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## **A Heartbeat Is Heard in Asia**

**by Lyndon H. LaRouche, Jr.**

October 30, 2009 —*As the recent negotiations between Russia and China have shown, the only way in which the presently accelerating, global breakdown-crisis of the world economy could be avoided now, is through a combination of shutting down the kind of intrinsically hyper-inflationary monetarist system set into motion by incoming Federal Reserve Chairman and his crew, following the October 1987, Hoover-style crash of the stock exchange system. This could be done successfully, through shutting down the failed post-1987 system of Alan Greenspan, et al., by a turn away from present monetarist policies, toward a return to the U.S. Constitutional credit-system as it had been restored under the direction of President Franklin D. Roosevelt. Now, Russia and China have made an important, and massively impressive step in that same direction. It is time for the U.S.A., to come to its senses, and follow...*

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As the participants departed from the Seventh Annual Session of the World Public Forum 'Dialogue of Civilizations,' in Rhodes, Oct. 12, a hopeful heartbeat of economic recovery was about to be heard among the three world-giants of Eurasia: Russia, China, and India. That encouraging heartbeat, heard from Russia and China, tells us that the world, although still in a state of mortal peril, is not dead yet.

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- **The New Economic Recovery Exempts the Homeless and the Foodless**

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### The New Economic Recovery Exempts the Homeless and the Foodless

Oct. 29 (EIRNS)—An item on the BBC website today, among the articles otherwise touting the U.S. economic recovery, features scenes at a dinner distributed by church workers at a new homeless center in Bergen County, N.J.

"Sixty-two people who would otherwise be homeless live here but anyone can come in and get the free evening meal," the article reports. "Last night a hundred people came off the streets of this very affluent area, a stylish suburb of New York, to take advantage of the free food."

The article continues, "It's predicted that figures due out later today will show modest growth in the American economy. Madge and Rosemary, handing out a vast quantity of home-baked brownies and brightly-coloured cupcakes, tell a different story than the statistics. They say they are serving twice as many people as this time last year."

The manager of the center is quoted that it's not just the increased numbers, but who these people are: not just people with mental health and drug problems, but, "people who have lost their job and suddenly find they can't keep up payments on their home and a car. She says these people don't know anyone who uses the welfare system but suddenly find themselves in it. They are, she says, 'lost, confused and frightened.'"

## **FDIC To Seize More Banks**

Oct. 30 (EIRNS)—The Federal Deposit Insurance Corp. (FDIC) seized the nine banks owned by Oak Park-based FBOP Corp, the owner of Park National Bank of Chicago and eight other U.S. banks, today.

The closing of \$4.7 billion-asset Park National occurred on the same day that Park National Bank Initiatives, the bank's community development unit, received \$50 million from Treasury Secretary Timothy Geithner in a ceremony in Chicago.

U.S. Bancorp of Minneapolis is expected to take over most of the operations of FBOP's banks.

The FDIC was also expected to take over the Los Angeles-based California National Bank in what would mark the fourth-largest bank failure in the country this year, according to the *Los Angeles Times*.

Besides the Park National Bank and the California National Bank, six other banks owned by FBOP were seized by regulators and acquired by U.S. Bancorp. They include San Diego National Bank, with 28 offices, and San Francisco's Pacific National Bank, which has 17.

California National, with \$7.1 billion in assets and \$5.6 billion in deposits as of June 30, is the fourth-largest commercial bank based in Los Angeles County. Only City National Corp., East West Bancorp and Cathay General Bancorp are larger.

Before today, 106 banks had failed this year.

California National has had its share of lending problems. As of June 30, the last time it reported its financial results publicly, the bank had five times as much foreclosed property on its books and twice as many non-current loans as it had a year earlier.

Meanwhile, today, the Federal Reserve, the Office of the Comptroller of the Currency, the FDIC, and the Office of Thrift Supervision issued a guidance warning that many smaller banks which built up heavy concentrations of commercial loans, viewing it as an area in which they could compete with larger banks, face increasing failures.

As of June, commercial real estate loans totaled more than \$1 trillion, or 14.2% of all loans and leases in the banking industry. Prices for existing commercial properties have fallen 35% to 40% since peaking in 2007.

# Global Economic News

## Paris Officials Prosecute Five Banks for Speculation

## Populist Tax Cuts Slice into German Cities' Revenues

### Paris Officials Prosecute Five Banks for Speculation

Oct. 26 (EIRNS)—"The banks misled us," stated Claude Bartolone, Socialist president of the Seine-Saint-Denis department, one of the most populated in the Paris region, who just announced he is taking five big banks to court, for having saddled his department with 97% of toxic loans. The banks under accusation are DEXIA, formerly a Franco-Belgian bank taken over by France since the beginning of the crash, which has been lending to the local governments in France for many years; the savings Banques Populaires/Caisses d'Épargne; Crédit Agricole; Société Générale; and Depfa bank.

"When I was elected, in the Spring 2008, to my job, I asked for a financial audit of the department," stated Bartolone. "He revealed something unheard of: We are totally dependent on structured products, the majority of which are toxic. 97% of the department's debt is based on risky loans." Asked why the department allowed this to happen, Bartolone indicated that it was the banks with which the local governments had been working since years "which changed." To attract clients, they came up with very low interest rates, 1.50% during the first year. "So at a certain point, rather than cutting back certain expenses, we had the tendency to say, well, we'll see.... Those loans are like soft drugs. At this point their higher cost, relative to classical loans, is valued at EU200 million. Those banks misled us."

To the question of what the consequences will be for the citizens of the departments, Bartolone said that the risk zone will only start in 2010, but "the great unknown is what will happen in the next 17 years to come. Impossible to know how the debt will evolve. Many loans are, for instance, pegged to the crossed evolutions of the rates of the euro vis-à-vis the dollar or of the euro vis-à-vis the Swiss franc."

Of the 36,000 French local governments, 1,300 have been swindled by the banks. In Rouen, capital of Normandy, the city officials are renegotiating with the banks, some of which have accepted. However, the city might have no other way to get money, than to increase local taxes by 8% next year.

### Populist Tax Cuts Slice into German Cities' Revenues

Oct. 27 (EIRNS)—Various German states, including those run by CDU governors and the Union of Municipalities, are strongly protesting against the new, populism-driven German government plans for tax cuts in the range of EU25 billion annually, because it will further destroy their own, already shrinking tax base:

Thuringia's designated presiding minister (governor) Lieberknecht (CDU) announced that he will eventually block the tax and health policy of the new coalition; Peter Müller, CDU governor of the Saarland, has threatened to veto the tax plans in the German Bundesrat (the upper house). On Oct. 26, Berlin and Bremen threatened to block the plans, and to possibly even sue the Federal government in the Constitutional Court.

CDU finance minister of Baden-Württemberg Stächele criticized the new plans. According to him, the result of these tax cuts will be up to EU1.7 billion added deficit just for his state, which has to struggle with the collapsing auto industry. His state and its municipalities would enter a "new, additional debt spiral," he said. The SPD finance minister of Rhineland

Palatinate Kühl also opposes the plan: "The plans of black-yellow will destroy the budget of the states for years to come," he said. He estimates the losses through measures already decided upon and the new measures to be in the range of EU1.2 billion for his state. He said that the measures will hit the socially weaker part of the population and the states. The state of Hesse, with CDU minister president Roland Koch, fears a EU1 billion drop in tax revenues.

Also, the managing director of the Union of Cities and Municipalities, Gerd Landsberg, said that the planned tax cuts will "take away the air to breathe." Cities and municipalities which were already expecting a drop in tax revenues in the range of EU10 billion for 2009, would have to manage another EU3.6 billion less in tax income, if the plans are realized, so that they cannot fulfill their mandated tasks. The corporate tax cut caused by the government's populist mantra "promote growth by reducing corporate taxes," is hitting municipalities—for which the corporate taxes are the main source of income—especially hard.

## United States News Digest

### [Obama Policy: The More It Changes, the More It Stays the Same](#)

### [LaRouche: Only 'Damned Fools' Think Obamacare Is Not Nazi](#)

### [100,000 'Bioethics' Murders Per Year in U.S.A.](#)

### [Obama Depression-Buster: Green Jobs Program Scores 400](#)

### [Kerry Attacks McChrystal Plan, Seeks Four Power Cooperation on Afghanistan](#)

## **Obama Policy: The More It Changes, the More It Stays the Same**

Nov. 1 (EIRNS)—When it comes to court cases against the old Cheney domestic wiretapping policy, the Obama Administration's policy is looking more and more the same as Dick Cheney's. The Administration claims it has a much stricter review process for deciding whether or not to invoke the state secrets claim, a privilege that was invoked numerous times by the Bush-Cheney Administration to protect its unconstitutional programs, but the decisions that have resulted look remarkably similar. In response to a San Francisco lawsuit, brought by people who say that the government illegally monitored their communications, Attorney General Eric Holder argues that the lawsuit must be dropped, saying that the review process convinced him that "there is no way for this case to move forward without jeopardizing ongoing intelligence activities that we rely on to protect the safety of the American people."

Kevin Bankston, a lawyer for the Electronic Frontier Foundation, which is pursuing a similar lawsuit, told the Associated Press that "The Obama Administration has essentially adopted the position of the Bush Administration in these cases, even though candidate Obama was incredibly critical of both the warrantless wiretapping program and the Bush Administration's abuse of the state secrets privilege."

## **LaRouche: Only 'Damned Fools' Think Obamacare Is Not Nazi**

Oct. 30 (EIRNS)—"It's only damned fools who think that the [Obama] Administration doesn't have a Nazi policy," Lyndon LaRouche remarked today. He was pointing to the recent article by *Washington Post* columnist Fred Hiatt, which stated that the bill produced by the Senate Finance Committee, chaired by Sen. Max Baucus, doesn't include an

independent Medicare Commission—modeled on Hitler's T-4 program—or a tax on "cadillac" (high premium) health-care plans offered by some employers.

"People are speaking like idiots," LaRouche said. "Hiatt is an idiot to say that these Nazi features aren't in the bill."

In fact, writing on his blog Oct. 26, a fuming Office of Management and Budget director Peter Orszag immediately responded to Hiatt, labelling him a "naysayer," and insisting that the two features Hiatt mentioned are absolutely included in the Senate bill. These are important "cost constraining" measures, he asserted, not "hypothetical pie in the sky."

People have to understand, LaRouche said, that Orszag "won't back down or take the heat off, even at the risk of emphasizing that [the bill] is a Nazi policy."

### **100,000 'Bioethics' Murders Per Year in U.S.A.**

Oct. 29 (EIRNS)—Ron Panzer, president of the Hospice Patients Alliance, estimates that 100,000 patients are murdered by medical personnel in the United States each year. Panzer says that nurses and others have been educated in this murder policy over decades by pro-euthanasia agencies that now dominate medical schools, hospitals, the nursing home business, and government.

In an interview with *EIR*, Panzer reported that medical staff members are often overheard saying, or even blurt out directly to patients or their families, statements like, "I am the new Jack Kevorkian," referring to the convicted mass-murder-by-assisted-suicide.

Panzer told *EIR* that, in his view, the Obama Administration's health-care reform program would merely formalize as official policy a murder regimen that is already practiced en masse in the United States.

Panzer's group, the Hospice Patients Alliance (HPA), looks favorably upon the original institution of hospices, that were sanctuaries for the dying, commonly run by religious organizations. But the group has systematically gathered evidence from patients showing case after case of murder. A nurse may even inform the family of an aged patient, "Your father will die in three days," having no way of knowing of such a timetable, except by planning to kill the patient through terminal sedation or other means.

### **Obama Depression-Buster: Green Jobs Program Scores 400**

Oct. 26 (EIRNS)— President Barack Obama traveled to Arcadia, Fla., on Oct. 27, for the christening of one of the nation's "green jobs" success stories. The local utility, Florida Power and Light, has invested millions (and supposedly came in under budget) in a "solar power plant," which in the last year created a grand total of—tada!—400 new jobs. The FP&L field is an array of 90,000 panels, which will produce 25 megawatts of electricity, enough to heat 3,000 swimming pools, and soon, go for a program of 75 MW.

While the panels are currently shipped from San Francisco, enterprising Floridians see no reason why they can't make them themselves. Good thing, too, since one report had it that, after the hot construction phase, the number of ongoing green jobs—to watch the sunbeams being collected—will be exactly: one.

The pattern is precisely what green-iacs have admitted to *EIR*: "green jobs" are dead-end jobs, which terminate as soon as the temporary construction project is completed, and then throw workers back onto the unemployment rolls. Contrast that with FDR's job creation programs, such as the TVA, which not only provided infrastructure for generations ahead, but

educated thousands for future development.

Not to mention the fact that the solar project itself, billed as the largest such project in the Western Hemisphere and part of the lunatic "smart grid" being created on the East Coast, is a costly boondoggle, that is already raising utility rates to subsidize its construction, and will turn a section of Florida into a virtual desert.

## **Kerry Attacks McChrystal Plan, Seeks Four Power Cooperation on Afghanistan**

Oct. 26 (EIRNS)—Sen. John Kerry, chairman of the Foreign Relations Committee, today said that the current debate over Afghanistan "is completely at odds with reality," charging that playing politics "has reduced an extraordinarily complex country, an extraordinarily complex region, and a difficult mission to a simple, headline-ready yes-or-no on troop numbers."

While falling short of *EIR*'s call for a Four Power-plus (including Pakistan and Iran) conference to stabilize Afghanistan, Kerry did call for the U.S. reach out to Russia, China, India, Central Asia, and Iran. "We should explore ways to cooperate with each of them," he said, "because each of them has direct interests in Afghanistan."

Throughout his speech at the Council on Foreign Relations in Washington today, Kerry, who has played a critical role on foreign policy with the State Department, stressed the importance of civilian, as well as military authorities providing their assessment before any more troops are sent to Afghanistan. His intervention occurred as President Obama held the sixth of his National Security Council strategy sessions on Afghan policy, amidst a British-sponsored push for a new massive troop deployment into the "graveyard of empires."

Because of "the gross mishandling of this war by past civilian leadership, there are not great options for its handling today," Kerry emphasized at the outset of his remarks. Absent any good choices, Kerry said, we should ask what is possible to do.

We don't have enough troops to launch a broad, nationwide counterinsurgency campaign in Afghanistan, Kerry said, nor do we need to. "We don't need to control every hamlet and village, particularly when non-Pashtun sections of the country are already hostile to the Taliban," Kerry stated. He added that he is particularly concerned about Americans being seen as foreign occupiers, and pointed out that, "as our footprint has increased, so have the number of insurgents."

Kerry declared that Gen. Stanley McChrystal's current plan "reaches too far, too fast," because we don't have "the critical guarantees of governance and of development capacity, the other two legs of counterinsurgency." Any decision must be informed by three conditions: (1) "Are there enough reliable Afghan forces to partner with American troops, at what rate, and eventually take over responsibility for security?" (2) "Are there local leaders that we can partner with.... We have to be able to identify and cooperate with tribal, district and provincial leaders who command the authority to help deliver services and restore Afghans' faith in their government." (3) "The civilian side, which must be ready to follow swiftly with the development aid that brings tangible benefits to the local population ... They must see their lives improve."

## **Ibero-American News Digest**

**[State Department Brokers Honduran Accord, Respecting Sovereignty](#)**

**['Third World' Nations Thrown into 'Fourth World' Starvation](#)**

## Ecuadorian Economist: 'The Worst of the Crisis Is Yet To Come'

### Ibero-America on the Road to Starvation

#### **State Department Brokers Honduran Accord, Respecting Sovereignty**

Oct. 30 (EIRNS)—Under the direction of Secretary of State Hillary Clinton, Acting Assistant Secretary of State Tom Shannon led a U.S. team to Honduras, and helped hammer out an agreement to cool out that political crisis. Since the June 28 ouster of President Manuel Zelaya, the British have used the festering conflict as a flashpoint for their dirty operations in the Americas.

The accord signed today between acting President Roberto Micheletti and Zelaya, lays the groundwork for national elections on Nov. 29, as scheduled; foreign aid to be restored to the starving country; and readmission to the Organization of American States.

Clinton called the "breakthrough" a big step forward for the Inter-American system, in a statement issued from Pakistan this morning. As agreed, Micheletti and Zelaya will form a unity cabinet of reconciliation. The National Congress will vote on whether Zelaya returns to power to finish out his term in office; there will be no change in the Constitution or attempt to call a Constituent Assembly (the immediate trigger for Zelaya's ouster last June).

More important than the details of the accord, however, is the fact that the State Department defended the principle of sovereignty as key to any lasting solution, against heavy pressure from the "democracy mafia" and several other regional governments, including Brazil. The Brazilians et al., had insisted that no solution were possible without Zelaya's unconditional return to power before the elections. Zelaya, a wealthy rancher who transformed himself into a radical in league with drug kingpin George Soros, was ousted for attempting to rip up the Constitution and impose a Jacobin dictatorship.

Briefing reporters last night, Shannon repeatedly emphasized that the international community will have to live with whatever the Hondurans decide. "Because at the end of the day, our point of view is the international community cannot argue with what Hondurans determine and decide themselves." "This wasn't about the OAS or the international community trying to impose a solution. We've seen that fail elsewhere. We know that solutions, to be enduring and peaceful have to be rooted, in this instance, in Honduran soil."

#### **'Third World' Nations Thrown into 'Fourth World' Starvation**

Oct. 18 (EIRNS)—Mexico and the Philippines are two of the latest victims of the British Empire's drive for global genocide and fascism, under conditions of international economic disintegration.

These formerly "Third World" nations, which at one point were close to being self-sufficient in food, and were even on national industrial growth trajectories—such as under the López Portillo administration in Mexico (1976-82), and Ferdinand Marcos in the Philippines—are now being butchered by British imperial policies.

In the Philippines, the *Social Weather Station* reports that hunger, which affected about 15% of the population during the 2004-08 period, as of June 2009, afflicts 20.3% of the population. In Mexico, "food poverty," which under López Portillo had fallen to only 8.5% of the population, today affects nearly 25% of the population. And that is about to become far worse, with the British-orchestrated liquidation on Oct. 9 of the state-run Luz y Fuerza del Centro (Central Light & Power) electricity company and firing of all of its 44,000 workers.

To get some idea of the magnitude of this latest British blow to the physical economy, note that there are currently only about 1.1 million productive manufacturing employees in Mexico, a figure that has steadily declined over the last three decades, after a high of 2.3 million in 1981 under López Portillo. So with the mass firing of 44,000 electrical workers—some of Mexico's most skilled, productive workers—the British Invisibles have just wiped out about 4% of the remaining productive workers in the country, with the stroke of a pen. This will have non-linear consequences in the ongoing disintegration of the Mexican economy, including a further sharp rise in extreme poverty—exactly as the British intend.

### **Ecuadorian Economist: 'The Worst of the Crisis Is Yet To Come'**

Nov. 2 (EIRNS)—Ecuadorian economist Pedro Paez Pérez, the Correa government's main architect of the Bank of the South and a member of the Stiglitz UN Commission on International Financial Reform, gave an interview to Argentina's *Página 12*, published Nov. 1, under the headline: "The worst of the crisis is yet to come." It contains some useful comments along those lines, as well as the typical disorientation about so-called "regional solutions" that is widespread across Ibero-America, along with the mistaken idea that the U.S. is "managing" the crisis to target Europe and save itself.

"The line that 'the worst of the crisis is over' seems to be the result of a synchronized hypnosis of politicians, media, and some governments," Paez asserts. "It is very dangerous to have the delusion that it has been overcome, because what has happened to date, as corrective measures, has only exacerbated the conditions which led to the crisis." Paez goes on to note that "the trillions of dollars that the central banks transferred to the private sector did not go to create new jobs, but to speculation.... There is no relationship between what is happening in those [stock and other] markets, and the real economy.... New bubbles are being formed.... The conditions that are being generated are leading us to barbarism."

Paez then goes on to attack what has come out of the G20, although he ignores the fact that the first meeting was in London, and instead blames the U.S.: "What came out of that meeting? More regulations of the financial system, but in the hands of the U.S. and the institutions it controls, the World Bank and the IMF."

### **Ibero-America on the Road to Starvation**

Oct. 19 (EIRNS)—Ibero-America's progress in combatting hunger over the past two decades has been completely "erased," according to a recent report by the Food and Agriculture Organization (FAO).

Between 1990 and 2004, the number of people classified as suffering from hunger in the Latin America/Caribbean region had dropped from 53 million to 45 million. But with the global financial breakdown causing food scarcity and prohibitively high prices, that figure moved back up to 47 million in 2008, and today it is once again at 53 million.

Haiti is in no better shape today than it was when food riots broke out in early 2008. An estimated 2 million people, out of a total population of 9 million, suffer from malnutrition. Of children under the age of five 23% suffer from malnutrition, and in the country's Central Plateau, the figure jumps to 33%.

## **Western European News Digest**

**[Delphic Tricks Shut Down French Health System](#)**

**[Blair's Chance to Become EU Dictator Fading Fast](#)**

## Swiss to Crack Down on Dignitas, Sort Of

## German Economics Minister 'Threatens' State Credit to Firms

## Did Berlusconi Clip Tremonti's Wings?

## Killing Patients Becoming Easier in Britain

### **Delphic Tricks Shut Down French Health System**

PARIS, Oct. 27 (EIRNS)—According to the French *Quotidien du Médecin* (Physicians' Daily), a new French law will soon set the minimal number of surgical operations at 1,500 per year per operating room. The rationale is that below this number, an operating room represents less "chance" for patients to have safe treatment. The same trick was already used to force the closures of many maternity departments. Below 300 births, it was said, they were too dangerous. If applied to operating rooms, the new decree would shut down 182 operating blocks out of 1,075. The measure threatens especially public hospitals and maternity units. Any hospital without an operating block is simply not allowed to perform obstetrics.

The new law is also seen as a move towards more "contractual arrangements" worked out between private insurers and hospitals and a stepping stone for increased privatization.

### **Blair's Chance to Become EU Dictator Fading Fast**

Oct. 30 (EIRNS)—The chance that Tony Blair will become president of Europe, until recently deemed highly likely, are rapidly fading. Yesterday's European Union meeting in Brussels is said to have decided that the presidency should go to someone who would be more of a consensus figure.

The media are reporting that a deal has been made that the EU president would be drawn from the center-right parties that make up the European Peoples Party faction in the European Parliament, which includes most of Europe's Christian Democratic parties. And the foreign ministry should go to the Social Democratic faction. The name of British Foreign Secretary David Miliband as EU foreign minister has come up, but he has said he is not available.

A London *Daily Telegraph* poll showed that only 31% of British voters want Blair as EU president.

## **Swiss to Crack Down on Dignitas, Sort Of**

Oct. 31 (EIRNS)—International pressure and exposure of the Swiss assisted-suicide clinic Dignitas, has finally led the government to "crack down" on suicide tourism, at least a little. Swiss Justice Minister Eveline Widmer-Schlumpf has proposed tightening the rules to require patients to present two medical opinions declaring their disease incurable, that death is expected within months, and that they have made their decision of sound mind, and fully aware of their options.

But even this tepid so-called "regulation" was too much for the British genocide lobby, and prompted an explosion of outrage from Ludwig Minelli, the founder of Dignitas, who described the proposals to the *London Times* as "outdated and patronising." Sounding like Jack Kevorkian, Minelli claimed that, "By cutting off assisted suicide for chronically or psychologically ill people who are capable of informed choice, the government will promote lonely suicides on train

tracks."

## **German Economics Minister 'Threatens' State Credit to Firms**

Oct. 31 (EIRNS)—The new German Economics Minister, Rainer Brüderle (CDU), has called upon German banks to help solve the credit crunch, in an interview in the financial daily *Handelsblatt*. If things do not change, Brüderle "threatened" that the KfW could give direct credit to the firms. "But," he cautioned, this would be just an "absolute emergency plan, if the banks' supply and conditions of credit to the real economy is insufficient." In October, 41.7% of firms said they have difficulty getting credit. This is an interesting statement, which also certainly reflects pressure on him from those many high-tech Mittelstand firms in Baden-Württemberg, where he comes from. During this last year, Chancellor Angela Merkel, once or twice, also had mentioned the possibility of founding a new state institution to supply credit.

## **Did Berlusconi Clip Tremonti's Wings?**

Oct. 28 (EIRNS)—Italian Economy Minister Giulio Tremonti and Prime Minister Silvio Berlusconi reached an agreement: Tremonti will stay in the government, but he will be put in a straitjacket, called a "steering committee," which he will formally chair. Tremonti and Berlusconi have been at loggerheads over the former's criticism of some of the government's economic policies. From now on, Tremonti will not issue any statement which is not deliberated on by the steering committee. It is reported that this goes particularly for statements such as the recent one against labor flexibility and in favor of a "fixed" job.

Tremonti, meanwhile, has received an unexpected endorsement from Italy's largest mass-circulation weekly, the left-leaning Catholic *Famiglia Cristiana*, which has been strongly anti-government. However, in its latest issue, it writes that, "Tremonti hit the point: What is good for the family is good for the country." *FC*, instead, attacks Tremonti's counterpart in the government, Brunetta, who says that workers who lose their job "should find a new one."

## **Killing Patients Becoming Easier in Britain**

Oct. 26 (EIRNS)—A large study of 3,700 British doctors treating dying patients, reported in the *Guardian*, found that fully one in three had done something to hasten the process. Doctors were forced to be creative in their methods, since patients rarely agreed to die on their time schedule. Some 7.4% (211 doctors) admitted to "giving drugs or stopping treatment" in order to hasten death; 28.4% (825 doctors) admitted to "making a decision on treatment" which they knew (or should have known) would hasten death; and the vast majority, 55% (1,577 doctors), admitted to "giving pain relief," although they swore they hadn't hastened death. Only one in ten patients, however, had asked their doctors for this service.

Prof. Clive Seale of Queen Mary University, who oversaw the study published in *Social Science and Medicine*, was quick to claim to the *Guardian*, that he was unable to discover a "slippery slope" effect, where "elderly women or those with dementia" were being pushed to the front of the line.

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

[\*\*Economist Vitrenko Announces Run for Ukrainian Presidency\*\*](#)

[\*\*Flu, Or Something Else, Panics Ukraine\*\*](#)

[\*\*Russia, China, India: Foreign Ministers Meet\*\*](#)

## Russian Nuclear-Powered Spacecraft Proposed by Roscosmos

## Renewed Russian Interest in Industrial Cooperation with Europe

### **Economist Vitrenko Announces Run for Ukrainian Presidency**

Oct. 31 (EIRNS)—Ukrainian economist Natalia Vitrenko has announced her candidacy for President of Ukraine. The banner above the podium during today's special Congress of the Progressive Socialist Party of Ukraine, which nominated Vitrenko, pictured her speaking recently against the backdrop of her 2000 Presidential campaign poster, in which doctor of economics Vitrenko points to Lyndon LaRouche's Triple Curve pedagogical graphic, contrasting the collapse of the physical economy to hyperbolic financial asset and monetary growth.

In the 2000 election, Vitrenko had broad support, but her campaign was derailed by an Oct. 2, 1999 terror bombing attack, which remains an "unsolved crime" to this day.

In 1995, at a conference of the Schiller Institute in Germany, she authored the "Memorandum to Mankind," calling to overturn the murderous liberal economics of the International Monetary Fund. In 1997, Vitrenko and Schiller Institute founder Helga Zepp-LaRouche co-initiated the call for a New Bretton Woods conference, which has subsequently been signed by thousands of elected officials and other influentials.

On Oct. 18-19 of this year, Vitrenko keynoted a seminar, held in Germany with Lyndon LaRouche and Helga Zepp-LaRouche. Her presentation on the devastation of Ukraine's economy, especially since the so-called Orange Revolution of 2004, will be published in *EIR* of Nov. 6, 2009, while appearing in video form on the LaRouche Political Action Committee (LPAC) website [www.larouchepac.com](http://www.larouchepac.com). Based on discussions at this seminar, Zepp-LaRouche and Vitrenko have drafted a new appeal, "Implement the LaRouche Plan!", which will be issued in final form at the beginning of November.

Addressing today's congress of her party, Vitrenko pledged to take Ukraine out of the IMF, if she is elected. Calling for a close alliance with Russia and Belarus, she announced her electoral platform as centered on "radical change in domestic and foreign policy, as required to save the nation." She said that it will only be possible to save Ukraine, by rejecting the economic model imposed by the IMF, since Ukraine joined that organization in 1992.

On the eve of the PSPU congress, Ukraine's Parliament finally passed an increase in the minimum wage and social security guarantees for the population. Vitrenko pointed out in her Oct. 18 seminar presentation, that this hotly debated measure means a whopping increase of \$20 in the monthly income of Ukraine's poor—from \$75/month to \$95/month, or from \$95/month to \$115/month. This pitiful measure was hotly opposed by IMF managing director Dominique Strauss-Kahn, who said he was "worried" by it. The IMF has hinted that it might scrap the fourth tranche of its \$16.4 billion loan to Ukraine, negotiated last year.

### **Flu, Or Something Else, Panics Ukraine**

Oct. 31 (EIRNS)—A panic is underway over H1N1 flu in western Ukraine, including quarantines and panic buying of drugs in Lviv, Ternopil, and other towns. There are unconfirmed reports, and surging rumors, about its being something other than, or in addition to, H1N1. Among the subjects of speculation: "typhus", or "hemorrhagic fever," or "pneumonic plague, imported by the Americans to wipe out the Slavic people." Thirty-some people have died, most of them young, and there are rumors about their lungs being filled with blood.

People in the area report that the panic is intense, with rumors of "typhus" swirling in the population and the media, although the authorities deny that it's anything except for swine flu. While none of the characterizations of the outbreak have been confirmed, the level of panic and rumor begins to sound like the opening scenes of the LPAC "Dark Ages" video, recalling how people fled in desperation from the plague, brought on by insane economic policies.

## **Russia, China, India: Foreign Ministers Meet**

Oct. 27 (EIRNS)—Official communiqués provided preliminary results of the meeting of the foreign ministers of Russia, China, and India, which took place today in Bangalore. The three Eurasian powers emphasized their "new model of cooperation," in the words of Russia's Sergei Lavrov, after their Ninth Trilateral yearly meeting. India's External Affairs Minister S.M. Krishna hosted Chinese Foreign Minister Yang Jiechi and Lavrov. The three reached a consensus on deepening trilateral cooperation on key issues, including the war in Afghanistan and Pakistan, the international financial and economic crisis, energy cooperation, drug trafficking and terrorism, and the tensions with Iran and the Korean peninsula, Xinhua reported today.

Yang Jiechi said that the three nations have been "efficiently communicating" with each other since their last meeting, in Yekaterinburg in May 2008. They have been coordinating policies and providing "mutual support" to face the international financial crisis and protect common interests, Yang said. He said this cooperation has played an important role in stabilizing the global economy.

Lavrov told the post-meeting briefing, that the "global economic crisis is creating new power structures and changing the current Western-oriented world," *Russia Today* reported. "Our common opinion is that the global financial crisis has shown that the post-World War II architecture does not match reality," he said. "Russia, India, and China have agreed to coordinate common efforts to create a multi-polar, more democratic and fair international system, both in the economic sphere and global security."

Krishna emphasized that the "natural complementarity" in the energy sector among the three nations, could form a new basis for trilateral cooperation.

Lavrov also announced that the three nations have proposed developing a collective strategy to stabilize Afghanistan and expect a positive answer from the United States. They discussed terrorism in the entire Arc of Crisis, from India to the Caucasus. The three ministers also stressed the role of the Shanghai Cooperation Organization, and India's renewed interest in the SCO, where it is an observer nation, demonstrated by Prime Minister Manmohan Singh himself leading the Indian delegation to the Oct. 14 SCO summit in Beijing.

## **Russian Nuclear-Powered Spacecraft Proposed by Roscosmos**

Oct. 28 (EIRNS)—Roscosmos, the Russian Federal Space Agency, has developed a design for a nuclear-powered manned spacecraft, Agency director Anatoly Perminov announced to a national meeting of the commission on the modernization of the Russian economy in Moscow today. "The project is aimed at implementing large-scale space exploration programs," Perminov said.

This development is useful, but it is not the energy source we are looking for, Lyndon LaRouche said today. This design is the continuation and revival of a process, which should never have been dropped from space programs in the first place, LaRouche said. It is a useful contribution to a continuing process.

Perminov said that development of megawatt-class nuclear space power systems (MCNSPS) for manned spacecraft, is crucial for Russia if it wants to keep a competitive edge in space, including the exploration of the Moon and Mars, Novosti reported. The draft design would be finished by 2012, and further development will require the investment of some 17 billion rubles (\$580 million) in the next nine years.

At the same meeting, Anatoly Koroteyev, president of the Russian Academy of Cosmonautics and head of the Keldysh research center, said that the Russian space industry's current capabilities are insufficient either to set up a permanent base on the Moon, or to send an independent manned mission to Mars. He said that the key scientific and technical problem for manned Moon and Mars missions, is development of new propulsion systems and energy supplies.

## **Renewed Russian Interest in Industrial Cooperation with Europe**

Oct. 28 (EIRNS)—The Russian government has launched initiatives to expand cooperation and to have the Europeans, especially Italy and Germany, increase direct industrial investments in Russia. At the end of last week, Prime Minister Vladimir Putin, President Dmitri Medvedev, and Italy's Prime Minister Silvio Berlusconi discussed the South Stream gas pipeline project. Concerning Germany, Putin made a special point about industrial cooperation when, on Oct. 18, he visited the new Kaluga auto plant of Volkswagen and Skoda (the Czech subsidiary of VW). Then, on Oct. 19, he joined a meeting between Medvedev and top leaders of German industry who were visiting Moscow, which has received little media coverage. Klaus Mangold, chairman of the German industry's Ostausschuss (East Committee), is quoted saying that the managers attending the meeting represented a total annual turnover of EU500 billion, and that the meeting included only firms that are committed to "longer-term, sustainable engagement" in Russia.

Putin mentioned agriculture, construction, car-making, and high technology, as sectors of preferred interest, and he added that a number of new "big projects will preserve existing jobs and create new ones in Russia and in Germany." This includes the envisaged Magna-Sberbank-Opel group, and the recent Russian purchase of the Vadan shipyard in Wismar, among other projects.

Among high-tech ventures, the one which is planned between Siemens and Rosatom for the joint manufacturing of nuclear power plant components ranks prominently, and was referred to on the sidelines of that Moscow meeting.

## **Southwest Asia News Digest**

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### **Senior Jewish Statesmen Pressure Congress vs. Netanyahu Madness**

Nov. 1 (EIRNS)—Henry Siegman, the former director of the American Jewish Congress, and now director of the U.S./Middle East Project warned in an *New York Times* op-ed today that Obama should not try to kiss up to the hysteria of the Israeli rightwing and Prime Minister Benjamin Netanyahu. Siegman writes, "[A] White House campaign to ingratiate

the president with Israel's public could be far more damaging [to the peace effort], because the reason for this unprecedented Israeli hostility toward an American president is a fear that President Obama is serious about ending Israel's occupation of the West Bank and Gaza.

"Israelis do not oppose President Obama's peace efforts because they dislike him; they dislike him because of his peace efforts. He will regain their affection only when he abandons these efforts."

The real nub, Siegman explains, is a "pathology" of ideology that is aided and abetting by the major U.S. Jewish lobby organizations—which actually is against what 80% of American Jewish people believe. That pathology, Siegman explains, is "Prime Minister Benjamin Netanyahu's message that the whole world is against Israel, and that Israelis are at risk of another Holocaust—a fear he invoked repeatedly during his address in September at the United Nations General Assembly in order to discredit Judge Richard Goldstone's Gaza fact-finding report...."

Meanwhile, Justice Richard Goldstone, a South African Jew and supporter of Israel, is himself fighting back against the lies being used by the Israeli government to bury the findings of his UN Commission on war crimes committed prior to and during the Gaza "Operation Cast Lead," December 2008-January 2009. On Oct. 29, Goldstone wrote a lengthy letter to the U.S. House Foreign Affairs Committee, ripping apart the assertions in H.R. 867—which demands the U.S. reject and block the UN Goldstone report in every "multilateral fora." Goldstone delivers a point-by-point refutation of the "whereas" assertions in the resolution. The "whereas" clauses are *so inaccurate* that is impossible to accept that they are not deliberate lies.

One glaring example is that the resolution says that "whereas" the "mandate" for the UN investigation was *only* directed at Israeli war crimes, the U.S. should oppose this UN Report in every forum. Goldstone corrects: he *personally* insisted that the mandate include both Israeli and Palestinian violations of international law—which it did. Enough said!

Goldstone's full letter is being circulated by the American Jewish organization, Americans for Peace Now.

## **Congress Moves To Sabotage U.S. Cooperation with Russia, China on Iran**

Oct. 28 (EIRNS)—In an explicit move by British pawns in the U.S. House of Representatives to sabotage the U.S. State Department's efforts to cooperate with Russia and China in resolving the Iran nuclear situation, the House Foreign Affairs Committee today approved legislation to try to impose an embargo on Iran's importation of gasoline and refined petroleum products.

The mark-up of the "Iran Refined Petroleum Sanctions Act," followed by a committee hearing on the Middle East, resembled more of an AIPAC fundraising rally than a serious Congressional deliberation. With a few exceptions, committee members were falling over each other to show how tough they can be in defense of Israel.

Rep. Dana Rohrabacher (R-Calif.) was the among the most explicit in targetting China, attacking China's oil investments in Iran, and noting that China's investment in Iran now surpasses that of Germany.

The four committee members who spoke in opposition to the bill, all said that it would undermine the Administration's diplomatic opening toward Iran. Rep. Ron Paul (R-Texas) charged that targetting China is a big part of this bill, noting that China is helping Iran develop the capacity to refine petroleum. He also stated that the legislation will disrupt what the President is trying to do, which is seeking a nuclear-free Middle East. Rep. Jeff Flake (R-Ariz.) and Rep. Barbara Lee (D-Calif.) both said that the unilateral sanctions imposed by the bill would tie the hands of the Administration and undermine its efforts.

Rep. Keith Ellison (D-Minn.) said Congress should give Obama's diplomatic efforts a chance to work, since 30 years of no dialogue, and 15 years of sanctions, haven't accomplished anything, and, he pointed out, in contrast to all the previous talk about how sanctions would help the Iranian opposition, that the Iran protesters and dissidents don't want us to impose sanctions.

In the afternoon hearing, Rep. Ron Klein (D-FLA.), a strong advocate of cutting off firms that trade with Iran, said bluntly that the question of sanctions comes down to Russia and China, noting particularly that China is playing a substantial role in Iran. The State Department's Jeffrey Feltman responded, to no avail, that China has played a constructive role in the P5+1 regarding Iran.

### **Former Marine Combat Captain Resigns Afghanistan Post**

Oct. 27 (EIRNS)—A former U.S. Marine Corps officer, Capt. Matthew Hoh, who has served the last five months for the State Department as Senior Civilian Representative in the Zabol Province in Afghanistan, has gone public with his Sept. 10, 2009, four-page letter of resignation from his post, saying, "I have doubts and reservations about our current strategy and planned future strategy, but my resignation is based not upon how we are pursuing this war, but why and to what end. To put it simply: I fail to see the value or the worth in continued U.S. casualties or expenditures of resources in support of the Afghan government in what is, truly, a 35-year old civil war."

He says, "The U.S. and NATO presence and operations in Pashtun valleys and villages, as well as Afghan army and police units that are led and composed of non-Pashtun soldiers and police, provide an occupation force against which the insurgency is justified. In both RC East and South, I have observed that the bulk of the insurgency fights not for the white banner of Taliban, but rather against the presence of foreign soldiers and taxes imposed by an unrepresentative government in Kabul...."

After detailing the multi-faceted and multi-level corruption of central and local Afghani governing bodies, and the election fraud, he adds, "Our support for this kind of government, coupled with a misunderstanding of the insurgency, reminds me horribly of our involvement with South Vietnam...."

The content of Hoh's letter echoes what senior retired military leaders, intelligence officers, and diplomats have told *EIR* over the last two months—that the Afghanistan situation cannot be won by military means. Hoh also says that the Obama Administration's stated goal—to prevent al-Qaeda from regrouping in the area—"would require us to additionally invade and occupy western Pakistan, Somalia, Sudan, Yemen, etc."

The *Washington Post* reports that after Hoh wrote his letter, he was implored not to resign by top administration officials, including Richard Holbrooke, and Lt. Gen. Karl Eikenberry, the current U.S. Ambassador to Kabul, who offered him a special post alongside the Ambassador. To no avail.

### **Lebanese President Accuses Israel of Being Behind Katyusha Attacks**

Oct. 29 (EIRNS)—Lebanese President Michel Sleiman has accused Israel of being behind the rocket attacks that Tel Aviv has blamed on the Lebanese Hezbollah organization. Sleiman charged Israel with deploying its own collaborators in south Lebanon to fire Katyusha rockets into Israel in order to keep tension high in the region. Earlier this week, these rockets landed in northern Israel, an event which Israel used as an excuse to fire artillery into south Lebanon.

According to *Ha'aretz*, the Lebanese daily *A-Sapir* charged that Israel's declarations that it will continue its intelligence

activities in south Lebanon proves Sleiman's charges. Israel maintains an extensive intelligence apparatus in south Lebanon that dates back to the time it had occupied a strip of territory along the border, and sponsored the so-called "South Lebanon Army." It also operates through drug-trafficking networks which smuggle narcotics into Israel for the local market and transshipment into Europe.

The Lebanese army had investigated where the Katyusha rocket was fired from, finding that was fired from a house of a local mayor who had had nothing to do with the action. They also found four rockets in another location that had been readied for firing.

## **Asia News Digest**

### **China Offers \$25 Billion for Infrastructure in Southeast Asia**

### **Japan Airlines Workers and Pensions on the Block**

### **Mahathir Hits Tony Blair as War Criminal**

#### **China Offers \$25 Billion for Infrastructure in Southeast Asia**

Oct. 24 (EIRNS)—Coming just days after the historic agreement between China and Russia, in which China will invest in high-speed rail, port development, and other infrastructure development in Russia, China announced on Oct. 24 at the ASEAN+3 (Association of Southeast Asian Nations, plus China, Japan, and South Korea) meeting in Thailand that it is making \$25 billion available for infrastructure development in the ten ASEAN countries. Of this, \$10 billion was announced last April, in the form of a China-ASEAN Fund on Investment Cooperation, while an additional \$15 billion is now being offered as credits to ASEAN nations, with an additional \$40 million in aid to the poorest ASEAN countries.

The ASEAN nations have repeatedly made clear that the increasing aid and loans from China are the most welcome form of foreign support, as they come without the conditions on their economic and political policies which come with support from the West, undermining their sovereignty.

Premier Wen Jiabao issued a proposal for China-ASEAN cooperation, including, in addition to the infrastructure assistance, the lowering of tariffs on interregional trade, Chinese assistance in increasing the productivity of grain production, and environmental cooperation.

The ASEAN+3 will also expand to \$120 billion, the pool of currency reserves first established as the Chiang Mai Initiative in 2000 to counter currency speculation and provide aid during natural disasters. China also pledged 300,000 tons of rice towards the planned ASEAN+3 Emergency Rice Reserve.

Although the Asian Development Bank (ADB) released a study revealing a state of denial regarding the global financial collapse, claiming that there will be a "V"-shaped world recovery "with developing Asia leading the way," China is not buying such dangerous euphoria. Wen told the ASEAN+3 Summit that, "Tackling the global financial crisis should remain the top priority for countries in the region at present."

#### **Japan Airlines Workers and Pensions on the Block**

Oct. 25 (EIRNS)—A unique bill is being prepared for the upcoming special Diet session to save Japan Airlines, or its creditors, from bankruptcy. The details of JAL's troubles and of the proposed bailout are mostly irrelevant, since they mirror similar situations at other major corporations around the world.

There are two items of particular interest in this bankruptcy rescue situation.

The deal, as it now stands, hinges on slashing already accrued, but not funded, pension obligations totaling 330 billion yen (\$3.6 billion). As in the United States, companies were allowed to "fund" pensions with no more backing than the companies' future ability to pay.

This bailout maneuver has the unfortunate drawback of being illegal under the Japanese Constitution. "Corporate pensions have strong legal protection and are treated as credit obligations to employees in the same way as salaries. Therefore, lowering pension benefit levels could violate constitutionally guaranteed personal property rights," according to the *Yomiuri Shimbun*.

Therefore, a special law is being drafted for the Diet to provide a loophole allowing the pensions to be gutted—just in this special case. The idea is that the law will be so specific to the JAL case and its current emergency, that it can't be used as a legal precedent to rob other pensions. But, of course, it would be a moral precedent for other pension funds to be gutted.

Also, since a JAL rescue plan was put forward in late Summer, before the installation of the Democratic Party of Japan as the new government, and rejected as "too soft," the layoffs associated with the "rescue" have increased from 6,000 to 13,000. Seventy of the airline's routes are also being eliminated.

## **Mahathir Hits Tony Blair as War Criminal**

Oct. 28 (EIRNS)—As European leaders hold polite discussions about whether or not Tony Blair should be anointed as Emperor of Europe, Dr. Mahathir Mohamad, former prime minister of Malaysia, and outspoken foe of such British toadies as George Soros and Al Gore, denounced Blair as a war criminal. Speaking at a conference in Kuala Lumpur, Dr. Mahathir said: "These people who have created war and killed so many people should be regarded as criminals, the people should not associate with them and should avoid them. Countries should take the same step." On Blair, he added: "We know he was in Sabah [Malaysia] for holiday, but he was actually invited to give a talk on justice—what does he know about justice? It is disgraceful that we should allow such a person to come to Malaysia and to talk about justice, it is ridiculous."

## **Africa News Digest**

### **Obama Extends Sanctions Against Sudan**

### **China Rail Projects Reach into Nigeria, Japan**

## **Obama Extends Sanctions Against Sudan**

Oct. 27 (EIRNS)—President Obama made an announcement today that extends sanctions against Sudan for a year. The extension of the sanctions, renewed by George W. Bush one year ago, amounts to an endorsement of the British policy designed to break up the country. While the Obama Administration claims to want the 2005 CPA agreement that ended the years-long North/South civil war, to be successfully implemented, the continued sanctions will make economic development of the country very difficult, thus contributing to creating the conditions for the South to vote for secession in

a scheduled 2011 referendum on the subject.

## **China Rail Projects Reach into Nigeria, Japan**

Oct. 27 (EIRNS)—China's national and international infrastructure construction is reaching into Nigeria and Japan in two agreements announced this week. In Abuja, Nigeria, the China Civil Engineering Construction Corporation (CCECC) and the Nigerian Ministry of Transport yesterday signed agreements to build the first, 186-km stretch of the Nigerian Railway Modernization Project. This rail line, to be built in the next three years with \$850 million investment, will connect the Nigerian capital to the city of Kaduna. Nigerian Minister of Transport Ibrahim Bio said this was "a landmark signing ceremony of the implementation of the first segment of the Nigerian Railway Modernization Project."

"The second segment of the project, Lagos-Ibadan, is to be awarded by the middle of next month at the latest," he continued. "With the construction of the railway, the dream of achieving a seamless transport network, as envisaged in the government's Vision 2020, shall be realized, and the construction will substantially improve the well-being of the Nigerian people."

CCECC vice chairman Zhou Tianxiang said they will build an efficient and functional railway system in 36 months: "We will commit ourselves to building a modernized railway system in Nigeria, which would be incomparable in Africa."

China also gave a boost to beleaguered Japanese industry, by ordering 140 bullet trains from manufacturers which hold technology licensing agreements with Kawasaki Heavy Industries Ltd. The trains will run on the Beijing-Shanghai express railway and the new high-speed Beijing-Guangzhou railway, which will be completed in 2012. The trains will be able to run up to 350 km per hour. These projects are part of China's new 13,000-km high-speed rail network, which will give China more high-speed lines than the rest of the world combined. So far this year, Kawasaki Heavy had to report a net loss of 6.3 billion yen (\$68.4 million), but the Chinese agreement could reverse those losses.

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