One day after Tony Blair was confronted by a father whose son who was killed in Iraq, and who

charged him with having "blood on his hands," Blair's wife, Cherie, during an appearance at the Cheltenham Literary Festival, admitted that her husband is a liar who persuaded others to launch the invasion of Iraq.

According to the London *Telegraph*, Mrs. Blair told the audience that, even though the evidence for an invasion was not clear cut, her husband lied that it was: "A lot of the time these choices are not clear cut. They are not black and white. Instead of being 80-20, many of them are actually more like 51-49. When taking those decisions, Tony is able to step back, absorb all the information and then choose. He is also very good at then convincing everybody else that it was a 70-30 decision all along. I think it [the Iraq War] was one of those 51-49 questions."

Russia and the CIS News Digest

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China, Russia Work on Rail, Nuclear, Space Projects

Oct. 13 (EIRNS)—Chinese Prime Minister Wen Jiabao and visiting Russian Prime Minister Vladimir Putin signed a joint communiqué and oversaw a series of economic and other agreements in Beijing today. These include agreements for cooperation to supply China with oil over 20 years, and a framework for natural gas exports to China; a memorandum of understanding among the Russian Ministry of Transport, the Chinese Ministry of Railways, and Russian Railways on "organizing and developing high-speed rail service on the territory of the Russian Federation"; an agreement to build the second stage of the Tianwan nuclear power plant in Lianyungang; and a Space Cooperation Program for 2010-12. This program includes a Russian spacecraft carrying China's first Mars probe to the moon Phobos; it was originally going to be launched this Autumn, but has been postponed until 2011. Putin emphasized the importance of their "Large-Scale Plan" for investment cooperation, and a plan for regional development of Russia's Far East, Siberia, and northeast China.

The two nations also agreed to inform each other about any launches of ballistic missiles and carrier rockets, and to set up a direct Presidential telephone line.

Wen said this was a "crucial year," for efforts to overcome the world financial crisis, and that the two leaders had a comprehensive exchange of views on key issues. They will try to optimize trade, and agreed they need "appropriate cooperation on major projects in the oil, gas, and nuclear power sectors, and that we need to strengthen cooperation in the space, aviation, transport and telecommunications sectors," Wen said.

China's *Global Times* reported Oct. 11 that Putin "wants a high-speed rail system," and wants China to help build it. In the 1950s, the Soviet Union had helped China build railways, Zhou Shijian, senior researcher at the Institute of Sino-U.S. Relations at Tsinghua University, told *Global Times*. "Now, it's our turn to help them build railways," Zhou said. China has developed trains which can travel at 350 kph, and a new train that can run on both normal and special high-speed track.

An Oct. 12 article in the Russian business daily *Vedomosti* announced that a comprehensive "Russia-China 2018

Cooperation Program," for building 205 joint projects in the Russian Far East, west Siberia and northeast China, was approved by Russian President Dmitri Medvedev and Chinese President Hu Jintao in New York Sept. 23. The article was datelined Vladivostok, where Putin stopped on his way to Beijing. There, he announced that construction of new infrastructure to ready the city for the 2012 APEC summit, was making Vladivostok Russia's "Pacific Gate," and was creating tens of thousands of jobs.

Putin Visit to China Opens New Phase of Economic Cooperation

Oct. 17 (EIRNS)—A senior U.S. intelligence source yesterday underscored the importance of Prime Minister Putin's recent visit to Vladivostok and China. More significant than any of the specific agreements signed, he said, was the decision, worked out between the prime minister and President Dmitri Medvedev prior to the trip, to open up Russia to Chinese investments on a new basis. For the first time, according to the source, the Russians will allow the Chinese to have a direct equity stake, and, in some cases, ownership, of companies in Russia. This goes beyond long-term contracts to purchase energy and raw materials, which have characterized Russian-Chinese deals in the past.

Lyndon LaRouche commented that this is not only an important bilateral development; it also means that China's U.S. dollar reserves are now worth something real, because they are being invested in infrastructure and other physical production. LaRouche added that if the new Russia-China economic cooperation, on this new scale, goes forward, it creates the opportunity for the United States to join in the arrangements, advancing the Four Powers (U.S.A., Russia, China, India) prospects. LaRouche mentioned his recent speech during the economic panel of the Rhodes conference (see *EIR InDepth*), where he emphasized the development of northeast Russia, with its vast raw materials wealth. These kinds of projects will naturally draw immediate support from Japan and South Korea.

Lavrov, Clinton Discuss 'Strategic Dialogue' in Moscow

Oct. 13 (EIRNS)—Russian Foreign Minister Sergei Lavrov and visiting U.S. Secretary of State Hillary Clinton today emphasized progress in relations, in their joint press conference, after their meeting as heads of the Bilateral Presidential Commission of the two countries. Lavrov said they had made "considerable progress" in discussing conditions for a new Strategic Arms Reduction Treaty, and Clinton said that the U.S. is "very interested in working with Russia to develop cooperation on missile defense," including "joint threat assessment." Clinton also met President Dmitri Medvedev.

Clinton summed up her assessment of the "reset" of relations, saying that while the two nations have disagreements, "we are planting those disagreements in a much broader field of cooperation, and hopefully, we are enriching the earth in which this cooperation can take root."

Lavrov also struck a positive note, saying that "our sides have expressed readiness to develop strategic dialogue in all spheres." He said that the Russian and U.S. positions on Iran's nuclear program "coincide." "We are not asking for anything from each other on the Iran issue, because it would be ridiculous to ask for anything in an issue on which our positions coincide," he said. Clinton said that Russia has been "extremely cooperative" on the Iranian nuclear issue, and said that "we have not come to that point," where additional sanctions would be inevitable. Lavrov was emphatic that sanctions are "counterproductive," saying that Russia's "position is that at this stage all efforts should be made to support the negotiating process. Sanctions and the threat of pressure in the current situation are counterproductive."

Lavrov also said that Russia is awaiting an invitation from NATO to participate in talks on Afghanistan. He told the press that on Oct. 7, a U.S. military cargo plane had conducted a test transit flight over Russian territory to Afghanistan, another step towards final implementation of the two nations' Agreement on Military Transit to Afghanistan. The two ministers discussed cooperation against narco-terrorism, on restarting talks with North Korea on its nuclear program, and on Israel-Palestine.

Yakunin: LaRouche's Warnings Were Crucial for Russian Railways

Oct. 18 (EIRNS)—Vladimir Yakunin, CEO of the state-owned company Russian Railways and a long-time associate of Prime Minister Vladimir Putin, said in an Oct. 16 interview with the Baltic Information Agency (BaltInfo), that American economist Lyndon LaRouche's warnings of a systemic global crisis prepared him and his company for what has happened during the past three years.

Yakunin was asked, "How does Russian Railways view the world crisis—as an annoying event, or as an incentive to make bold decisions and an economic and technological breakthrough?" He replied: "In 2006, already, the American economist Lyndon LaRouche, who uses non-traditional systems in analyzing the economic situation, warned that the crisis had already begun. Few people listened to him, but we were among those few. Now we are trying to keep our hand on the pulse. Last year Russian Railways set up an anti-crisis committee, which monitors the situation in the carriage market and inside our company on a daily basis."

One year ago already, in an Oct. 2, 2008, interview in the business daily *Kommersant*, Yakunin said he had known of the coming crisis years in advance, because of the warning he received from LaRouche. In February of this year, Yakunin took the same message to a conference at the London School of Economics, where he named LaRouche as the "very rare" economist who predicted the collapse of the world financial bubble.

Yakunin is co-founder of the World Public Forum Dialogue of Civilizations, known as the Rhodes Forum. LaRouche and his wife, Schiller Institute founder Helga Zepp-LaRouche, were speakers at the 7th annual Rhodes Forum, held Oct. 8-12.

In his BaltInfo interview, Yakunin said that Russian Railways' top priority today is to "save the investment program." He emphasized that the second stage of the Russian government's Strategy for the Development of Rail Transport in the Russian Federation to 2030, covering the period 2016-30, "provides for rapid expansion of the rail network and the creation of infrastructure conditions for the development of new economic growth spots in the country, while achieving world-class levels of technological development in rail." As detailed in *EIR* of Sept. 7, 2007, the Strategy includes stretches of high-speed rail in key areas of European Russia, Siberia, and the Far East; strategic freight lines, oriented to Siberian resource development for domestic use as well as export; and a line to Russia's coast on the Bering Strait, facing Alaska, location of a potential multi-purpose tunnel connection to the United States and all of the Americas.

Southwest Asia News Digest

'Not One Bag of Cement Has Been Allowed into Gaza'

Rep. Ellison: Support Goldstone Report on Gaza War Crimes

UN Human Rights Council Votes on the Goldstone Report

Iran Seeks Nuclear Capability, Not a Bomb, Say Experts

'Not One Bag of Cement Has Been Allowed into Gaza'

Oct. 13 (EIRNS)—John Ging, the director of the UN Relief and Works Agency (UNRWA), left no doubt, in remarks at

the New America Foundation on Oct. 13, that the Israeli siege of Gaza continues without letup. Humanitarian relief supplies are allowed into Gaza each day, but reconstruction materials, including cement and steel, are not. The consequence of this, is that the infrastructure in Gaza is collapsing. Sewage is pumped into the Mediterranean, because the sewage system can't handle it; water quality is collapsing; education is being truncated because there aren't enough school buildings. Fifty-thousand homes were damaged or destroyed by the Israeli assault on Gaza last Winter, and cannot be rebuilt. The already very weak economy has collapsed, leaving people who had jobs before the siege, living on handouts.

Even worse, Ging said, is the impact on the mindset of the people, especially the young, given that half the population is under the age of 18. People see no prospects for the future. They hear talk every day of concern for them, and talk of efforts to find a political solution, yet conditions just get worse every day. "Frustration and despair are the reality for so many people," Ging said. "The children are being shaped by this environment."

Ging said repeatedly that the siege is a violation of international law. International law provides that civilians in a conflict zone must be protected, and the Gazans are not. That means that the siege is illegal under international law. "The people of Gaza will be satisfied if the international laws of war are upheld," he said. "They don't accept that they're paying the price for this conflict and their rights are not being upheld."

UNRWA is the primary means of support for the entire population of Palestinian refugees in the Middle East, including about 1 million people in Gaza.

Rep. Ellison: Support Goldstone Report on Gaza War Crimes

Oct. 16 (EIRNS)—Speaking at the annual National Council on U.S. Arab Relations in Washington, Rep. Keith Ellison (D-Minn.), the first U.S. Congressman of the Islamic faith, fielded questions from an international audience about U.S. attitudes on the Middle East, especially human rights for Palestinians, and the issue of a Palestinian State. Ellison warned the audience of over 600 people, that certain members of the U.S. Congress are preparing a resolution denouncing the Goldstone Report, which was commissioned by the UN Commission on Human Rights, in April 2009, to investigate whether war crimes were committed in the 24 days of Israeli attacks that ended on Jan. 18, 2009. The report concluded that both Israel and Hamas had committed war crimes.

Ellison said, "A resolution is being drafted right now because some members [of Congress] want to condemn the Goldstone Report," and added, "I will vote against it [the measure]." Quoting the U.S. civil rights leader and author James Baldwin, Ellison said, "Whatever can be faced, can be fixed," and that if Israel will not face what is in the report that finds that Israel did commit war crimes in Gaza, then it cannot be fixed. Ellison said that it was "a bad idea" for the United Nations, and for the Palestinian Authority to delay and defer the report. He said that the United States has done a lot of regrettable things in its history—slavery, Jim Crow, Guantanamo—but that it corrected them. You cannot fix anything that you do not face, and that is the question that Israel can solve now, he said.

He criticized Israel for refusing to participate, saying that "To not participate in the process and then condemn the final product, cannot be accepted."

UN Human Rights Council Votes on the Goldstone Report

Oct. 17 (EIRNS)—On Oct. 16, the UN Human Rights Council voted 25 to 6 to forward the Goldstone Report for consideration by the UN General Assembly in its 64th session. The U.S. was among those voting against; Britain and France did not vote. Other "no" votes were cast by Italy, the Netherlands, Hungary, Slovakia, and Ukraine.

The resolution is in three parts. Part A condemns all policies of Israel in the West Bank and East Jerusalem that hinder Palestinian access to holy sites; Israeli confiscation of lands and home demolitions; and the digging and excavation activities around the al-Aqsa Mosque in Jerusalem. Part B condemns the lack of implementation by Israel of the Geneva Conventions regarding the protection of civilians in time of war. Part C condemns Israel for its siege of the Gaza Strip, as collective punishment of Palestinian civilians.

Douglas Griffiths, the U.S. representative on the council, complained that the resolution "only exacerbates polarization and divisiveness at a time when the emphasis should be on relaunching peace talks."

Even though Britain did not vote, it appears that the British government was quite active prior to the vote. According to the *Guardian*, Prime Minister Gordon Brown made at least two "heated" phone calls to Israeli Premier Benjamin Netanyahu, one on Oct. 14, and again, in the hours before the vote. A Downing Street spokesman said, "We did not participate in the vote. We were involved in discussions with Israel and the Palestinians about potentially substantive improvements in the situation on the ground and therefore asked for a delay to the vote."

The London *Times* quotes British diplomat Peter Gooderham blaming "wrecking tactics" by other countries for Britain's failure to vote. Britain had been involved in efforts to wrest last-ditch concessions from Israel, amid warnings that the resolution would do irrevocable harm to the peace process, reports the *Times*. Britain had been planning to abstain from voting over concerns that the resolution was unfairly biased against Israel, but was unwilling to risk weakening Palestinian Authority President Mahmoud Abbas by standing with Washington against it. According to the *Times*, that position began to unravel when it became clear that other European countries, including Italy and the Netherlands, were preparing to vote against it, which would have left Britain and France looking out of step with the rest of Europe.

British officials said that Britain and France decided they would support Netanyahu if they could get three concessions from him—a settlement freeze, an independent Israeli investigation, and an immediate lifting of the blockade on Gaza. The effort was thwarted, however, when Egypt, a co-sponsor of the resolution, refused French appeals for a delay in the vote, forcing the vote before any concessions could be wrung from Israel.

The *Times* quotes Richard Goldstone saying the resolution saddened him, because "it includes only allegations against Israel. There is not a single phrase condemning Hamas, as we have done in the report."

Iran Seeks Nuclear Capability, Not a Bomb, Say Experts

Oct. 16 (EIRNS)—Iran wants to develop the capability and the know-how to build a nuclear weapon, but has not yet made the decision to actually build one, two longtime experts said, speaking on an Oct. 15 conference call sponsored by the Israeli Policy Forum.

Columbia University Prof. Gary Sick said that Iran can develop this capability within the rules of the Non-Proliferation Treaty; he said that the recently disclosed Qom site is within the rules of the NPT, so long as no nuclear material is actually introduced.

Sick said that there are about 40 countries which have this capability without having built a bomb, and that although it's probably too late to keep Iran out of this 40-country club, U.S. policy should be to keep Iran in this "latent" stage. He said it might have been possible to keep Iran from developing a nuclear capability 10-15 years ago, if we had pursued regional cooperation, in which the U.S. and Iran had common interests; but instead we labelled them part of the "axis of evil."

Sick said that he first heard the claim that Iran was 3-5 years away from having a bomb in 1991, from Netanyahu, and that

he and others have been making the same claim ever since. But in reality, Sick declared, Iran is not an imminent threat to anyone. The serious estimates are that Iran could not develop a prototype weapon in less than three years; it would have to kick out the International Atomic Energy Agency, then increase the production of enriched uranium, and then develop the technology to form it into a hemispheric globe, etc. But even then, Iran could only test it, not deploy it on a missile. And it would only have one warhead. Sick pointed out that it took other countries 6-10 years to develop a bomb, once they decided to do so.

Prof. Mohsen Milani of Southern Florida University said that no one should underestimate the extent to which Iran sees the development of a nuclear capability as a deterrent, since it is surrounded by nuclear powers, including Israel, Pakistan, and Russia.

Both Sick and Milani warned against the illusion that Iran could be stopped by a surgical military strike. Iran would retaliate in many ways against both Israel and the United States, and matters would quickly escalate into all-out war. Sick said that an attack on Iran would not halt Iran's nuclear program; it would only speed it up. It would also cause the opposition forces to rally around the regime, signalling the end of the reformist movement.

Asia News Digest

[Pakistani Authority Uses EIR's Solution to the Afghan Imbroglio](#)

[Thai Succession Fight Could Explode Tense Nation](#)

[Taliban Criminal Funds Getting into International Financial System](#)

Pakistani Authority Uses EIR's Solution to the Afghan Imbroglio

Oct. 16 (EIRNS)—In an interview with the Indian news agency Rediff, the chief secretary of the North West Frontier Province (NWFP), Rustom Shah Mohmand, said that the United States and the Afghan Taliban must come to an agreement. A benchmark is not a prerequisite to that, he said, but "these benchmarks have to be set up by a contact group comprising countries such as Russia, China, Iran, Pakistan, and India."

The chief secretary's remarks are the exact replica of formulation that *EIR* had presented in its Oct. 16, 2009 issue. That article, titled "The Solution to the Afghan Imbroglio," has been widely circulated in India and Pakistan.

During his interview, Mohmand pointed out certain other facts that *EIR* has stressed repeatedly, but which have been ignored by both the previous and the present U.S. administrations. "We have to understand that the Taliban and the al-Qaeda have totally different targets," he said, "and also that the Afghan Taliban are different from the Pakistani Taliban—and there is evidence of this." He said the fear is that if the United States leaves Afghanistan, the country will fall into the hands of the Taliban. But that is not so, because "the Afghan people are not Taliban. But yes, there is a national liberation struggle on in Afghanistan against forces of occupation. And even ordinary Afghans have risen up against them."

He also noted that "the Afghan Taliban have been telling the Pakistani Taliban not to attack government forces and installations. But the Pakistani Taliban have not paid heed to this advice," the reason for this being—although Mohmand did not point it out—that the Pakistani Taliban is under control of the Saudi-British nexus.

Thai Succession Fight Could Explode Tense Nation

Oct. 15 (EIRNS)—King Bhumibol of Thailand, the longest-reigning and richest monarch in the world, is widely rumored to be in his last days, despite assurances from the Palace that he is recovering. Stock prices fell drastically today as reports circulated that the King's condition has worsened, after a month in the hospital.

The nation has been in a state of chaos since September 2006, when the military, with overt support from the monarchy, overthrew Prime Minister Thaksin Shinawatra. Thaksin was extremely popular, especially with the poor, but was hated by the British for his modernization and general welfare approach to politics, which threatened the monarchy's "self-subsistence" policy, much beloved by the British royals.

Sources in Bangkok have told *EIR* that the British are frantically attempting to convince the dying King to announce that the succession will not go to Crown Prince Vajiralongkorn, who is reported to be working with the self-exiled Thaksin and his allies in Thailand. It is reported, although blacked out in the world's English-language press, that Britain's Prince Andrew visited the King in the hospital to encourage him to switch the succession to a younger princess, who is considered close to the British, and to British-born and -educated Prime Minister Abhisit Vejjajiva, who was placed in office by the military and the monarchy after Thaksin and two subsequent prime ministers who were Thaksin supporters were removed from office through corrupt means.

The sources told *EIR* that if the Crown Prince is allowed to succeed his father, he may declare a general amnesty of political figures, including Thaksin, who has been convicted of petty corruption by the wildly corrupt courts. This would explain the hushed-up trip of Prince Andrew, carrying word from Mr. Genocide himself, Prince Philip, that the British royals demand a change in the succession, even if it means hounding the King on his death bed.

Taliban Criminal Funds Getting into International Financial System

Oct. 13—The Taliban is using a wide range of criminal activity to fund its attacks against U.S. and Coalition forces in Afghanistan, Assistant Treasury Secretary for Terrorist Financing David Cohen told the ABA Money Laundering Enforcement Conference in Washington yesterday. While asserting that al-Qaeda is in its weakest financial condition in several years, with waning influence, due, in part, to U.S.-led measures which have at least temporarily disrupted some of the most significant networks between al-Qaeda and its donors, the Taliban is a different story, Cohen said.

Many other terrorist organizations, most prominently, the Taliban, are in much stronger financial shape than al-Qaeda, he said. Terrorist organizations, including parts of al-Qaeda, appear to be increasingly turning to conventional criminal activity to finance their operations, as other funding sources are disrupted.

Africa News Digest

- [Embattled Guinea Seeks Help from China](#)

Embattled Guinea Seeks Help from China

Oct. 13 (EIRNS)—China is negotiating oil and minerals deals with the West African nation of Guinea which could be worth \$7 billion, according to Guinea Mining Minister Mahmoud Thiam. The collaboration would provide Guinea a way out of the enforced backwardness imposed by the British imperial monetary system, and give it instead a way to use its mineral wealth to develop its infrastructure, a necessary precondition to developing its economy and population.

The significance of this "uppity" move has not been lost on the British establishment. The City of London's *Financial Times* focused attention on the China-Guinea developments in an Oct. 11 article and an Oct. 12 editorial.

The Guinea government came to power last December, after the death of military head of state Lansana Conté, who was President from April 1984 until his death. The new government initially cleaned house by arresting high-level officials, including the previous President's son, who were involved in drug running. This signaled that this government would be operating for the interests of the nation, and immediately earned them the enmity of the British and their lackey George Soros.

Under the Guinean plan, according to the *Financial Times*, a Chinese fund would provide most of the financing, about \$7 billion, to establish a joint venture, the Guinea Development Corporation. Projects to be undertaken include power generation, creation of an airline, transport, infrastructure, water, and mining. Angola is being brought into another joint venture to prospect for offshore oil. Later reports indicate that the deal could involve as much as \$9 billion.

One of the organizers of the internal opposition, Sidya Touré, a former prime minister who led recent anti-government demonstrations, opposes the proposed Chinese-funded projects: "I do not understand how you can believe that we can inject this kind of money into the economy of Guinea where the total GDP is only \$3 billion. You are talking of thousands of km of highway and road without seeing that our economy cannot maintain such infrastructure. Where are the cars that will be driving on these highways? Where are the trains? We must be serious. All this is illusion," he said.

Because of these developments, Guinea is being destabilized, and sanctions are being threatened against it for attacks on anti-government demonstrators. Head of State Capt. Moussa Dadis Camara said after a Sept. 28 incident in which opposition members were killed, that he did not control all the members of the Army, an indication that military supporters of Cont@ae, are seeking to undermine the new government.

Sanctions are also being threatened if Camara decides to run for President in the January 2010 elections. French Foreign Minister Bernard Kouchner has called for international intervention against Guinea. The China-Guinea joint ventures being negotiated could allow Guinea to ignore these moves to destabilize the government.

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