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LaRouche Webcast:
The Great Change of 2009

...Well, as you know, since July, the 25th-27th of July of 2007, I had warned that we were headed into a general breakdown crisis of the world financial-monetary system, and the economic system. Three days later, after that announcement, the beginning of the breakup of the world monetary-financial system occurred. It occurred in the form of the dropping out of the mortgage market in the United States, that is, the home mortgage market. And this spread quickly internationally. Now, another thing happened at the same time: There was a fundamental shift in the world economy, because, as you know by now, having seen the Triple Curve, you know that the world economy is governed presently, by a global, Triple Curve function. Forget all the forecasts by the Wall Street crowd, the statisticians: They're all incompetent, and they're always wrong. They have always been wrong, and will be wrong, because they use a wrong method. They use statistical forecasting based on accounting characteristics, and that does not determine the way economies function...

In-Depth articles from EIR, Vol. 36, No. 45

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This Week's Cover

- **LaRouche Webcast:**
The Great Change of 2009

LaRouche stated in his Nov. 11 webcast that the present world system, including the U.S. economy, is doomed to an inevitable, early, total collapse, unless we change the policy now! The United States is on the verge of disintegration, he said, and there will be no recovery unless we change the present policies of the Obama Administration now. And any American who's supporting Obama and his environmentalist, health-care, and military policies, is supporting the destruction of the United States. The only solution, is a Four-Power agreement, prospectively, among the United States (with a change in the current Administration's policy), Russia, China, India, and some smaller countries which would be willing to participate. Such an alliance would represent sufficient power to bring down the present world monetary system and institute a new credit system.

Science

- **What Your Accountant Doesn't Know:**
The Science of Society
by Lyndon LaRouche

All other economists have been wrong, and the world economy continues to spiral down, because nations have refused to make the policy-shaping changes which LaRouche emphasizes here. He writes that the goal must be the development of the physical economy, and to do that, the monetarist system must be abandoned, and replaced by a fixed-exchange-rate credit system, in which credit is primarily used to support the fruitfulness of the productive powers of labor in all sovereign republics.

Economics

- **Globalization Is Destroying the U.S. Economy**

By following the globalization model, based on a neo-colonialstyle monetarist looting system, the United States and the world have undergone a profoundly destructive shift away from physical production and selfsufficiency. The economy is dying, and the productive labor force has been decimated.

International

- **The Fall of the Berlin Wall:**

- **Now, 20 Years Later, Germany Must Demand a 'System Change'**

Helga Zepp-LaRouche issued this leaflet, entitled, 'Learn from Schiller: Think Only the Highest! System Change Now!,' to urge the German population mobilize to take advantage of the present world economic crisis, to replace the bankrupt monetarist approach to economy, and not miss the opportunity, as happened after the Fall of the Wall.

- **Gaza War Crimes:**

- **UN Backs Goldstone; Congress Issues Lies**

- **In France:**

- **A True Moment of Joy with Harley Schlanger**

- **International Intelligence**

Editorial

- **The Four-Power Dynamic**

This Week's News

U.S. Economic/Financial News

- **Homelessness in the U.S.: A Human Rights Abuse**

- **Obama Ordered to Focus on Deficit, Carry Out 'Institutional Insurrection'?**

Homelessness in the U.S.: A Human Rights Abuse

Nov. 12 (EIRNS)—Although no agency of the U.S. government keeps track of the number of the homeless, with increasing unemployment and foreclosures, the number of homeless continues to grow to the point that the problem has become an international scandal and human rights abuse.

On Veterans Day, Sen. Charles Schumer (D-N.Y.) cited a newly released 2008 report by Community Homelessness Assessment, Local Education and Networking Groups (CHALENG), which found that between one-fourth and one-fifth of homeless persons in America are military veterans. On any given night across the U.S., there are approximately 131,000

homeless veterans. The Veterans Administration estimates that over the course of the year, 336,627 veterans experienced homelessness. Schumer said that out of the 988,217 veterans living in New York state alone, an estimated 14,132 are homeless.

The London *Guardian* reports that on any given night in Los Angeles, about 17,000 families with children are homeless. L.A. has experienced an 18-fold increase in housing foreclosures. Evictions from owned and rented homes have risen tenfold, with 62,400 people forced out last year in Los Angeles County.

Raquel Rolnik, the UN Special Rapporteur for the right to adequate housing, has completed a seven-city tour of the United States. Rolnik, who will submit a final report to the UN Human Rights Council early next year, said, at the conclusion of her fact-finding mission: "The housing crisis is invisible for many in the U.S. I learned through this visit that real affordable housing and poverty is something that hasn't been dealt with as an issue...."

Rolnik toured Chicago, New York, Washington, Los Angeles, and Wilkes-Barre, Pa., as well as the Indian reservation at Pine Ridge in South Dakota.

Obama Ordered to Focus on Deficit, Carry Out 'Institutional Insurrection'?

Nov. 13 (EIRNS)—In the wake of public statements by OMB head Peter Orszag, and in the midst of the buildup of new hysteria about the U.S. budget deficit, Washington leak sheets like *Politico* have begun to put out the line that President Obama is going to shift his focus to "solving the deficit" by the time of the 2010 State of the Union. This is a recipe for not only total incompetence, but genocidal austerity.

A precursor was given at Senate Budget Committee hearings held on Nov. 10, where numerous Senator voiced their commitment for Congress to commit suicide. The hearing involved both Senate and House members, and outside "experts," to plot using the necessity for Congress to extend the national debt limit (which must be done in December), to force through Congressional approval of a special Commission which would dictate brutal cuts in entitlement programs such as Social Security, Medicare, Medicaid, and veterans' benefits. The Commission would dictate budget cuts and tax increases which an emasculated Congress could only vote up or down as a package—no amendments, no adjustments, no exercising of Congress's constitutional role to deliberate and legislate on matters of taxation and expenditures.

In other words, an IMAC-style oversight board for all national vital services.

Global Economic News

[Blackouts Descend on Nations Denied Nuclear Power](#)

[Cargill: Keep Free Trade and Let People Starve](#)

[Largest-Ever Chinese Procurement Mission Travels to Taiwan](#)

[China and Malaysia Agree on Development Projects](#)

Blackouts Descend on Nations Denied Nuclear Power

Nov. 11 (EIRNS)—Blackouts are becoming part of life in developing nations, often where the development of nuclear power has been prevented by Prince Philip and the World Wildlife Fund. This week's "Dark Age Update" includes:

Brazil: A blackout left much of the southern half of Brazil, including the two largest cities, Sao Paulo and Rio de Janeiro, and 90% of Paraguay, without power for over four hours last night (see Ibero-American Digest for more on this).

Venezuela: Serious electricity and water shortages are growing across the country; there have been six nationwide blackouts in the last two years, and there is daily rationing in rural areas and even in larger cities like Valencia and Ciudad Guayana, and popular protests are growing. "Now, water rationing has been introduced here in the capital," the *New York Times* reported today.

Indonesia: Rotating power cuts in Jakarta over the last couple of months have caused huge losses to industry. They are expected to last at least until the end of this year. A one-hour blackout stops water distribution for four hours, because the pump capacity fails. If the pipes remain empty for that long, rust can contaminate the water and make it unfit to drink. There are also blackouts in Sulawesi, another major island.

Cargill: Keep Free Trade and Let People Starve

Nov. 10 (EIRNS)—Paul Conway, a senior vice-president at Cargill, the world's leading agricultural cartel and commodities speculator, orders poor nations to starve, rather than abandon the British Empire's colonial doctrine of free trade. Self-sufficiency in food production is "a nonsense," he told London's *Financial Times*, in an interview published today.

"This crap just has to be denounced for the fascism it is," Lyndon LaRouche commented. It is part of the British Empire's *intentional* policy of depopulation, by reducing the planet's potential relative population density to way below the current actual population, and just starving people to death.

Conway, whose company manipulates global trade in agro commodities to benefit its own predatory interests, warned that at the upcoming Nov. 17-18 UN World Summit on Food Security in Rome, any drive by poor nations to demand food self-sufficiency in response to last year's food crisis, will fail. Forget about using subsidies or import tariffs to increase domestic food production, he said. "Promoting a free and open trading system whereby countries can produce what they are best able ... and surpluses can be traded across international boundaries, is the right way to go."

Largest-Ever Chinese Procurement Mission Travels to Taiwan

Nov. 10 (EIRNS)—A 3,000-person Chinese procurement mission arrived in Taiwan today for a week's stay, expecting to place at least \$2 billion worth of orders with Taiwanese suppliers.

Lyndon LaRouche commented today, that sending this mission, the largest of its kind ever to travel to the island from mainland China, makes sense. "China has got a problem, which I've discussed," he said. Sending such a mission "is a reflection of the China and related policy decisions, which I've told people again and again, they made. This is a continuation of what I have said."

The mission is led by Liang Baohua, Secretary of the Chinese Communist Party in Jiangsu Province, the highest-ranking official to have visited the island to date. The delegation is made up of executives from 61 companies, plus representatives from cultural, education, and tourism sectors, and is the latest of a series of such visits across the Straits this year.

China and Malaysia Agree on Development Projects

Nov. 11 (EIRNS)—In a state visit to Malaysia, Chinese President Hu Jintao signed five memoranda of understanding with Malaysian Prime Minister Najib Razak. Malaysia has agreed in principle to grant the construction of a double-track rail line in southern Malaysia to an unspecified Chinese company. Government officials earlier this year estimated that the track would cover 122 miles and cost \$2.2 billion.

It will also be under consideration for Chinese companies to participate in a northern dam expansion, as well as an aluminum smelter and pulp and paper projects on Borneo island.

Funding sources for these projects was not disclosed. At the ASEAN+3 conference last month, China announced a \$25 billion aid and loan package for Southeast Asia, \$15 billion of which is in commercial credits.

China plans to increase its demand for Malaysian timber and palm oil.

China overtook the United States as Malaysia's biggest trading partner this year, with bilateral trade reaching \$26 billion between January and September.

United States News Digest

Some Truth in Report on Pelosi Health-Care Bill

Will Glass-Steagall Supporters Join LaRouche's Call Now?

Obama's Nazi-Care on 'Life Support,' Says Dealmaker Dem

Democrats Fear Mass Strike; Poll Shows Voters Hate Incumbents

Some Truth in Report on Pelosi Health-Care Bill

Nov. 15 (EIRNS)—The Nov. 13 report of the actuary for the government's Centers for Medicare and Medicaid Services, while it covers up most of the genocidal features of the so-called health-care reform bill that Speaker of the House Nancy Pelosi (D-Calif.) forced through the House of Representatives a week ago, does make two admissions that are true. First, that the bill would cause more doctors and hospitals to deny service to some Medicare and Medicaid recipients. (Many doctors refuse to treat these patients already, because they lose so much money for each visit.)

The report says that a result of the bill's \$570 billion in cuts in Medicare reimbursements over ten years, will be that "providers for whom Medicare constitutes a substantive portion of their business could find it difficult to remain profitable and might end their participation in the program (possibly jeopardizing access to care for beneficiaries)."

The second admission is that the reason these patients would be cut off is essentially that the U.S. lacks the required medical infrastructure, or, as the report says, "supply constraints might interfere with providing the services desired by the additional 34 million insured persons."

This is why Lyndon LaRouche has insisted that the solution to real medical problems in the U.S. begins with returning to the Hill-Burton legislation, which London puppet Richard Nixon overthrew.

Will Glass-Steagall Supporters Join LaRouche's Call Now?

Nov. 13 (EIRNS)—On the tenth anniversary of the repeal of Franklin Roosevelt's Glass-Steagall Act, by the November 1999 passage of the Gramm-Leach-Bliley bill, will those who opposed the repeal of Glass-Steagall then, and those who have since opposed it, join Lyndon LaRouche in calling for "the application of a Glass-Steagall-type reorganization of the U.S. banking system as a reorganization of the national commercial banking system, as an action enabling the uttering of U.S. Federal Credit for launching a half-century building of the basic economic infrastructure of the U.S.A. and associated nations...."?

There is increasing support for Glass-Steagall at present, as well as a certain sense of panic among Wall Street bankers who can sense the rage against them. Recent statements of support include that by former Labor Secretary Robert Reich, on NPR's Marketplace Morning Report on Nov. 4: "A better idea is to restore the Glass-Steagall Act, which until 1999 separated investment from commercial banking. No public interest has been served by allowing the casino called investment banking to merge with the traditional intermediary function linking savers to borrowers."

John S. Reed, former Citibank CEO, endorsed the Glass-Steagall concept in an Oct. 27 letter to the editor of the *New York Times*: "I would agree with Paul A. Volcker (and also Mervyn King, governor of the Bank of England) that some kind of separation between institutions that deal primarily in the capital markets and those involved in more traditional deposit-taking and working-capital finance makes sense."

In 1999, Sen. Byron Dorgan (D-N.D.) had said, "I think this [repeal of Glass-Steagall] legislation is just fundamentally terrible. I think we will look back in ten years' time and say, we should not have done this, but we did, because we forgot the lessons of the past, and that that which is true in the 1930s is true in 2010." Other Senate Democrats who voted against repealing Glass-Steagall include Tom Harkin (Iowa), Barbara Boxer (Calif.), Richard Bryan (Nev.), and Barbara Mikulski (Md.). Sen. Richard Shelby, who still speaks of the need for Glass-Steagall, was the sole Republican to vote against its repeal.

Obama's Nazi-Care on 'Life Support,' Says Dealmaker Dem

Nov. 13 (EIRNS)—Rep. Jim Cooper (D-Tenn.), a key "Blue Dog" Democrat who voted for the House health-care bill, told the editorial board of *The Tennessean* yesterday that the bill stands a good chance of being defeated in the Senate. "If you peel back the layers further, you realize it may be difficult for the Senate to vote on anything," Cooper said. "I'd say health reform, despite the House vote, is still on life support."

Cooper cited Sens. Robert Byrd (W.Va.) and Ben Nelson (Neb.), as two Democratic votes that the party may not be able to count on, to cut off debate and pass a bill: "They know what they have to do to get the 60 votes. A 60-vote majority is very fragile.... There are a number of senators saying they're not going to send it to conference. They're going to say to the House, take it or leave it."

Democrats Fear Mass Strike; Poll Shows Voters Hate Incumbents

Nov. 12 (EIRNS)—While the Republican Party is calling for a surge of anti-health-care-bill town meetings in the next two weeks, the Democratic Party is reportedly going into hiding in order to avoid confrontations with angry voters, one week after Speaker of the House Nancy Pelosi bulldozed the health-care vote through. A meeting held by Rep. Allen Boyd (D-Fla.) who had voted *against* the bill, was a case in point: About 500 senior citizens who attended were so angry, and unswayed by Boyd's "No" vote on Obamacare, that half the audience walked out to protest that Boyd was not doing enough on the economy and other issues. One of the signs shown in TV coverage was "Repeal the Stimulus Bill." Boyd told local

TV that the walkout "exhibits people's anger" about the economy.

Republican members of Congress, on the other hand, are seeking to capitalize on the anger directed largely at Democrats, and there are some 50 town meetings planned by GOP Senators before Thanksgiving. But Republicans have a lot to fear as well for their promotion of the bank bailout and other crimes. A new Pew Research Center poll shows that "53 percent of Americans said most members of Congress should not be reelected, compared with just 34 percent who said most members should be reelected," reports *Politico* today. While 52% of Americans would support the reelection of their own Congressman, the hatred of the Congress as a whole is massive. In 2006, 57% did not want the majority of Congress reelected; and in 1994 (the year of the Gingrich coup), it was 56%; the incumbents' majority was booted out in both elections.

There is a concerted propaganda effort by the GOP to claim "ownership" of the mass strike process that is rising up against Wall Street, the bailout, and the Nazi health-care bill, but as one veteran organizer said, "As they know in Texas, Dick Armeý couldn't organize a two-car funeral."

Ibero-American News Digest

[Sonoran Debate: Monetarism Is Genocide, Build the PLHINO!](#)

[Proposal for China, U.S., Ibero-American Relations](#)

[Severe Drought Drives Argentine Farmers to Suicide](#)

[Power Outage Shuts Down Half of Brazil](#)

Sonoran Debate: Monetarism Is Genocide, Build the PLHINO!

Nov. 12 (EIRNS)—Several major dailies in the state of Sonora, Mexico, covered in full the Pro-PLHINO Committee's charge that José Luis Luege Tamargo, head of Mexico's National Water Commission (Conagua), should be fired for promoting genocide, when he opposes the Northwest Hydraulic Plan (PLHINO) on the grounds that "it costs too much."

Luege Tamargo is the top hitman within the Mexican government for Prince Philip's World Wildlife Fund (WWF), which is out to impose "green" environmentalist policies which will lead to the deaths of more than two-thirds of the human race.

Addressing a national farmers conference last week, Luege Tamargo admitted that the PLHINO is feasible, but dismissed it as too expensive.

On Nov. 10, Sonora's leading daily, *El Imparcial*, among others, reported on its front page, that the Secretary of the Pro-PLHINO Committee, Alberto Vizcarra, denounced such "monetarist thinking" as exactly the kind that has plunged Mexico into economic depression. Luege "is the personification of this evil, whose result in practice is genocide, if we take into account that 25% of the Mexican population now suffers from food poverty, and their life expectancy depends on the country turning the current crisis around through investments in great infrastructure projects.... How much does the chaos being provoked by the lack of economic development cost? How much do the lives of more than 25 million Mexicans who are threatened by hungry cost?..."

Vizcarra declared that Luege's actions are so criminal, that the Federal Congress should demand his resignation.

Proposal for China, U.S., Ibero-American Relations

Nov. 13 (EIRNS)—China's growing economic presence in Ibero-America is not a threat to the United States or the region, but a potential asset, and collaboration between them should be expanded. This was the basic concept presented by speakers from the U.S., China and Ibero-America at a conference sponsored by the U.S. National Defense University's Center for Hemispheric Defense Studies and the Brookings Institution in Washington on Nov. 6, on the "Strategic Implications of China's Evolving Relationship with Latin America," which *EIR* attended.

The three parties should cooperate as *tres amigos* (three friends) in the Americas, as U.S. retired Army Gen. Bernard Loeffke put it in his address. This is the polar opposite of the British agenda of right-left polarization spreading across the region. Specifically, the "yellow communist peril" drivel spewing out from neo-conservative sewers, over Chinese relations with Venezuela's Chávez regime, was debunked by various speakers, who emphasized that China's goals are one thing, Chávez's are another. The Venezuelan President, one speaker noted, made himself a laughingstock in Beijing universities, by promoting the hated Cultural Revolution as the model for his Bolivarian Revolution.

In opening the conference, Frank Mora, the Deputy Assistant Secretary of Defense for Western Hemisphere Affairs, named three challenges which the Pentagon considers its biggest in Ibero-America, and which are also most likely to benefit from China's presence in the region: under-governed and ungoverned territories, lack of economic opportunities, and drug and arms-trafficking. China's presence is provoking interest in the infrastructure improvements needed "to connect distant corners of South America," and thus expand government presence in those regions, Mora said. He urged greater transparency on increasing Chinese military-to-military relations, but proffered that the Defense Department welcome discussions on how Chinese military sales and training could aid governments in regaining control of ungoverned territories, and combatting drug and arms trafficking.

For his part, China's Ambassador to the United States, Zhou Wenzhong, told the conference that China is doing business in Ibero-America not for profit, but to feed its people.

Severe Drought Drives Argentine Farmers to Suicide

Nov. 12 (EIRNS)—In just two towns in Argentina's agricultural province of Santa Fe, ten farmers, distraught over the loss of their cattle, caused by the lack of water or dried-up pasture lands, killed themselves this year. In Argentina, known historically as the bread-basket of South America, and one of the world's premier food producers, this is unprecedented.

A year-long drought has affected 90% of the country, leading to water-rationing in several provinces, as well as forest fires, the deaths of several million head of cattle, and health problems caused by consumption of contaminated water when clean water wasn't available. Previously fertile parts of some provinces have become deserts.

A "water war" has broken out between Santa Fe and its neighbor Santiago del Estero over rights to the Salado River. In the industrial city of Córdoba, where water rationing has been imposed, armed guards have to accompany water trucks to some neighborhoods, after they were attacked by citizens desperate for clean water. Sixty percent of the province's population lacks reliable access to water.

Nor is this ecological and economic crisis limited to Argentina. Ecuador is suffering from the worst drought in 40 years, and has had to impose rationing in several provinces. The Bolivian government has just declared an emergency due to the effects of drought in four of its nine provinces, where 11,000 head of cattle have died, and 20,000 hectares of crops lost.

Power Outage Shuts Down Half of Brazil

Nov. 11 (EIRNS)—Shortly after 10:00 pm. on the evening of Nov. 10, a massive electricity blackout occurred in Brazil, which left much of the country's southern half, as well as 90% of neighboring Paraguay's territory, without electricity. The blackout in Paraguay lasted 15 minutes, but in Brazil, it was at least five hours before power was restored, leading to chaos in several cities, including São Paulo and Rio de Janeiro. A total of 800 cities were affected.

The explanation given by the Lula da Silva government was that a storm took out three transmission lines running from the giant Itaipú hydroelectric dam on the Brazil-Paraguay border, causing a loss of about 17,000 megawatts to the national electricity grid.

But according to Adriano Pires, director of the Brazilian Center for Infrastructure Studies, the real problem is that Brazil has failed to maintain its power lines, noting that a storm alone should not cause such a massive outage. President Lula da Silva tried to defend himself, saying "two things are certain: There wasn't a lack of power generation and there wasn't a lack of transmission lines to connect the system."

This limp argument only served to spark a political firestorm aimed at Dilma Rousseff, the former Energy Minister endorsed by Lula as his successor in next year's Presidential elections. Various opposition leaders charged that Rousseff was responsible for lack of investment in infrastructure during her stint as Energy Minister during Lula's first term in office, and several media sources are now describing her electoral campaign as "buried."

Serious electricity and water shortages have also hit Venezuela. There have been six nationwide blackouts in the last two years, and rationing in rural areas, and even in larger cities like Valencia and Ciudad Guayana, is a daily occurrence.

Western European News Digest

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Italy's Guarino Exposes EU Superstate

Nov. 12 (EIRNS)—Constitutional expert Giuseppe Guarino, professor emeritus of the University of Rome, has written a paper demonstrating that the European Union is already a federal state. His findings are additional evidence in support of the Constitutional challenge against the European Union's Lisbon Treaty filed by Prof. Dr. Karl Albrecht Schachtschneider in Germany.

Professor Guarino has reviewed all EU- and non-EU-originated legislation, from 2000 to 2008, in the case of Italy. He concludes that the EU legislation is greatly predominant, in terms of number of bills and number of pages. "Since EU regulations and directives are applied to all EU member countries, it is believed that analogous results shall be found for all EU member-states," Guarino writes.

In a discussion with *EIR*, Guarino noted that the Lisbon Treaty process has not even been concluded. Although all member-countries have formally ratified the Treaty, according to Guarino, national parliaments will be called again to vote on the two protocols attached to the Treaty that deal with concessions to Ireland and the Czech Republic—the last two countries to ratify.

Those protocols have not yet been drafted, but they have been negotiated and announced formally at two European Council meetings, which have a binding legal status. Once drafted, according to Guarino, they must be approved by national parliaments.

It is possible that if public opinion in nations other than Ireland and the Czech Republic is informed of the content of the protocols, those nations might demand the same concessions, thus opening a Pandora's box.

Latvian Leader: EU Is Like Soviet Union

Nov. 13 (EIRNS)—Former Latvian President Vaira Vike Freiberga, after declaring her candidacy for the presidency of the European Union, called on the EU to stop acting like the Soviet Union. She is the only publicly declared candidate, although Britain's Tony Blair has been widely mooted.

She attacked the EU for operating in "darkness and behind closed doors," adding that "the European Union should stop working like the former Soviet Union."

Britain's *Daily Telegraph* reports that her attack has generated a buzz among political circles who are trying to figure out how leaders of the EU are to be chosen—comparable to the Cold War practice of "Kremlinology," when Western analysts would try to determine the meaning of leadership changes in Moscow.

Italian Senate Blocks Mezzogiorno Development Bill

Nov. 14 (EIRNS)—The Italian Senate blocked yesterday an amendment to the budget law, which concerned the establishment of a bank for the development of Southern Italy, called the Banca per il Mezzogiorno. The amendment had been introduced by the government, to accelerate a project sponsored by Economy Minister Giulio Tremonti. The Senate justified the move through a Senate rule that says no amendment to the budget law can be voted on if it is not discussed in committee beforehand. A formal challenge against the amendment was brought by Sen. Enrico Morando, a supporter of globalization, who played a negative role in the recent vote on a New Bretton Woods resolution sponsored by Sen. Oskar Peterlini.

The government will now reintroduce the amendment into the Chamber of Deputies Budget Committee.

French Presidential Candidates Groomed

PARIS, Nov. 12 (EIRNS)—*Le Parisien* today revealed that on June 22, IMF managing director Dominique Strauss Kahn held a large get-together to measure his own strength and that of his networks for the Presidential election in 2012.

Among the powerful financial networks mentioned by *Le Parisien*, is Strauss Kahn's former heads of Cabinet when he was Economics and Finance Minister, Mathieu Pigasse, one of the three people who run Lazard Frères in France. Another is François Villeroy de Galhau, the president of the surveillance council of Fortis Bank France, the new European banking behemoth, since its takeover by BNP Paribas. *Le Parisien* reports that he has become close to White House economic advisor Larry Summers and U.S. Secretary of Treasury Timothy Geithner.

European Commission Flushed Out on Fascist QALY

Nov. 10 (EIRNS)—In a written response to an inquiry by Italian Member of the European Parliament Cristiana Muscardini, the European Commission has revealed that it encourages member governments to study the British utilitarian anti-life system of Quality Adjusted Life Years (QALY)—which the British have made an intrinsic part of the Obama Nazi health-care reform package.

Spokesman Androulla Vassiliou wrote that the Commission "does not intend to comment" on the euthanasia policies implemented in Great Britain as a result of the Liverpool Care Pathway, as Muscardini had asked in her question, citing British media. The Commission reports that it receives many solicitations "from health professionals, public health promoters and patients," on the "sustainability" of health systems and on current access to quality care. After having stated that the Commission "invites member states not to reduce [health] budgets," it reveals that "the EU aims at promoting cooperation among member states on Health Technology Assessment (HTA) and encourages research on HTA models, such as QALY, at the European level, so that patients benefit from the most effective health treatments without jeopardizing the financial sustainability of health systems."

Britain Moving Ahead To Buy New Nuclear Plants

Nov. 9 (EIRNS)—After decades of funding and propagandistically arming the Malthusian anti-nuclear movement worldwide, it dawned on British ruling elites a couple of years ago that, much as it might be distasteful, Britain, itself, would have to start building some new nuclear plants, or face an inevitable, literal dark age. Over the next 13 years, Britain will be shutting down all but one of its nuclear reactors, due to advanced age. Nuclear energy today supplies about 20% of its electricity.

The government has spent the past two years rallying public support, empaneling review groups to make the case for nuclear, and announcing that it will build about ten plants over the next 15 years. Today, Energy Secretary Ed Miliband reported to Parliament on the ten sites that had been selected. The U.K. will be buying the reactors abroad, as it has a very small and limited nuclear industry.

Russia and the CIS News Digest

[Medvedev Continues Emphasis on Technology, Infrastructure](#)

[Vitrenko Mobilizes in Ukraine to Put 'LaRouche Plan' on World Agenda](#)

[Moscow: India Should Be 'Proactive' in Building Up Russia's Economy](#)

[Tajik Government Disappointed at Moscow's Response](#)

Medvedev Continues Emphasis on Technology, Infrastructure

Nov. 12 (EIRNS)—Russian President Dmitri Medvedev delivered his second annual State of the Federation message today, striking some of the same themes that are at the center of Russia's new quality of collaboration with China. They also suggest the prospects of Russia playing a pivotal role in what Lyndon LaRouche has identified as the Four-Power alliance to defeat the power of the London-centered global financial oligarchy. LaRouche commented that the address was in accord with the agreement between Russia and China, which he sees as a solution to the problems facing Russia.

Medvedev focused on the need for the Russian economy to be based on technological and scientific innovation, rather than raw material extraction for export. He recalled French scientist Louis Pasteur, who said that "Science must be the most elevated incarnation of the Fatherland, as, of all peoples, the one who will be the first is the one that will overtake the others in the field of thought and mental activity. We should make sure that scientific specialists are willing to work in their own country."

Medvedev elaborated: "The nation's prestige and national prosperity cannot be upheld forever by the achievements of the past. Oil and gas production, which provide a large share of the budget revenues; nuclear weapons that guarantee our security, industrial and communal infrastructure—this was all to a large degree, created by Soviet specialists. In other words, we didn't create them. The time has come for us, the current generation of Russians, to make its voice heard; to raise Russia to a higher level of civilization. The well-being of Russia in the near future will depend on whether it will be successful in developing ideas, knowledge and science; finding and supporting people, who are creative; and bringing up very young people to be intellectually free and active...."

"We gave preference to further developing our old economy based on raw materials, and few and non-systematic measures were taken to promote our innovative technologies. We can't put this off any longer. We have to begin modernization of the whole industrial base. I think this is the matter of surviving of our country in the modern world."

"It is high time for today's generations of the Russian people to express themselves and raise Russia to a new and higher level in developing civilization," the President added.

The President devoted a section of his message to Russia's expanded role in state-of-the-art nuclear power, including a new generation of nuclear plants, and fuels, and collaboration with other nations on thermonuclear fusion research.

Vitrenko Mobilizes in Ukraine to Put 'LaRouche Plan' on World Agenda

Nov. 12 (EIRNS)—Yesterday Ukraine's Central Electoral Commission completed preliminary certification of 18 candidates for the country's Jan. 17 Presidential election (which may or may not be held, in view of the current emergency around high flu death rates). One is a businessman who changed his surname to "Protyvsikh" (Mr. "Against All") while two others are purely media creations. Each of them made the over \$300,000 deposit, demanded by the CEC for a candidate to run.

Natalia Vitrenko, leader of the Progressive Socialist Party of Ukraine, was not certified. Vitrenko offered a payment of 1964 hryvnias, or about \$250, which was rejected, and denounced the extortionist payment requirement as unconstitutional. Enumerating the violated articles of the Constitution, Vitrenko charged that "for the current Ukrainian authorities, the Constitution of Ukraine is a piece of toilet paper."

The same day as these events, Vitrenko launched a new campaign, counterposing Lyndon LaRouche's economic policies to those of the International Monetary Fund. Her website published a headline: "Save the World from Onrushing

Catastrophe—International Signature Campaign: The LaRouche Plan To Save the World Economy Must Be Placed on the Agenda." Under the headline is the full text of Helga Zepp-LaRouche's appeal, issued Nov. 3 by the Schiller Institute. Vitrenko's Nov. 11 statement, accompanying publication of the appeal and addressed to all regional organizations and members of her party, reads:

"I ask you to be very active in gathering signatures to support the appeal to Stop a World Catastrophe.

"The liberal economic model, imposed by the IMF on the whole world, not only has led the world economy into crisis and is bringing on a global catastrophe. Neither the wealthy countries of the notorious G7, nor the G20, have developed effective measures to take the world economy and national economies out of the crisis. They are hiding from the essence of the problem in a cowardly fashion and are incapable of showing the political will to save humanity.

"We are obliged to demand, putting forward a specific plan of action, that they do so. On all the continents of our planet, people are beginning to gather signatures under this document.

"I hope that citizens of Ukraine will be especially active in this, understanding the civilizational tragedy which the reform policies, conducted in Ukraine according to IMF prescriptions for these 18 years, have brought to our country. Today's Presidential campaign is a rat race of greedy and ill-prepared candidates. Today, it is more effective to fight to save the country through the mass collection of signatures in support of this appeal.

"I wish you success in this matter of importance for civilization."

Moscow: India Should Be 'Proactive' in Building Up Russia's Economy

Nov. 15 (EIRNS)—During a four-day visit to India, Russia's Deputy Prime Minister and co-chairman of the Inter-Governmental Commission on Trade, Economic, Scientific, Technological and Cultural Cooperation (IRIGC), Sergei Sobyenin, told the Press Trust of India that "India's technological feat has opened up new avenues of cooperation with Russia, which is now poised for radical modernization." Sobyenin also pointed out that with China and the West seeking access to Russia's immense mineral and natural resources in its eastern part, Moscow wants "Indians to be proactive in capacity-building." This would include investing in various economic sectors where India is traditionally strong and which could help produce goods in Russia that would fulfill India's import requirements.

Sobyenin met with Minister of External Affairs S.M. Krishna to discuss a wide range of topics, including nuclear deals, bilateral trade, and terrorism. This is a prelude to Prime Minister Manmohan Singh's visit to Russia, scheduled for early next month. Singh will be in Washington meeting President Obama in the last week of November.

In mid-October, India's state-owned Oil and Natural Gas Corporation (ONGC) indicated that it is considering the purchase of oil and gas fields in the Tomsk region of western Siberia. The ONGC is currently taking part in Sakhalin-I, an oil and gas project off the coast of Russia's Pacific island of the same name.

It is evident that the enhancement of the Russia-China collaboration in developing mineral resources in Siberia, and infrastructure projects, as exhibited during Prime Minister Vladimir Putin's recent visit to Beijing, has also triggered the call for closer and broader Russia-India relations.

Tajik Government Disappointed at Moscow's Response

Nov. 14 (EIRNS)—Tajik President Emomali Rakhmon's visit to Moscow and his meeting with Russian President Dmitri

Medvedev left the Tajik government deeply disappointed. This is the first meeting between the two heads of state. Tajikistan is in deep financial crisis, and one of President Rakhmon's main objectives was to get a contract securing \$300 million per year for the continued presence of Russian troops at the 201st military base in Tajikistan. Russian authorities, however, made immediate reference to the bilateral agreement of 2004, where it was stipulated that the Russian base would be deployed in Tajikistan without fees until 2014.

Prior to his visit to Moscow, President Rakhmon had assured his people that he would complete the massive 3,600 MW Rogun hydroelectric power station, suggesting that construction of the power plant was "not only a matter of survival, but also one of ensuring the country's energy independence." Addressing a gathering at the power plant's construction site, the Tajik leader said that nearly \$150 million was earmarked for the Rogun project in the country's 2010 state budget. During his meeting with President Medvedev, Russian investment into Rogun hydropower project was requested, but Medvedev did not show any interest. Media reports of the talks between the two Presidents suggest that relations between Russia and Tajikistan have never been as cold as they are now.

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Israel-Palestinian Peace Talks Plan Announced

Nov. 11 (EIRNS)—Israeli opposition leader Shaul Mofaz of Kadima, a Knesset member and former chief of staff of the Israeli Defense Forces, announced his proposed peace plan on Nov. 8, which would include talks with Hamas and creating an interim Palestinian state. The plan, according to the Israeli daily *Ha'aretz*, could put Israeli Prime Minister Benjamin Netanyahu in a tight spot, since Mofaz's experience includes serving as defense minister under former Prime Minister Ariel Sharon.

According to the daily *Ma'ariv*, the "Mofaz plan" envisions the signing of an agreement for the formation of an independent Palestinian state, whose borders would not be less than 92% of the West Bank, with land exchanges. The first stage would involved immediate transfer of 60% of the West Bank to the Palestinians, with the rest to be negotiated. While this looks like a previous proposal for a Palestinian state with temporary borders that never got anywhere, the Mofaz plan calls for passing a compensation law that will reimburse all those who leave their homes in the West Bank settlements. While Mofaz said the so-called settlement blocks will remain, he nonetheless envisions a withdrawal of 70,000 settlers.

Regarding Palestinian refugees, Mofaz does not support a right of return to the state of Israel, but only to the proposed Palestinian state. He also called for special arrangements in the Holy Basin, which is comprised of the Old City of Jerusalem, the al-Haram al-Sharif mosque, the Church of the Holy Sepulcher, and other holy sites.

Regarding Hamas, Mofaz said, "If Hamas is elected and chooses to negotiate, Israel must conduct dialogue with any group

that changes its behavior."

Remarkably, Ynet quotes Hamas West Bank legislator Mushir al-Masri, who said, in response to Mofaz's plan, "This is a very important step, but we are interested in its translation from talk into action. Obviously, such comments carry a lot of weight when they come from someone of Mofaz's stature—a man who went to war against Hamas and the resistance and is familiar with the issue's political and related aspects." Al-Masri is also chairman of the International Campaign for the Release of Abducted Members of Parliament. This is a committee that has been seeking the release of the 45 Hamas West Bank legislators who were seized by Israel when Israeli soldier Gilad Shalit was captured, almost four years ago. Twenty-seven have been released, six of them only last week.

Mofaz will meet with the ambassadors of Turkey, Egypt, Russia, and Jordan, and has already met the U.S. ambassador, and will be traveling to the United States to discuss his plan with think tanks and others.

Obama-Netanyahu Meeting Cool

Nov. 11 (EIRNS)—*Ha'aretz* reports that the Nov. 9 meeting between President Obama and Israeli Prime Minister Benjamin Netanyahu was not a great success. White House sources are said to have expressed disappointment that Netanyahu did not present any concrete plan to scale back Israeli construction in the West Bank. Meanwhile, an article in YNet, the online version of *Yedioth Aharanot*, Israel's largest newspaper, said that this was the most secret meeting since Monica Lewinsky last visited the White House.

Ha'aretz points out that the meeting was not confirmed until Netanyahu was on the plane to Washington. And, in general, the White House did not like the idea of having a meeting with Netanyahu just because he was in town to speak at a conference. In fact, they point out that he arrived at the White House in a van and not the official car that brings such guests to the White House.

YNET reports that no press conference was given because the White House did not want Netanyahu to put his spin on the meeting. They point out that after the meeting between the two after the UN General Assembly in New York, reports circulated which claimed that Netanyahu had succeeded in swaying Obama's opinion. This apparently damaged trust between the two.

57% of Israelis Support Talks with Hamas

Nov. 13 (EIRNS)—*Ha'aretz* reports that a new poll shows that 57% of Israelis support the view of Knesset member Shaul Mofaz of Kadima, who published a plan earlier this week, in which he called for dialogue with Hamas under certain conditions. Among Kadima voters the idea has 72% support, and even among Likud voters it has 53%.

Otherwise the poll shows the electorate shifting further to the right, with the right and center-right party capable of achieving 72 seats, compared to 48 seats for the center-left parties. The Labor Party could very well disappear with 5 seats. Labor Party Chairman Ehud Barak's rating has collapsed, and many Laborites called for him to leave the Netanyahu government.

No January Elections for Palestine

Nov. 12 (EIRNS)—The postponement of Palestinian elections that we previously reported from sources, is now official. Reuters reports that a senior Fatah official said Palestinian President Mahmoud Abbas would "adhere to the decision of an independent election commission to put off the presidential and parliamentary elections," which he had scheduled for Jan.

Iran's Uranium Could Be Stored in Turkey

Nov. 10 (EIRNS)—Discussions are underway between Turkey and Iran that could aid the international negotiations on Iran's nuclear program. Turkish Prime Minister Recep Tayyip Erdogan and Iranian President Mahmoud Ahmadinejad held discussions on a proposal by International Atomic Energy Agency (IAEA) head Mohamad ElBaradei to have Iran store 900 kilograms of its low-enriched uranium in Turkey, while some of it is being processed in Russia and France.

Iran had earlier rejected a proposal that all of it be shipped to Russia while it is being reprocessed, for fear that it would never get it back. ElBaradei suggested that Turkey serve as a storage place, since "Iran has a lot of trust in Turkey."

Shortly after ElBaradei announced the proposal on Nov. 6, Erdogan and Ahmadinejad discussed the idea on the sidelines of the meeting of the Organization of the Islamic Conference in Istanbul. Turkish Foreign Minister Ahmet Davutoglu also said the prospects for agreement on the proposal were good, according to the Nov. 10 *Zaman*.

Meanwhile, Israeli Defense Forces Chief of Staff Gabi Ashkenazi told the Knesset Foreign and Defense Policy Committee that Western powers could stop Iran's nuclear weapons program because Iran was rational. "The Iranian regime is radical, but it's not irrational," Ashkenazi said according to *YNet*. "If the regime sees international insistence, it's not illogical to assume that it will change its direction. In 2003, the Iranians halted their nuclear program after they understood that the Americans were on their way to Iraq, and knew that Iran was next in line."

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APEC Summit: The Potential for a Four-Power Alliance

Nov. 14 (EIRNS)—The heads of 21 Asia-Pacific nations, including China, Russia, and the United States, are in Singapore this weekend for the annual Asia-Pacific Economic Cooperation (APEC) forum. Speeches by Russian President Dmitri Medvedev and Chinese President Hu Jintao have affirmed the new cooperation between those two anchor nations of the LaRouche-conceived Four-Power alliance, although much of the statecraft has been taking place on the sidelines, in a series of bilateral meetings. President Barack Obama arrived late tonight from his first Asia stopover in Tokyo, and will go on to China and South Korea after the APEC gathering ends. He will meet separately with Presidents Medvedev and Hu during the weekend.

Both the Russian and Chinese Presidents addressed a gathering of business leaders today, and both speeches reflected the

strategic shift in orientation of the two governments. Medvedev, according to Itar-Tass, emphasized that the global financial crisis has forced a structural overhaul of the national economy. "He believes that Russia should become a country whose prosperity will depend not so much on raw materials as on intellectual resources, high technologies, innovative products, etc."

In comments to reporters, Medvedev and Hu stressed the recent agreements to build up the regions of the Russian Far East and China. Hu noted that the Russian President is coming to China next year, and emphasized that this will be an "important event in the development of bilateral relations."

Chinese Foreign Minister Yang Jiechi met today with U.S. Secretary of State Hillary Clinton, and invited her to visit China next year—which she accepted. She will be accompanying President Obama next week on a four-day visit to China, with stopovers in Shanghai and Beijing.

And in another indication of dramatic changes in the political relations in the Far East, Hu also met, in his capacity as General Secretary of the Communist Party of China Central Committee, with Lien Chan, honorary chairman of the Kuomintang (KMT), who was formerly vice president of Taiwan. At the meeting, Hu declared, "We should continue to follow the approaches of putting aside difficult issues, and making economic issues priority in advancing cross-Strait consultation, and strive to launch the consultation process for a cross-Strait economic cooperation framework agreement within this year."

China Expands Africa Aid Package to \$10 Billion-Plus

Nov. 8 (EIRNS)—China will offer Africa \$10 billion in preferential loans over the next three years to develop infrastructure and social programs, and will write off the debt of some of the poorest nations, Chinese Premier Wen Jiabao said at the Forum on China-Africa Cooperation (FOCAC) meeting in Sharm el-Sheikh, Egypt. China also will construct 100 new clean-energy projects on the continent and gradually lower customs duties on 95% of products from African states that have diplomatic ties with China. China invested \$7.8 billion in Africa last year and China-Africa trade totalled \$107 billion, an increase of 45% from the year before.

In the last meeting of FOCAC in Beijing in 2006, China promised to provide \$3 billion in preferential loans and \$2 billion in buyers' credits through 2009. Chinese Foreign Minister Yang Jiechi told the official Xinhua news agency yesterday that China fulfilled the pledge. FOCAC, created in 2000, includes China and 49 African countries.

"This meeting now represents a new stage of development in relations with Africa," Wen said. Besides broadening and deepening its economic and developmental ties with the heretofore only looted continent, China has increased its political and even military presence across the continent, especially with respect to East African hot spots. The Chinese anti-piracy patrol off Somalia is most notable in this regard.

Lyndon LaRouche noted that the Chinese are the only country that *pays* for the raw materials it extracts in Africa, in the form of building basic infrastructure. "The Africans love them," LaRouche said, "because they always do the work they promised, and nobody else does!"

Japan Offers Support to Myanmar at Mekong Summit

Nov. 8 (EIRNS)—In a sidelines meeting at the early November Mekong Summit in Tokyo, Japan's Prime Minister Yukio Hatoyama told Myanmar's Gen. Thein Sein, "Based on recent positive moves, Japan will gradually expand its assistance to Myanmar in areas of humanitarian assistance, including those through NGOs, and human development assistance." It was

the first time since 2003 that a Myanmar leader had visited Japan.

Just prior to the Mekong Summit, Kurt Campbell, Assistant Secretary of State for East Asian and Pacific Affairs, and Scot Marciel, ASEAN ambassador, made the highest level U.S. official visit to Myanmar in 14 years.

Gen. Jones Probes Improvement in India-Pakistan Relations

Nov. 14 (EIRNS)—Following a trip to Pakistan by U.S. Secretary of State Hillary Clinton, National Security Advisor Gen. Jim Jones is visiting the country. While the conflict in Afghanistan was on the table for discussion, what is evident is that Jones, like Clinton, is on a probing mission to bring about an improvement in India-Pakistan relations, which Washington believes would ease some pressures in Afghanistan. Clinton had made clear that she would like greater trade-linked relations between India and Pakistan.

Pakistani Prime Minister Yusuf Raza Gilani told Jones that the U.S. would have to use its influence with India for resumption of "composite dialogue" and easing tensions with Pakistan to enable it to concentrate its attention and energy on the fight against militancy and terrorism. Gilani said it was imperative for the U.S. to be sensitive about Pakistan's core interests—Kashmir, water, Indian military capability, and the need for a balance of power in South Asia.

There is growing evidence that Washington is involved in engaging India and Pakistan to improve their bilateral relations through some form of a friendship treaty. Indian Prime Minister Manmohan Singh will be visiting Washington at the end of this month, and it is anticipated in New Delhi that the subject will be brought up with the intent of finding the means to execute it successfully.

London Times Dirty Tricks Against Thaksin and ASEAN

Nov. 10 (EIRNS)—Deposed Thai Prime Minister Thaksin Shinawatra flew into Cambodia last week to a royal welcome, after his appointment as economic advisor to the Hun Sen government. The British puppet regime in Thailand is throwing a fit, and—as is to be expected—the London *Times* intervened in an attempt to protect the British and Thai monarchies from Thaksin, who enjoys majority support in Thailand and is clearly being backed by many of the ASEAN nations.

Thaksin agreed to an interview with the *Times*, from his temporary base in Dubai, before travelling to Cambodia, and, true to form, the City of London mouthpiece wildly distorted his words in order help Thaksin's enemies. The *Times*' headline read: "Thaksin calls for 'shining' new age after King's death," and claims that Thaksin was playing with "taboo areas of Thai politics." In fact, as the full interview shows, Thaksin repeatedly denied the accusations that he opposes the King or the monarchy, while blasting the Privy Council, and its head Prem Tinsulanonda in particular, for wielding power illegally by claiming the protection of the King. This, and his attacks on the British-bred Prime Minister Abhisit Vejjajiva, are what infuriates the Brits.

As planned, Thai Members of Parliament who are supporting the usurper Democratic Party government have leaped to bring *lèse majesté* charges against Thaksin, and the Thai press issued nonsense "polls" claiming that Thaksin's popularity had evaporated because of his "insults" to the King.

Thailand and Cambodia have withdrawn their ambassadors, and the *Times* writes hopefully that "there are fears of military skirmishes along the disputed border."

One prominent Thai commentator, Chulalongkorn Professor Thitinan Pongsudhirak, pointed to the reality underlying the Thaksin issue in an article that appeared around the world, but not, apparently, in Thailand. Called "Accommodation is the

only way out," his article states that "what had been a pro- and anti-Thaksin fight has gradually become a pro- and anti-monarchy struggle." He says that the Bangkok elite, made up of "the military, the monarchy and the bureaucracy" comprise a "rigidly hierarchical force," which is "insecure and fearful of what will happen after the King dies."

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