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LaRouche Emergency Address:

Trans-Pacific Alliance Can Re-Launch Bankrupt Economy

This program was broadcast on LPAC-TV on Sept. 30, 2011. Matthew Ogden was the moderator.

There's going to be some sad news in this, tonight. There also is, as compensation, the opportunity for a great step forward, in terms of the conditions of humanity. Now, there are about three sections to what I have to say today. One has to recognize that we have entered into the most dangerous period in known history of civilization. We're at the point of a general breakdown crisis of the entirety of the trans-Atlantic region, especially the north trans-Atlantic region, in which the only alternative is to shift the center of attention, from the disaster in the trans-Atlantic region, to the optimism we can hope for in the trans-Pacific region. That's generally the nature of the situation. The situation otherwise is this: There is a general breakdown process underway now. We are nearly at the terminal end of the existence of the order of the trans-Atlantic world as we've known it up to now. Exactly what hour or even what day, this thing is going to collapse, we don't know, but the collapse is now, in its present form, barring a miracle, inevitable. The first condition to be considered is the following: Since the trans-Atlantic region is in a breakdown crisis—that includes the United States, implicitly Canada, and Western Europe, and so forth—then we have to look at the alternative for organizing a recovery, which is in the Pacific region. The condition for the measures which can be taken to overcome this crisis, is the immediate removal of President Barack Obama from office...

Separate In-Depth articles from

Executive Intelligence Review

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This Week's Cover

- **LaRouche Emergency Address:**

- **TransPacific Alliance Can Re-Launch Bankrupt Economy**

Lyndon LaRouche's response, in a webcast Sept. 30, to the 'Russian surprise'—the announcement that Vladimir Putin would stand for election as President, and that the London-controlled Finance Minister Kudrin was out on his ears. Given the current, imminent collapse of the global economy, an orientation toward the trans-Pacific region is now in order, said LaRouche, combined with the immediate removal of Obama from office. This will clear the way for the reinstatement of GlassSteagall, and adoption of a credit system, as elaborated in the discussion with members of the LPAC Basement Team that followed.

- **A Status Report:**

- **Russia and China: Develop the Far East**

Based on an LPAC-TV presentation of Sept. 30, Michelle Fuchs of the Basement Team reviews some of the major projects underway in Eurasia.

- **China Takes Step Toward Permanent Space Station**

- Arctic Conference:
'Territory of Dialogue'

National

- An Impeachable Offense:
Obama's Summary Execution of U.S. Citizen Anwar al-Awlaki
As more details emerge about the extra-Constitutional execution of a U.S. citizen, Anwar al-Awlaki, and the death of a second American, Samir Khan, by a CIA drone attack in Yemen on Sept. 30, the urgent issue of President Obama's impeachment takes center stage.
- Campaign for NAWAPA Hits Pennsylvania
A breakthrough LaRouchePAC Town Hall Meeting was held on Sept. 24, just north of Valley Forge in Pennsylvania, featuring two LaRouche Congressional candidates.

Economics

- Why London Finds Argentina 'Odious'
The British Empire has never forgiven Argentina for unilaterally defaulting on its debt in December 2001, imposing a 75% 'haircut' on the vulture fund bondholders that had been looting the country for decades—and for achieving record economic growth after that. To London's terror, the word 'Argentina' is now on the lips of everyone in Greece.
 - Documentation:
Fernández: Argentina's Best Fuel Is Its People
 - Argentina:
There Is Life After Default
A brief history of Argentina's courageous—and successful—resistance against the IMF/ World Bank hit men.
- LaRouche's Seven Necessary Steps:
Step Five: National Mobilization for the Construction of NAWAPA
The original plans for NAWAPA were developed alongside those for the space program and for civilian nuclear power, into the years of the aborted Kennedy Administration.
 - Small Projects Won't Work

International

- German Bundestag Betrays Nation:
Ignoramuses Plan for Weeks; Russia, China for a Century
When the German parliament voted up the expansion of the EFSF euro bailout facility, few had even a vague idea of the actual sums involved, writes Helga Zepp-LaRouche. But while Europe is heading deeper into hyperinflation, Russia and China are paving the way for real economic expansion.
- Interview: Dr. Ghada Karmi:
Is Palestine's UN Bid the Final Chance for a 'Two-State Solution'?
'I have earnestly sought to persuade the international community that there really is no way forward,' for the Israel-Palestine conflict, Dr. Karmi told EIR, 'unless we return the people of Palestine who were expelled, to live together with the current community in Israel, and the two of them to share the land. . . .'

Science

- [Astronauts Ask Congress:](#)

[Does America Want a Real Space Program, or Not?](#)

Testimony by America's veteran Apollo astronauts Neil Armstrong and Gene Cernan Sept. 22 to a House committee, confronted members of Congress, by contrasting the 'can-do' leadership of President Kennedy, to the 'been there, done that' attitude of the Obama White House. Nothing less than the future of the U.S.A., and its upcoming generations, is at stake.

- [Documentation:](#)

['Shoot for the Moon; Even if You Miss, You'll Land Among the Stars.'](#)

Editorial

- [Economics as Human Science](#)

This Week's News

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U.S. Economic/Financial News

[Urban Fiscal Conditions Continue To Worsen](#)

[Cattle Herds Liquidated as Drought Causes Crop Failures](#)

Urban Fiscal Conditions Continue To Worsen

Sept. 29 (EIRNS)—The results of the latest survey of fiscal conditions conducted by the National League of Cities proves that years of budget cuts only lead to more budget cuts. The survey of 272 cities, released on Sept. 27, found that cities ended FY2010 with "the largest year-to-year reductions in general fund revenues and expenditures in the 26-year history of the survey." General fund revenues in 2010 declined 3.8% from 2009 revenues while expenditures fell by 4.4%.

Those declines are expected to continue in 2011, though by smaller margins of 2.3% and 1.9% respectively. Conditions are not expected to improve in 2012 and 2013 either, because property tax collections, which fell 2% in 2010 compared to 2009, haven't yet expressed the full collapse of the real estate market; collections tend to lag market conditions by 18 months to several years. City sales and income tax receipts also fell, although cities tend to rely on these taxes less than on property taxes.

As a result of these revenue shortfalls, cities have resorted to murderous budget cuts. Seventy-two percent of cities reported making personnel reductions, such as through layoffs and hiring freezes, and 60% reported delaying or canceling capital infrastructure projects (both actions lead to increased unemployment, though this is not stated). "Facing revenue and spending pressures, cities are likely to continue to make cuts in personnel and services, and to draw down ending balances in order to balance budgets."

Cattle Herds Liquidated as Drought Causes Crop Failures

Sept. 27 (EIRNS)—The rate of cattle liquidation in the parched drought states of the Southern High Plains, may result in at least a 7% drop in the breeding herd by January 2012, and severe meat shortages in the near future, warned the Kansas Farm Bureau this week. Ranchers cannot maintain their herds, under the extremes of weather, lack of water infrastructure, and venal inaction by the Obama Administration.

Still, the Agriculture Department and White House continue their policy of non-intervention into the unfolding food supply crisis. In this void, civic groups, churches, and students are trying to come to the rescue of Texas ranchers, with small-scale relief drives. For example, the western Iowa Lutheran church (ELCA) is now mobilizing to collect donated hay, and truck it to northern Texas, where a Lutheran church distribution network is trying to provide the fodder as the margin that will allow a few ranchers to continue in operation. Interstate shipping costs for a semi-load of big bales is \$2,500, for which fundraising is going on nationally.

An article, "Fewer Cows," was issued Sept. 24 by John Schlageck of the Kansas Farm Bureau. "The U.S. beef industry is in the throes of a severe drought that is burning up the southern High Plains—particularly Texas, Oklahoma, Kansas and New Mexico.... Ranchers across these states are liquidating their herds at historically high rates, as grazing land, feed and water supplies dry up. Texas alone is expected to lose 600,000 beef cattle.

"Those livestock producers who have been forced to shrink their herds will have fewer cattle to sell. Because they've been forced to sell off large numbers of heifers, many will have smaller breeding herds to rebuild supplied....

"If liquidation continues into the Fall, the breeding herd on Jan. 1, 2012, could fall as much as 7%,' the Kansas Farm Bureau economist [Mark Nelson] says. 'This would be a loss of 2 million head of beef cows. This is huge and could mean a reduction in cow herd numbers this country hasn't seen since the early 1960s.'...

"...Rebuilding the nation's cattle herd will not happen overnight and may be painfully slow."

Global Economic News

[Russia Tests Express Container Trains](#)

[Morocco Lays Cornerstone for African First High Speed Railway](#)

Russia Tests Express Container Trains

Sept. 28 (EIRNS)—Two subsidiaries of Russian Railways, RZD Logistics and TransContainer, are in the process of testing express container trains on the route between Yekaterinburg and St. Petersburg, a distance of 2,300 km by railroad. According to Russian Railways president Vladimir Yakunin, the company's primary objective in this field is to increase the competitiveness of rail transportation in container traffic.

The first container train left Yekaterinburg at 4:20 PM GMT on Sept. 9, and arrived in St. Petersburg at 12:20 am on Sept. 12. The train covered 2,300 km in 68 hours. The operation of such trains is an important step in the introduction of cutting-edge transportation and logistics services, said Yakunin.

The two cities are on the Trans-Siberian route which RZD knows will be vital to its success if it is to compete with ocean freight routes. The route has the capability to link Berlin with Beijing, and RZD openly states the importance of regular container shuttles traversing this section of the network.

Morocco Lays Cornerstone for African First High Speed Railway

Sept. 29 (EIRNS)—On Sept. 29, the Moroccan government laid the foundation stone for the first high-speed railway in Africa. The ceremony for launching the high-speed line, which will connect Tangier, Rabat, and Casablanca, took place in Tangier, and was attended by King Mohammed VI of Morocco; French President Nicolas Sarkozy; Saudi Prince Megrin Ben Abdulaziz Al Saud; Karim Ghellab, Minister for Equipment and Transport in Morocco, among others.

The Tangier-Casablanca line is scheduled to enter service in 2015, cutting the travel time from nearly six hours now, to just over two hours. It will eventually be extended to Marrakesh and Agadir, Moroccan officials said. Financing for the \$4 billion project has been arranged, with France providing a EU920 million loan and other loans from Arab states, including Saudi Arabia, the United Arab Emirates, and Kuwait. The technology is from the French group Alstom, which will provide Morocco with 14 high-speed trains.

The project could be extended to Algeria, which has begun upgrading its rail network to include a relatively high-speed line from the Moroccan border that will link it into the Algerian grid. Tunisia has also been upgrading its network. Libya, which has no railways, had plans prior to the overthrow of Qaddafi, in which the Russians were supposed to build a 500 km line along the Mediterranean coast. From Libya, a line could link into the Egyptian network. From Tangier, there are proposals for building a 40 km tunnel beneath the Strait of Gibraltar, for which both Spain and Morocco have commissioned studies.

United States News Digest

[Wall Street 'Indignados' Have No Program But LaRouchePAC's](#)

[Obama's Sweetheart Settlement with Wall Street Coming Unhinged](#)

[Even Biden Is Dissing the President](#)

[States Cutting Jobless Benefits To Pay Debt to Feds](#)

Poverty Rates Soaring in California

Wall Street 'Indignados' Have No Program But LaRouchePAC's

Oct. 4—(EIRNS)—The New York Police Department arrested some 700 protesters on Saturday as they marched across the Brooklyn Bridge as part of the continuing "Occupy Wall Street" protest that began on Sept. 17. Protesters have been encamped at Liberty Square near Wall Street since Sept. 17, and a national action is planned for Washington on Oct. 7. All the arrested protesters, who were part of a much larger number, were released late Saturday night. They have complained that police "set them up" by allowing the marchers to cross the bridge, and then arresting those who were in the roadway, and not on the narrow pedestrian sidewalk.

Following the arrests, many hundreds of major print and television media began reporting on the Occupy Wall Street demonstrations as a growing movement like the youth protests in European and Middle East cities. The Muncie (Ind.) *Free Press* reported that "supporters of Lyndon LaRouche" are part of the ongoing protests in New York.

But while there is tremendous anger driving these mass protests, which have now spread to Chicago, Las Vegas, Los Angeles, San Francisco, and Miami, to name a few, the only *solutions* being provided are those from LaRouchePAC. This was already shown on Sept. 17, when LPAC organizers, led by Diane Sare of the LPAC Democratic Congressional slate, dominated the first day of the Occupy Wall Street protests, with hours of choral music and an ad hoc economics class to about 100 people, emphasizing Glass-Steagall. Even more interesting was the report a *Washington Times* blog Oct. 4, that the restoration of Glass-Steagall—specifically, H.R. 1489—is topping a list of demands being voted on by one of the groups leading the demonstrations.

With the accelerating collapse, the situation is even more ripe for LPAC policy.

Obama's Sweetheart Settlement with Wall Street Coming Unhinged

Oct. 1 (EIRNS)—For 11 months now, Obama has been trying through his stooge, Iowa Attorney General Tom Miller, to reach a sweetheart settlement with Wall Street banks which would stop all investigation of their mortgage-related crimes, in exchange for a small payoff of perhaps \$20 billion. Miller has repeatedly lied, on behalf of Obama, that the banks would be granted only limited immunity from their crimes, despite multiple leaks from within his group to the London's *Financial Times* and the *Wall Street Journal*, insisting that in fact, the banks will be given a "Get Out of Jail Free" card for everything.

Miller has also repeatedly lied that this settlement is around the corner, for the same purpose of trying to prevent investigation and prosecution by state Attorneys General.

But now that California Attorney General Kamala Harris has publicly dropped out of the deal Sept. 30, who can believe those lies any longer? Harris said, among other things, that the Obama-Miller group was offering the Wall Street banks immunity from crimes which have not yet been investigated, and finally refused to go along.

That means the states which are known to have dropped out include New York, whose AG Schneiderman was thrown out a month ago, along with Delaware, Nevada, Massachusetts, Kentucky, Minnesota, and likely, Arizona. How could any settlement be possible without these states, which include some of the largest and most important for such a settlement, like California, which has more underwater borrowers than any other state? Yet Miller stuck to the Obama lie, saying, "California has been an important part of our team and has made a significant contribution to this case. However, the national effort is pressing forward, and we fully expect to reach a settlement with the banks."

Even Biden Is Dissing the President

Sept. 30 (EIRNS)—Things have gotten so bad for President Barack Obama that even Vice President Joe Biden has joined the chorus. In an interview late this week, Biden candidly—and accurately—admitted that the American people hold Obama, not George W. Bush, responsible for the lousy state of the U.S. economy. In an interview on WLRW radio in Miami, Fla. yesterday, Biden said, "Even though 50-some percent of the American people think the economy tanked because of the last administration, that's not relevant. What's relevant is we're in charge.... And so I don't blame them for being mad. We're in charge. So they're angry."

Biden's remarks were widely picked up in the national media. CNN's White House correspondent Brianna Keilar noted, "The comments here from the Vice President are kind of cutting into President Obama's assertion that we've heard him make often, that he was really handed a tough situation, that the financial crisis happened even before he was elected."

States Cutting Jobless Benefits To Pay Debt to Feds

Sept. 28 (EIRNS)—Since 2009, the state of Georgia has borrowed \$721 million from Washington to help the unemployed survive, and now it may repay the debt by cutting back on jobless benefits. The state Labor Department will send a \$21.4 million check to Washington this week, the first payment on the debt. Labor Commissioner Mark Butler strongly favors cutting benefits—both the weekly amount and the number of weeks of eligibility. The state's official jobless rate is now 10.4%. More than \$15 million of this week's \$21.4 million interest payment came from the state's Medicaid program. The Labor Department dipped into its job-services program for the remainder of the interest payment. The Commissioner said the General Assembly will consider cutting the eligibility timeframe, as well as weekly amounts.

Other states have already moved in this direction. Michigan, Missouri, and South Carolina this year cut eligibility from 26 to 20 weeks. Florida cut payouts from 26 to 23 weeks.

Poverty Rates Soaring in California

Sept. 27 (EIRNS)—A report from Sacramento County's Countywide Services Agency provides a snapshot of the increase in misery in California, as the poverty rate soars, and is exacerbated by state and local budget cuts, which continue unabated. One in every four people living in Sacramento County is served by the Countywide Services Agency, which released some figures to the *Sacramento Bee* on Sept. 27:

* CalFresh, the new name for the food stamp program, has seen its enrollment grow by 50% in the last three years;

* CalWorks, the "welfare jobs" program, which provides minimum-wage jobs to mostly single mothers, has seen its enrollment up by 20%, even as it is being cut by the state. Both of these programs, in fact, are being investigated for "fraud," as part of the assault against government run by lunatic Republican state legislators. While the doctored figures for unemployment show that 12% of the California workforce is unemployed, one can get a sense of the magnitude of the crisis even from these figures. The nonpartisan California Budget Project released a report this month which shows the following:

* The poverty level in the state is 16.3%. More than 2.2 million children—almost 1 in 4—live below the Federal poverty level;

* A record low percentage of working age Californians presently have jobs;

- * Close to 1 million unemployed have been out of work for more than six months, many much longer;
- * The average work week is the shortest since 1985, as many of those listed as "employed," are working part-time;
- * The hourly wage, adjusted for inflation (which is a joke, as they are using official, fraudulent inflation figures), is the lowest in 10 years;
- * "Inflation-adjusted" income figures, for the typical California household, dropped by 4.6% in 2010—the largest single-year drop on record;
- * Loss of public sector jobs in California, as a result of constant budget cutting, is more than double the national average in the last three years. A new budget forecast will be out by next week, and will show that the uptick in revenue reported in July, has ended, and did not represent a systemic improvement, as Gov. Jerry Brown tried to hype it, but was due to short-term factors—primarily, an increase in capital gains tax due to speculative gains made by the artificially pumped-up stock market at the beginning of the year. In fact, only three months into the 2011-12 fiscal year, it is likely that the expected deficit will again balloon out of control, and the "budget hawks" are calling for the nuclear budget option, no matter how many people it will kill.

Ibero-American News Digest

- [Why London Finds Argentina 'Odious'](#)

Why London Finds Argentina 'Odious'

That question is addressed in our InDepth section this week, with a package of articles pivoted on President Cristina Fernández de Kirchner's beautiful speech at the start-up of Argentina's long-stalled third nuclear plant, Atucha II, where she proudly reasserts Argentina's historic understanding that science, defeating monetarism and sovereignty are one and the same fight.

Western European News Digest

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British Imperial WBGU Policy Pushed Ahead Again

German Expert: Europe Has To Work with Russia

Sept. 29 (EIRNS)—Alexander Rahr, Russia expert at the German Foreign Policy Association (DGAP) in Berlin, in an article for the Valdai Discussion Forum published Sept. 28, wrote that Russia's most likely next President, Vladimir Putin, does not—as many in the West still think—have a secret plan to restore the old Soviet Union, but that he wants to have cooperation with the West on a new basis of mutual partnership. Particularly, Putin thinks of a zone of close economic cooperation between Russia and Europe.

At the end of his article, Rahr has the following crucial message for the Europeans: "Hopefully, the European Union will realize that if it wants to remain relevant in the changing world, there is no alternative but to work closely with Russia, whether it's Putin or Medvedev who is in charge—especially with a crisis looming."

Greek Opposition Looking Toward Russia

Sept. 27 (EIRNS)—The Greek opposition New Democracy Party is putting together a "Plan B" as an alternative to the economic suicide of the European Union's infamous bailout "memorandum" and its toxic cocktail of austerity and "reforms." At the center of this policy is expanding economic cooperation with Russia. Two Greek MPs, Dimitris Avramopoulos, the vice president of the party, and Simos Kedikoglou, attended the United Russia party congress where Vladimir Putin and Dmitri Medvedev made their Sept. 24 announcement to switch roles in the next election as President and Prime Minister.

On Oct. 29, the first Greek-Russian investment conference "New Horizons of Economic Relations of Greece and Russia, in the Sphere of Investment Policy, Commerce and Tourism," opened on the island of Rhodes.

Troika Locked Out of Greek Ministries

Sept. 30 (EIRNS)—The arrival in Greece on Sept. 29 of the infamous EC-ECB-IMF Troika was confronted with the occupation of the Finance Ministry by civil servants, forcing the Troika to move its meeting with Finance Minister Venizelos. Demonstrators were holding banners saying "Barbaric Measures," while they shouted "take your bailout and leave!" "We are sending a loud message to the government and the European Union that we have reached our limit, that it is the workers in our country, and especially workers in the public sector, who have carried the burden," said Costas Tsirikas, president of public sector union ADEDY, according to today's *Guardian* of London.

On Friday, 50 employees from Infrastructure, Transport and Networks Ministry blocked the entrance to the ministry, as the Troika chiefs arrived by car for a meeting with Minister Yiannis Ragoussis, on opening up to non-unionized workers the closed-shop professions, and reorganizing urban transport. The talks had to be rescheduled.

Inflation Takes Off in Europe

Sept. 30 (EIRNS)—The official euro-area annual inflation rate jumped to 3% in September, up from 2.5% in August, the European Union statistics office reported today, in an initial estimate. That's the biggest annual increase in consumer prices since October 2008. Bloomberg headlines this undoubtedly wildly underestimated increase as "unexpected." But when authorities are madly issuing money by the "squillions," and simultaneously shutting down real production about as fast as the money is issued, hyperinflation is the only possible result.

Slovak Opposition's Sulik: Let the Banks Fail

Sept. 29 (EIRNS)—Richard Sulik, leader of the Slovakian parliamentary opposition against the EFSF bailout fund, was in Germany on Sept. 28, where he met President Christian Wulff. Ratification of the EFSF deal requires that all 17 member-states approve, and Slovakia is one of the four which has not yet voted yes. Sulik is Speaker of the Slovak Parliament and head of the Freedom and Solidarity Party. He also appeared as a special guest on Anne Will's political talk-show, which airs on prime time on first channel ARD.

"Greece must be allowed to declare bankruptcy," Sulik said. "What happens then is that "some banks will go bankrupt, and what governments must do is to preserve the savings of the population. That is cheaper than to save all banks, and much cheaper than to save all states."

Tremonti To Resign Over Banca d'Italia Fight?

Oct. 1 (EIRNS)—The conflict between Italian Economy Minister Giulio Tremonti and his enemies in the ECB/financial markets may come to a head over the designation of the next governor of the Banca d'Italia. Tremonti has been pushing his candidate for months: current Treasury director general Vittorio Grilli. The enemy side wants instead an "internal" solution with Fabrizio Saccomanni.

Prime Minister Silvio Berlusconi has often sided with the enemy and is endorsing Saccomanni. If Tremonti resigns, as is being reported, it will be because he now finds the situation within the government untenable.

British Imperial WBGU Policy Pushed Ahead Again

Sept. 30 (EIRNS)—One day before the infamous German EFSF-Bundestag vote, all the factions in the parliament except the Linkspartei introduced a motion to the government, calling for speeding up implementation of the genocidal WBGU policy (without naming it).

The motion demands as core points: "The worldwide transformation of national economies to economically, ecologically, and socially sustainable economic models" should be "considerably sped up." "Respecting of the natural limits of the planet as a core principle of action for policy and economy" should be enshrined! Institutionally, they demand the government "contribute to increase the political visibility of the sustainability agenda in the system of the United Nations and [to build] a greater political spectrum" for this agenda.

Russia and the CIS News Digest

[China Announces Putin Visit for Oct. 11-12](#)

[Yakunin Chairs Odessa Conference on Trans-Siberian Transport](#)

[European Commission Raids Gazprom Partners](#)

China Announces Putin Visit for Oct. 11-12

Oct. 1 (EIRNS)—The Chinese Foreign Ministry yesterday announced the dates of Russian Prime Minister Vladimir Putin's forthcoming visit to China. It will take place October 11-12. Putin will meet with Chinese Prime Minister Wen Jiabao, Chinese President Hu Jintao, and other top Chinese government officials, and will discuss bilateral relations and international and regional issues of mutual concern.

Yakunin Chairs Odessa Conference on Trans-Siberian Transport

Oct. 2 (EIRNS)—Over 200 delegates from 23 countries participated in the 20th plenary session of the Coordinating Council of Transsiberian Transportation (CCTT) in Odessa on Sept. 28. The event was keynoted by Vladimir Yakunin, president of Russian Railways, who delivered a status report and map of future plans for expansion of the Trans-Siberian rail system. The core concept, as spelled out by Yakunin, is "Trans-Siberian Railway in 7 Days," meaning that freight can be transported, by rail, from the Asian Far East to Western Europe in one week or less, at costs significantly below maritime shipping via the Suez Canal.

Among the priorities cited by Yakunin, according to news accounts, was the linking of the Trans-Korean rail system with the Trans-Siberian, the development of transport hubs, and the working out of tariff agreements, to minimize impediments to freight flows across the span of Eurasia. Yakunin was quoted on the importance of the Korean links: "By establishing a direct rail link with South Korea after upgrading and modernizing the Trans-Korean Main Line and its connection with the Trans-Siberian Railway, Russia will be able to create an optimal transit corridor between South Korea and Europe and compete successfully with the sea route for shipping cargo via the Suez Canal. As part of this project, Russian Railways is developing a new cargo route: from the port of Rajin in North Korea—Tumanga in North Korea—Khasan in Russia and on to Russia's railway network and Europe."

Yakunin also cited ongoing work on a railway line from the Slovak town of Kosice to Bratislava and Vienna.

European Commission Raids Gazprom Partners

Sept. 30 (EIRNS)—Within hours of Vladimir Putin asserting his leadership of Russia with his 2012 Presidential bid, the London-run European Commission engaged in a provocative geopolitical countermove, launching surprise raids Sept. 27 on gas trading companies in Eastern Europe associated with the Russian state-owned gas giant Gazprom. Under pretext of infringement of liberal market laws, EC inspectors, with full search rights under EU law, raided the offices of six trading companies, seizing documents, seeking intelligence related to upstream supply levels, i.e., Gazprom.

The Competition Directorate-General, headed by Alexander Italianer, and under political control of European Commissioner for Competition Joaquin Almunia, which ordered the raids, is the same unit that imposed the disastrous financial market liberalization on Germany's large publicly owned state bank and savings and loan (Sparkassen) sector. Then, yesterday, Energy Commissioner Gunther Öttinger (a German) announced legal proceedings against 18 EU countries for not implementing the EC Third Energy Package. That package too includes major provocations against Russia and Gazprom, as it mandates separating the ownership of pipelines from gas suppliers.

By 2012, Gazprom intends to supply 30% of the gas consumed in Europe and has existing and new pipeline projects related to that effort. The EC's combined moves are aimed at ending long-term gas supply contracts, imposing a speculative gas spot market price system, like the Anglo-Dutch oil spot market systems. The London-authored provocation intends to disrupt any bilateral cooperation between Europe, and especially Germany, with Russia, by imposing EC dictates to encircle Russia with speculative free markets. Targeted are intentions such as those of German senior Russian expert Alexander Rahr, who praised Putin's Presidential decision as a new opportunity for Germany and Europe.

Reuters stated on Sept. 28 that Vladimir Feigin of the Moscow Energy and Finance Institute, and a member of the Russian delegation which negotiates on energy with the EU, charged that the European Commission was taking a "dangerous path" with the raids.

Southwest Asia News Digest

Blair's Days as Big Player Seen as Coming to an End

Palestinian President Abbas on Global Tour for UN Membership

Russia Foils Syria Sanctions Resolution for Now

Blair's Days as Big Player Seen as Coming to an End

Sept. 29 (EIRNS)—Her Majesty's little poodle, Tony Blair, might be finding his days numbered as a big international player. Last week, Britain's Channel 4 had an exposé on how Blair mixes his roles as paid advisor to JPMorgan and as Middle East envoy overseeing aid to the Palestinians. The program revealed an overlap with JPMorgan, which pays Blair a \$2 million retainer, and certain business contracts in the Palestinian territories.

Now the *Independent* reports that a few days ago, Blair was declared *persona non grata* at the Labour Party conference. In fact, when party leader Ed Milliband mentioned Blair's name, loud boos crescendoed throughout the hall.

Now the Palestinians want him removed as envoy for the Quartet on Middle East peace, charging that he is biased towards Israel.

Palestinian youth groups of the main political parties have already declared Blair *persona non grata* in the West Bank and would not meet him there, a Palestine Liberation Organization (PLO) official said, according to the *Independent*. "If, as expected, the youth wings make a formal declaration about Mr. Blair, it is likely to be adopted by senior politicians."

Citing diplomatic sources, the Jerusalem-based *Al-Quds* newspaper reported that the Quartet intended to appoint a new peace envoy to the Middle East following a Palestinian request for Blair's dismissal, according to the political blogger Guido Fawkes, who posted a translated excerpt on his website.

A PLO official would not confirm the report, but said there was discontent over his stance. "Does the Palestinian Authority trust Tony Blair? The answer is no. Does anyone in the Palestinian leadership support Tony Blair? The answer is no," the PLO official said. "He is closer to an Israeli diplomat than a neutral negotiator."

Palestinian President Abbas on Global Tour for UN Membership

Oct. 2 (EIRNS)—Palestinian Authority President Mahmoud Abbas will embark today on an international tour to build support for Palestine's application for full United Nations membership. The issue is formally being taken up by the UN Security Council. On Sept. 30, Abbas met in Ramallah with a group of Arab and other foreign diplomats, pressing the case for full statehood and UN membership.

The same day, the PLO Executive Council met and rejected the Quartet call for the resumption of negotiations with Israel

with no preconditions. The PLO leadership agreed that there would be no new talks until Israel fully suspended settlement building, and accepted the 1967 borders—both measures that the Netanyahu government will never accept. The PLO was expected to formally deliver its answer to the Quartet within days.

Abbas will first travel to Strasbourg, to meet with European Union officials, before traveling to Honduras, Colombia, and Portugal—all currently members of the UN Security Council. The PA needs 9 of 15 Security Council votes to have the issue of UN membership referred to the General Assembly for approval. President Obama has said, repeatedly, that if the Palestinians get the 9 needed Security Council votes, the U.S. will veto the membership. The U.S., along with Tony Blair and the Israeli government, has heavily pressured the Security Council member countries to abstain or vote "no" on statehood. As of Oct. 1, the rotating presidency of the Security Council shifted from Lebanon to Nigeria.

In remarks delivered before his departure for Europe, Abbas said that reports that the U.S. Congress had frozen \$200 million in aid to the Palestinian Authority would not deter him from pursuing the UN membership. According to Xinhua, talks between Fatah and Hamas over implementation of the unity agreement will resume in Egypt in mid-October or early November, and President Abbas will soon propose early elections for parliament and for the Presidency of a reunified Gaza and West Bank Palestinian government.

Russia Foils Syria Sanctions Resolution for Now

Sept. 30 (EIRNS)—Russia's UN Ambassador Valery Churkin made clear this week that Russia will not repeat the compromise it made on UN Security Council resolutions on Libya in the case of Syria. After days of behind-closed-doors negotiations over contending draft resolutions, Churkin made clear that Russia will not support any resolution even suggesting sanctions against Syria. A European resolution, drafted by France, Britain, Germany and Portugal, gave Syria 30 days to end the crackdown and free all political prisoners—or face sanctions, including a possible Security Council referral to the International Criminal Court (ICC).

Russia rejected any text that included any form of sanctions, although a Russian draft did condemn the Syrian government crackdown, but placed equal blame on the armed insurgents. So far, the other BRIC countries—all currently seated on the Security Council—appear to be backing the Russian stance.

The U.S. Ambassador in Syria, Robert Ford, was pelted by rocks today in Damascus, as he returned from a meeting with opposition leaders. Ford has been highly visible with the opposition since the outbreak of demonstrations and violence, and Syrian officials have soured on Ford's behavior, after initial positive expectations about his appointment.

Asia News Digest

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First-Ever China-India Strategic Economic Dialogue

Sept. 27 (EIRNS)—The first India-China Strategic Economic Dialogue (SED) took place in Beijing on Sep. 26. The strategic dialogue mechanism was established by Chinese Prime Minister Wen Jiabao and his Indian counterpart, Manmohan Singh, during Wen's visit to India last year. India became the second nation with whom China has set up the SED. The United States is the first. India and China have also set up the India-China CEO's forum.

Implicitly, this pre-scheduled, bilateral SED presages the kind of summitry which could be rapidly in store under a strategic shift to a Great Pacific Alliance perspective of China, Russia, and the United States, once the U.S. is unleashed from its current London/Obama subjugation.

"The meeting achieved positive results," China's state-run news agency Xinhua quoted Premier Wen as saying. Wen said he hoped the two countries will continue to make efforts to give the dialogue a greater role in promoting bilateral relations and cooperation. "The goal of the dialogue is to further strengthen our mutual trust under the current situation and to expand our strategic partnership of cooperation," Wen said.

China's delegation to the dialogue was led by the Zhang Ping, chief of its National Development and Reform Commission (NDRC), while the Indian team was headed by Montek Singh Ahluwalia, Deputy Chairman of the Planning Commission.

The two keynote addresses at the SED were followed by three working group meetings, on industrial policy and cooperation, which focused on industrial policies, infrastructure (for example, expanding railways networks), market access, and information technology; on energy conservation and environmental protection; on water resources, with the focus on water management, as well as water-saving technologies.

ASEAN Initiates Own Development Fund

Sept. 27 (EIRNS) —Southeast Asian nations launched a nearly US\$500-million fund last Saturday to build infrastructure by pooling their own resources,

Finance ministers of ASEAN said the fund would offer loans to build roads, railways, and other projects without direct foreign assistance. Ministers signed the pact in Washington, D.C., on the sidelines of the annual World Bank and IMF meetings.

The ASEAN Infrastructure Fund will start with US\$485.2 million and aims to finance six projects a year. By 2020, ASEAN hopes the fund will offer \$4 billion directly in loans and that its total leverage will be worth more than \$13 billion.

Malaysia is the biggest contributor, with Indonesia second. The Asian Development Bank (ADB) will provide \$150 million and eventually offer 70% of financing for the fund.

ASEAN officials said China, Japan, and South Korea had voiced interest in taking part in the initiative, but added that the region has decided to keep it internal for now. "Our position is that, at the initial stage, it should be in ASEAN," said Malaysian Second Finance Minister Ahmad Husni Hanadzlah.

Chinese Officials and Bankers Say 'No' to More Euro Bailouts

Sept. 26 (EIRNS)—Speaking at the IMF meeting Sept. 24, People's Bank of China chief Zhao Xiaochuan said it's "too early" to determine how emerging economies, including China, can further help the eurozone out of the sovereign debt crisis.

More directly, Gao Xiqing, vice chairman of China Investment Corp. (the Chinese "sovereign fund") said that the national sovereign wealth fund can't be a "savior" of other countries. "We have our own policies and we have our own problems," he said during the IMF meeting.

Privately, some banking leaders are even more blunt. An Asian economist called several of his Chinese banking associates to brief them on the failure of the IMF meeting and the certainty of near-term defaults and financial chaos. He told *EIR* that the universal response of the Chinese he is in touch with was rage at the fact that they had been swindled into giving the modest sums already expended to buy sovereign debt in Europe, and that there was no doubt that there would be no more handouts to those who cheated them.

Malaysia and Indonesia Stay with Nuclear

Sept. 29 (EIRNS)—Malaysia stated its firm intention to proceed with its plans for functioning nuclear power facilities within ten years, in addressing the nuclear conference at the UN in New York.

Malaysian Minister for Foreign Affairs Anifah Aman told the UN: "For Malaysia, nuclear energy development is one of the primary projects embarked by the Government under its Economic Transformation Programme. The first nuclear power plant is envisioned to be commissioned in the year 2021, followed by the second in 2022.... Our focus is on the development of a comprehensive nuclear programme, including its legal and regulatory frameworks as well as an assessment of public opinion."

Indonesia is also moving ahead. Bangka Belitung Governor Eko Maulana Ali in June 2011, following the Fukushima crisis, insisted that the construction of nuclear power plants in Bangka continue as part of efforts to meet national electricity needs. He hoped the power plants could be established by 2025. The nuclear power plants will eventually supply 40 percent of electricity needs in Sumatra, Java, and Bali.

On March 17, Adiwardojo, the head of nuclear energy development at Indonesia's National Nuclear Energy Agency, said that concerns about a disaster like that of Japan's were misplaced, because any plants Indonesia would use would have technology far more advanced than that of the four-decade-old reactors at the Fukushima plant in Japan.

Africa News Digest

McCain Dumps Qaddafi, Shifts Support to NATO-Installed Leadership in Libya

City of London Takes Another Step To Control Africa

McCain Dumps Qaddafi, Shifts Support to NATO-Installed Leadership in Libya

Sept. 30 (EIRNS)—In a complete turnaround from his 2009 visit with Muammar Qaddafi's son Mutassim in Libya, Sen. John McCain (R-Ariz.) led a Republican Senatorial delegation in a meeting with the rebel leadership in Tripoli yesterday. The delegation said the post-Qaddafi rebel government would become a strong ally of the U.S.A., and praised Obama for his role in the regime change. This was the highest U.S. delegation from the United States to visit since the overthrow of Qaddafi. The delegation included Lindsey Graham (S.C.), Mark Kirk (Ill.), and Marco Rubio (Fla.).

In his 2009 visit, in which he did most of the talking, McCain told Mutassim, Qaddafi's son and National Security Advisor,

according to Wikileaks, that he would do what he could to help Libya obtain military supplies, particularly new aircraft, if it gave up what were described as its weapons of mass destruction, which included its nuclear power project. Graham also accompanied him on that trip, along with Susan Collins (R-Maine) and Joe Lieberman (I-Conn.). At that time, McCain said U.S.-Libya relations were strong, and thanked Libya for its counterterrorism cooperation.

Kirk has dropped his previous opposition to the regime-change operation in which Obama played such a significant role. In March, Kirk had demanded that Obama should better define the role of the U.S. military in Libya, and that Obama should have sought approval from Congress before using force there.

After yesterday's visit to Tripoli, Kirk said: "This is a victory for the United States military, for our British and French allies, for NATO, for the president of the United States, but most importantly for the Libyan people.... This was a success by President Obama and his team. Any military conflict has ups or downs or things you might have done differently, but we have all the makings of a very strong U.S. ally in Libya."

However, fears being expressed by U.S. institutions, Europeans, and the Libyan National Transitional Council (NTC) that the McCain delegation met, about the danger represented by jihadi elements in Libya to take advantage of the power vacuum in Libya, makes Kirk's talk of a strong ally sound incompetent. Reports are now circulating that the Absolute Monarchy of Qatar, a collaborator with NATO in the Libyan regime change, is supplying weapons and otherwise supporting the head of the Tripoli military council Abdul Hakim Belhaj. Belhaj is a Libyan who had deployed in Afghanistan with jihadists, and then founded the anti-Qaddafi Libya Islamic Fighting Group, which had an office in London.

As the Islamist vs. secular fight develops in Libya (the NTC is mostly secular, as is a large part of the Libyan population), Qatar will be in a good position to fan the flames of internal conflict. Sheik Ali Salabi, a prominent Libyan Islamic scholar, lives in Qatar, but travels to Libya frequently. He has close ties to Belhaj. Salabi's brother, Ismail, heads another Islamist militia in what had earlier been the rebel stronghold of eastern Libya. The Salabis have been openly critical of the rebel leaders, calling them "radical secularists" who bring a "new era of tyranny" to Libya.

City of London Takes Another Step To Control Africa

Oct. 3 (EIRNS)—International Criminal Court (ICC) judges today authorized ICC prosecutor, Luis Moreno-Ocampo, to launch an investigation of post-election violence after the Presidential election in Ivory Coast on Nov. 28 last year. Then-President Laurent Gbagbo, an opponent of policies the IMF had imposed prior to his initial election in October 2000, contested numerous irregularities, initially verified by African Union, after which militias of his opponent, Alassane Ouattara, moved to take Abidjan, the commercial center and largest city. Ouattara had formerly worked with the IMF.

Instead of investigating the irregularities, French President Nicolas Sarkozy sent the French military, with political cover from UN peacekeeping forces, to launch a military campaign that eventually led to the arrest of Gbagbo.

The ICC was originally founded with money from British agent George Soros, and its actions will serve as a message to Africans not to consider resisting the British system's globalist control of Africa, as well as French control of its former colonial sector. This investigation will be the ICC's seventh formal probe, *all* of which have been cases involving Africa.

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