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**Rand Paul's Fascism, for Example:**  
**'The Destruction of the Destruction of the Destruction'**  
**by Lyndon H. LaRouche, Jr.**

November 9, 2010—The highest level of achievement of civilization within the Mediterranean region during the feudal times prior to the later great ecumenical Council of Florence, had been that achieved by the collaboration expressed as a 'Peace of Faith' between Christianity and Islam during the time of the collaboration between France's Charlemagne (A.D. 742-814) and the Baghdad Caliphate under Caliph Haroun el Raschid (A.D. 786-809). The "second Roman empire," also known as Byzantium, directed acts of subversion and violence against both of the parties to this friendship. With the death of Charlemagne, that Roman Empire reacted ever more forcefully in working to eradicate Charlemagne's kingdom (a kingdom which had embraced France and most of later modern Germany) through Byzantium's dupes and agents. The result was the destruction of not only much of France's and Germany's achievements under Charlemagne, but continued as also the decline and destruction of the Baghdad Caliphate, as through the combination of monetarists' methods of subversion of the Baghdad economy, and by the associated use of certain culturally brutish, imported, Turkic elements of crude muscle brought into the "Middle East" from a region of what is called "Iran" today, brought in to destroy the Arab Caliphate, and to spread that destruction, from within, throughout much of the Islamic world....

**Separate In-Depth articles from EIR, Vol. 37, No. 45-46**

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## This Week's Cover

- **Rand Paul's Fascism, for Example:**  
**'The Destruction of the Destruction of the Destruction'**  
**by Lyndon H. LaRouche, Jr.**

Senator-elect Rand Paul's poisonous ideology harks back to that of the implicitly fascist modern dionysians, Friedrich Nietzsche, Werner Sombart, and Joseph Schumpeter. As of the recent midterm election, the U.S.A. is dominated, at least for the moment, by a fascist President Obama, aided by an incoming, fascist-dominated, Republican body in the House of Representatives. This, in the midst of the worst economic breakdown-crisis of the trans-Atlantic region of the world since the Fourteenth-Century 'New Dark Age.' But, there is one last chance to reverse this process, LaRouche writes.

## Economics

- **The British Empire's Plan:**  
**Replace Government Altogether!**

The bankruptcy of Ireland's two major private banks, which owe tens of billions of euros to other European banks, is being used as an

excuse to try to force the nation of Ireland to submit to supranational financial authorities, such as the European Central Bank, and hock the interests of the Irish people to bail out the Inter-Alpha Group of banks.

- **London's 'Governance' Gives Haiti Cholera**
- **A Call for Resistance to 'Fiscal' Fascism, Automatic Slashing of State Budgets**

A statement from the leader of the Civil Rights Solidarity Movement (BüSo) in Germany, Helga Zepp-LaRouche.

## World News

- **Soros and the String-Pullers Behind Germany's 'Hot Autumn'**  
**by Helga Zepp-LaRouche.**

The introduction to a pamphlet issued by the BüSo in Germany, titled 'Stop the Hot Autumn of the Financial Locusts and Their Foot-Soldiers.' Behind the greenie madness in Germany, and the election of NerObama, lurks the philanthropo-fascist George Soros and his myriad organizations.

- **President Obama's Trip to India:**  
**Was He Singing, 'I Wanna Get Away?'**

- **LPAC-TV Interview with Sam Vaknin:**  
**Obama Is a Malignant Narcissist**

An interview with the author of "Malignant Self Love— Narcissism Revisited", and many other books. The malignant, or psychopathic, narcissist, such as President Barack Obama, lacks empathy, the crucial faculty of experiencing what it means to be human. Obama is a psychological time bomb, which could go off at any moment, endangering the nation and the world.

- **The 40th Anniversary of de Gaulle's Death**

French Presidential candidate Jacques Cheminade remembers Charles de Gaulle, who rallied the nation to the Resistance against fascism.

## Feature

- **LaRouche Webcast:**  
**After Tuesday: Last Chance To Avert a Global New Dark Age**

Lyndon LaRouche's Nov. 6 webcast address. Forget political parties: In these times, we must proceed from the standpoint of the nation, the real American System principles upon which the U.S.A. was built. If the Democratic Party, and sane Republicans, capitulate to the fascist policies of Senator-elect Rand Paul and his co-stinkers— which are shared by the President—the results will be catastrophic.

'There is no moral excuse, for compromise. And the only way you are going to win against these bastards is not by placating them.

You're going to win by crushing them—and it can be done,' LaRouche stated.

## Editorial

- **A Marriage Made in Hell**

## This Week's News

- **U.S. Economic News**
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## U.S. Economic/Financial News

### [Food Insecurity Skyrocketing in the U.S.](#)

### [Brits Defend Bernanke Hyperinflation Policy](#)

### [Bernanke's QE2 Attacked by 25 Economists](#)

#### **Food Insecurity Skyrocketing in the U.S.**

Nov. 16 (EIRNS)—A report published Nov. 15 by the Economic Research Service of the U.S. Department of Agriculture, documents growth of food insecurity in the United States as the economic crisis has worsened. According to the report, 14.7% of U.S. households, or 17.4 million, were food insecure in 2009 (defined as having difficulty providing enough food for all members, due to insufficient resources at some point during the year).

While this is only slightly higher than 2008's 14.6%, breaking down that figure results in a more dramatic picture. The number of households that reported obtaining emergency food from food relief pantries increased by 44% from 2007 to 2009, from 3.9 million to 5.6 million households. Food pantry use by married-couple families rose 66%, 57% for multiple-adult households without children, and 65% in the Midwest. In 2009, food pantry use in suburban areas topped that in large cities for the first time since 2001.

Federal government spending on food and nutrition assistance programs grew 27% in 2009, due both to a significant hike in Congressional funding and record growth in caseload, primarily in the food stamp program.

#### **Brits Defend Bernanke Hyperinflation Policy**

Nov. 14 (EIRNS)—London *Economist* chief economic correspondent Greg Ip is the latest British "expert" to instruct Americans to go along with Fed chairman Ben Bernanke's Nov. 3 hyperinflationary printing policy—even while the Bank of England avoided Bernanke's "quantitative easing" insanity themselves, when it met Nov. 4.

Writing in the *Washington Post* today, Ip claims the hyperinflation policy is necessary and "will not cause inflation." (!) He claims the Fed money presses are not really printing money—because the banks are not going to make any investments in the U.S. economy with the new Fed liquidity—they'll just speculate with it, feeding it back into the financial system. It would only count as printing money, Ip instructs us, if consumers or businesses were allowed to get their hands on any of it; and the banks will protect you from that.

#### **Bernanke's QE2 Attacked by 25 Economists**

Nov. 15 (EIRNS)—Twenty-five economists have issued a public attack against Fed chairman Ben Bernanke's "quantitative easing," QE2. In an open letter to be published this week as an ad in the *Wall Street Journal* and the *New York Times*, they say, "We do not believe such a plan is necessary or advisable," and it would "risk currency debasement and inflation," not to mention doing nothing for "promoting employment." Noting that Bernanke's actions had drawn worldwide criticism ("from other central banks"), they emphasize that they "disagree with the view that inflation needs to be pushed higher," and maintain that QE2 "is neither warranted nor helpful" in solving the economic crisis.

Signers include a combination of investors and academics, including: neo-con William Kristol; Bush-era Congressional Budget Office director Douglas Holtz-Eakin; neo-con academic and self-proclaimed (anti-)FDR "expert" Amity Shlaes; and Harvard-based "empire builder" Niall Ferguson. These people have been in consultation with incoming Congressmen, keying on likely House Budget Committee Chairman Paul Ryan (R-Wisc.). While not exactly a list of "Glass-Steagall signers"—the letter proposes "improvements in spending and regulatory policies"—there is obviously a fissure in the Republican Party on this issue.

## Global Economic News

### Kazakhstan's National Bank: The Future Is in China, Not London

### China Moves To Control Food Price Inflation

### Germany's Hankel: Euro System Is Doomed

### Irish Official: Banks Are Bankrupt, Not the State

### Kazakhstan's National Bank: The Future Is in China, Not London

Nov. 15 (EIRNS)—Large-scale funding for new investments in Eurasian nations will be raised in China and Hong Kong, not London, Grigori Marchenko, the head of Kazakhstan's National Bank, told the *Daily Telegraph* in an interview published Nov. 15. "Over-relying on London was a mistake," he said. "London was extremely important because that was where the money was. Increasingly, the money is shifting eastwards." Ten Kazakhstan companies were listed in London between 2005 and 2007, making Kazakhstan second only to Russia in the volume of equity its companies raised in London.

"People take for granted that most of the Kazakh, Russian and Ukrainian companies are doing their IPOs in London," Marchenko said. "But, excuse me, that's been the case just for the last nine years. My point is that in five years, it could be some place else." IPOs will move to Hong Kong, he said; big infrastructure investment will come from China itself.

"For China, there's a completely different, very simple and true investment story. China is going to continue to grow. For its growth, it requires natural resources. The geographically closest country is Kazakhstan," Marchenko told the *Telegraph*. In 2008, the State Bank of China and Eximbank lent \$10 billion to the Kazakhstan sovereign wealth fund Samruk Kazyna, so that key projects would be built. Now, Kazakhstan is considering further infrastructure projects, which China could help fund, Marchenko said.

"If there are projects, there is definitely money in China which could be invested in Kazakhstan. If they eventually start building a high-speed rail link from Beijing to Europe, and if they build it using their money and our territory, well why

not?"

Astana is encouraging mining companies Kazakhmys and ENRC, already listed on the FTSE stock exchange index in London, to also go to Hong Kong. "Instead of relying 95% on London like before, we should diversify, and we should raise maybe about a quarter of our capital in the Far East, where Hong Kong will be the principal financial centre, and a quarter we could raise in the Middle East," Marchenko said. "London was not the first financial center favored by former Soviet nations. If you look at the history of the last 18 years, where were the papers or equity bonds out of the FSU were first placed? The initial winners were Frankfurt, and the most actively traded market was, you know where? In Berlin. Then it was all about New York in the late 1990s, and then, because of Sarbanes Oxley [the U.S. 2002 anti-corporate-fraud law], people moved to London."

## **China Moves To Control Food Price Inflation**

Nov. 17 (EIRNS)—The Chinese government is moving to hold down the rapidly increasing prices of food and other important commodities in daily use. The State Council released a statement today that said: "We need to understand the importance and urgency of stabilizing market prices and take forceful measures. When necessary, temporary intervention measures will be implemented on prices of some important daily necessities and production materials."

The statement singled out grain, oil, sugar, and cotton as markets that it was seeking to stabilize. On the same day, it was announced that 200,000 tons of sugar will be sold out of China's reserves to Chinese food-processing companies. In Guangxi Zhuang Autonomous Region, the country's largest sugar-producing area, prices recorded a new high on Nov. 8, up 74.7% from the same period of the 2009-10 season.

The State Council also vowed to intensify a crackdown on price speculation and to punish those found hoarding commodities and pushing up prices by illegal means.

Chinese Premier Wen Jiabao made a public statement on the State Council's actions, to reassure the public that the government was acting on the crisis.

## **Germany's Hankel: Euro System Is Doomed**

Nov. 17—Wilhelm Hankel, one of five German economists who have filed a constitutional complaint against the euro bailout policy at the Constitutional Court of Germany, said in an interview posted yesterday on the infokriegernews.de website, that he expects the euro system to collapse.

The end of the euro, which will restore Germany's control of its own currency, would be a great benefit not only for Germany, but also for the rest of Europe, because it would bury the Brussels-based EU bureaucracy which Hankel sees as an adjunct of the Cold War-era NATO, which is past history now.

Ironically, Hankel added, the EU Commission is acting like Europe's Politburo, strangling freedom.

Hankel said he does not know exactly how Europe would look after the collapse of the euro system, but at least it would have regained its freedom to act, because it would return to standards of international law and the nation-state principle.

Hankel has given several interviews to *EIR*, and has participated in *EIR* conferences.

## **Irish Official: Banks Are Bankrupt, Not the State**

Nov. 15 (EIRNS)—The *Irish Independent* today quotes an unnamed government official that "there is no question about Irish sovereign debt—the question remains about the funding of the banks. The banks are having trouble getting money. We have to find out—could you go to the fund and get money for the banking sector? The Irish state doesn't need the funds. There are no negotiations. People haven't separated the two issues—the state and the banks. What is the problem? The problem is about the banks, rather than the sovereign [funds]."

The daily writes that there has been an exodus of corporate deposits from Irish banks, while the banks are fully dependent on the European Central Bank for credit. "What are the implications of that? It's just not straightforward," said the source. Finance Minister Brian Lenihan will have an opportunity to discuss it at this week's EU finance ministers' meeting, the source said. "It would be the banks that would have to pay it back—not the state."

European Central Bank Vice President Vitor Constancio confirmed this report, telling the *Irish Times*, "The Irish state is financed until part of next year, but it is also a problem of the banks that are at the center of the problems in Ireland and considerations have to be pondered." He added that Ireland should use the ECB fund to bail out its banks; the only problem is that "according to the regulations of that facility, it cannot lend directly to banks." But he quickly added, "The facility lends to governments, but then the government, of course, may use the money for that purpose."

A few days ago the Bank of Ireland reported that international customers had pulled EU10 billion of corporate deposits out of the bank before the government guarantee on EU145 billion of bank assets was extended in September. This week, the Inter-Alpha Group's AIB will issue a trading statement and it is expected to show similar outflows.

## **United States News Digest**

**Obama Signals Intent for the Next War ... Against Iran**

**House Vote Fails To Extend Unemployment Benefits**

**Republican Leaders Challenge Bernanke's \$600 Billion Bailout**

**LaRouche: Delay of START Treaty Is Dangerous**

**Pot's Destruction of the Brain Is Worse for Those Who Smoke as Teens**

### **Obama Signals Intent for the Next War ... Against Iran**

Nov. 19 (EIRNS)—In an op-ed which appeared under his signature in the *International Herald Tribune* today, and in his remarks after the first day of the Lisbon NATO summit, British puppet President Barack Obama made it clear that the two wars he's currently waging are not enough.

The one most immediately on the agenda is British puppet Israeli Prime Minister Benjamin Netanyahu's planned attack against Iran.

After a brief reference to Afghan policy, in which he has extended the period of U.S. presence until at least the "end of

2014," Obama writes: "As we move forward in Afghanistan, NATO will also transform itself in Lisbon with a new Strategic Concept that recognizes the capabilities and partners we need to meet the new threats of the 21st century. This must begin by reaffirming the lifeblood of this alliance—our Article 5 commitment that an attack on one is an attack on all."

NATO's Article 5, which began as a commitment to common defense among NATO nations ("an attack on one is an attack on all"), was expanded in 1999, to justify out-of-area deployments, such as the current NATO participation in the war in Afghanistan. It was invoked on Oct. 4, 2001, prior to the U.S. attack on Afghanistan.

Clearly, Obama anticipates invoking it again. Lyndon LaRouche commented, this shows "an intention for future wars; it starts specifically with the attack by Netanyahu on Iran. That's what's going on here."

## **House Vote Fails To Extend Unemployment Benefits**

Nov. 18 (EIRNS)—The U.S. House of Representatives today failed to pass a bill that would have provided unemployed Americans three more months to file for extended jobless benefits. Unless the current law is changed, about 4 million, out of the total of 13.3 million currently receiving some form of benefits, will not qualify to file applications after the end of this month. As described on CNN Money.com, "Federal jobless payments, which last up to 73 weeks, kick in after the state-funded 26 weeks of coverage expire. These Federal benefits are divided into tiers, and the jobless must apply each time they move into a new tier."

If the Nov. 30 deadline for the extension isn't met by some successful legislative action (e.g., a provision in a bill to extend some or all of the Bush tax cuts), including passage in the Senate, hundreds of thousands of people will start losing benefits after that date. There may be 2 million with no benefits by Christmas. Congress has, in the past, acted to make benefits retroactive, but now, who can say?

## **Republican Leaders Challenge Bernanke's \$600 Billion Bailout**

Nov. 18 (EIRNS)—In a letter to Fed chairman Ben Bernanke, top Senate Republicans Mitch McConnell (Ky.) and Jon Kyl (Ariz.), and top House Republicans John Boehner (Ohio) and Eric Cantor (Va.) challenged Federal Reserve chairman Ben Bernanke's latest \$600 billion bank bailout, writing that the plan creates significant uncertainty about the strength of the dollar, impairs U.S. trade relations, and erodes confidence in the economic outlook.

"While intended to improve the short-term growth of the U.S. economy and help maintain a stable price level, such a measure introduces significant uncertainty regarding the future strength of the dollar and could result both in hard-to-control, long-term inflation and potentially generate artificial asset bubbles that could cause further economic disruptions," the GOP lawmakers wrote to Bernanke.

Former Alaska governor and current Fox News media diva Sarah Palin, who had earlier criticized Bernanke's policy, followed that up with a letter to the editor of the *Wall Street Journal* today, in which she said: "It's time for us to 'refudiate' the notion that this dangerous experiment in printing \$600 billion out of thin air, with nothing to back it up, will magically fix economic problems...."

## **LaRouche: Delay of START Treaty Is Dangerous**

Nov. 16 (EIRNS)—Within 48 hours of President Obama telling Russian President Dmitri Medvedev that ratification of the START treaty they signed in April was a "top priority," and that he is committed to getting the treaty ratified by Congress

during the lame-duck session, Sen. John Kyl (R-Ariz.) shot down the Administration's plan with a statement issued Nov. 16.

Kyl said, "When Majority Leader Harry Reid asked me if I thought the treaty could be considered in the lame-duck session, I replied I did not think so, given the combination of other work Congress must do and the complex and unresolved issues related to START and modernization." Kyl's statement came after extensive discussions last week with Vice President Joe Biden and Secretary of State Hillary Clinton. It was hoped that Kyl would help garner the 67 votes needed for ratification.

After Kyl's rejection, Biden issued a counterstatement about the importance of START, but the situation remains unresolved on the eve of a NATO summit meeting that both Obama and Medvedev are planning to attend in Portugal.

Lyndon LaRouche expressed concern that this backing off from the START treaty, which is supported by Secretary of State Clinton and former President Bill Clinton, is a very serious development. In combination with growing antagonism between the U.S. and Russia over the extradition of accused Russian terrorist supplier Viktor Bout, LaRouche put the spotlight on finding out "what are the international implications of a chain-reaction effect of pushing these things through."

LaRouche said that we are in a "world crisis, blow-up conditions" where "you can not categorize events as such; you've got to look at what kind of process the events are representative of."

"The crisis is going to shift rapidly from any one side or the other," LaRouche said, with "this lunatic Obama and the circles around him, completely uptight, Europe as a whole going on an explosive issue, the Israeli intention to launch war, and conflict with Russia and United States, over this crazy trigger issue [Viktor Bout extradition] and START being the larger issue. It's obviously London—the British want it. British chaos."

## **Pot's Destruction of the Brain Is Worse for Those Who Smoke as Teens**

Nov. 16 (EIRNS)—A study released by McLean Hospital Neuroimaging Center at Harvard University reinforces other studies showing that marijuana smokers significantly lose mental capacities, but added that those who begin smoking before age 16, when parts of the brain are still in formation, are significantly worse. Dr. Staci A. Gruber, the director of the center, said that the study found that on tests of executive function, higher-order brain skills that include planning and carrying out mental tasks, those who started smoking before age 16 made twice as many mistakes as those who started later.

"We have to be clear about getting the message out that marijuana isn't really a benign substance," Dr. Gruber said. "It has a direct effect on executive function. The earlier you begin using it, and the more you use of it, the more significant that effect."

The findings also showed that habitual marijuana users made repeated errors in the trial tests, even when told that they were wrong. Users also had more trouble maintaining a set of rules, suggesting an inability to maintain focus. Early-onset users, and those who used the most marijuana, made more than twice as many errors and fewer correct responses than later onset smokers.

*EIR's* recently re-published *Dope, Inc.* has, in each of its several editions since the 1970s, exposed the medical damage, as well as the psychological destruction, wrought by the "recreational" use of marijuana.



# Ibero-American News Digest

## LaRouche on Haiti: 'We Are in a Global Dark Age, Right Now'

## Argentine President Honors Patriots Who Fought Against Free Trade

## Speculators Shriek, Argentina 'Is Not Playing by the Rules'

### LaRouche on Haiti: 'We Are in a Global Dark Age, Right Now'

Nov. 22 (EIRNS)—"We are in a global dark age, right now. This is not a dark age in *some* places; this is *planetary* dark age."

This was Lyndon LaRouche's response to a Nov. 17 briefing on the ever-worsening situation in Haiti, which in addition to the cholera epidemic—now confirmed to have spread to the neighboring Dominican Republic—includes violent protests in which three people have died.

"Look at the characteristics," LaRouche said. "We're not calling it a dark age, because we don't want to upset the bastards who are responsible for this! Remember what happened with the initial Dark Age, in the 14th Century—what they did to pass the blame on this, on that, and so forth. Same thing now. They are doing something which is criminally insane in respect to its consequences." That's what we're seeing *today*. It's happening *now*. It's not something that's going to happen in the future; it's happening now. It's not *maybe*; it's happening.

Because of the Obama Administration's criminal negligence, the situation in some parts of Haiti has devolved into chaos and panic. On Nov. 16-17, the northern city of Cap Haitien was engulfed in riots, in which crowds attacked UN peacekeepers, and blamed the UN's Nepalese contingent for the cholera outbreak. The protests prevented aid workers from reaching areas where cholera patients were being treated, and also hindered transport of urgently needed medical supplies. Reflecting growing panic, in Port-au-Prince, after Médecins sans Frontières (MSF, Doctors Without Borders) set up a makeshift cholera clinic near the airport, local residents began to protest, charging that the clinic's presence would spread cholera in the surrounding area.

In this midst of this chaos, however, Charles Luckson of Haiti's Corejene youth movement, is a voice of sanity, speaking passionately in a Nov. 15 interview with LPAC-TV about what the United States must do to help Haiti.

People are acting as if Haiti were already dead, he said, and that's not true! We are asking people listening, to act to implement LaRouche's policies *now*. Lukson was speaking from Cap Haitien as the riots were occurring.

He asked: Couldn't this situation have been foreseen? LaRouche warned after the earthquake that there would be social unrest, if nothing were done. If people had listened to LaRouche, we wouldn't be in this situation now. Who is to blame for the cholera epidemic? It is because nothing has been done, ten months after the earthquake. President Obama had many opportunities to act. But he stayed with his arms crossed and his ears blocked, and has done nothing to help Haiti, Luckson said. We need action *now* from the Obama Administration. Are we going to wait here to die, or is there going to be help to allow Haiti to rise again as a sovereign nation?

Luckson reported that the number circulating in the population is around 2,200 dead, but that it is more likely around 3,000, since people travelling outside the cities report seeing corpses lying by the road. As of Nov. 22, the official death

toll stands at 1,344, with 56,901 infected.

## Argentine President Honors Patriots Who Fought Against Free Trade

Nov. 21 (EIRNS)—In her Nov. 20 speech to celebrate National Sovereignty Day, and honor the heroes who fought an invading Anglo-French force at the Nov. 20, 1845 battle of Vuelta de Obligado on the Paraná River, Argentine President Cristina Fernández de Kirchner stated that she had established this new holiday in order to repay a "historic debt" to Argentines, and to the history of the country's fight against British-inspired free trade which has been "premeditatedly hidden" from the population by "official" historians.

President Fernández de Kirchner emphasized that the invasion was an attempt by foreign powers to break apart the Argentine Confederation governed by nationalist Juan Manuel de Rosas, by splitting off three provinces to create a new, pro-British country. Moreover, the Anglo-French warships were accompanied by 90 merchant vessels, "because the truth is, they came in the name of free trade, to transform this river, our Paraná River, into an international one, rather than what it is, and always will be, a river of the Argentine Nation."

Why is it, she asked, that in school, we're taught in great detail about all our battles against Spain, but the history of "those battles that took place against other colonialisms [e.g., British—ed.] which still exist, for example, on our Malvinas Islands, has been deliberately hidden?" This is no accident, she said. "I think it is to convince us many times that it's impossible to fight and maintain our national dignity."

Although the Argentines were technically "defeated" in the battle, outmanned and outgunned by sophisticated British rocketry and armored vessels, they put up a ferocious resistance, setting up large chains across the Paraná River at its narrowest point to slow down the invading force, and engaging in hand-to-hand combat with the enemy after running out of ammunition. The resistance from the population all along the river was so fierce, that the invaders were forced to make a 21-gun salute to the patriots before leaving the area as fast as they could, in their badly damaged ships.

The best way to honor those who fought 165 years ago, President Fernández underscored, is to "understand today the need for national unity as our declared goal, and as an instrument to build the great nation" of which Rosas and others dreamed.

The monument commemorating the battle "is for all Argentines and belongs to all Argentines," Fernández concluded. "From here, I want to greet those more than 40 million compatriots and call on them [to be part of] new epics, in which cannons and chains won't be necessary; but it will be necessary to remove from our minds those *cultural* chains that they have placed there. These are stronger, more invisible, more damaging, and deeper than cannon shots, and many times cause us to see things, not through the prism of our Fatherland, but through the prism of others' interests." Let Nov. 20 be a symbol of national unity, she said, "but also of dignity and sovereignty to defend the Fatherland. *Viva la Patria!*"

## Speculators Shriek, Argentina 'Is Not Playing by the Rules'

Nov. 21 (EIRNS)—The American Task Force Argentina (ATFA), speaking for a group of predatory vulture funds, has launched an hysterical offensive to get Argentina expelled from the G-20, alleging that it "doesn't play by the rules" and doesn't show proper respect for the international financial community.

Vulture funds are professional speculators. Anticipating that a country is about to default on its debt, they buy up the country's depreciated bonds at pennies on the dollar, and then demand payment for the full face value of the bonds, once default has occurred.

The Fernández de Kirchner government has just successfully concluded a renegotiation with the "holdout" creditors who didn't participate in the 2005 debt restructuring, and reached an agreement with the Paris Club of creditors to negotiate repayment of \$6.7 billion it owes.

But ATFA executives Robert Shapiro, Nancy Soderberg, and Robert Raben, who speak for the City of London, use videos they've produced to fulminate against Argentina for being a "rogue state," and "outlaw," which, they say, must still pay \$21 billion to U.S. creditors. Its behavior is "unbefitting of a G-20" member, and "demeaning to the capital markets," Raben snarled, while Soderberg charged that the current government is attacking freedom of the press and trying to "bludgeon its opponents into submission." Shapiro, a former Commerce Department official, asserts that the two Kirchner governments have been totally mismanaged and corrupt. Just use the government's \$51 billion in reserves to pay off the speculators, Shapiro demanded.

## Western European News Digest

**LaRouche on the 'Irish Crisis': Let Britain's Inter-Alpha Group Go Bankrupt**

**Von Rompuy: If You Leave the Euro, We'll Kick You Out of the EU**

**Italian Government Crisis Set for Dec. 14**

**Britain Will Be 'Sucked Into' the Euro Crisis**

**The Empire Wants Merkel Out**

**Rothschild Foxes Guarded Henhouse in Denmark**

**Panic in Ireland: Youths Begin To Leave**

### **LaRouche on the 'Irish Crisis': Let Britain's Inter-Alpha Group Go Bankrupt**

Nov. 17 (EIRNS)—Lyndon LaRouche today discussed the bankruptcy of the British imperial system, and in particular of its Inter-Alpha Group of banks, as the actual driving force behind the current "Irish crisis" that is sweeping Europe and the world financial system.

"What the British have done, is they've set up a big gamble, under which the Inter-Alpha banks are to be bailed out. The Inter-Alpha Group is now potentially bankrupt. If they don't get this 'Irish' bailout through the EU, they're in trouble. That's the reality—don't look for other interpretations. That *is* the reality.

"They took the big gamble; it's their responsibility. It goes down, and they can take heat—and will. So therefore, they are really desperate. That's why British PM David Cameron is on the line all the time with Ireland, trying to hound them into submission.

"The British system is obviously bankrupt: they are in desperate straits. They gambled on this bail-out operation of this hopeless system. If that doesn't go through, they are going to take a real blow—and a well-deserved blow. They brought it

on themselves.

"We hope that people aren't stupid enough to bail them out. Let them go bankrupt: it will be the best thing for them and for the world."

## **Von Rompuy: If You Leave the Euro, We'll Kick You Out of the EU**

Nov. 16 (EIRNS)—While the 16 finance ministers of the Eurozone meet tonight in Brussels, European Council president Herman van Rompuy, speaking this morning before the European Policy Center, a Brussels-based think tank, declared that the euro has entered a "survival crisis." Von Rompuy's comments were intended to blackmail countries—notably Portugal—that are considering exiting the euro single currency, but have not expressed any intention to leave the European Union as such. Van Rompuy's statement therefore sounds more like a threat: "We all have to work together in order to survive with the Eurozone, because if we don't survive with the Eurozone, we will not survive with the European Union." He then added that he is "very confident we will overcome this."

## **Italian Government Crisis Set for Dec. 14**

Nov. 17 (EIRNS)—The heads of the Senate and Chamber of Deputies met with Italian President Giorgio Napolitano yesterday and set the date for a confidence vote in both houses for Dec. 14. The Berlusconi government is expected to win the vote in the Senate and lose in the Chamber of Deputies. That same day, the Constitutional Court will issue its decision on the immunity bill for Prime Minister Silvio Berlusconi, probably rejecting it. This will influence the anti-government vote.

Between now and Dec. 14, games will be played for the outcome of the crisis, including bond selloffs in the markets. A massive campaign is underway in favor of London favorite, Bank of Italy head Mario Draghi, to replace Berlusconi, especially if there is a crisis over Italy's sovereign debt. Journalist Maurizio Blondet exposed this campaign as British-made, and reprinted a 2009 article from "the LaRouche group"—an article from the Italian Movisol website on Draghi and the conspiracy of international financiers against Italy, cooked up on the British Royal Yacht *Britannia* in 1992,

Economics Minister Giulio Tremonti has been silent for days now, an indication that he is plotting something. The Italian LaRouche movement (Movisol) has published a statement warning all political factions *not* to endorse a "bankers' government."

## **Britain Will Be 'Sucked Into' the Euro Crisis**

Nov. 21 (EIRNS)—The London *Daily Mail* warns its readers today that Britain will be sucked into the euro crisis, because the British and Irish economies are "inextricably bound together," starting with the banking systems. Britain is not a member of the Eurozone. U.K. banks hold £143 billion (EU168.25 billion) of exposure in Ireland, more than any other country, the *Mail* warns. The British export £23.8 billion worth of goods and services to Ireland annually, which compares with £7 billion in exports to China. They claim that Irish banks hold at least £35 billion of loans that are worthless.

The *Mail* then warns that the problem doesn't stop with Ireland. "The strong connections between our banking system and those of Spain and Ireland would suck us into any euroland crisis."

This is why British Prime Minister David Cameron has been on the phone with Irish Prime Minister Brian Cowen, demanding that he sign on to the EU80 billion bailout package the European Central Bank is demanding.

The Irish government did in fact swallow the British poison on Nov. 21, and approved a second round of draconian budget cuts—EU6 billion in 2011, and EU15 billion in 2015, in exchange for loans from the EU and the IMF.

## **The Empire Wants Merkel Out**

Nov. 16 (EIRNS)—German Chancellor Angela Merkel, in her keynote to the Christian Democrat Union's (CDU) national party convention in Karlsruhe yesterday, said this on the crisis in the European Union: "Everything is at stake—if the euro fails, then Europe will fail." She added that private banks will have to bleed, and not just the taxpayer: "Market excesses caused the crisis and markets have to bear the consequences of their actions. It's up to us. It's our task to create a new anchor for a culture of stability in Europe."

This stand explains why certain people want Merkel out of office, as soon as possible, and the Anglophile weekly *Der Spiegel* recently proclaimed the end of Merkel for the "Ides of March" 2011, namely after the Baden-Württemberg state parliament elections, which *Der Spiegel* mooted would end with a victory for the Greens and a disaster for the CDU, and finish Merkel off.

## **Rothschild Foxes Guarded Henhouse in Denmark**

Nov. 15 (EIRNS)—The British Rothschild Bank was paid almost \$2 million (10 million crowns) in salary and expenses for services related to the Danish bank bailout law during the Spring of 2009. The Danish daily tabloid *Ekstra Bladet* finally got access to the records of the Economics Ministry, after six months of ministry stalling. Most of the agreement is blacked out, so it is not possible for the Danish public to see what concrete services Rothschild Bank provided, but the one thing they couldn't black out was the huge bill, including an extra reimbursement of about \$200,000 (1 million crowns) for airline tickets, hotels, taxis, etc. for which not a single receipt was handed in. The much larger bill for services provided by Rothschild was also without any specifications.

However, the biggest scandal is not the lack of receipts, but that Rothschild Bank was called in to help design the Danish bailout of the financial speculators at all!

## **Panic in Ireland: Youths Begin To Leave**

Nov. 14 (EIRNS)—Facing a dire economic crisis, Irish youth are leaving the country. The London *Guardian* quoted an engineering student at the Institute of Technology in Tallaght, South Dublin, reporting that her best friends have already left: "They're doing bar work in Spain and Australia." She expects her college is in the process of jacking up tuition fees by an exorbitant amount, which will force her to leave.

Mark Ward, president of Tallaght's student union, says that 1,250 students are leaving Ireland every month. One in five graduates is seeking work outside the country. The Union of Students in Ireland believes that 150,000 students will emigrate in the next five years. Ward, a marketing graduate, said: "The government's to blame for bankrolling the banks who were lending to their property developer friends. They all thought the party would never end. Students shouldn't have to pay for the mistakes of the government and their developer pals. It's going to take years to sort this mess out and it won't be just my generation which will be blighted big time."

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

**Russia, China, India 'Enhance Trilateral Ties'**

## Gorbachov Crony Threatens Wiki-Attack on Russian Leaders

## Behind the Victor Bout Case: More Targeting of Putin Circles?

## Russians Talking about LaRouche as Systemic Crisis Intensifies

### **Russia, China, India 'Enhance Trilateral Ties'**

Nov. 16 (EIRNS)—Amidst intense diplomacy among the three great Eurasian powers—Russia, China, and India—the question keeps emerging: how to deal with the United States? Lyndon LaRouche has answered that question in terms of junking the Obama-Fed policy of hyperinflation, getting the U.S.A. on course with LaRouche's Four Powers policy, if the three Eurasian powers themselves are to survive.

Recent discussions in the region have revisited the idea of a Russia-China-India "Strategic Triangle," first put forward in 1998 by then-Russian Prime Minister Yevgeni Primakov. A commentary in the *China Daily* today states that, 10 years after the concept of the Strategic Triangle was first proposed, Russia, China, and India "have begun to recognize the importance of enhancing their trilateral ties to safeguard their interests since the start of the new century, especially following the US wars in Afghanistan and Iraq.... The global financial crisis, which has dealt a heavy blow to Western countries, has made the China-Russian-Indian trilateral cooperation increasingly prominent." The crisis, author Yu Jincheng wrote, "has offered rare opportunities for the three countries to push forward their economic restructuring and to take the initiative in the post-crisis era."

An editorial today in *The Hindu*, India's newspaper of record, said that other regional forums cannot be any "substitute for the Russia, India, China trilateral (RIC). What makes the trilateral unique—and important—is the convergence of geography, foreign policy philosophy, and economic ascent within the group." Unlike the EU or Japan, "their foreign policy is independent.... The three also have strong ties binding them, though these are somewhat uneven." But a "mismatch within the trilateral stems from the way each relates to the United States."

Chinese Prime Minister Wen Jiabao will go to Russia Nov. 22-24, to meet with Vladimir Putin for the 15th China-Russia Regular Prime Ministers' Meeting. On Nov. 25, Wen will be in Dushanbe, Tajikistan, for the 9th Meeting of Prime Ministers of Member States of the Shanghai Cooperation Organization (SCO), involving the governments of China, Russia, Kazakhstan, Tajikistan, Kyrgyzstan, and Uzbekistan, as well as Mongolia, India, Pakistan, and Iran. In Moscow, the two PMs will discuss recovering trade levels, advanced technologies, and energy cooperation, as well as military sales, following the visit of Russian Defense Minister Anatoli Serdyukov to Beijing Nov. 9.

Wen will go to Pakistan Dec. 15, and then to India, Dec. 16-17. Russian President Medvedev will also go to India for an annual summit in late December. In preparation, on Nov. 18 New Delhi will host the 16th Indo-Russian Intergovernmental Commission on trade, economic, scientific, technological and cultural cooperation, co-chaired by Indian External Affairs Minister S.M. Krishna and Russian Deputy Prime Minister Sergei Ivanov. They will discuss Indian energy investments in Siberia and the Yamal peninsula, and nuclear energy cooperation.

### **Gorbachov Crony Threatens Wiki-Attack on Russian Leaders**

Nov. 22 (EIRNS)—Alexander Lebedev, business and political crony of ex-Soviet President Mikhail Gorbachov, boasted to the *Daily Mail* of London Nov. 13 that a journalist from his and Gorbachov's *Novaya Gazeta* has met in Sweden with Wikileaks founder Julian Assange, who is on record as wanting to release classified documents to expose corruption in the

"despotic" Russian regime. Russian media trumpeted the story that anticipation of such a smear campaign was the motive for a recent raid on Lebedev's National Reserve Bank (NRB) in Moscow. Lebedev himself attempted to build up the drama by saying he could list "50 other reasons" for the raid, ranging from "corrupt FSB [Federal Security Service] officials" to "the Moscow construction mafia."

The Nov. 2 raid on the NRB was done by Moscow city police special forces, carrying a warrant from a city court. A press spokesman for the city police said the investigation was "part of a criminal case opened earlier." Whoever commissioned the raid, it was a blow against interests around Gorbachov—whose London special relationships go back to his years in charge of the U.S.S.R.—that have been trying to destabilize the power of Prime Minister Vladimir Putin, in particular.

*Novaya Gazeta* has been especially active in attacking allies of Putin, as in a vicious article last Spring against Russian Railways leader Vladimir Yakunin and Far East Presidential Envoy Victor Ishayev for promoting Siberian development projects. On Oct. 20, Gorbachov himself condemned both Putin and President Dmitri Medvedev for letting Russia become "a swamp of stagnation, apathy, and corruption." His line is that more "democratization" is the precondition for economic progress in Russia. At the same time, liberal politician Boris Nemtsov and others are promoting a scenario in which Medvedev would distance himself from Putin and build up "democratic" credentials, in preparation for a 2012 reelection run, by pardoning Mikhail Khodorkovsky, the jailed ex-CEO of Yukos Oil. A verdict in Khodorkovsky's second trial for financial wrong-doing is to be handed down next month. Other Moscow press outlets are promoting rumors that Yakunin, as well as Gazprom head Alexei Miller, will step down soon.

Lebedev also owns two British dailies, the *Independent* and the *Evening Standard*. He and his son run the Raisa Gorbachov Foundation. According to Russian sources, Lebedev's British ties date from his work in London as a young KGB officer in the 1980s, his friendship with members of the Rothschild family having subsequently facilitated the amassment of seed money for his acquisition of the NRB in 1995.

### **Behind the Victor Bout Case: More Targeting of Putin Circles?**

Nov. 18 (EIRNS)—A well-placed Russian analyst has warned that the extradition of alleged Russian arms dealer Victor Bout to the United States, to stand trial on charges of selling weapons to the Colombian FARC, has a deeper purpose, totally unrelated to his "business" dealings. The source has been warning about a concerted international campaign, coming principally out of London, to remove Russian Prime Minister Vladimir Putin from the political scene in Russia before the next Presidential election. By bringing Bout to the United States, he said, corrupt U.S. officials are trying to use Bout as an informant against Russian government, oil industry, and intelligence officials. The larger context is a British-directed effort to sabotage U.S.-Russian strategic cooperation. Russian officials who met with Bout in a New York City Federal prison charged that U.S. government agents tried to strike a deal with Bout during his transfer from Thailand to the United States, when there was no attorney present.

The Russian specialist reported that Bout's role as an international arms dealer was greatly exaggerated by the media and by U.S. Justice Department officials, and that they are really out to exploit his ties to the Russian military and intelligence establishment, and use him as part of a political operation. In reality, the analyst explained, Bout is a mid-level figure who did engage in the international cargo business, including international arms sales.

A senior U.S. intelligence official confirmed that the Bout affair has created friction between the U.S. and Russia at a critical moment, when cooperation between the two nations is expanding—despite President Obama. The Bout affair, he warned, could worsen the friction, particularly if Senate Republicans succeed in postponing a vote on the START II treaty until the new Congress convenes in January 2011.

### **Russians Talking about LaRouche as Systemic Crisis Intensifies**



Nov. 22 (EIRNS)—American economist Lyndon LaRouche is being paid close attention in many circles in Russia and Ukraine, especially among opponents of kowtowing to British imperial monetarist dictates.

\* The Nov. 18 LaRouchePAC release "LaRouche on the 'Irish Crisis': Let Britain's Inter-Alpha Group Go Bankrupt" has been republished in Russian by two of the most widely read bloggers in Russia: the Maxim Kalashnikov blog, and Alexsword in the Global Adventure financial forum, and on the site of Natalia Vitrenko's Progressive Socialist Party of Ukraine, and as well as being posted by forum participants at other locations. Kalashnikov told his readers, "Lyndon LaRouche is warning of the danger of the 'Irish' bomb exploding."

\* Earlier this month, Russian economist Mikhail Khazin was interviewed on Radio Ekho Moskvyy radio about the flurry of attention to World Bank head Robert Zoellick's nervous *Financial Times* article calling for a new set of reserve currencies and some role for gold in the world system, to succeed the failed "Bretton Woods II" (1971) system. Khazin started citing "the well-known American dissident Lyndon LaRouche" as having called for a new Bretton Woods for many years.

Few Russians, however, grasp the parameters of a real vs. a phony Bretton Woods, or the nature of a credit system. Russian press and commentators, stuck in the muck of British monetarist categories, reveal horrible confusion about Bretton Woods, "the gold standard," gold pegs, and fixed exchange rates, even though several have expressed a dawning recognition that the bailouts are a disaster. "The U.S. Printing Press Issues Death Warrant for Globalization," headlined a Newsinfo.ru report on the Fed's latest \$600 billion debt purchase plan.

\* An LPAC-TV report from Oct. 21 was the third-highest viewer-rated, and ninth most viewed news video on Russia's RuTube service Nov. 18. It reported on an intervention by the Summer Shields Congressional campaign outside a Russian-American Business Council meeting called "From Silicon Valley to Skolkovo," featuring a Russian-language banner quoting LaRouche: "Free Russia from the Pirates of the Caribbean."

In RuTube's Science section, LaRouche's reply to Student Republic leader Pavlo Viknyansky during the Sept. 24 webcast, titled "Ukraine Needs Science, Not Biznes!", was the 5th-highest rated and 12th most viewed video today. It has also been published in a written translation on the Student Republic site.

## Southwest Asia News Digest

### Gates Warns Against Iran War

### Will Palestinian Statehood Be Exchanged for 90-Day Settlement Freeze

### Former U.S. Ambassador Kurtzer Slams Obama for Sellout to Netanyahu

### Turmoil at AIPAC Over Espionage and Pornography Scandals

### Gates Warns Against Iran War

Nov. 17 (EIRNS)—In an unusually detailed report, Defense Secretary Robert Gates, speaking at a *Wall Street Journal* CEO conference Nov. 16, warned against any military operations against Iran, on several grounds. Gates said that attacks on Iran would not eliminate its nuclear weapons program, but would in fact *unify* factions within the country, and make



Iran's commitment to acquiring nuclear weapons even stronger. Gates made reference to growing distrust of President Mahmoud Ahmadinejad by Iranian Supreme Leader Khamenei.

When asked about Israeli Prime Minister Benjamin Netanyahu's recent assertion that "the only way to ensure that Iran is not armed with nuclear weapons is to create a credible threat of military action against it, unless it stops its race to obtain nuclear weapons," Gates rejected the formulation; he insisted that sanctions and diplomacy can, and are working.

"I personally believe they [Iran] are still intent on acquiring nuclear weapons," Gates said, "but also, the information that we have, is that they have been surprised by the impact of the sanctions." The sanctions "have really bitten much harder than they anticipated, and we even have some evidence that Khomeini now is beginning to wonder if Ahmadinejad is lying to him about the impact of the sanctions on the economy, and whether he's getting the straight scoop in terms of how much trouble the economy really is in."

Gates said that "the only long-term solution to avoiding an Iranian nuclear weapons capability, is for the Iranians to decide it's not in their interest. Everything else is a short-term solution."

### **Will Palestinian Statehood Be Exchanged for 90-Day Settlement Freeze**

Nov. 22 (EIRNS)—Israeli Prime Minister Benjamin Netanyahu's security cabinet was expected to narrowly approve a three-month Israeli settlement freeze in the West Bank, in exchange for U.S. promises of \$3 billion in military aid and, a commitment that the United States will *not* support any United Nations resolution recognizing Palestinian sovereignty.

But following a week of intense criticism by the smaller right-wing parties in Netanyahu's coalition, and by a large faction of his own Likud party, further obstacles are being imposed by the Israelis to any negotiated peace.

The Knesset is scheduled to vote Nov. 22 on proposed legislation—already approved by the Israeli cabinet—which would limit the Israeli government's ability to cede the captured territories east Jerusalem and the Golan Heights in any negotiated accord. Any ceding of territory would have to pass the Knesset by a vote of 80 out of 120 seats.

The 90-day freeze proposal was widely criticized following its announcement after the Hillary Clinton/Netanyahu meeting of Nov. 11. Knesset member Danny Danon (Likud) convened an emergency meeting with Samaria local authority chief Gershon Mesika, Beit El Mayor Moshe Rosenbaum, Elkana Mayor Tzadok Nehorai, other Judea and Samaria local authority officials and Likud activists. (Judea and Samaria is the Israeli name for the area that includes the Palestinian West Bank, and is under Israeli military occupation.) Danon declared: "If Netanyahu opts for a second freeze, we will consider parliamentary steps in resistance to a continuation of the freeze," reported *Haaretz*.

On Nov. 15, Shas party chairman Eli Yishai said that he would abstain in a cabinet vote on a new freeze if two conditions are met, one of them being a letter from President Obama promising that Israel can resume construction of settlements after 90 days. Yishai added that he also wants it made clear that all building for Jews will proceed in all of Jerusalem.

### **Former U.S. Ambassador Kurtzer Slams Obama for Sellout to Netanyahu**

Nov. 20 (EIRNS)—"Previously, U.S. opposition to settlements resulted in penalties, not rewards, for continued construction. Washington deducted from its loan guarantees to Israel an amount equivalent, dollar for dollar, to the money that Israel spent in the occupied territories," wrote former U.S. Ambassador to Israel Daniel Kurtzer in a *Washington Post* op-ed which blasts Obama for rewarding Israel for its "bad behavior." Kurtzer zeroes in on the unprecedented buying of a mere 90-day pause in settlement building—where the plans and machinery remain in place to start up immediately—in

return for \$3 billion in advanced military equipment. It is also reported that Likud Prime Minister Netanyahu is also demanding that Israeli spy Jonathon Pollard be freed from U.S. prison in return for the 90 meaningless days of non-building.

Kurtzer, who also was U.S. Ambassador to Egypt, says that the United States has opposed settlement construction in territories seized by Israel during the 1967 War for more than 40 years. Obama is the first President to reverse that policy completely. Kurtzer had been a "vigorous supporter" of Obama in 2008, notes UPI, but now questions whether there is any strategic thinking behind Obama's policy.

## **Turmoil at AIPAC Over Espionage and Pornography Scandals**

Nov. 22 (EIRNS)—A civil lawsuit by former AIPAC (American Israel Public Affairs Committee) political director Steven Rosen against that notorious Israeli lobby group threatens to blow up into a killer scandal. Rosen was fired by AIPAC in 2005, when he was indicted on espionage charges, and he sued his employer of more than a quarter of a century, soon after the Justice Department dropped the charges against him and another AIPAC official, Keith Weissman. A Pentagon accomplice, Larry Franklin, was prosecuted and reached a plea agreement, in which he admitted that he passed classified information on Iran to AIPAC's Rosen.

Rosen has charged that he was wrongfully fired from his job, and has threatened to expose a much larger pattern of spying for Israel and trafficking in classified documents, implicating the very top officials of the group. AIPAC has charged that the firing of Rosen was legitimate, and had to do with violations of an AIPAC employees code of conduct, barring, among other things, the use of AIPAC computers to view and download pornography. A recent 280-page deposition of Rosen by AIPAC attorneys, now in the public record, reveals the group to be a hotbed of perversion. Under interrogation by AIPAC's attorney, Rosen admitted that he used his office computer to view pornography, and that during "extreme sexual experimentation" periods, he may have used the AIPAC computers to solicit homosexual sex on the adult section of Craigslist, an online auction site.

Rosen insists that many top AIPAC officials, including executive director Howard Kohr, also spent hours viewing pornography on the job, and that Rosen was often called into Kohr's office by Kohr or his secretary, to get in on the fun. Rosen says he can prove that AIPAC's board was fully aware of his and other AIPAC officials' trafficking in government documents, and that what he did was fully sanctioned and standard practice for the group. Rosen is suing for \$50 million in damages, but the real damage to AIPAC potentially goes way beyond the money. Profumo meets Portnoy and Jonathan Pollard?

## **Asia News Digest**

### **China and India To Cooperate in Rail Development**

### **Telecom Scandal Rocks Indian Government**

### **Mahathir Denounces Currency Speculation, Demands Bretton Woods**

## **China and India To Cooperate in Rail Development**

Nov. 18 (EIRNS)—An eight-member government delegation from India, consisting of managers, economists, financiers, and engineers, arrived in China on Oct. 24, to study the process followed in China for long-term planning and financing of

the rail sector; development of specific projects; and engineering design and construction. China's medium- and long-term plan for railways aims to expand its railway network between 2005 and 2020, from 65,000 route-km to 120,000 route-km. As India is also planning for a significant expansion of its rail network, this topic sparked a lively discussion. India Railways and China Railways together employ nearly 4 million employees, operate tens of thousands of kilometers of railways, and can move millions of people each day.

Both governments are aggressively promoting the expansion and modernization of the railways, since both countries know that railways play a critical role in the economic growth of these continental-size developing countries, and do so with reduced environmental impact and resource consumption compared to other options.

The group visited the new and futuristic railway stations recently opened at Beijing South and Tianjin, and traveled on the high-speed train between these two cities at a speed that reached 330 km/h. Then, the group moved to heavy-haul freight transport, including a visit to the Datong-Qinhuangdao (DaQin) dedicated coal railway that is at present alone transporting 400 million tons of coal per year. Indian Railways is expected to adopt some of the technical and operational features of the DaQin line on the dedicated freight corridors that are being planned and are under construction in India.

Finally, the delegation visited transportation hubs, where several modes converge, and handling, and storage are concentrated. Both China and India are establishing such hubs.

## **Telecom Scandal Rocks Indian Government**

Nov. 20 (EIRNS)—A major financial scandal, which involves selling second-generation spectrum telecom licenses to business houses, has burst open in India and is rocking the Manmohan Singh government. The timing is of particular importance, since Presidents Nicolas Sarkozy of France, Dmitri Medvedev of Russia, and Wen Jiabao of China will all be in India within less than a month.

The scandal has been in the air for more than a year. The Telecommunications Minister has resigned, and there are serious charges from the opposition, and also from the party leadership within the government, that the Prime Minister did not act and allowed the scam to get bigger. Yesterday, Singh, whose political acumen is a few notches lower than that of the Obama-Pelosi duo in the United States, sought the help of Sonia Gandhi and Rahul Gandhi, both of whom announced support for the premier.

The case has been placed before the Supreme Court, with a claim that Singh and his gang deprived the country's Treasury of at least \$40 billion by handing out sweetheart deals to the top business houses. The Court has received an affidavit from Singh about the deals. If the Prime Minister is found to be lying in that affidavit, he will have to leave office.

## **Mahathir Denounces Currency Speculation, Demands Bretton Woods**

Nov. 16 (EIRNS)—Bloomberg reports that, in an interview, "former Malaysian Prime Minister Mahathir Mohamad said currency trading is 'silly' and the world should return to the Bretton Woods System of fixed exchange rates."

"What we should do is stop this silly thing called currency trading," which would remove one source of "instability," Mahathir said. "This idea that the market should fix the exchange rate is a new thing. A currency war is not something that is going to overcome the present crisis. The result is a very unstable exchange rate system in the world."

Mahathir said that Malaysia's ringgit should be re-pegged, and criticized current Prime Minister Najib Razak's September proposal to allow off-shore ringgit trading, which would remove the nation's remaining control, imposed during the 1997

Asian financial crisis. "I think the government came up with this idea at the wrong time," Mahathir said. "I think that the government may have second thoughts now, because if everyone else is controlling their currencies and you allow your currency to be manipulated by the market you will suffer."

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